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Role of market instruments in Achieving INDC/NDC in ASP

Asia Pacific (ASP) Regional Workshop on Integrating Market Mechanism to Intended Nationally Determined Contributions (INDC.)

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Sri Lanka Climate Fund

Vision & Mission

Vision: Sri Lanka will have Carbon neutral and climate resilient economy

Mission: To Support Government of Sri Lanka (GoSL) to achieve low carbon & climate-resilient development by ;

- Building partnerships with market players and leveraging respective Strengths.
- Catalyze private investment by demonstrating commercially viable business models and enhancing effectiveness of financial instruments; and
- Being conduit for receiving international climate finance.

Organizational Structure of SLCB



Overview of On-going work

Climate Fund Management:

- The World Bank (WB)
- United Nation Development Program(UNDP)
- Ministry of Mahaweli Development & Environment (MMD&E)

Project management:

Energy sector:

- NDP/GEF/SLSEA Programme of bio energy technologies
- Japanese Biomass based power project in Ampara
- Solar PV for public building
- Micro scale renewable energy programmes

Transport sector:

- Electric three wheeler project

Overview of on going work

Voluntary emission trading scheme

- Sri Lanka Carbon Crediting scheme
- Carbon Footprint certification and neutrality

Market mechanism/instruments

- Developing scale up crediting mechanism for power sector
- Nationally appropriate mitigation actions (energy sector, nation MRV system

Accreditation (in the process

- Adaptation Fund
- Green Climate Fund

Policy advice to GoSL

- Preparing concept notes on various national programmes

INDC/NDC

Overview of INDCs in ASP

Type of target	Country	Pledge
Economy-wide emission reduction targets	China, India	Relative to GDP
	Japan	Relative to base year
	Russia	
	South Korea	Relative to baseline scenario
Energy targets	China	
Policy targets		
Projects		

Overview of INDCs in Asia Pacific Region

- **161 INDCs covering 188 countries and 98.7% of global emission**
- **48 out of 53 ASP countries have submitted INDCs**
- **33 ASP countries have GHG targets**
- **10 ASP countries (Indonesian, Iran, Vietnam, etc) explicitly indicated the Use of International Market Mechanism (IMM)**
- **5 ASP countries (Malaysia etc) indicated that they have no intention to use IMM.**
- **22 ASP countries have unconditional INDCs**
- **36 ASP countries have conditional INDCs**

Role of market Instruments in achieving INDCs/NDS

Role of Market Instruments in Achieving INDCS

Type of markets	Purpose	Instruments
		New Mechanism under UN (VCERs)
Compliance	International transferred mitigation outcomes	New Mechanism Under UN (VCERs), Joint Crediting Mechanism, Internationally Recognized ETS, SCERs
	Domestic Use	Clean Development Mechanism (CDM) Domestic ETS (CCERs)
Voluntary	Voluntary Actions	VCS, GS, SLCCS (SCERs)

VCERs -Voluntary Certified Emission Reductions

ETS -Emission Trade System

VCS - Verified Carbon Standard

GS - Gold Standard

SLCCS – Sri Lanka Carbon Climate Scheme

Sri Lanka's INDCs

- Sri Lanka being a developing country, anticipates achieving development objectives while moving in to a low carbon development pathway.
- It intends to reduce the GHG emissions against Business-As-Usual (BAU) scenario.
- Unconditionally by 7% (Energy sector 4%, and 3% from other sectors, Transport, Industry, Forest and Waste) and
- Conditionally 23% (Energy sector 16% and 7% from other sectors, which include transport sector as well) by 2025.

Major Sectors considered of INDCS preparation of Sri Lanka

- Mitigation sector
- Adaptation sector
- Means of implementation (finance, technology development and transfer, capacity building)
- Loss and damage

Major Two Sectors considered as highly important to be considered in developing market mechanism

No.	Mitigation Sector
1	Power and Energy
2	Transportation
3	Industry
4	Forest and Land use
5	Waste (Pollution)

No.	Adaptation Sector
1	Health
2	Food security (I Agriculture, Fisheries, Livestock).
3	Water Sector
4	Irrigation sector
5	Coastal and Marine sector INDCs
6	Biodiversity sector INDCs
7	Tourism and Recreation
8	Urban, City Planning and human Settlements INDCs

Major Areas where Market Mechanism to be more concerned of INDCS preparation

No.	Mitigation Sector
1	Power and Energy – Renewable Energy sector improvements (Solar, Wind biomass, and tilde wave and
2	Transportation – Low carbon emission transport systems – Road, Air and Sea.
3	Industry - Introducing energy efficient instruments.
4	Forest and Land use – Carbon Trade initiatives
5	Waste (Pollution) – Waste into Energy?

GHG emission in main sectors 2010 (only .6%)

- Energy – 29%
- Transport – 27%
- Agriculture – 25%
- Waste – 11%
- Industry – 8%

Power and Energy

Item No.	Action Description	Sub activities
1.	Five (5) hydro power generation plants will be added into the system (221 MW).	i. Broadland, 35 MW
		ii. Uma Oya 120 MW
		iii. Monaragolla 31 MW.
		iv. Thalpitigala 15 MW.
		v. Ginganga 20 MW.
2.	Non Conventional Renewable Energy contribution in the National Grid will be increased by 762.74 MW.	i. Introduce new Mini/Micro Hydro power plants.
		ii. Wind farms
		iii. Biomass
		iv. Solar
		v. Other
3.	Phase out four (4) coal power plants, 4x300 MW, by Demand Side Management Activities (DSM).	

