

**The Roles and Functions of the Designated National Authority
on the Clean Development Mechanism**

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Table of Contents

Introduction	3
1. DNA functions and responsibilities	4
1.1 DNA definition	4
1.2 DNA functions and responsibilities	4
2. Composition of the Republic of Korea's (ROK) DNA and criteria for CDM project approval	6
2.1 DNA structure and organization in ROK	6
2.2 CDM project approval procedure	6
2.3 CDM approval criteria	8
2.4 Sustainable development criteria	9
2.5 Evaluation on technology transfer	10
2.6 Training and education for providing recent information and capacity building	11
2.7 Associating project developers with Certified Emission Reductions (CERs) buyers	11
3. DNAs in investor and host countries	12
3.1 United Kingdom (UK)	12
3.2 The Netherlands	14
3.3 Japan	15
3.4 People's Republic of China (PRC)	18
3.5 The Philippines	21
Concluding remarks	21
Appendix	24
Appendix 1 DNA guideline in ROK	24
Appendix 2 Approval Criteria	29
Appendix 3 CDM project Promotion Document	30
Appendix 4 Consent to appoint as Representative between Project Proponents	31
Appendix 5 Application for CDM project Approval	32
Appendix 6 CDM Project summary	33
References	35

Introduction

The Designated National Authority (DNA) Guideline is developed primarily to assist the government of Mongolia in the successful operation of the DNA. It provides the context for better understanding of the procedure of the Clean Development Mechanism (CDM) and sets forth the goals as well as the means for the effective implementation and promotion of CDM projects in Mongolia.

The efficient and successful implementation of CDM projects, from project development to the issuance of Certified Emission Reductions (CERs) is partly dependent upon the institutional arrangement of the host country.

In many Non-Annex I countries, CDM projects are still in the initiatory stage. Difficulties can be traced from the lack of any domestic legal framework that would accommodate the needs of the CDM. The legal framework will come from the host country which has the sovereign right to develop its own set of approval criteria in line with its sustainable development priorities. Other sources of difficulties are unclear and complex approval process and poor coordination of government ministries and agencies involved with the approval process. In that sense, the DNA plays a crucial role in promoting CDM projects and consequently contributing to sustainable development of its own country as well as greenhouse gas (GHG) emissions reduction to mitigate climate change.

Since the Marrakech Accords agreement in 2001, many Non-Annex I countries are still struggling to fully benefit from the CDM. It is partly due to the lack of an operational and efficient institutional set-up through which the national CDM process can properly and efficiently functions. Experiences from other countries in the CDM suggests that a simple, clear, and transparent national CDM approval process contribute to the vitalization of CDM projects through the minimization of transaction costs, associated with the whole cycle of CDM project. Since many difficulties can be lifted by proper set-up and operation of the DNA, the purpose of this guidebook is to provide case examples of institutional set-up, including approval process and sustainable development criteria by the CDM host country so that Mongolia and other Non-Annex I countries can benchmark to establish and strengthen its DNA. Of course, different countries will have different geographical, social, economic, cultural, historical, and other circumstances. Nonetheless some lessons can be learned from

the experiences of Republic of Korea (ROK) and selected countries which are relevant and helpful to Mongolia and other Non-Annex I countries.

Upon the request from the government of Mongolia, the Asian Development Bank (ADB) provided Technical Assistance (TA) which makes the development of this guidebook possible. This guidebook begins with the description of DNA functions and responsibilities, followed by the case of ROK and DNAs of other selected countries are also presented. Lastly, appendices include CDM approval guideline and templates of other documents which are required by the ROK's DNA.

1. DNA functions and responsibilities

1.1 DNA definition

The Marrakech Accords sets forth the institutional requirements for any country interested in getting involved with CDM projects. As established in paragraph 29 and 40 of the Marrakech Accords Decision 17/CP.7 (2001), the setting-up of a DNA is one of the requirements of participation in the said project. The prime responsibility of DNA is to authorize and approve the participation of countries in CDM projects.¹

Paragraph 40 of the Marrakech Accords requires that the Designated Operational Entity (DOE) shall, prior to the submission of the validation report to the CDM Executive Board (EB), have received from the project participants written approval of voluntary participation from the DNA of each Party involved, including confirmation by the host Party that the project activity assists it in achieving sustainable development.²

1.2 DNA functions and responsibilities³

The DNA of the host country plays a crucial role in the process of establishing CDM projects since projects need its approval authority. To launch a CDM project, the project developer will have to get the approval from both the host country and the investor country. The

