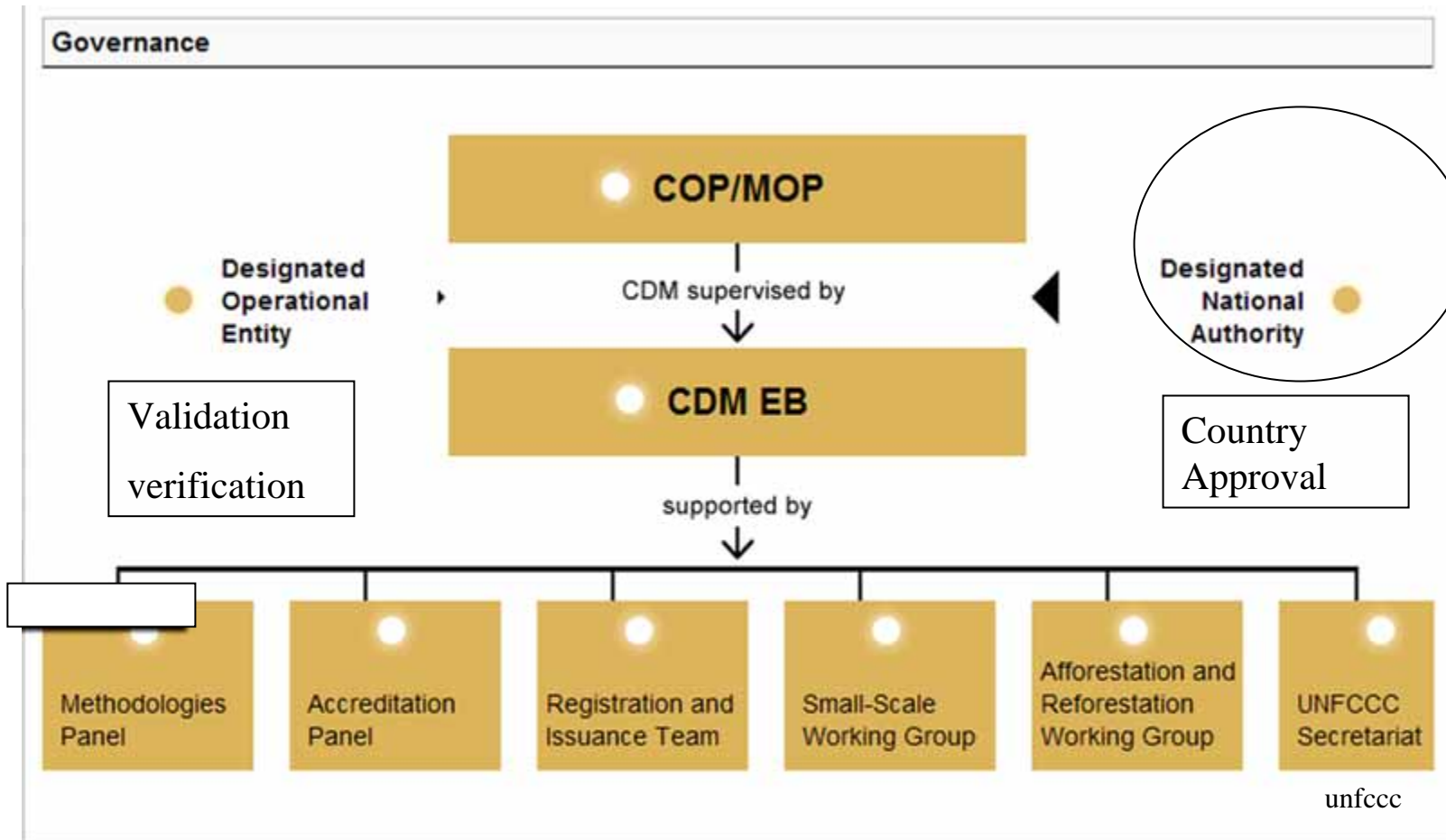


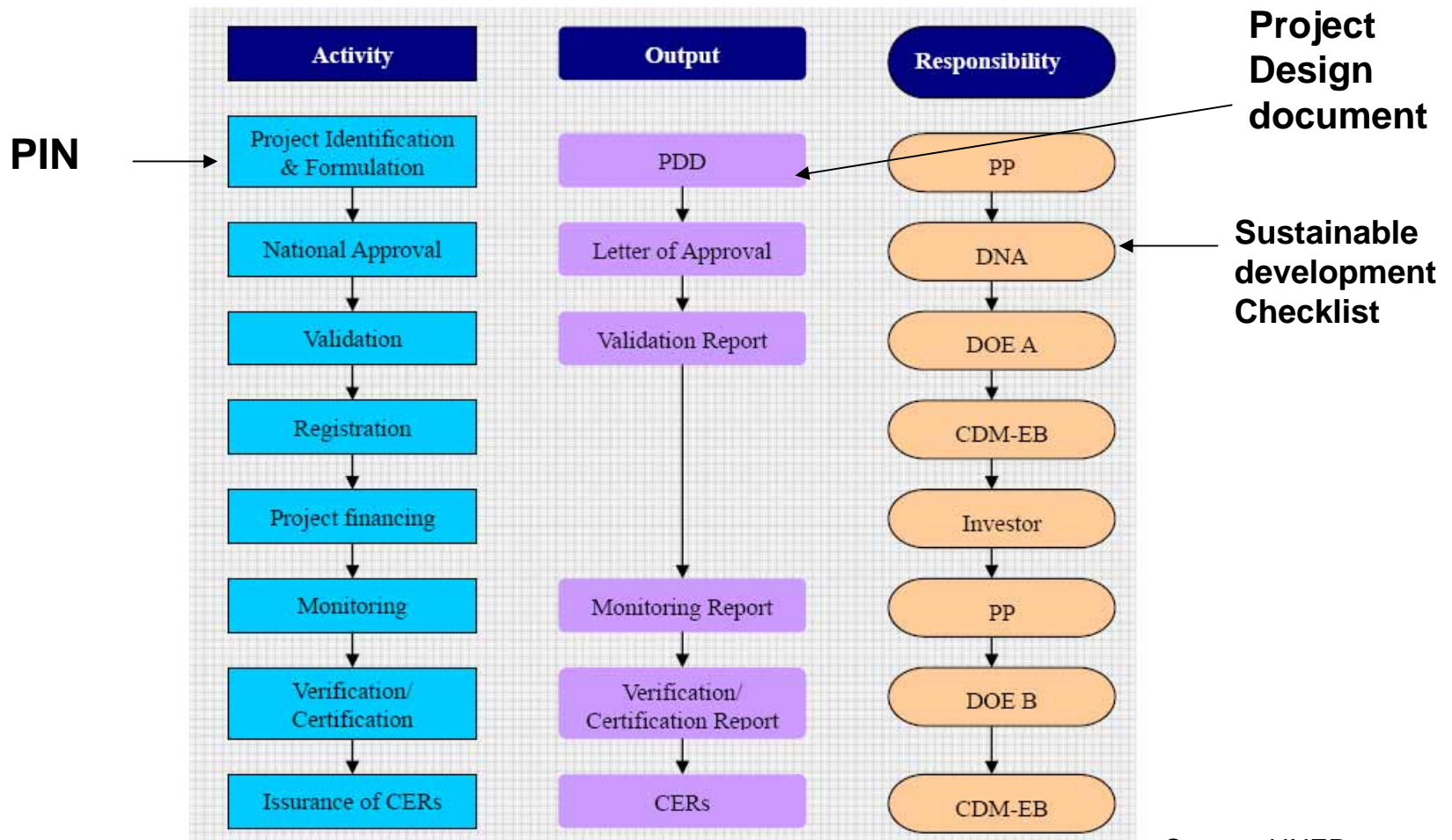
CDM Project Cycle Role of Government

CDM Capacity Building Workshop-
January 2011

CDM Governance

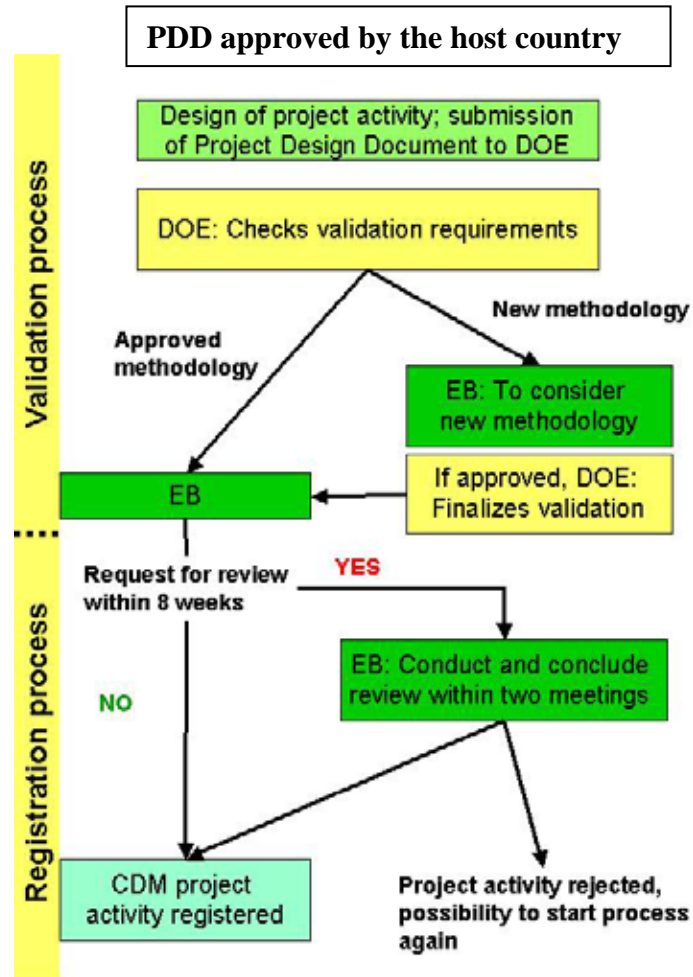


CDM Project Cycle



Source: UNEP

Project Validation Process



DOE: Designated operational entity; EB: Executive board

Role of Governments

- Ratify the Kyoto protocol
- Establish the DNA
- Establish rules for CDM projects assessment and approval
- Define the criteria for national sustainable development
- Define the national priority areas
- Develop CDM friendly policies.

Designated National Authority (DNA)

Structure and roles

The DNA

In accordance with the CDM modalities and procedures , Parties participating in the CDM shall designate a national authority for the CDM. The registration of a proposed CDM activity can only take place once approval letters are obtained from the Designated National Authority of each Party involved, including confirmation by the host Party that the project activity assists it in achieving sustainable development.

