



Ministry of the Environment
Government of Japan



وزارة البيئة
Ministère de l'Environnement



UGPO-CC



GEC

Tunisia's Policy for Decarbonization, National Strategy for the Implementation of Article 6 of the Paris Agreement and Expectations for the JCM Tunisia

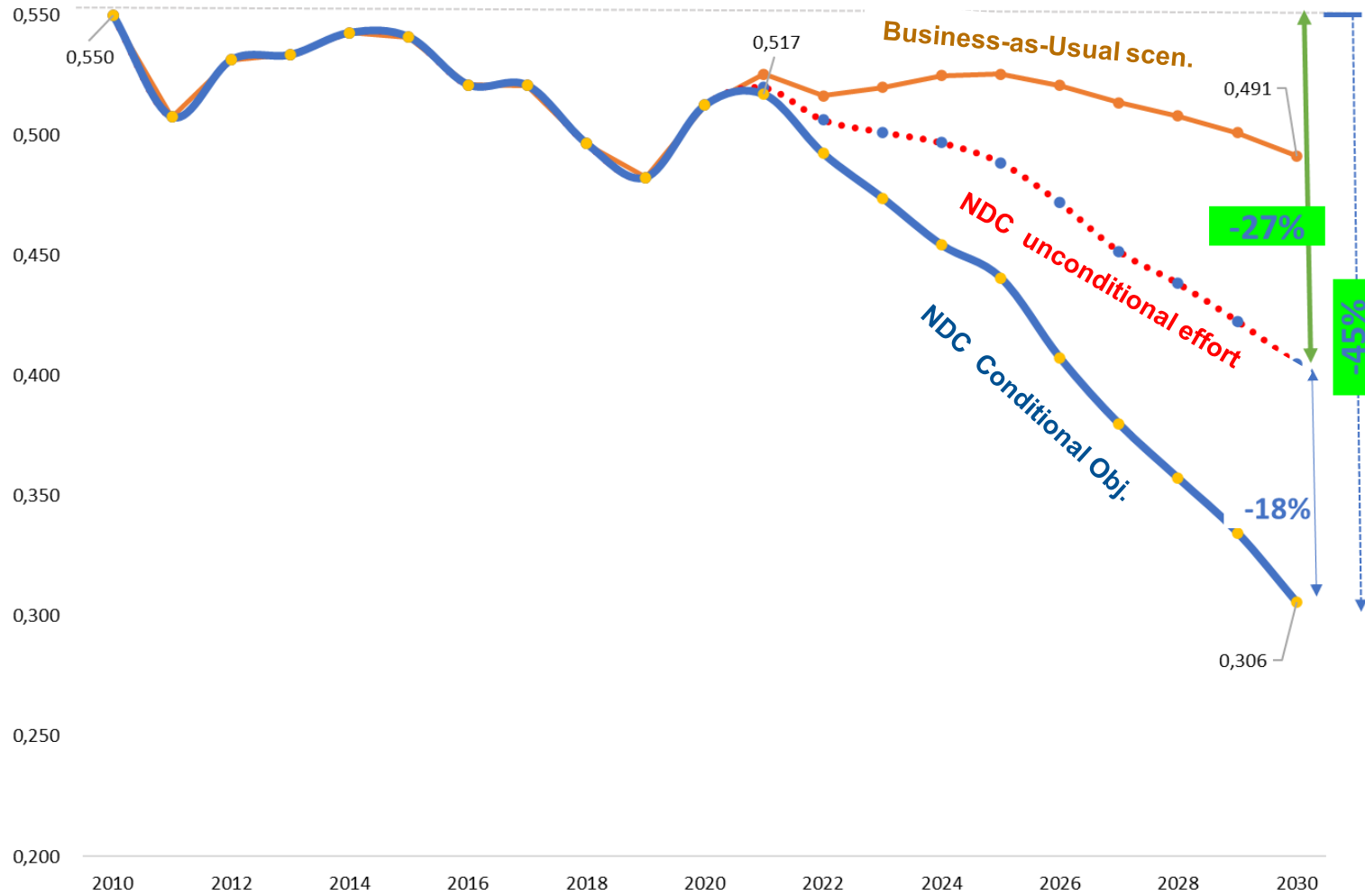
Samir Amous



Summary

- **NDC ambitions (update Oct. 2021) & mitigation potential**
- **Tunisian Vision towards Art. 6**
- **Governance of Art. 6**
- **Procedure schemes**
- **Criteria**
- **Road map at a glance**

