



MINISTRY OF NATURAL RESOURCES AND ENVIRONMENT, MALAYSIA

The Oil Palm Industry's Contribution toward Achieving Malaysia's 40% Reduction in GHG Intensity of GDP

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ENVIRONMENTAL MANAGEMENT AND CLIMATE CHANGE DIVISION

Outline

- ➡ History/Issues with Voluntary Mitigation Actions/ NAMAs
- Malaysia's Voluntary Indicator
- ▶ Negotiating backdrop and developments
- Opportunities for Emissions Reductions/Avoidance
- On-going Activities
- Transparency is our best ally
- What about 'market mechanisms'?
- What might lie ahead for developing countries ...

History/Issues with Voluntary Mitigation Actions/NAMAs

- Introduced as part of the Bali Action Plan (COP 13)
- In its original form:
 - Nationally determined as appropriate (national priorities)
 - Nationally defined (what constitute NAMAs)
 - Project/Programmes/Strategies/Targets/Policies
 - Nationally determined BAU Scenarios, baselines, methodologies
 - Nationally determined
 - Monitoring
 - Reporting(including reporting format and medium and frequency)
 - Nationally instituted and accredited verification

History/Issues with Voluntary Mitigation Actions/NAMAs

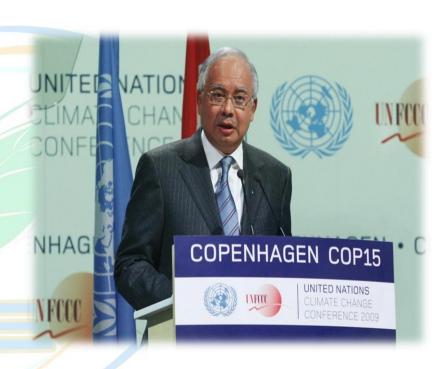
- Erosion of National determination began in Copenhagen
 - Where NAMAs should be inscribed under a legally-binding agreement
- By Durban, text of the Presidency (TIOLI basis)
 - Request SBSTA to develop guidelines for the MRV of domestically funded NAMAs
 - Negotiations began in Bonn Scheduled to be terminated in Doha
 - Impossible for One set of guidelines to fit all (past, present and future)?
- Still no common understanding on the nationally independent nature of NAMAs
- Malaysia's approach in accordance with the original concept

Malaysia's Voluntary Indicator Announced

"voluntary reduction of up to 40% in terms of carbon emission intensity of GDP by the year 2020 compared to 2005 levels."

"....conditional on receiving the transfer of technology and finance of adequate and effective levels from Annex 1 countries"

"We remain committed to ensure at least 50% of our land area remain as forests as pledged in the Rio Summit. Currently our natural forests and agriculture crop plantations combined cover 75% of the country's land area."



Prime Minister YAB Dato' Sri Mohd. Najib bin Tun Abdul Razak at the 17th December 2009, during his address to the 15th Conference of the Parties to the UNFCCC

Set against the Negotiations Backdrop of NCs, BAU and ICA

- non-Annex I consistent ... should submit their first biennial update report by December 2014; the LDC and SIDS may submit biennial update reports at their discretion
- NAI parties shall submit a biennial update report every two years, either as a summary of parts of their NC ... or as a stand-alone update report
- First BUR shall cover, at a minimum, inventory for the calendar year no more than four years prior to the date of submission ...
- Guidelines should be used as the basis to provide guidance to OE of the financial mechanism for funding of preparation of BURs in the case of the first BUR, the GEF
- Enhanced support should be provided by developed country Parties and other developed Parties included in Annex II to the Convention ... on the basis of agreed full-cost funding (USD 352k)

Set against the Negotiations Backdrop of NCs, BAU and ICA

- ➡ First round of International Consultation and Analysis (ICA) will be conducted for developing country Parties, commencing within six months of the submission of the first round of BURs
- ➡ Frequency of participation in subsequent rounds of ICA will be determined by the frequency of the submission of BURs
- ▶ LDCs and SIDs may undergo ICA as a group at their discretion
- Composition of expert groups under negotiation ...
- No mention of how ICA is to be funded ...

Opportunities for emissions reductions

- Energy efficiency measures
- Replacement of fossil fuels with renewable fuels
 - Direct combustion
 - Treatment followed by combustion
- Avoidance of emissions (methane/CO2)
 - Disposal in landfills
 - Anaerobic digestion
 - Burning/oxidation of peat
- Sequestration in durable materials
 - Laminated products
 - Fibre-board products
- Sequestration in the environment
 - Plant
 - Soil