UNFCCC

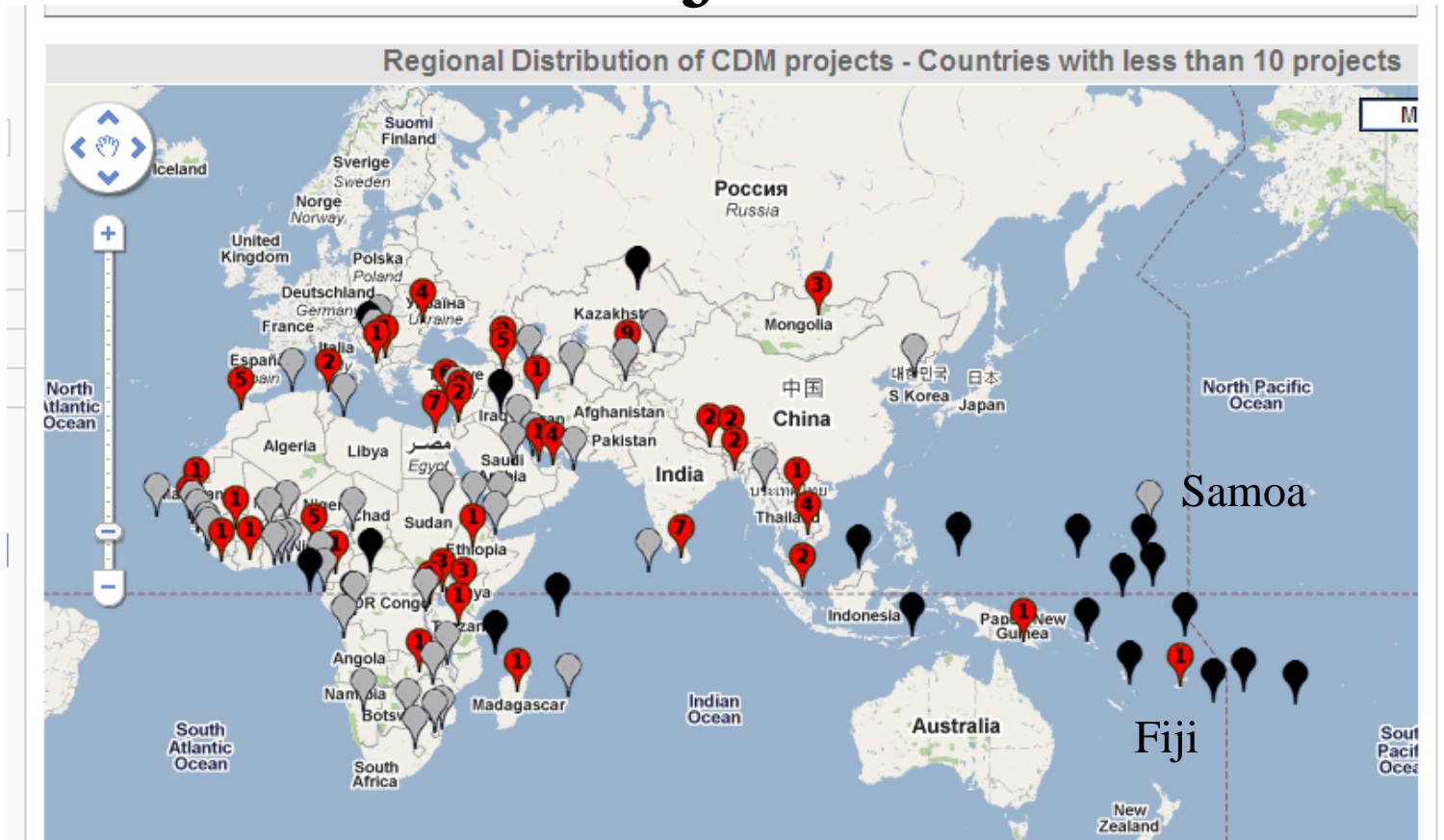
The DNA

- A must for participating in the CDM process
- Single Window Office for CDM with a point of contact for CDM project developers
- Co-ordinate with all other government departments and institutions
- Approve CDM projects under the **national sustainable development criteria**
- DNA does not develop projects or approve methodologies
- Crucial role in attracting foreign investment
- Advertise and promote CDM activities