¹ <http://cdmrulebook.org/64>

² <http://cdm.unfccc.int/Projects/>

³ There are two broad categories of activities which DNA can perform: regulatory and promotional. The regulatory functions are mandatory for all DNAs and include the evolution and approval process of CDM projects. The entry into CDM market is highly competitive. These activities could include; raising awareness through workshops, seminars and training, disseminating information, building capacity of project proponents, and marketing CDM projects. Moreover, DNA can facilitate investment by developing a portfolio of diverse high quality CDM projects that meets to the needs and interests of wide range of potential investors. (Establishing National Authorities for the CDM 'A Guide for Developing Countries', Christiana Figueres, International Institute of Sustainable Development, Canada 2002.)

challenging part is the acquisition of Letter of Approval (LOA) from the host country since the procedures are, generally, more complicated than those of the investor country. Two main objectives of the CDM are the accomplishment of Annex I parties' GHG emissions reduction commitments to the Kyoto Protocol and the contribution to Sustainable Development (SD) of host countries. The evaluation on the latter entails more difficulties than the former since the evaluation includes an assessment on whether projects will contribute to SD of host countries.

Other than the regulatory function, the DNA can play several roles that will enhance a country's participation in this market, as follows:

First, the DNA establishes and implements national regulations for the CDM. In the international level, the DNA could make a recommendation to the Conference of the Parties (COP) or CDM EB about present and potential problems in the area of implementation of CDM projects. It proposes some key areas of improvements in project implementation. In the domestic sphere, the DNA builds regulations and guidelines for procedures - application, receipt, assessment, and approval. The DNA cooperates with the relevant government ministries and agencies making its people to become effective members of various committees in the COP or CDM EB.

Secondly, the DNA conducts capacity building and technical training programs to raise awareness of the CDM. The DNA could assist in providing a pool of experts from the government, financial institutions, consultancy organizations, non-governmental organizations, civil society, legal profession, industry and commerce, as it may deem necessary for technical and professional inputs and may co-opt other members depending upon the need. These experts will provide a venue where the government will be made more aware of the various issues on climate change and other environmental concerns. These can also lead to the building of a pool of environmental entrepreneurs in the country.

Thirdly, the DNA could contribute to the improvement of baselines and monitoring methodologies. The CDM is improving itself through learning by doing. In the course of the DNA's evaluation of proposed projects, it will repeatedly review, evaluate, and compare the existing methodologies and SD criteria. The DNA may then propose the ways to improve existing methodologies to the EB.

Fourth, the DNA could contribute to discovering new CDM projects. DNAs are likely to function as facilitators for project participants and potential investors in CDM projects. Based on DNA's close relationship with project developer or CER buyers, it could initiate to identify CDM-related business opportunities and develop the ideas for real projects. Thus, it would formulate regulatory mechanisms and institutional supports to minimize the difficulties that project developers may encounter. Due to potential conflicts of interests between the promotion and approval of CDM projects, in some countries, promotion and approval roles are assigned to separate entities.

Fifth, the DNA facilitates CDM investment through tie-ups between project developers and CER buyers. Project developers and other stakeholders will confer with the DNA of host country in the initial stage of the project. The DNA will then assist in overcoming potential barriers to CDM investments and facilitate the launching of projects. Cooperation from the DNA of the host country and other relevant government agencies are crucial for the smooth progression of project development.

Furthermore, the DNA may take on other functions such as consulting inter-governmental departments for the proper implementation of the project, particularly in relation to environmental concerns, foreign direct investment and the implications under domestic law of the transfer of CERs.⁴

2. Composition of the DNA in ROK and criteria for CDM project approval

2.1 DNA structure and organization in ROK

The government of ROK has established the Climate Change Committee, a Ministerial level Committee chaired by the Prime Minister. Under the Climate Change Committee, the Green Growth Division of National Agenda Office in the Prime Minister's Office (PMO) is appointed as the DNA in ROK.

