

Consejo Nacional para el Cambio Climático y el Mecanismo de Desarrollo Limpio

#### **Summer School 2014**

of the

International Partnership on Mitigation and MRV "Intended Nationally Determined Contributions: preparation and implementation"
Punta Cana, Dominican Republic, September 3<sup>rd</sup> to 10<sup>th</sup>, 2014

**Presentation of Country Cases on ambition level:** 

# **Dominican Republic**

**Moises Alvarez** 

**Technical Director** 





#### On behalf of:



of the Federal Republic of Germany

# Climate-compatible development plan (CCDP) for the Dominican Republic

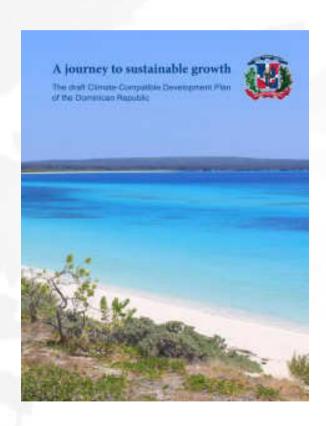




### Presidencia de la República Dominicana

Consejo Nacional pará el Cambio Climático y el Mecanismo de Desarrollo Limpio

### Climate-Compatible Development Plan – Phase I & II





National Launch September 15th , 2011, National Palace

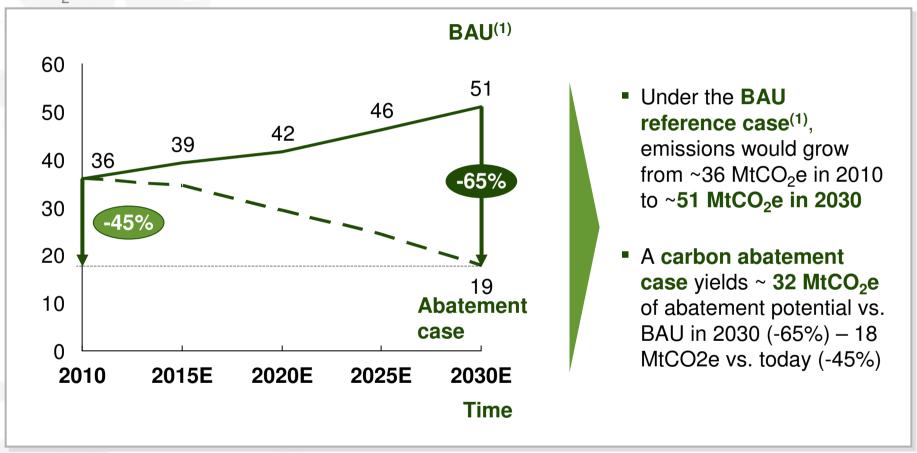


International Launch COP17 – Durban, South Africa

# Based on DR-specific analysis of technical abatement potential, ~ 65% of its BAU GHG emissions can be reduced by 2030

#### **GHG** emissions

MtCO<sub>2</sub>e



<sup>(1) &</sup>quot;BAU" reference scenario is a basis for assessment of mitigation levers and carbon finance negotiations. It is not the most likely scenario, but a theoretical case assuming a country acts in its economic self-interest and does not include additional action for avoiding GHG emissions (e.g. renewables only added if cost competitive with fossils)



### Presidencia de la República Dominicana

# Consejo Nacional para el Cambio Climático y el Mecanismo de Desarrollo Limpio



# **International Partnership** on Mitigation and MRV

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#### The Dominican Republic Commits to a 25% Reduction in Greenhouse Gas Emissions by 2030



The Dominican Republic will cut its greenhouse gas (GHG) emissions by 25%, a target set for 2030. The commitment was announced by Omar Ramírez Tejada, Executive Vice-President of the CNCCMDL (Dominican Republic's National Council for Climate Change and Clean Development Mechanism), during his address to the United Nations Climate Change Conference (COP 18) in the city of Doha, Qatar.

Mr Ramírez Tejada, who headed the Dominican delegation to the conference, explained that Law No. 1-12, which covers the country's National Development Strategy, establishes a binding commitment to achieve

an absolute reduction in GHG emissions in the Dominican Republic compared to 2010 levels.