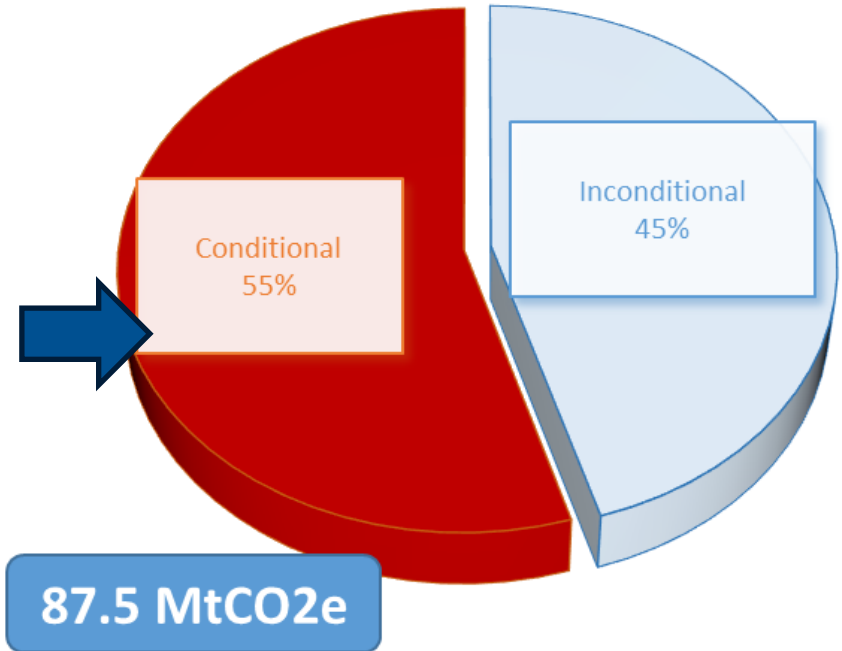
tCO_{2e}/1000 DT GDP (cst2010)



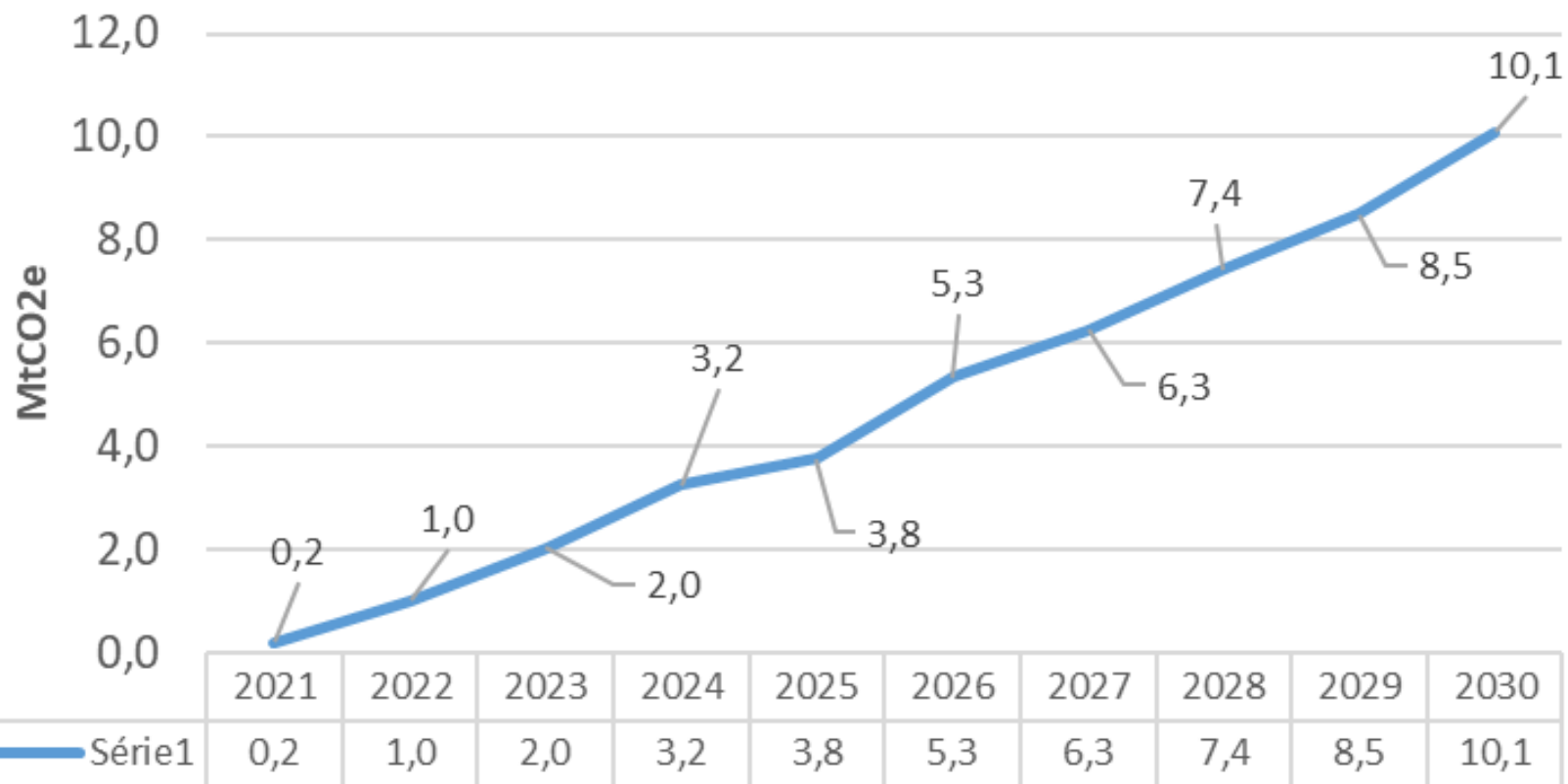
GHG Mitigation Potential (NDC update)