The DNA is chaired by Economic Policy Coordinator in the Office for the PMO and is composed of directors from relevant governmental ministries and agencies. The members are director-level officials from the PMO, the Ministry of Foreign Affairs and Trade, the Ministry of Education, Science and Technology, the Ministry for Food, Agriculture, Forestry and Fisheries, the Ministry of Knowledge and Economy, the Ministry of Environment, and the

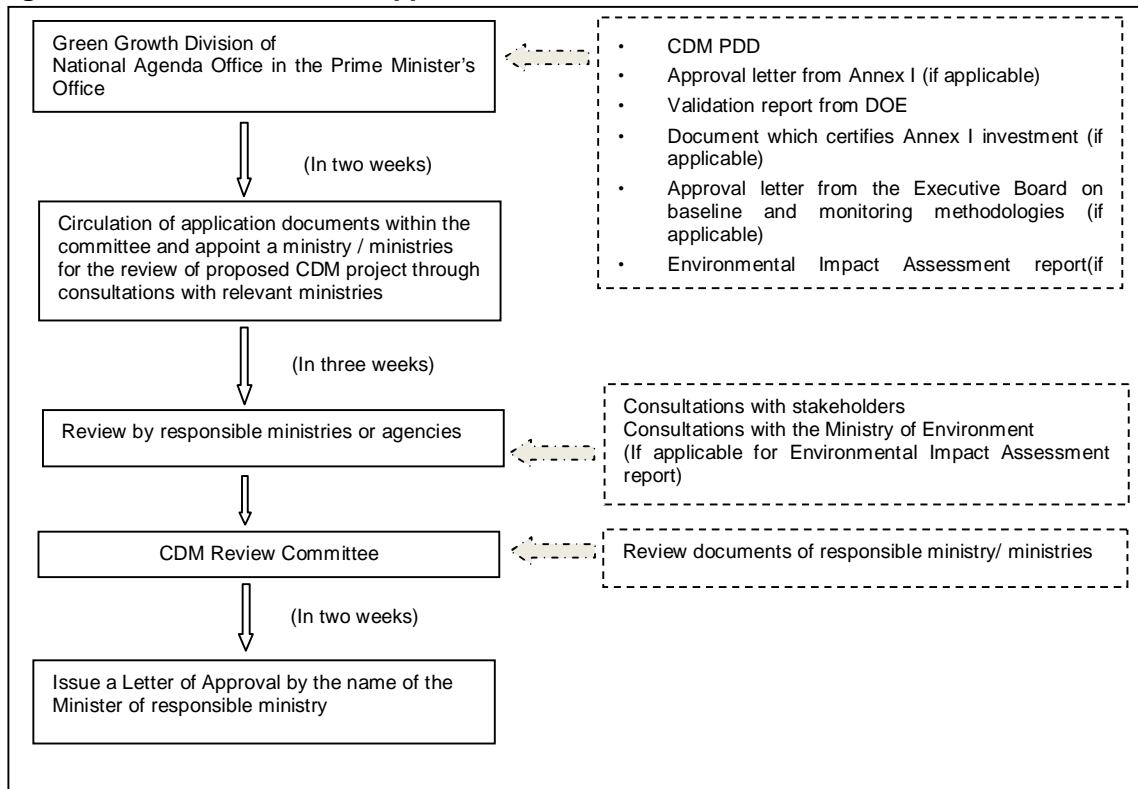
⁴ Legal issue guidebook to the CDM, UNEP, June 2004

Ministry of Land, Transport and Maritime Affairs. Furthermore, director-generals from the related ministries or agencies admitted by the Chair may also be involved. A director-level officer from the Green Growth Division of National Agenda Office in the PMO may be appointed to serve as the secretary of the Review Committee. The DNA in ROK is not an independent entity. Rather, it is convened as the application for approval of CDM projects is submitted. The technical review of the projects will be carried out by the responsible ministries depending upon the project types.

2.2 CDM project approval procedure

In an application to engage in a CDM project, the project developer shall submit the required documents⁵ to the Green Growth Division of National Agenda Office in the PMO. Upon receipt of the application, the secretary of the DNA will then circulate the application for approval. The responsible ministry or ministries will be appointed for the review of the proposed CDM project within two weeks which would involve plenty of consultations with relevant ministries.

Figure 1. Procedure for CDM approval in ROK



⁵ Application form consists of CDM PDD, Approval letter from Annex I or Validation report from DOE, Document which certifies Annex I investment(if applicable), Approval letter from the Executive Board on baseline and monitoring methodologies (if applicable), Environmental Impact Assessment report (if applicable)

The responsible ministry conducts an evaluation of the proposed project based on the criteria set by ROK's CDM approval guideline. The ministry may consult experts in the conduct of its evaluation. It may also consult various stakeholders of the project. The Ministry of Environment may also be consulted so that the project is in accordance with the Environmental Law. The responsible ministry is given 3 weeks to submit a written evaluation on the project. In case additional supplemental documents are asked, the evaluation may take extra days or weeks. Under special circumstances, the evaluation period may be extended.