Role of DNA



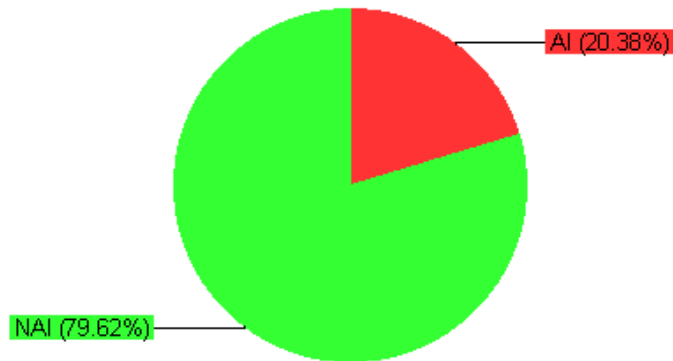
DNA Establishment and CDM Projects



Red- DNA and Project (s)
Grey- DNA and no project
Black- No DNA , No project

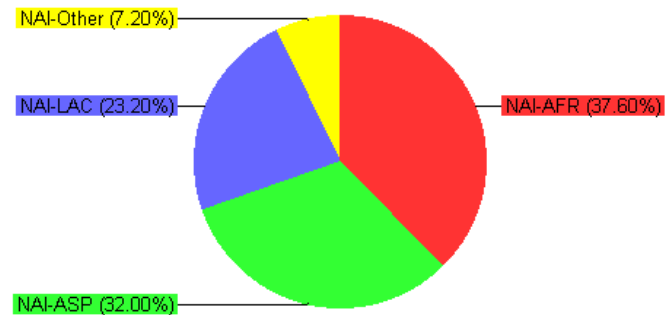
Established DNAs (Jan 2011)

Designated National Authorities (DNA). Total 157



<http://cdm.unfccc.int> (c) 18.01.2011 23:40

Non-AI DNA by region. Total 125



<http://cdm.unfccc.int> (c) 18.01.2011 23:42

DNAs in the PICs

Fiji: Department of Environment

PNG: Office of Climate Change and
Development

Samoa: Ministry of Finance

Financing the DNA

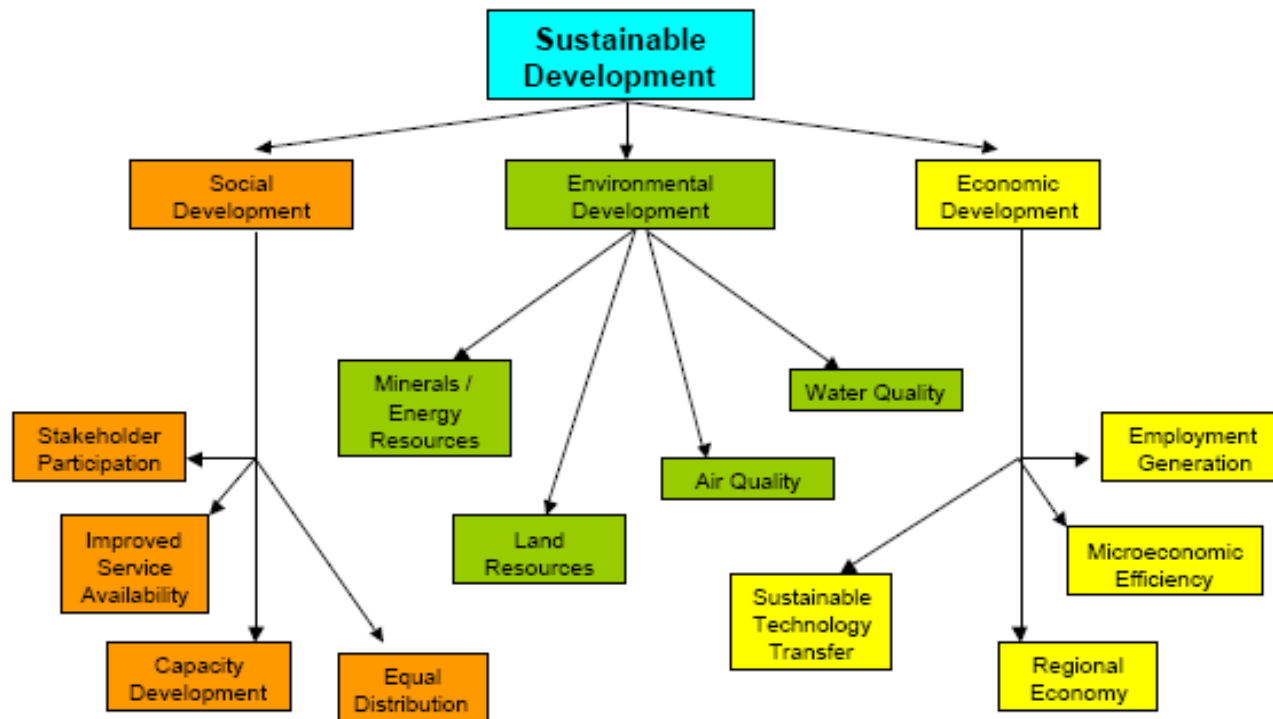
- Fixed fee for an approved project: Ghana, Morocco, Germany
- Carbon Credit tax ; China (depending on the type of the project)
- Govt. or Donor assisted