- Based on GDP assumptions up to 2030
- → 87.5 MtCO₂e over the period 2020-2030
- Inconditional emission reduction target


Distribution of emission reductions as per NDC objectives



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Expected conditional emission reductions (ktCO₂e)

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A vision towards
Art. 6 was prepared
and adopted by
April 2023

is structured
around 7 points

1. Promote the use of Article 6

- Create project identification and development capacities
- Adjust the scope and operating methods of the “Energy Transition Fund-ETF” in order to integrate support for Article 6 projects in the energy/industrial processes sector, and enable National Energy Conservation Agency to play an effective role in developing and implementing Article 6 projects
- Create an equivalent to ETF for the other sectors (Ind. Processes, AFOLU, Wastes)

2. Implement transparent regulations for emission reduction ownership

- General principal: Acknowledge ownership to project proponent
- Due to Adjustment implications → the DNA will transparently announce the cases of eventual of partial withholding of emissions reductions

3. Transparent indication of sources/activities which emission reduction might be marketed through Art. 6

- The list of project activities that are allowed to apply for Authorization/Approval of transfer under Art.6 are to be Communicated
- Projects/programs that are known to be part of the unconditional measures are excluded
- Projects with too favourable profitability or no investment constraints → little chance of passing the additionality hurdle are unlikely to get Authorized/Approved
- Unless the funders would agree, Projects that receive substantial funding under the Convention's mechanisms (e.g. GEF or GCF), or that access advantageous funding lines are unlikely to get Authorized/Approved

4. Withholding Mechanisms

- Withholding levels for emission reductions by project type/sector (Energy Efficiency, Renewable, cogeneration, processes, etc.) were suggested and duly justified → final figures will be adopted/communicated as soon as DNA is established
- In general, Withholding levels are relatively limited as to encourage project proponents to recourse to Art.6
- Applications entering the Article 6 project cycle will pay an initial fixed administrative fee (to guarantee serious applications) + annual fees

5. Use of Withholdings:

- to be "frozen" as a provision to guard against the risks of not achieving unconditional targets,
- To be used to enhance national objectives
- the revenues to be recycled in supporting additional mitigation activities, and
- Partly used to support capacity development + adaptation/resilience activities + vulnerable groups and to address inequality cases

6. Fiscal treatment of ITMOs' revenues

- ✓ Like all programmes contributing to energy efficiency and supporting environment preservation, it was recommended that Art.6 transactions be exempted from VAT
- ✓ To promote Art. 6 project activities, it was recommended to grant a total exemption from income taxes for the first three years of activity of any project, and a maximum tax of 10% for subsequent years

7. Promotes the emergence of voluntary Market

- ✓ No links with Art. 6
- ✓ But Tunisia will promote national compensation market + involvement in international voluntary markets (not involving Adjustment)