After the responsible ministry submits its evaluation to the Green Growth Division of Administration Affairs in the PMO, a meeting of the Review Committee will be convened for final deliberation. After which, the project may be approved or disapproved. If approved, the ministry will issue a Letter of Approval (LOA) to the project developer.

The success of CDM projects in host countries would depend largely on the structure of the DNA. The way the DNA is created will have a direct effect on the investment environment of the country involved with the project. Indeed, a governmental structure with lower transaction costs, lesser bureaucratic hurdles and speedy evaluation processes will more likely attract more CDM investors.⁶

Disapproval of the project based on tenable ground and upon prompt notification of such to the applicant must be made. Any delayed communication of such disapproval runs counter with the goal of establishing speedy and transparent administrative procedures.

2.3 CDM approval criteria

The rationale behind the evaluation and assessment process is to determine whether or not the project will contribute to national SD goals and at the same time in compliance with the laws and regulations of the host country. The evaluation and assessment will thus be made by the host country determining whether or not the project is in pursuit of those goals. The country therefore, must come up with its set of criteria upon which evaluation and assessment of the project will be based. This is to ensure a transparent assessment process in accordance with its interpretation of SD.

⁶ Developing Countries' Institutions Under the Kyoto Protocol: Lessons Learned from Pakistan and Peru, Harish Kumar Jeswanil and Karla Soli, 2006

In ROK, five criteria for the CDM are clearly stated in the CDM Approval Guideline.

1. A CDM project shall contribute to national SD;
2. Emission reductions shall be manifestly attributable to a CDM project as can be seen from a stark difference from the time that the project was not yet existing;
3. A CDM project shall give actual assessment of its impact on environment, transportation and disasters if applicable;
4. Environmentally-sound technologies and its effective transfer ;
5. A CDM project shall comply with relevant policies and regulatory mechanisms.

Out of the five, criteria 2, 3, and 5 are rather easier to determine than others. In case of criteria 2, the DNA could determine compliance based on CDM PDD and DOE's validation report. Since criteria 3 and 5 are more on compliance with the local law and regulations, these will be determined in the Environmental Impact Assessment report and related legislations. In evaluating the application according to criteria 1 and 4, clear and adequate guidance should be established earlier on. The first criteria of the project's contribution to national SD are the most controversial in its determination.

Sustainable Development (SD) is universally defined as 'development that meets the needs for the present without compromising the ability of future generations to meet their own needs' taking into consideration the peculiar social, economic and environmental dimension of development of the host country. Thus, establishment of the host country's circumstantial and qualitative criteria is imperative to evaluate SD.

2.4 Sustainable development criteria

CDM projects' contribution to SD as one of the requisite criteria stated in the Kyoto Protocol is thus a very important concept. SD refers to the need to equitably satisfy both short-term and long-term needs and interests. It should satisfy both the protection of the interests of present and future generations in having a safe and healthy environment.

Since national policies on this issue may vary, the project developer is expected to contact the DNA for appropriate guidance. The criteria for SD shall take into account the country's level of economic development, socio-cultural background, technological capacity, natural resources and so on. It is important to identify goals and policies already established for social and economic development in areas related to climate. Unlike traditional approaches which take into consideration mainly the financial index, the multi-dimensional criteria which

include economic, social, and environmental dimensions must be considered in the promotion of SD.

Host countries should explore potential synergy between CDM projects and national SD priorities. The indicators in evaluating whether or not the project is able to contribute to SD goals must provide sufficient information with which decision makers approve or disapprove a CDM project.

One way of establishing a linkage between CDM projects and national SD goals is through the use of project evaluation indicators that reflect specific CDM project issues such as financial costs and GHG emission reductions as well as development criteria including economic, social, and environmental sustainability dimensions. Based on the chosen SD criteria as exemplified above, the indicators for the SD assessment should be chosen so that they simultaneously reflect the SD criteria. An SD indicator or set of indicators should be comprehensible and measurable in order to be useful to the decision maker.

CDM projects have multiple effects on the economic and social development of a host country. National authorities could use the SD dimension to evaluate key linkages between national development goals and CDM projects, with the aim of selecting and designing CDM projects in a way, where they could explore, create and maximize synergies with local development goals.