### Recommended readings

ALL LEDS

NAMA

MRV

OECD (2012): Tracking Climate Finance: What and How?

UNEP RISOE (2012): Measuring Reporting Verifying: A Primer on MRV for Nationally Appropriate Mitigation

CPI (2012): The Landscape of Climate Finance 2012

OECD (2010): Low-Emission Development Strategies (LEDS): Technical, Institutional and Policy Lessons



### National Development Strategy – 2030 (NDS)

➤ Law No.01-12 of the National Development Strategy (NDS) 2030 of the country, set indicators to reduce emissions and to adapt to climate change.

A transversal tool for achieving the indicators and targets for the NDS is the education.

Article 28. Indicators and Targets for the Fourth Strategic Axis:

	Unit/	Baseline		QUINQUENNIAL GOALS			
Indicators Measurement scale		Year	Value	2015	2020	2025	2030
4.1 Carbon dioxide emissions	Metric tons per capita	2010	3.6	3.4	3.2	3.0	2.8
4.2 National protected areas	Percentage of total land area	2009	24.4	24.4	24.4	24.4	24.4
4.3 Annual deforestation rate (average)	Percentage of total forest area (negat ive values indicate increases in the total forest area)	2005	0.1	-0.1	-0.2	-0.2	-0.2
4.4 Efficiency of water use in systems and water distribution networks and its final application irrigation system	Percentage of distributed water that was exploited	2010	28.0	36.5	45.0	45.0	45.0



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### **National Multi-annual Plan of the Public Sector** 2013-2016 Updated - 2014



Plan Nacional

Plurianual del Sector Público 2013-2016

Actualización-2014

Product	Measure ment Unit	2012 (Basel ine)	2013	2013 (achie ved)	2014	2015	2016	2017	2018	Responsible Institution
Promotion and technical assistance to registry projects under CDM	Registered Projects under CDM	4	6	10	8	10	12	14	16	NCCCMDL
Projects in Validation in the UNFCCCC	Projects in validation process	5	10	8	20	25	30	35	40	NCCCMDL
Nationally Appropriate Mitigation Action (NAMA)	implemented NAMAs	0	2	2	З	4	4	5	5	NCCCMDL
Education, public awareness and sensibilitation on Climate Change	Awareness people	8,500	9,700	15,500	11,100	12,700	14,600	17,500	21,100	NCCCMDL

# The power sector holds 1/3 of the DR's abatement potential and will yield significant net gains in energy efficiency and generation

#### Power sector narrative

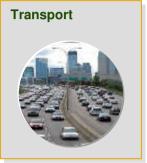


- Under **BAU**, power generation will increase by ~80% from 16 to 28 TWh until 2030, generated by a high-carbon fuel mix, dominated to 90% by coal, gas, fuel oil, and inefficient off-grid generation
- Power generating cost will grow even more expensive from 180 to 220 USD/MWh while emissions increase from 11 to 18 MtCO2e until 2030
- Total abatement potential in power sector is ~ 11 MtCO2e by 2030, approx. ~60% of BAU emissions
  - A cleaner generation mix contributes 60% of sector abatement potential (~ 7 MtCO2e)
  - Energy efficiency amounts to 40% of sector abatement potential (~4 MtCO2e)
- Because power generation under BAU is so expensive, ~95% of abatement potential can be captured at cost savings (~-110 USD abatement / ton): net gains amount to ~BUSD 1.2 per year by 2030

at cost savings ( The God abatement / ton). Het gams amount to Book 1.2 per year by 2000				
Prioritized Levers (share of potential)	Proposed measures	Success factors		
Energy efficiency (~40%)	Energy efficiency can reduce needed power generation by ~18%, mainly through efficiency standards for new buildings, electronics, appliances, by changing light bulbs, and efficiency in industry	<ul> <li>Convince public of net savings</li> <li>Ensure access to (cheap) capital</li> <li>Craft and enforce clear policy</li> </ul>		
Renewables (~45%)	Renewables potential is preliminary but significant and could provide up to ~40% of power generation by 2030 if the DR doubled hydro capacity to 1.1 GW, built 20 wind parks of 50MW each, and built 300MW of biomass and 800MW of solar capacity	<ul> <li>Attractive policy and incentive structure for (foreign) investors</li> <li>Grid improvements to integrate intermittent sources</li> </ul>		
Replace off-grid generation by gas (~5%)	Reducing off-grid generation from 24% to 5% of power generation and replacing it with 200 MW of new gas plants by 2030 would save an annual MUSD 40 and 0.4 MtCO2e in annual emissions	<ul> <li>Sufficient peak capacity to guarantee reliability</li> <li>Auto-generators planning with grid operators about joining</li> <li>Sufficient infrastructure in place</li> </ul>		
Retire fuel-oil capacity early & replace by gas (~10%)	<ul> <li>Retiring all 1.4 GW of fuel oil plants that would remain in 2030 under BAU and replacing them with new gas plants would save ~MUSD 210 and ~1 MtCO2e per year</li> </ul>	<ul> <li>Revisit contractual obligations where possible</li> <li>Give attractive incentives for early retirement</li> </ul>		

