

**(SIDE EVENT) “Toward the Establishment the Bilateral
Offset Credit Mechanism (BOCM) – Utilisation to
Support the NAMA Implementation”**

**Strategy on Climate Change
Of the Lao PDR
(SCC)**

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Objective

- Mainstreaming Climate Change in to National socio economic development plan
- Promote sustainable development in the implementation of the National Growth and Poverty Eradication Strategy



Vision

“To secure a future where the Lao PDR is capable of mitigating and adapting to changing climatic conditions in a way that promotes sustainable economic development, reduces poverty, protects public health and safety, enhances the quality of natural environment, and advances the quality of life for all Lao people.”



Goals of the strategy

1. Reinforce Sustainable Development Goals of the Lao PDR, including measures to achieve low-carbon economic growth;
2. Increase resilience of key sectors of the national economy and natural resources to climate change and its impacts;
3. Enhance cooperation, strong alliances and partnerships with national stakeholders and international partners to implement the national development goals.
4. Improve public awareness and understanding of various stakeholders about climate change, vulnerabilities and impacts, GHG emission sources and their relative contributions, and of how climate change will impact the country's economy, in order to increase stakeholder willingness to take actions



Our Guiding Principles

1. Climate Change Mainstreaming as Core Element
2. International Partnerships
3. Capacity Building as a Pressing Priority
4. Integrated Solutions and Co-Benefits
5. Innovative Financial Instruments
6. Awareness, Education and Community Participation Leading the Way

Key Strategic Priorities

1. Agriculture & Food security
2. Forestry & Land use change
3. Water Resources
4. Energy & Transport
5. Industry
6. Urban Development
7. Public Health

Agriculture & Food Security: *Mitigation Options*

1. Reducing methane emissions from rice paddies
2. Reducing methane emissions from enteric fermentation
3. Reducing emissions from livestock manure
4. Promoting new technology transfers



Forestry and Land Use Change: Mitigation Options :

1. Reducing “slash and burn” agriculture
2. Reducing off-site burning
3. Reducing forest fires
4. Integrating forest management
5. Effectively mapping and planning
6. Pursuing carbon market opportunities



Energy and Transport: *Mitigation Options*

- 1) **Electrification:** reaching the target of 70% by 2010 and 90% by 2020, as set in the National Growth and Poverty Reduction Strategy (NGPES);
- 2) **Renewable energy:** accelerating the development of such renewable energy sources such as solar and wind as well as hydropower including mini-hydro — household-based, institution-based and/or community-based — especially for remote communities;
- 3) **Cleaner energy:** by making use of the coal-bed methane and coalmine methane, and seeking cleaner technologies for the development of the country’s abundant lignite resources;
- 4) **Energy efficiency and savings:** by introducing energy-efficient lighting and appliances, and energy-efficient buildings;



Energy and Transport: *Mitigation Options*

5. **Low-carbon transport:** by promoting the use of alternate energy operated motor vehicles, including cars and motorcycles and pursuing environmental sustainable transport strategy;
6. Improving the public awareness on energy saving through implementing initiatives such as car free day, Earth Day and World Environment Day; and
7. Seeking the opportunities under the CDM or other flexible, pragmatic financing mechanisms to undertake the development of climate-friendly renewable resources, including hydropower (including mini-hydro), biogas, solar, coal-bed and coal-mine methane, **non-emission transport**, and energy-efficient lighting and buildings.



Industry

Mitigation Options

- 1) Improve energy efficiency during the production process;
- 2) *Reduce wood waste through the improvement of furniture manufacturing techniques*
- 3) Promoting the use of waste biomass or agricultural residues to produce renewable energy or thermal energy for drying and heating products through combustion, gasification or hydrolysis;



Urban Development: *Mitigation Options*

- 1) Reduction of GHG emissions from the solid waste sector in Lao PDR through applying the 3Rs (reduces, reuse and recycle);
- 2) Upgrading solid waste collection services for full coverage of the major urban centers and neighbourhoods, so as to avoid GHG releases from open burning and decomposition;
- 3) Building recycling facilities in order to reduce the amount of wastes to be disposed in landfills.
- 4) Composting organic contents to manufacture organic fertilizers;



Urban Development: *Mitigation Options*

- 5) Effectively managing sewage sludge removed from the domestic septic tanks and slurry removed from the waste treatment plants;
- 6) Constructing new landfill facilities that can capture methane; if financially viable, retrofitting the existing landfill;
- 7) Promote environmental sustainable urban development, integrating the issues of waste management, low carbon transportation; and
- 8) Encourage the participation of the private sector and international partners in GHG emission reduction from wastes under the CDM and other financing mechanisms.