The project has to guarantee the following, if it is consistent with its goal in achieving sustainable development:

- **Social Aspect:** A project should lead to alleviation of poverty by generating additional employment, removal of social disparities, contributing to the provision of basic amenities to people leading to improved quality of life of people.
- **Economic Aspect:** A project should bring in additional investment consistent with the needs of the local people which will result in the increased income and new jobs.
- **Environmental Aspect:** Consider the various impact of the project activity on resource sustainability and resource degradation, if any, due to proposed activity; biodiversity friendliness; impact on human health; reduction of levels of pollution etc.

- **Technological Aspect:** A project should lead the transfer of environmentally-safe and sound technologies prioritizing renewable or energy efficiency projects which adopt best practices.

Other than these, SD criteria could be aligned with the country's main agenda of economic development compatible with environmental conservation in a way different from the past strategies.

2.5 Evaluation on technology transfer

In evaluating the effects of technology transfer, the DNA should stipulate if technologies are environmentally-sound and state-of-the-art. However, in ROK, even if this is taken into account it is not considered as a major criterion in the approval of the project.⁷

The criteria for technology transfer are as follows:

- If the technology is currently adopted in ROK
- If the technology can be acquired through purchase
- If the technology to be adopted requires more time and financial resources if not assisted by foreign countries through technology transfer orientation
- If the transferred technologies will bring additional benefits in other projects and areas

According to the established analysis of technology transfer in CDM project, pyrolysis facilities for HFC-23 and N₂O are considered to have technology transfer gains merely because these facilities were never used in ROK. The DNA needs to examine further whether or not the use of technology will encounter difficulties in its adoption in ROK without help of foreign investment or direct transfer. If the technology can be developed or adopted by simple use, it is advisable to promote a unilateral CDM business without foreign investment.

2.6 Training and education for providing recent information and capacity building

The DNA should build a system of providing easily accessible and available information on the CDM through which stakeholders could address decisions related to CDM implementation in ROK, and interface with relevant government agencies and other stakeholder groups. Moreover, it is necessary to make the DNA structure, approval

⁷ Projects in ROK are much larger than the average for all CDM projects and are more likely to claim technology transfer. About half of the projects in Korea representing 82% of the annual emission reductions claim technology transfer. (Source: Analysis of Technology Transfer in CDM Projects, December, 2008)

processes and sustainable development criteria in ROK easily accessible to the public, For example, it could publish periodical CDM newsletter, or provide updates through the internet.

The relevant ministry is responsible for information dissemination, education and training on CDM projects. While the Ministry of Knowledge and Economy takes charge in energy and industrial area exclusively, Forest Agency manages CO₂ sink and forestry area. In this case, specialized information and training can be offered based on the designated responsibility.

2.7 Associating project developers with CERs buyers

The DNA is the first place that foreign investors would seek in attaining CDM information. Thus the DNA plays a crucial role in providing local information on the CDM. The DNA therefore must, aside from all other roles, be a repository of CDM information.

3. DNAs in investor and host countries

3.1 United Kingdom (UK)

In 2008, the UK took a big step toward the reduction of GHG. The Climate Change Act 2008, which was enacted by Royal Assent on the 26th of November, makes the UK the first country in the world to have a legally binding long-term framework to cut carbon emissions.

The UK's Climate Change Act 2008 sets the framework on how UK will manage and respond to the threat of climate change. Under the Act, the UK must reduce total GHG emissions by at least 80% below 1990 levels by 2050.

In April 2004, the Department of Energy and Climate Change (DECC) was established as the UK's DNA on the CDM. It accepts applications for approval from all over the world. For projects involving Scottish, Welsh or Northern Irish companies, DECC will ensure the relevant devolved administration agrees with project decisions⁸. As such, DECC is the body to approve the transfer of CDM credits into a UK company's registry.