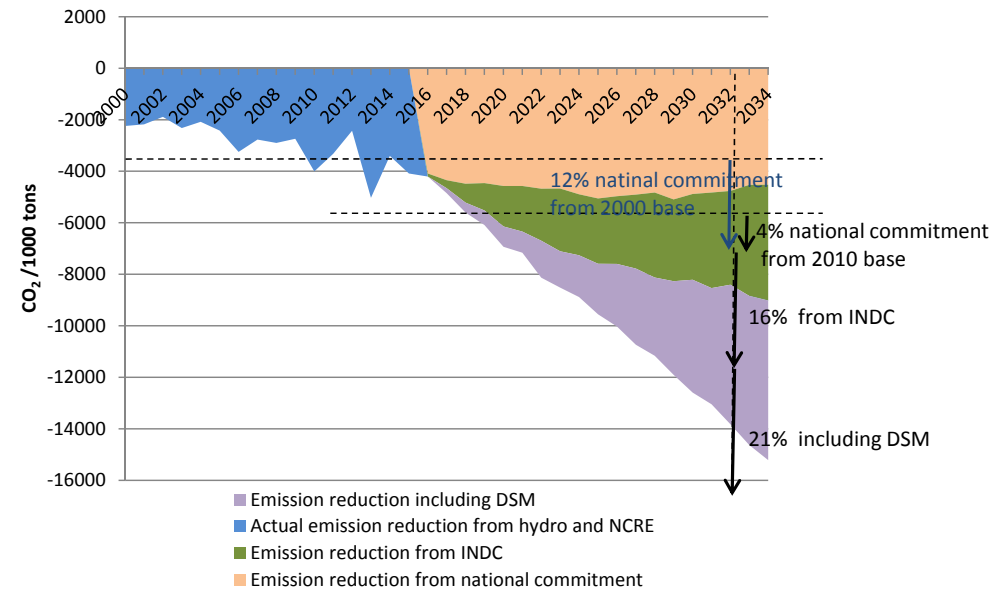
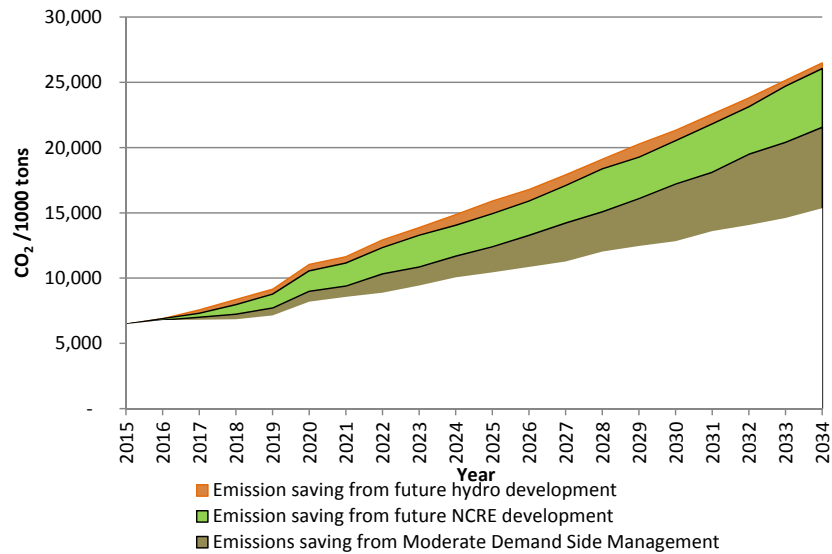
Transportation

No.	Major INDCs	Sub actions
1	Establishment of energy efficient and environmentally sustainable transport systems by 2025	i. Get 10 Electric Buses as a Pilot Project-
		ii. Introduction of BRT.
		iii. ITS (Intelligent Transport System) based bus management system.
2	Upgrading of Fuel Quality Standards in order to reduce harmful emissions causing environmental pollution and health hazards.	i. Improving Vehicle Emission Testing Programme /spot testing
		ii. Introducing Electronic Vehicles and Hybrid Vehicles.
		i. Electrify railway from Wayangoda to Panadura
3	Reducing unproductive transport systems from current usage.	i. Develop Urban Transport Master Plans to introduce Transport system in line with Megapolis Plan that currently being finalized
4	Shifting of passengers from private to public transport modes.	i. Introduce Park & Ride system
		i. Introduce the BRT system for Galle Road Corridor
		i. Rehabilitation of Kalanivelly Railway line
5	Introducing and electric railway system.	i. Electrify railway from Weyangoda to Panadura.
6	Enhancing the efficiency and quality of public transport and Economic instruments to environmentally friendly transport modes.	• Purchase new rolling stock for SLT.
7	Electrification of three-wheelers	