Definition of Sustainability Criteria

COUNTRY SPECIFIC

- Economic criteria
 - Environmental criteria
 - Social criteria
-
- Define indicators for all criteria to enable an objective assessment-Quantitative and Qualitative

Sustainability Development Criteria



A hierarchical tree of SD Criteria

Project approval procedures

Common procedure adopted in many countries:

- Submission of a PDD and country-specific documents to the DNA's office.
- Evaluation by the operational unit against the sustainability criteria
- Recommendation to the committee, who takes the final decision

Some DNAs allow:

- voluntary submission of a Project Idea Note (PIN)
- oral presentations by project proponent
- appeals against the DNA's decision
- validation by the DOE to be carried out in parallel

DNA institutional structure

- CDM rules do not specify a specific structure
- Different countries have followed different approaches
- Single ministry , Multi –ministry, independent office

DNA Capacities

- Most important factor
- Affects transaction time and costs
- Should effectively evaluate project proposal based on the national priorities and sustainable development criteria.

DNA Activities

Two types of major activities

- i) **Regulatory : Mandatory**
 - Regulatory framework creation

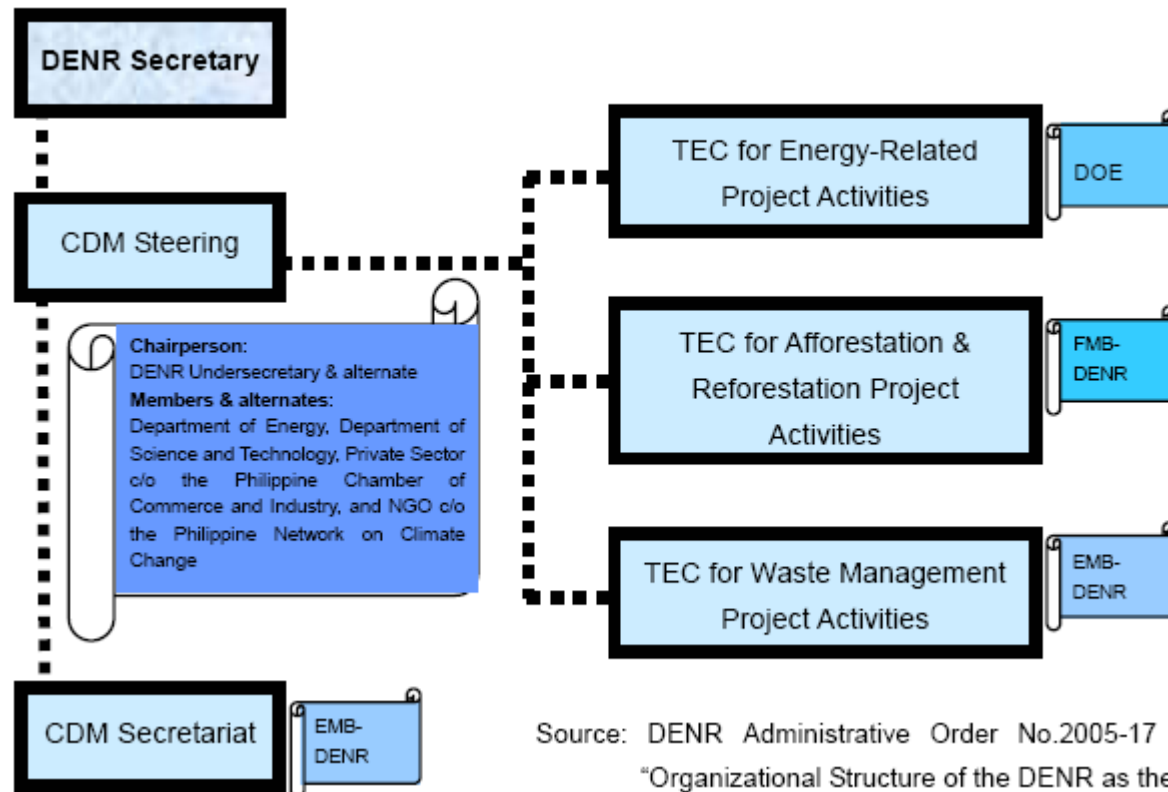
 - Evaluation & Approval

- ii) **Promotional**
 - Awareness campaign,
 - workshops, seminars etc.

Technology Transfer Criteria

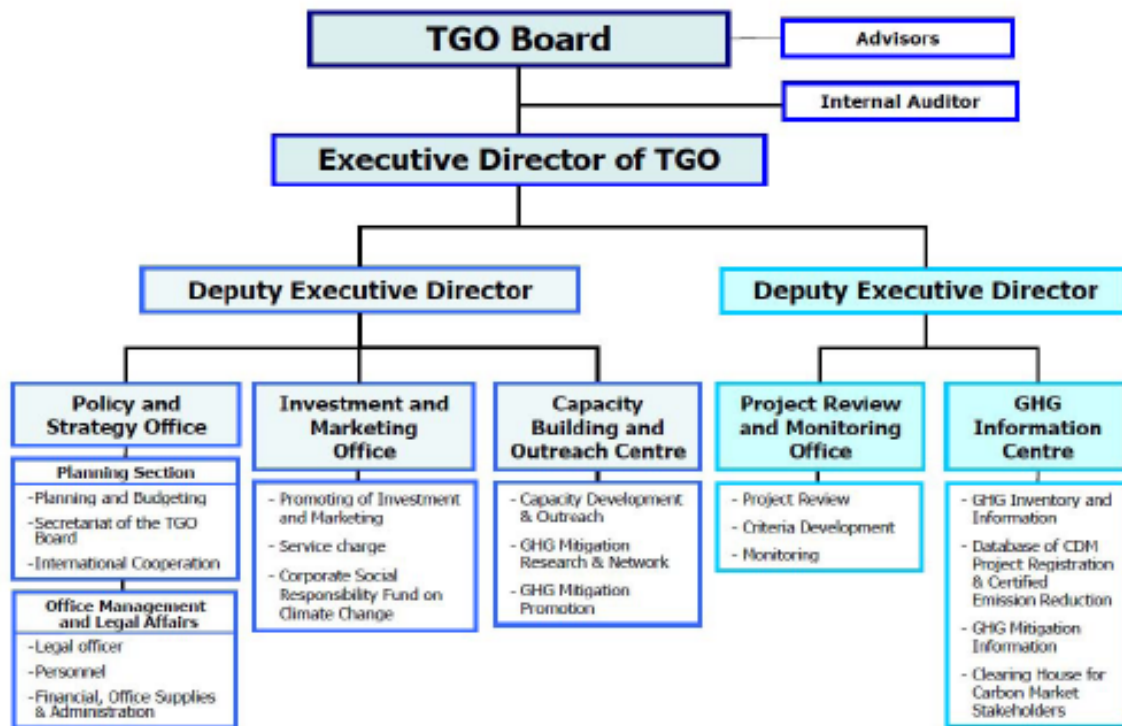
- Technology Need Assessment (TNA).
- As part of approval process , some countries impose TT requirements (Brazil, India, China).
- India: projects should promote “technological well being”. Also allows TT within the country.
- Brazil: Project should contribute to “ technological development and capacity building”.