The UK established the Climate Change Projects Office (CCPO) as a UK government's primary contact for business on climate change projects under the Kyoto Protocol. The

⁸ This regulation also places a duty on UK Ministers to consult the devolved administrations in the event that the UK Minister is not minded to count as a credit a unit which a devolved administration has transferred into the credit account. The rationale here is that such a decision might affect the interaction between any regional carbon accounting systems and the net UK carbon account. (source: Guidance on carbon accounting and the net UK carbon account (Dec. 2009)

CCPO is jointly funded by the Department for Business, Innovation & Skills (BIS) and the DECC. The CCPO is a government advisory office set up to assist UK businesses who wish to pursue opportunities arising from the Kyoto Protocol. It provides advisory and support for projects which seek to reduce GHG emissions and which could be traded for emission reduction credits.⁹

To receive an LOA, the project developer needs to submit the following documents: a copy of the letter from the host country DNA confirming that the project will assist in achieving sustainable development; a copy of the Project Design Document (PDD); a signed Declaration of compliance with the CDM rules and procedures.¹⁰

The UK government has set three requirements for approval and authorization. Firstly, it requires project participants to ensure that an entity's participation in accordance with the Kyoto Protocol Article 12 and Marrakech Accords Decision 15/CP.7 and 17/CP.7 which describes the role of CDM participants. In addition to that, in order to receive the written approval from the UK DNA, UK project participants should comply with 2004/101/EC and relevant regulations that state GHG emission trade within European Community. Finally, the proposed project should coincide with the Implementing Regulations of GHG CERs trade and National Inventory 2005.

Participation in CDM projects is voluntary. A project developer may apply for an LOA either before or after a project has been registered by the CDM EB, following receipt of host country's approval. To request UK approval, the developer could submit the approval application through e-mail. After receiving the relevant documents, DECC may issue an LOA for the proposed project within two weeks. In some more complex cases of hydro-electric generation facilities with a capacity of over 20MW, it may take longer to examine applications.

Regarding the SD criteria, the UK government doesn't prepare separate standard since it regards the issue of contribution to SD to be dealt by the host country. Project developers may submit an LOA of host country and a covenant for assuring compliance with CDM regulations in general.

The UK government encourages the utilization of the Kyoto Mechanism. As of March 2008, the UK DNA approved 816 CDM projects. Project developers can use the CERs generated

⁹ <http://www.berr.gov.uk/whatwedo/sectors/ccpo/index.html>

¹⁰ UK Guidance on approval and authorisation to participate in CDM project activities (April 2009)

from CDM projects to offset its emission reduction commitment under the Kyoto Protocol. The UK does not plan to purchase CERs or launch procurement tenders, as this is left to the private sector. The UK government anticipates most companies will need only small amount of CERs and will obtain them from brokers rather than develop projects themselves. It estimates that the UK can meet the target of the Kyoto Protocol within the national policies and management.

The UK government has limited its own role in the carbon market to being a facilitator for UK companies. The UK DNA doesn't execute any particular activities to revitalize CDM business, but it limits its function to evaluate and issue the LOA to project developer. Other than these, the CCPO helps UK business by offering an expert advice service and a "first-stop shop" to access all areas of government involved in climate change projects.

3.2 The Netherlands

The Netherlands is one of the first countries among the Annex I parties, which have earmarked DNA and public funding for buying CERs by CDM projects. The Ministry of Housing, Spatial Planning and the Environment (VROM) is responsible for the overall Dutch Climate Change Policy and is appointed as the focal point for the UNFCCC and as the DNA for the CDM in the Netherlands. Companies, international organizations and private persons (entities) all over the world are qualified to request an approval for participation in CDM projects by the Netherlands DNA, once they sufficiently meet the conditions set out in the Ministerial Decree for Approval of Participation.

Under the Kyoto Protocol, and subsequently within the European Union, the Netherlands has committed to reducing its GHG emissions by a total of 199 million tonnes of CO₂ equivalents within the period of 2008-2012, reflecting a 6% reduction of CO₂ emissions level in 1990. Approximately 67 million tonnes of CO₂-equivalents will be purchased through the CDM.

The Dutch DNA Declaration of Approval to approve CDM projects, operating DNA e-mail box to support the information exchange and so on. The Netherlands government pushes forward CDM projects and is trying to reduce the barriers to CDM projects.

In this respect, the Dutch government has strong interest in the host country's DNA functions. It describes several requirements for host country DNA and the details are as follows:¹¹

All countries participating in CDM projects related to the Netherlands are required to designate a national authority for the CDM. The DNA is responsible for approval of hosted CDM projects and for setting national guidelines for CDM implementation. A host country's DNA must approve a potential CDM project before the investor country. All approvals and other mandatory documentation should be available at the latest before application for registration by the CDM EB. However, approval in an earlier stage, for example before validation, would demonstrate confidence in the project and will facilitate the project developer in convincing sponsors and buyers to participate. The approval should include a statement for voluntary participation in the CDM and a declaration confirming the project's contribution to sustainable development in the host country. The CDM EB has provided guidance on the content of approvals.

