

ENERGY & CLIMATE CHANGE

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Second Asia-Pacific Ministerial Meeting on Clean Development and Climate

The Government of India hosted the second Asia-Pacific Partnership on Clean Development and Climate Ministerial Meeting in New Delhi, India on 15 October 2007. The Founding partners Australia, China, India, Japan, Republic of Korea, and the United States met in Sydney in January 2006 and agreed to work together and with private sector partners to meet goals for energy security, national air pollution reduction, and climate change in ways that promote sustainable economic growth and poverty reduction. This partnership focused public-private cooperation among six major Asia-Pacific nations to accelerate the development and deployment of cleaner, more efficient technologies to meet national pollution reduction, energy security and climate change concerns in ways that promote economic development and reduce poverty. The six partner countries represent about half of the world's economy, population and energy use, and produce about 65 percent of the world's coal, 48 percent of the world's steel, 37 percent of world's aluminum, and 61 percent of the world's cement. The Partnership has been working on expanding investment and trade in cleaner energy technologies, goods and services in key market sectors.

The Partnership advances clean development and climate objectives, while recognizing the urgent and overriding priority of development. It seeks enhanced co-operation to meet both increased energy needs and associated challenges in accordance with national circumstances.

In the 2nd Ministerial Meeting, the Partners officially warmly welcomed Canada as a new Partner. Encouraged by the country's commitment to climate change mitigation and clean energy investment, this addition to the Partnership is expected to considerably support the implementation of the work of the Asia Pacific Partnership. Representatives from partner countries reviewed progress and accomplishments since the 2006 Inaugural Ministerial in Sydney and announced upcoming cooperative activities involving deployment of clean technology in eight key areas: cleaner fossil energy, renewable energy and distributed generation, power generation and transmission, steel, aluminum, cement, coal mining, and buildings and appliances.

Ministers released a communiqué which summarizes the accomplishments of the Partnership since its inaugural Ministerial meeting in Sydney in January 2006. Ministers also recognized the eight Task Force Action Plans and their accompanying 110 projects. Agreement was reached on a Flagship portfolio of 18 projects and activities that best exemplify the achievements of the Partnership. The flagship projects will not only benefit the partnership countries, but will add advance knowledge on cleaner and safe production. The following are the list of the Flagship projects:

Aluminium Task Force

Tackling a Potent Greenhouse Gas in the Aluminium Sector: Management of PFC (perfluorocarbon) Emissions

Addressing the Challenges of Waste Disposal: Management of Bauxite Residue (Red Mud)

Buildings and Appliances Task Force

Cooperating to Standardize Energy-Efficient Lighting: Harmonization of Test Procedures for Compact Fluorescent Lamps (CFLs)

Showcasing High-Profile Green Buildings in China: Green Building Flagship in China (Mayors' Training Center, Olympic Village Zero Energy Building, and Center of Excellence in Sustainable Design and Technology at the Agenda 21 Demonstration Energy-Efficiency Office Building)

Cement Task Force

Sharing Experiences to Reduce Greenhouse Gas Emissions from Cement Production: Centre of Excellence

Transforming Waste to Fuel for Cement Kilns: Hazardous Wastes – Best Practices for Co-Processing and Management in Cement Kilns

Improving Performance of Cement Plants: Performance Diagnosis

Cleaner Fossil Energy Task Force

Accelerating Demonstration of Carbon Capture and Storage Technology for Existing Power Stations: Callide-A Oxy-Fuel Demonstration Project

Improving Carbon Capture Technology for Coal-Fired Power Plants: Assessing Post Combustion Capture (PCC) Technology for Emissions from Coal Fired Power Stations

Power Generation and Transmission Task Force

Sharing Best Practices in Power Generation: The entire "chain" of power generation best practices peer review workshops and follow-on projects, which implement best practices either through operational changes or installations of new hardware and reduce emissions.

Coal Mining Task Force

Cooperating to Expand Use of Cleaner Coal Processing Technologies: Information Sharing on Coal Processing Technologies

Saving Lives and Increasing Efficiency in Coal Mines: Coal Mine Health and Safety Strategy

Capturing and Using Methane as a Clean-Burning Energy Source: Increasing Recovery and Use of Coal Mine Methane

Renewable Energy and Distributed Generation Task Force

Promoting Solar Power Deployment: Building Critical Mass for Ultra High Efficiency Solar

Power Strategy

Expanding Use of Innovative Energy Solutions: Feasibility Study and Development of Micro-grid Smart Energy Solution

Steel Task Force

Sharing State of the Art Best Practices for the Steel Industry: State of the Art Clean Technology (SOACT) Handbook

Increasing Usage of Cleaner Steel Technologies: Establishment of Common Methodology to Identify Reduction Potential and Performance Benchmarking

Improving Energy Efficiency in Iron and Steel Plants: Development of Mechanism for Eligible Technology Adaptation based on Expert Diagnoses

The meeting concluded with an evening with industry event in which representatives from the private sector discussed opportunities for collaboration with Ministers and high level representatives present.

Review of Power, Fuel and Fertilizer Prices

Finance Adviser Mirza Azizul Islam disclosed on 10 October 2007 that it is not possible for the government to maintain the budgetary discipline for long if it continues to provide subsidy for keeping low the prices of power, petroleum, gas and fertilizer. The Government will review the administered price, not only of power but also of other products. He was talking with the journalist at the Planning Commission after a meeting with the Vice President of the Asian Development Bank (ADB) Liqun Jin.

If the ongoing subsidy trend continues, current budget deficit of BDT. 29,836 crore will reach BDT. 36,468 crore, according to a finance division estimation. When production or import cost is high, the government provides subsidy so that the prices of products remain within people's reach, which is called "administered price." The advisor added that it is not possible for the government to continue subsidy-based financing for long.

The ADB is providing Bangladesh government \$465 million loan for development in the power sector. The first installment has already been given and the second is expected by December. Replying to journalists' query whether the ADB had placed any condition to hike the power price, the adviser said, "They haven't placed any such condition, nor have given any specific date for raising the price," adding "but personally, I think we should adjust the price because it ultimately harms efficiency (of the sector)."

Deals Signed with 10 IPPs to Generate 200 MW by 2008

The government and six local companies signed agreements on 11 October 2007 for setting up 10 small independent power plants (IPPs) that are expected to generate 200 MW of electricity by 2008. From the government side, the Power Division, two power and four gas agencies were involved in signing for the implementation, power purchase, gas sales and land lease agreements for setting up the plants on the build-own-operate basis.

The parties in August initialed the agreements to set up three 30 MW power plants at Rupganj in Narayanganj, Mauna in Gazipur and Jangalia in Comilla, four 20 MW plants at Narsingdi, Tangail, Feni and Barabkunda in Chittagong, and three 10 MW plants at Mahipal in Feni, Ullapara in Sirajganj and Habiganj. Earlier, the council of adviser's purchase committee in July approved the selection of local companies.

The Power Development Board signed power purchase agreements with six power plants from which it will buy 90 MW of electricity for 15 years and the Rural Electrification Board signed agreements with four plants from which it will buy 110 MW. All the selected companies, however, can increase the capacity of the plants by 10 per cent as the tender specifications have allowed them to do so. The selected companies will install the plants within 15 months from the date of signing the deals.



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