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Implementation of an organisational framework for Art. 6

Create a **DNA** for Art. 6 (will involve 15-20 main stakeholders, including civil society)

- **Somehow similar to the one established during the CDM period:**
 - Conducts the preliminary assessment of mitigation activities that apply for approval and/or authorization
 - Eventually requires additional information from petitioners
 - Issue a favourable or unfavourable decision after 2 review rounds (preliminary phase and final decision)
 - Analyze the eventual appeals and issue an opinion

DNA Secretariat

UGPO (Ministry of Environment)

- Operationalize the procedures
- Prepare and organize the work plan of the DNA
- Transmit the Commission's opinions to the public authority responsible for formally taking decisions
- Manage the "Article 6 Single Window" on the Ministry of the Environment website
- Verify the admissibility of applications
- Publish the decisions formally taken on the website of the Ministry of the Environment
- Monitor the processes initiated by the projects (e.g. stakeholder consultations)
- Promote Article 6 (communication, capacitation, etc.)

Ministry of Environment

- Formally take the authorisation or approval decision, following the opinion made by the DNA
- Send official letters to project proponents/petitioners
- Establish Conventions with countries under 6.2
- Set up and manage registries
- Interacting with Convention counterparts on issues related to 6.4 and 6.2

Involved sectoral stakeholders

Ministries, Agencies, Employers' Union, civil society

- Promote Article 6 in their respective sectors
- Prepare financial intermediaries (e.g. FTE, FTI)
- Legislating on the tax rules for addressing the ER revenues
- Identification and development of project portfolio

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Gouvernance Article 6 – Les procédures

Phase 1

Proj.
Activities
under
Article 6.4



Max. Duration: 1 month

Phase 2

Proj.
Activities
under
Article 6.2



Max. Duration: 3 months



Max. Duration: 3 months

Criteria for the Evaluations:

- Project-Eligibility criterion
- SD criterion
- Eligibility criterion for project proponent

(*) AIN: Activity Information Note

(**) ADD: Activity Design Document

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15 Project-Eligibility criterion

- ❑ Used to assess the merit of a project to obtain authorization for the transfer and use of ITMOs under Article 6.2..
- ❑ It will be up to the project proponent to draw up the arguments supporting its eligibility, first in an AIN, then to complete it in a dedicated ADD, based on this grid of criteria

Exemples

Intitulé du critère ^{xx}	Signification du critère ^{xx}
1. Contribution à la mise en œuvre de la CDN et à en relever le niveau d'ambition par rapport à la contribution inconditionnelle ^{xx}	Le projet d'atténuation des GES doit avoir été implicitement ou explicitement cité dans la CDN ou dans toute autre soumission officielle (BUR, SNBC, CN), et, dans tous les cas, expressément viser les résultats d'atténuation de GES couverts par la CDN de la Tunisie. ^{xx}
2. Additionnel ^{xx}	Tout projet qui est ouvertement non additionnel devra être écarté. Le promoteur de projet devra faire la démonstration que le projet est additionnel, suivant les règles acceptées par les standards indépendants, le gouvernement acheteur ou le mécanisme de l'Article 6.4. ^{xx}
3. Scénario de référence conservateur ^{xx}	Le porteur de projet fait la démonstration que le scénario d'émissions de référence a été établi de façon conservatrice et qu'il prend en compte les politiques et mesures existantes et prévues pour la mise en œuvre de la CDN inconditionnelle. ^{xx}
4. Assurance de l'intégrité environnementale du projet ^{xx}	L'intégrité environnementale signifie d'abord qu'en matière de GES, l'action visant la réduction des émissions de GES n'induit ni des hausses des émissions par ailleurs, ni tout autre dommage environnemental potentiellement irréparable. ^{xx}

17 SD criterion

Nbr	Criteria type	Weighting
4	Environmental	35%
6	Social	24%
3	Economic	23%
4	Strategic	18%
17		100%

Exemples

IEn Critères environnementaux : 35%			
IEn1	Réduction des émissions de GES	Peu significatives = 0 Réduction de 100 % par rapport à la ligne de base dans les limites du projet = 10	30 %
IEn2	Contribution à l'utilisation durable des ressources naturelles	Pas de changement ou une accélération de l'extraction = 0 Réduction de 100 % par rapport à la ligne de base dans les limites du projet = 10	25 %
IEn3	Contribution à la réduction de la pollution atmosphérique	Pas de changement ou une augmentation = 0 Réduction de 100 % par rapport à la ligne de base dans les limites du projet = 10	22%
IEn4	Contribution à la réduction de la pollution des eaux et sols	Pas de changement ou une augmentation = 0 Réduction de 100 % par rapport à la ligne de base dans les limites du projet = 10	23 %