*Bilateral Cooperation for
CDM/NAMA with IGES, MOE,
Japan*



*Bilateral Cooperation for CDM with
IGES, Japan*

1. CDM Capacity building to DNA and Private sector (2009-2010)
2. Reform Clean Development Mechanism.
3. Standardize Baseline and Programme of Activities (2010-2011)
4. New Market Mechanism Capacity Building (2011-2012)
 - *Development of MRV methodologies under BOCM in Laos (2012)*
 - *Conducts MRV case studies in waste sector (2012)*



Bilateral Cooperation for NAMA with MOE, Japan

- *New Mechanism Feasibility Study (FS)
for Urban Transport Management in
Vientiane*



NAMA Initiative in Lao PDR

Issues identified in the study for Transportation NAMA conducted in 2010 (Phase 1 Study)

- Lack of historical traffic data in order to determine the reference scenario
- Lack of data for detailed estimation of GHG emission reductions
- Uncertainty of MRV method based on the Traffic Demand Forecast



The purpose of this study (2011)

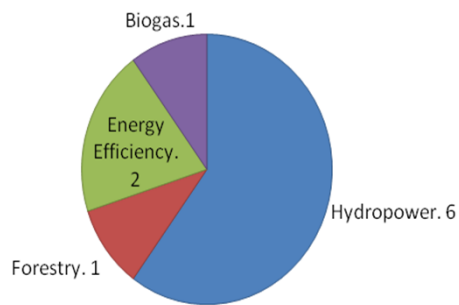
To study the feasibility NAMAs or Bilateral Offset Credit Mechanism (BOCM) application to the project activities, the following tasks shall be completed:

- Set up a reference scenario to reflect the historical trend
- Reassess the GHG emission reduction estimates
- Reassess the MRV method by means of a simulation model

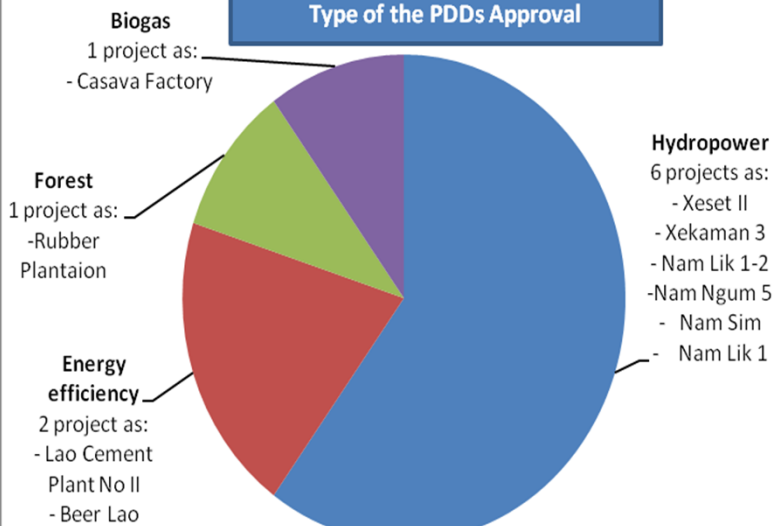
Current Status of CDM project in Lao

Registered
Under validation
Approved

Type of PDDs submitted to Lao DNA



Type of the PDDs Approval



Conclusion

- Many private sectors or the project developers are interested on the CDM projects.
- The New Market Mechanism are new activities in Lao PDR
- The Lao PDR has high opportunity to develop New Market Mechanism
- New market mechanisms need to be established to promote more projects to be realized in Lao.
- Laos is has no NAMA project at present, however, Laos consider all the possibility of the bilateral offset mechanism such as NAMA.