# The transport sector has the potential to reduce the country's oil imports, thus significantly improving the DR's current account balance

#### **Transport sector narrative**



- Under BAU, the DR's vehicle fleet will increase from 1.9 to 3.5 million vehicles in 2030 (from ~100 to ~160 cars per 1000 inhabitants), resulting in increased fuel consumption (from 2.4 to 4.4 billion liters) and emissions (~8 to ~11 MtCO2e)
- Total abatement potential is ~6 MtCO2e amounting to ~50% of 2030 BAU emissions and is driven by
  - Increased efficiency standards across all vehicle categories
  - Shift of high-emitting gasoline/diesel vehicles to CNG
  - Substitution of traditional gasoline/diesel by biofuels
  - Shift of urban traffic in Santo Domingo to public transport
- Given the **low fuel efficiency** of today's BAU car fleet and **attractive biofuel potential** in the DR, ~80% of abatement potential can be captured at cost savings (Ø -60 USD abatement / ton): **net gains** in the sector amount to ~**MUSD 360 per year**

	per year	
Prioritized Levers (share of potential)	Proposed measures	Success factors
Efficiency standards (~20%)	<ul> <li>Efficiency standards on imported cars through regulation / taxation could reduce consumption of gasoline by ~150mn liters (3%) and diesel by ~250 mn liters (5%) p.a. by 2030, saving USD ~270 mn p.a.</li> </ul>	<ul> <li>Effective policy of regulation and talincentives</li> <li>Reliable enforcement at customs</li> </ul>
Shift to CNG (~20%)	<ul> <li>Achieve a 25% share of vehicles using CNG by 2030 (~1.1 MtCO2e), while eliminating the share of vehicles that currently use LPG</li> </ul>	<ul> <li>Secure sufficient supply of CNG and build distribution infrastructure</li> </ul>
Biofuels (~50%)	<ul> <li>Aspirational scenario of domestic production (E20 + B15) plus imports of E50 + B68 by 2030 yields a ~2.8 MtCO2e abatement potential</li> <li>In a purely domestic base case, the DR achieves E20 fuel blend by producing ~340 million liters of ethanol from sugarcane p.a. by 2030</li> <li>Local B15 biodiesel production can provide 15% of diesel needs by 2030 through jatropha plantations on 200 kha of marginal lands</li> </ul>	<ul> <li>Opportunity to import Biofuels at competitive rates and volumes</li> <li>Attractive incentives FDI</li> <li>Sugarcane yield growth</li> <li>Successful introduction of jatropha cultivation</li> </ul>
Public transportation (~10%)	<ul> <li>Shift ~700,000 passengers per day traveling in public cars and buses to 5 new metro lines, displacing ~2,000 old, inefficient vehicles and saving ~50 million liters of fuel per year</li> <li>Build 9 BRTs lines, transporting 1.3 million passengers per day, substituting older bus fleet and saving ~150 million liters of fuel per year</li> </ul>	■ Smart financing of required capex of ~2.4 BUSD (~80% is for the metro and ~20% is for the BRTs)

# The forestry sector can attract tangible international funding to the DR and create sustainable employment trough active abatement

