



Eastern Africa Alliance
On Carbon Markets And
Climate Finance

CARBON MARKET

PROFILE  BURUNDI



1. Introduction/Executive summary

Role of carbon markets in Burundi's NDC

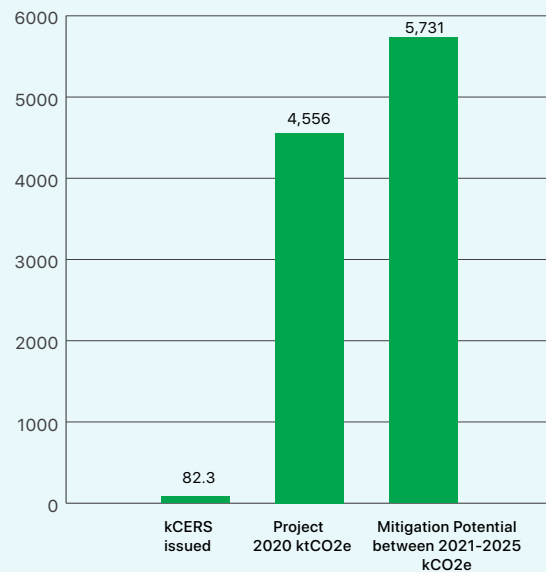
- Burundi's Nationally Determined Contribution (NDC) aims at reducing greenhouse gas (GHG) emissions by around 16.86 million tCO₂e by 2030, or a reduction of emissions by 23% compared to the projected business as usual (BAU) scenario. Around 1.96 MtCO₂e is planned to be reduced through domestic measures whereas around 14.89 MtCO₂e reduction will be conditional on international support (Republic of Burundi 2021).
- Full implementation of the NDC requires around 1.5 billion USD (1.4 billion for mitigation, 3.7 million for adaptation measures and 43.75 million for other activities).
- Burundi's NDC clearly states the intention to participate in Article 6-backed carbon markets in order to mobilize resources for NDC implementation.

Burundi's Carbon Market Portfolio – key insights

- Burundi hosts 2 CDM single project activities, and 2 Programmes of Activity (PoAs) with Component Project Activities (CPAs) included that are hosted in the country. All CDM activities support improved cookstoves, with one project also introducing the fuel switch to renewable biomass.
- Only one CDM activity has issued 82,300 CERs. It will be relevant to watch whether the increasingly attractive global carbon market dynamic can help Burundi to unlock the significant additional carbon credit issuance potential in the existing activities, as well as to mobilize new activities.
- One CDM project named "BQS Improved cookstoves for Burundi restaurants" was deregistered in March 2022 and was registered under VCS as the first project in the voluntary carbon market (VCM) in Burundi. The project was registered under VCS in July 2022 which represents a milestone for the country with the first VCM project.
- Another project activity "BQS improved cookstoves for Burundi's schools" under the same project developer is also requesting registration under VERRA/VCS.
- Since all CDM activities registered comparatively recently (after 2012), transition to the Art.6.4 mechanism should be a high priority for Burundi.
- The only CDM activity with successful CER issuance was developed by a South Korean project developer, which indicates that potential post-2020 carbon credits (after transition to Art.6.4) may be used for South Korea's NDC, elevating the need to have in place necessary procedures for robust accounting and reporting (corresponding adjustments).
- Burundi has taken initial steps to establish Article 6 readiness in cooperation with the Eastern Africa Alliance on Carbon Markets and Climate Finance.

2. CDM portfolio and performance

- The registered CDM activities all support improved cook stoves, with 2 project activities and 2 PoAs with a total of 2 CPAs
- 1 project activity was de-registered in March 2022 and registered under VCS
- The country has issued CDM letters of approval for 3 PoAs in total
- The mitigation potential for registered activities by 2020 was 4.5 million tCO₂e with the mitigation potential between 2021- 2025 reaching 5.7 million tCO₂e
- However, only 1 CDM activity successfully achieved CER issuance to date



Volume of CER issuance and potential of currently registered CDM activities by sector

Activity Type	Sub-sector	No. of PA	No. of PoA	No. of CPA	kCERs issued	Projected 2020 ktCO ₂ e	Mitigation Potential between 2021-2025 ktCO ₂ e
Overall		2	2	2	82.3	4,556	5,731
EE Service	Stoves	2 (1)*		0	0	590.64	443
EE Households	Stoves	0	2	2	82.3	3,966	5,288

CDM transition potential

- Given that all existing CDM and VCM activities are of the same activity type (improved cook stoves) and have registered relatively recently, with limited issuance success, all of Burundi's CDM activities may be eligible for transition to the new mechanism, provided UNFCCC rules remain as in current draft documents and the government of Burundi supports this transition. Once the Article 6.4 Supervisory Body has made available the transition process, Burundi will need to establish criteria and an approval procedure for activity transition aligned with UNFCCC rules. At the same, there is significant flexibility for host countries to determine how CDM activities may contribute to their NDC. All CDM activities were registered post 2012 and only one has since been de-registered in order to switch to VCS.
- One CDM project activity reached the end of its crediting period in 2021 and the other ends its crediting period in January 2023. Both activities have renewable crediting periods, which would make them eligible for transition from a formal point of view (as per current status of regulatory discussions).
- The CDM has generated 82.3 pre-2020 vintage credit issuances from 1 CPA and no post 2020 vintage issuances yet.