There are no guidelines prescribing how a country must set up or structure its DNA. Although, it is more practical if the DNA is embodied in a single organization. Responsibilities can be delegated amongst several bodies. A DNA is not required to register with the UNFCCC, but it is strongly recommended to do so in order to safeguard transparency.

3.3 Japan

The Japanese government has adopted the New Climate Change Program in March 2002, which aims to stipulate policies and measures necessary for the achievement of the 6% emissions reduction commitment under the Kyoto Protocol.¹² The Japanese government expects that 1.6% out of 6% GHG emission reduction target would be acquired through the Kyoto Mechanism. To carry out the Kyoto Mechanism, the Japanese government has developed two-level structures for approval of CDM projects. The higher ranking organization is the Steering Committee of the Global Warming Prevention Headquarters (Steering Committee) and the lower ranking organization is the Liaison Committee for Utilization of the Kyoto Mechanisms (Liaison Committee), which is appointed as Japanese DNA.

¹¹ Clean Development Mechanism, The Netherlands Approach, 2004

¹² Japan currently accounts for 4% of global emissions. Japan's target under the Kyoto Protocol is for a 6% reduction from the 1990 level, but in 2005 Japan had actually increased by 7.7%. Data source: <http://www.japanfs.org/en/pages/028987.html>

Based on article 1 of the *Decision of the Global Warming Prevention Headquarters entitled "Institutional Arrangements in Japan for Utilization of the Kyoto Mechanisms"*, Liaison Committee was established in March 2002. The Liaison Committee shall make decisions dealing with approvals of projects that relate to Joint Implementation (JI) and the CDM under the Kyoto Protocol as well as any procedures and other essential matters relating to Project Approvals.

The Liaison Committee shall be comprised of officials at the division director-level of the Cabinet Secretariat, Ministry of the Environment, Ministry of Economy, Trade and Industry, Ministry of Foreign Affairs, Ministry of Agriculture, Forestry and Fisheries, and the Ministry of Land, Infrastructure and Transport, which have a close involvement with JI and CDM projects. As required by circumstances, however, the ministries or agencies comprising the Liaison Committee may be reconstituted. In addition, general affairs of the Liaison Committee shall be managed by the Cabinet Secretariat, with the cooperation from the Ministry of the Environment and the Ministry of Economy, Trade and Industry.

Project developers are required to complete the necessary sections of the documentation, and submit the application in one of the ministries comprising the Liaison Committee. The Liaison Committee will determine which ministry is to be in charge of providing project support. The ministry in charge of providing project support will examine the application in accordance with the criteria for approval, and report the results of examination to the Liaison Committee. The Liaison Committee is to determine whether or not to approve based on the results of examination by the ministry in charge of providing project support. If the project is approved, the ministry in charge of providing project support shall promptly transmit a Letter of Japanese Government Approval to the applicant. After completing the approval process, the Liaison Committee will submit all the relevant information and data to Steering Committee and Headquarters.

Table 1. Japanese DNA Approval Procedure

<p>(1) Applications for Project Approval</p> <p>(i) In the interest of ensuring the smooth and timely progress of projects, any one of the ministries or agencies comprising the Liaison Committee is authorized to accept applications from the project participant concerned for the approval of individual projects, with the choice of ministry or agency based on the discretion of that project participant.</p> <p>(ii) The application for project approval may be made through either electronic or printed documents.</p> <p>(2) Ministries or Agencies in Charge of Providing Project Support</p> <p>(i) Ministries or agencies in charge of providing project support are to monitor the state of progress from the beginning of the project until the issuance of emission reduction units, etc., under the Kyoto Protocol, and to provide supplementary assistance, as well as administration of project approval procedures.</p> <p>The ministry or agency in the Liaison Committee that has received an application for project approval shall report to the Liaison Committee. The Liaison Committee shall decide which ministry or agency is to provide project support, in consideration of the preference of the project participant that has made the application, and provide notice of its decision to the project participant concerned. It is conceivable that in some cases more than one of the ministries or agencies may be involved in a given project. In the event that another ministry or agency comprising the Liaison Committee expresses interest in providing project support, the Liaison Committee will coordinate these matters as circumstances require.</p> <p>(ii) The Ministry of Foreign Affairs, in consultation with the ministries or agencies providing project support, shall carry out affairs such as communications with Japanese Overseas Establishments, and diplomatic procedures with host countries and international bodies concerned, from the start of the project until the issuance of emissions reduction units, etc., under the Kyoto Protocol, as well as necessary administrative tasks such as negotiations with the relevant agencies of the country concerned.</p> <p>(3) Approval Process and Other Matters</p> <p>After examining the details of the application, if the ministry or agency providing project support deems that there are no problems to prevent approval of the project, it shall report such findings to the Liaison Committee, and the Liaison Committee shall conduct the project approval. If the project is then approved by the Liaison Committee, the relevant ministry or agency providing project support shall issue an official letter of approval.</p> <p>(4) Reporting to the Steering Committee and the Headquarters</p> <p>After the results relating to a given application for project approval are known, the Liaison Committee shall compile the relevant information and report it to the Steering Committee. On receipt of the said report, the Steering Committee shall report the contents to the Headquarters.</p>