#### Forestry sector narrative



- Acknowledging the high uncertainty given the lack of reliable/consistent land use data, BAU 2030 emissions from the forestry sector could account for ~4 MtCO2e from deforestation, while carbon sequestration from A/R could account for ~3 MtCO2e
- The forestry sector **could abate** up to ~**7 MtCO2e** by 2030 (14% of BAU), almost equally driven by reduced deforestation / forest fire prevention and increased af-/reforestation efforts
- Implementation will have significant economic impact on the DR in terms international capital flows (REDD+ and CDM funding of ~ MUSD 35) and increased employment (~ 15.000 additional jobs)

## Prioritized Levers (share of potential)

Reduced deforestation (~30%)

Forest fire prevention (~20%)

Afforestation & Reforestation (~50%)

#### **Proposed measures**

- ~2,500 ha/yr illegal charcoal logging reduced by 100% through community support programs¹ and enforcement
- ~800 ha/yr of clearing for agriculture reduced by 100% through extension program and enforcement
- ~1,300 ha/yr of deforestation reduced by 50% through structured urban planning / zoning program
- ~1,300 illegal clearing for infrastructure reduced by 50% through enforcement
- ~4,500 ha/yr affected by forest fires brought down by 90% through enforcement and fire prevention / response program

Build fire detection capabilities

and increase enforcement size

Increase size and capabilities of

fragmented rural population
Trained staff of agronomists to

Success factors

enforcement

Capabilities to reach a

implement program

- enforcement and fire prevention / response program
- Increase A/R efforts by a factor of 4, from 6.3 kha in 2010 to ~25 kha/yr in 2030 to a- / reforest an additional 180 kha over the next 20 years
- Implies a 9% growth p.a in the A/R rate

- Improve clarity on land ownership and titling
- Educate land owners on associated benefits

<sup>(1)</sup> Agro-forestry, productivity, land ordering and forest management programs

# Selected easy-to-implement levers in the waste, cement, and tourism industries could yield an additional ~10% of abatement potential

#### **Quick wins narrative**



- Under BAU, waste, cement, and tourism will account for ~9.5 MtCO2e of annual emissions in 2030
- While these sectors are not key sectors, they present a few outstanding abatement opportunities
- Technical abatement potential in the waste and cement sectors is an annual ~6 MtCO2e by 2030, of which ~5 MtCO2e can be captured by only 5 measures that are relatively easy to implement
- Implementing these quick wins yields a net benefit: Average abatement cost is a saving of USD 25 per ton, generating in sum cost savings of an annual USD 110 million by 2030 for the DR
- In addition, the tourism sector can be a catalyst for implementation of strategies for emissions reduction in the power, transport, and waste sectors

Prioritized Levers (share of potential)	Proposed measures	Success factors		
Waste (~80%)	<ul> <li>Recycling 50% of valuable waste can save ~1 Mt and USD 9 million p.a.</li> <li>Equipping 30% of landfills to capture methane for cooking or power generation would save 1 MtCO2e and USD 5 million per year by 2030</li> <li>Using half of all organic waste for power generation using anaerobic digestion would reduce annual emissions by ~1.3 MtCO2e</li> </ul>	<ul> <li>Recycling system implemented</li> <li>Create demand for methane</li> <li>Attract investment for retrofitting</li> <li>Investment facilitation</li> </ul>		
Cement (~20%)	<ul> <li>Cement production is currently powered to 90% by fossil fuels. Increasing the share of bio- and fossil waste from 10% now to 50% by 2030 would save ~0.4 MtCO2e and USD 35mn per year</li> <li>Reducing the ingredient share of clinker in cement from 95% to 77% by 2030 would reduce emissions by 0.8 MtCO2e and save another USD 75mn per year</li> </ul>	<ul> <li>Support and assistance for sector's ongoing initiatives</li> <li>Profitable supply chain for biowaste and fossil waste</li> <li>Achieve agreement between cement and coal industry for provision of fly ash</li> </ul>		
Tourism (N/A)	<ul> <li>The tourism sector is currently responsible for ~1 MtCO2e of annual emissions from power, transport and waste, but is poised to change</li> <li>A Sustainable Tourism Strategy would be an exemplary catalyst</li> <li>Tourism also is a key opportunity to promote and capitalize on the CCDP by promoting the DR as a green, high-value destination</li> </ul>	<ul> <li>Get buy-in from tourism         association and large hotels</li> <li>Joint decision of major         stakeholders to promote the DR as         a sustainable destination</li> </ul>		

# For the good of our world, our region, and our country