Source: Aera Group n.d

3. Voluntary carbon market portfolio and performance

- Burundi managed to get the first VCM carbon market activity registered with Verra/VCS, which is a significant development for the national voluntary carbon market portfolio.
- The registered activity is an improved cookstove project that was de-registered from the CDM. The project has a total of 575,239 VCUs issued which are all post 2020 vintages.

Showcase Activity

- The BQS improved cookstoves for Burundi schools (VCS ID: 2616), registered under VERRA/VCS is the first activity registered by a voluntary carbon standard in Burundi. The project consists of locally manufacturing improved cookstoves for Burundi's schools and switching from non-renewable logged trees to a sustainable energy supply: briquettes made of renewable biomass. As a result, the project, children living in deforested areas are no longer afraid to go to school because they are not able to contribute wood fuel. The attendance rate rose from 75-85% to 98%.
- The activity was de-registered from the CDM. However, the project has achieved a milestone by registering the first voluntary carbon activity in Burundi and is led by a very experienced carbon market project developer with AERA.

4. Article 6 readiness and piloting

- Burundi's registered CDM activities have relatively large mitigation potential despite their limited number. Most of Burundi's CDM activities may become eligible for transition to Article 6, provided UNFCCC rules remain as in current draft documents and the government supports their transition. The mitigation potential could be increased if registered PoAs can transition to Article 6 and new CPAs are added, including with further technologies. However, the actual potential for scaling up and inclusion of new CPAs should be investigated further considering the limited number of registered PoAs in the country.
- No Article 6 pilot activities have been identified yet. However, The only CDM activity with successful CER issuance was developed by a South Korean project developer, which indicates that potential post-2020 carbon credits (after transition to Art.6.4) may be used for South Korea's NDC, elevating the need to have in place necessary procedures for robust accounting and reporting (corresponding adjustments).
- The high share of conditional mitigation targets in the updated NDC indicates further potential for expanding Article 6 activities, including in new sectors.
- Burundi has been working with the Eastern Africa Alliance on Carbon Markets and Climate Finance to build capacity on Article 6 participation requirements.

CORSIA Potential

- Burundi has 1 CPA (household cookstoves) which is eligible under CORSIA
- Burundi Airlines has been recently established but is unlikely to generate significant demand for voluntary or compliance calculation due to the currently limited scope of operations.

References

Aera Group (n.d.): BQS improved cookstoves for Burundi schools, <https://aera-group.fr/project/switching-to-renewable-fuel-in-burundi-schools-kitchen/> (accessed October 2022)

Burundi (2021): Burundi First NDC (Updated submission), <https://unfccc.int/documents/497263> (accessed October 2022)

UNEP CCC (2022): CDM pipeline overview, <http://www.cdmpipeline.org/> (accessed August 2022)

UNEP CCC (2022b): Article 6 pipeline overview, <http://www.cdmpipeline.org/> (accessed August 2022)

VERRA (2022): VERRA all projects, downloaded from <https://registry.verra.org/app/search/VCS> (accessed December 2022)

6. Key assumptions

- Data referring to the CDM (projects and programmes) has been taken from the UNEP CCC CDM project and PoA pipelines as of August 2022. To remain conservative, we only include registered activities. We did not assess data quality regarding whether a project is still active, as UNEP is the commonly recognized database drawing directly on UNFCCC Secretariat data.
- While there is a high degree of uncertainty regarding the issuance potential of individual activities, these are difficult to assess and will be affected by future political decisions. Only PoAs which have an included component project activity (CPA) in the profiled country have been counted.
- While UNEP CCC captures estimated accumulated emissions until 2025 based on transparently available CDM activity design documents (PDD; PoA-DD, it is clear that meeting these estimations is subject to political decisions and therefore theoretical.
- Any future mitigation potential is expressed in kilotons of carbon dioxide equivalent (ktCO₂e = 1000 tCO₂e) in order not to prejudge the type of certification that post-2020 mitigation outcomes may be using.
- Voluntary carbon standard data has been taken from the official databases of the respective standards. Verified Carbon Standard data is as of August 2022. Data on Gold Standard (GS) activities have been obtained from the GS registry while Plan Vivo data was obtained directly from the standard in August 2022.
- Parties agreed at COP26 that projects will be able to transition from the Clean Development Mechanism to the new Article 6.4 mechanism. A limited number of Certified Emission Reductions (CERs) could be used towards countries' NDCs, noting that the projects will not be able to receive issuances for post-2020 emission reductions, unless they transition to the new Art.6.4 mechanism. Vintages issuances post-2021 will require corresponding adjustments.



Published By: The Eastern Africa Alliance on Carbon Markets and Climate Finance. The Eastern Africa Alliance on Carbon Markets and Climate Finance is a coalition of seven member states. The Alliance is focused on bringing member states together with a common goal of delivering an understanding of carbon markets and climate finance.

Authors: Stephan Hoch, Peris Waweru (Perspectives Climate Group), Tim Cowman, Tom Owino, Diana Imbugwa (Climate Impact Partners). This country profile has been prepared in the context of the project “Climate Finance Innovators - [Linking Carbon Markets with Climate Change in Africa](#)”

This study is part of a project under the International Climate Initiative (IKI). The Federal Ministry for Economic Affairs and Climate Action (BMWK) supports this initiative.