DNA structure -Philippines



Source: DENR Administrative Order No.2005-17 (August :
"Organizational Structure of the DENR as the Designat

DNA structure-Thailand



Source: Thailand Greenhouse Gas Organization (TGO)

DNA Arrangements

	Ghana	India	Indonesia	South Africa	Tunisia
Institutional arrangements of DNA	Governing council representing 5 gov. institutions or ad hoc committee decides on approval, supported by Secretariat	DNA representing 8 gov. Institutions, decides on project approval, supported by Secretariat	National CDM commission, representing 9 ministries, decides on approval , supported by Sec. and technical team	Advisory Committee, representing 8 ministries, comments on proposed projects, final decision lies with Department of Minerals and Energy	Committee representing 15 gov. institutions and stakeholder, evaluates projects and decides on approval. Supported by Secret.
Preliminary DNA Assessment	Voluntary PIN assessment	No PIN assessment	No PIN assessment	Voluntary PIN assessment	Mandatory PIN assessment

DNA Arrangements (Contd.)

	Ghana	India	Indonesia	South Africa	Tunisia
Public consultation	Planned on DNA-Homepage and announcement in 2 national newspapers	No specific provision, assumed to occur as part of validation	PDD publication on DNAs homepage, submissions of comments from public possible	PDD publication on DNAs homepage, submissions of comments from public possible	No provisions yet
Max. duration of evaluation	PIN: 14 d PDD 61 d	- PDD: 60 d	- PDD: 77 d	PIN: 42 d PDD: 63 d	PIN 15 d PDD 45 d

Source-GTZ

SD criteria : Example from Philippines

Economic Dimension	
Criteria	Project Level Indicators (Examples)
Provide livelihood and other economic opportunities in the community	Local companies to be contracted for the construction, implementation
	Number of workers from the host community (skilled and unskilled, contractual and permanent employment, competitive packages)
	Livelihood opportunities
	Finance schemes for sustainable alternative livelihood.
Provide proper safety nets and compensatory measures for affected stakeholders	Measures to address the replacement of lost assets, Loss of livelihood opportunities as a result of the project
	Safety nets and compensatory measures as a result of operation/implementation risks and potential hazards
Promote the use of cleaner, more efficient and environment-friendly technology in the sector	Transfer of appropriate technology (describe actual technology, extent of its application in the sector, dependability/reliability/efficiency and expected technological problems and how to address such problems)
Provide new financial resources	In addition to the estimated foreign capital inflow received from an Annex I country and the reduction in expenditures for a particular item as a result of the project, include the amount of savings to be generated and the amount of funds therefrom to be allocated for other purposes for the improvement of the host community such as setting up of development funds for sustainable programs for disadvantaged sectors / groups, employee benefits, etc.

SD Criteria: Philippines

Social Dimension	
Criteria	Project Level Indicators (Examples)
Provide education and training which build the capacities of local stakeholders	Frequency and types of training (social, technological, entrepreneurial, etc.) for the project's labor force and the host communities
	Frequency of educational tours for academe, related industries and other interested parties on the technology, impacts of climate change and CDM – visits/tours/lectures conducted per month
	Scholarships for deserving local stakeholders
Provide vulnerable groups access to local resources and services	Access to local resources (fishing grounds, forests, water, etc.)
	Supply of and access to basic needs (water, food, electricity, medical outreach, etc) for affected vulnerable groups.
Promote local participation in the project activity	Level of coordination with and participation of various sectors, social development strategies, integration with the community

SD Criteria: Philippines

Environmental Dimension	
Criteria	Project Level Indicators (Examples)
Improve local environmental quality	Measurable indicators to show the improvement in local environmental quality other than the GHG emission reduction – schedule of surveys, inventories and other monitoring tools
	Stability and treatment of any form of waste coming from the project.
Comply with environmental policies and standards	Present and expected level of compliance with all applicable environmental policies and standards (EIA, air, water, land use and forestry, natural habitat and protected areas, waste hazardous, etc.) vis-à-vis historical data
Promote sustainable use of natural resources	Concrete efforts of the project to promote sustainable strategies and programs for the use of natural resources in and around project site (water, forests, etc.)

CDM Promotion

The DNA's office should

- Identify promising sectors and focus capacity development activities
- Raise the awareness of the CDM
 - Explain the rules of the CDM and where information can be found
 - Explain the CDM market and the financial benefits from the CDM
 - Train in-country consulting firms or advisors in CDM project development

Thank You