On-going Emissions Reduction/Avoidance Activities

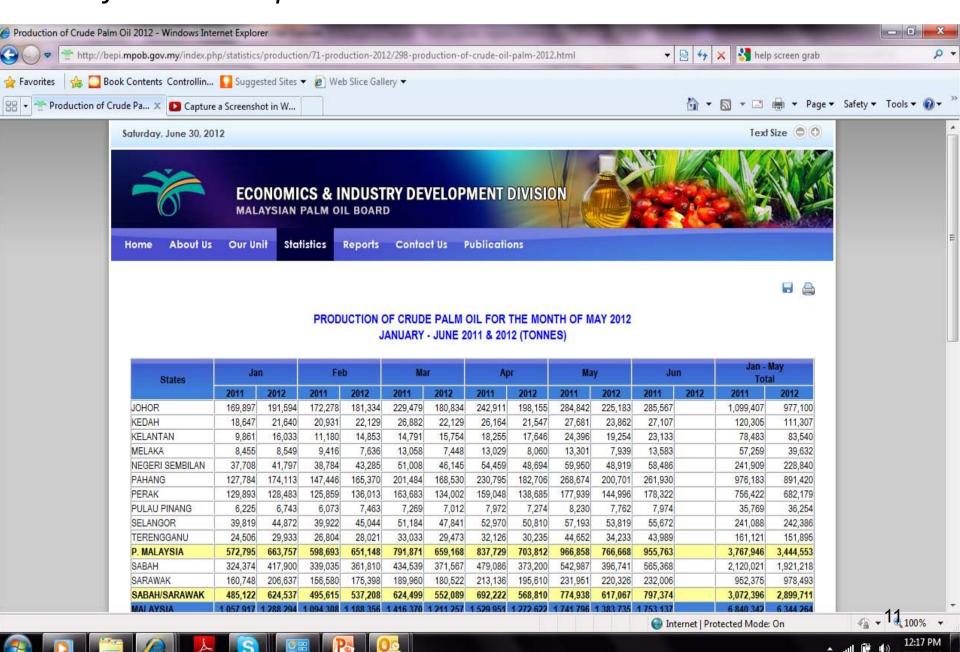
- Physical plant
 - ▶ Trunk
 - **▶** Fronds
- Peat soil management
- Mesocarp more than 2/3 of a ton per ton of CPO produced
 - Steam/Electricity/FIT
- EFB more than a ton per ton of CPO produced
 - ▶ Electricity/Briquettes/Co-composing with POME/Fertilizer/Fibre products
- ▶ POME 3.25 tons per ton of CPO produced
 - ▶ Methane yield 40kg/ton CPO
- ▶ Post-consumer waste cooking oil-based bio-diesel
- **■** BACKSTOP Forest Conservation and Sustainable Forest Mgt. 9

Malaysia's understanding of Voluntary Mitigation Actions

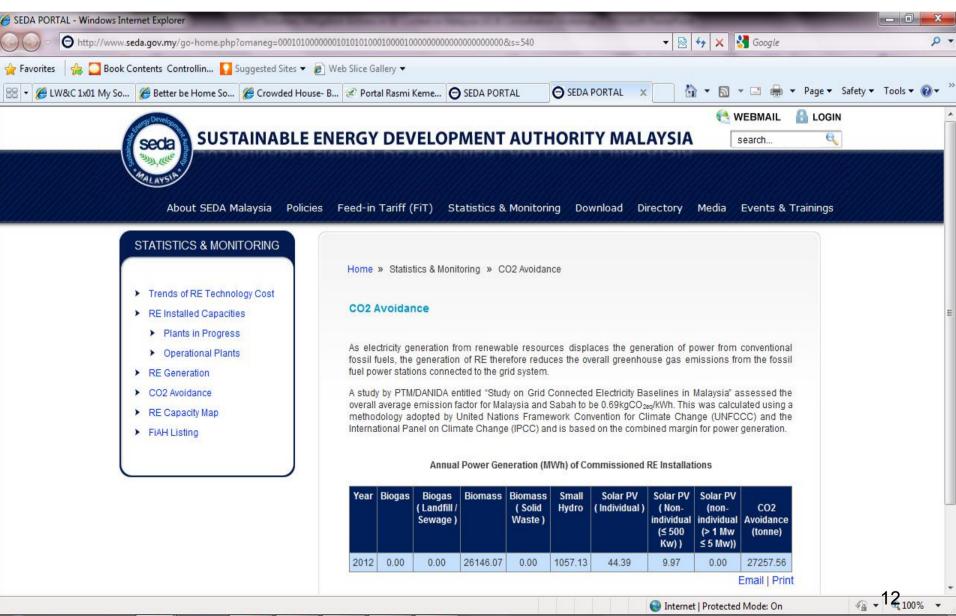
■ Emphasis on transparency

- Activity Data
- Methodologies
- Emission factors
- MRV
- Toward development of a National Registry (Capacity Building Under Way)
 - Linked to National Inventory Process
 - Feeds both BAU and Mitigation Scenarios
 - ► Facilitated by National Carbon Disclosure Programme (under development)

Use of current corporate and national data sources and statistics



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What about 'Market Mechanisms'?

- Associated with the pre-Bali scenario
 - No call for emissions reductions in developing countries
 - Mitigation through CDM only
- Post-Bali
 - Developing countries undertake NAMAs
 - Credits sold to other countries cannot be counted
- ★ Kyoto Protocol Escapees bilateral offset mechanisms outside the Convention
- → Offsets divert funds from awareness raising, piloting and research into lower emissions technologies and rationalize BAU emissions

What might lie ahead

- ▲ Attempts to Classify NAMAs to facilitate assigning definitive criteria and/or conditions
 - Domestically funded
 - Internationally funded
 - Credit generating (market mechanisms/bilateral offsets)
- ▶ Possible Guidelines for MRV of Internationally funded NAMAs?
 - Criteria/Conditions from donors/donor organizations
 - ▶ Funding type constraints and limitations
- ▶ Possible links to National Communications, Biennial Update Reports (BUR) and International Consultation and Analysis (ICA)
- Funding conditions from the GEF NC3 funding contingent on BUR preparation and funding?