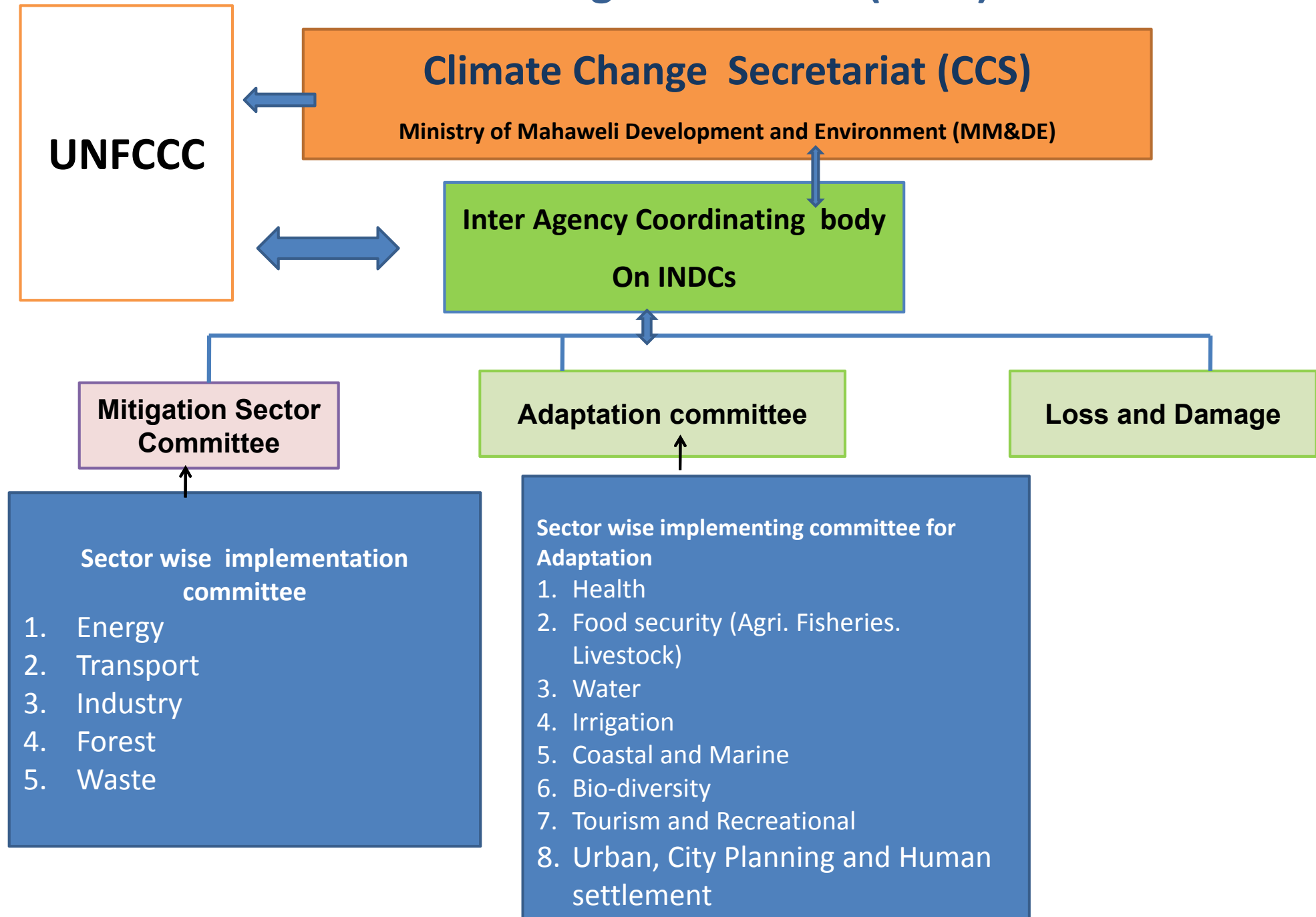
Industrial sector

No.	Action Description	Sub activities
1	Modernization and facilitate industries to follow recognized standards	such as ISO 14000 -, ISO 14040 series -, ISO 14062 - Design for Environment, ISO 14064 - Greenhouse emission, standards co- Tex 1000 garment and textile industry, etc.
		Environmental Management System
		Life Cycle Assessment
2	Fuel switching to Biomass in Industries.	
3	Industrial energy efficiency improved	
4	Tax structures to promote the sustainable technologies	
5	Encouraging industries which have taken steps to reduce GHG emissions.	
6	Establishment of Eco – industrial Parks (EIPS) and villages.	
7	Implementing National Green Reporting System of Sri Lanka.	
8	Applying Eco-efficiency and Cleaner Production	
9	Greening the Supply Chain through introducing Life Cycle Management and Industrial Symbiosis to managing zero waste,	

CO2 emission reduction in Energy Sector in 2025



Institutional Arrangements for INDCs implementation and Monitoring in Sri Lanka (draft)



Issues and constrains

- Issues related to carbon trade values
- Role and Responsibility of key stakeholders
- Lack of data, technical capacity of sector agencies
- Dilemma between National Capacity and International Support

Thank You!

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Thanks