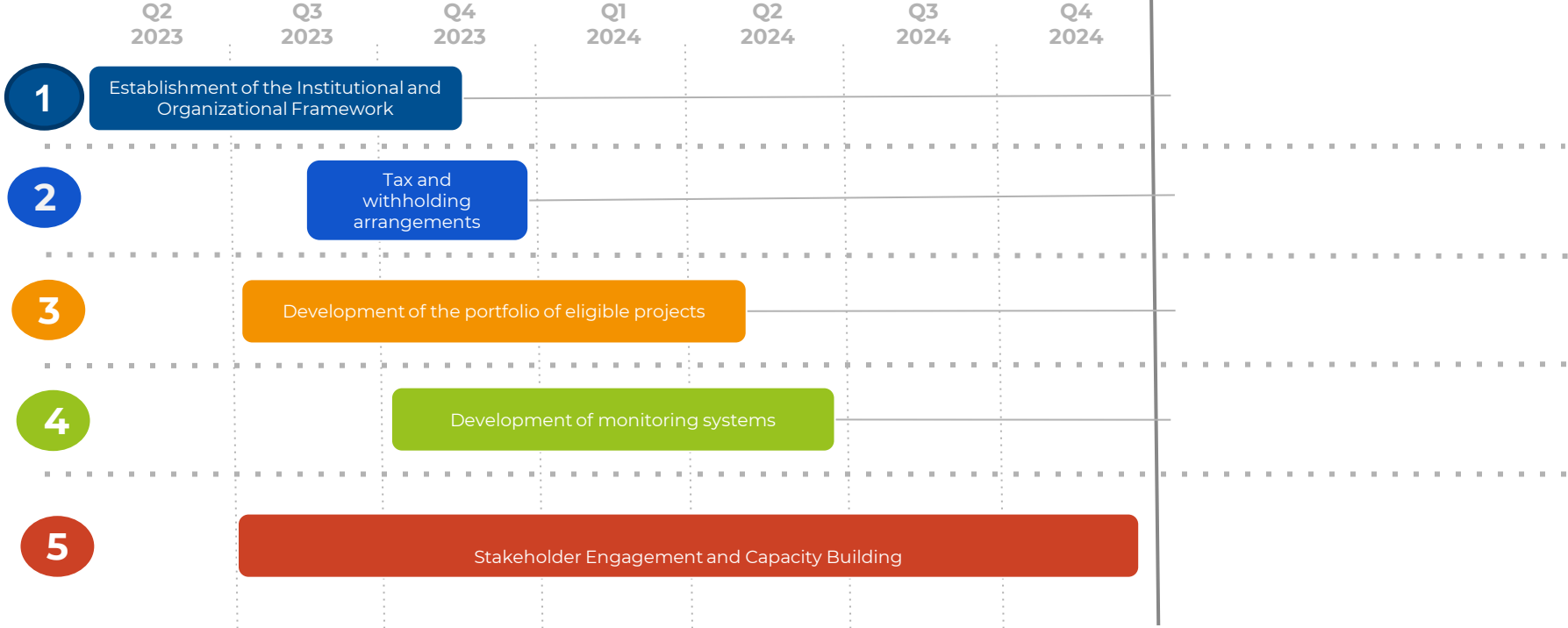
Eligibility criterion for project proponents

- ❑ Used to assess the eligibility of a public/private project proponent:
 - is a natural or legal person governed by public or private law, including a State body or service or acting on behalf of it in the context of a public service mission,
 - has the legal, technical and financial capacity to carry out the planned activity,
 - has provided a guarantee to finance the restoration of the site(s) at the end of the life of the activity or in the event of default of the entity in charge of implementing the activity

- ❑ Sworn statement:
 - is not bankrupt or subject to insolvency or Compulsory liquidation
 - has not been found guilty of fraud, corruption, linked to a criminal organization, terrorist offences or related to terrorist organizations, money laundering, forced or child labour
 - In compliance with his taxes or social security contributions/obligations

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Road map for Art.6 implementation at a glance



Thank you for your attention !

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