3.4 People's Republic of China (PRC)

According to *Measures for Operation and Management of Clean Development Mechanism Projects in China* issued on October 12, 2005, a tri-level structure of authorities is involved in the management of the CDM in PRC.

Listed from the higher rank, National Coordination Committee for Climate Change (the Committee), National CDM Project Board (the Board) and the CDM DNA are the three institutions involved for PRC's CDM-related issues.

Firstly, the Committee is an inter-ministerial body established in 1998 responsible for the formulation and coordination of PRC's important climate change-related policies and measures at the strategic level. With respect to the CDM, the Committee is responsible for the review and coordination of important CDM policies and measures, including: review of PRC's national policies, criteria, and standards on CDM project activity; approval of members of the National CDM Project Board; review of other issues, if necessary.

Secondly, the Board is also inter-ministerial body composed of the National Development and Reform Commission (NDRC, Co-Chair), Ministry of Science and Technology (MOST, Co-Chair), Ministry of Foreign Affairs (MOFA, Vice-Chair), State Environmental Protection Administration (SEPA), China Meteorological Administration (CMA), Ministry of Finance (MOF), Ministry of Agriculture (MOA). While under the authority of the Committee, the Board has the following core responsibilities:

- To review CDM project proposals and approve CDM projects;
- To report to the Committee on the overall progress of CDM project activities, relevant issues that arose and further recommendations;
- To make recommendations on the amendments to the CDM interim measures.

Thirdly, NDRC was appointed as the DNA for CDM in PRC. The NDRC mainly formulates and implements strategies for national economic and social development, annual plans, medium and long-term development plans. As the DNA, it accepts CDM project application, approves CDM project activities jointly with MOST and MOFA, on the basis of the evaluation conducted by the Board. Also, the DNA issues written approval on behalf of the government of PRC, supervises the implementation of CDM project activities and addresses other foreign-related affairs.

The DNA approval procedure is as follows:

Step 1. Project owner, or together with its foreign partner, submits application for approval of proposed CDM project activity to NDRC, directly or through related agencies and local governments, with a CDM PDD and other required materials;

Step 2. NDRC entrusts independent organizations for expert review of the applied project, which shall be concluded within 30 days;

Step 3. NDRC submits project proposals and expert review comments to the Board for approval;

Step 4. The National CDM Board reviews CDM project proposals and informs NDRC of eligible projects;

Step 5. NDRC, jointly with MOST and MOFA, approves or rejects project proposals in accordance with the decision made by the National CDM Board, and issues approval letters accordingly on behalf of the government of PRC;

Step 6. The project developer proceeds with the COP validation and registration procedures;

Step 7. Within 10 days as of the date of receiving the registration notice from the EB, the project owner shall notify NDRC for documentation purposes.

There are six admission requirements for CDM project activities in PRC: First, the project must be in line with PRC's laws and regulations, meet sustainable development strategies/policies and other general requirements as requested by national economic and social development plan; second, no new obligation shall be introduced for PRC other than those agreed under the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol; third, funds from parties in the developed country shall be additional to the current Official development assistance (ODA) and their financial obligations under the UNFCCC; fourth, project activity should promote the transfer of environmentally-sound technologies; fifth, project owner shall be entirely a Chinese enterprise or Chinese holding enterprise; and, sixth, CDM project owner shall submit documents to the CDM DNA such as an application form, a PDD, a certificate of enterprise status as well as other relevant information like brief description of the construction project and descriptions of project financing.

Implementation of CDM project activities shall ensure transparent, efficient and accountable responsibilities. All other types of projects eligible as well as long as international rule allows (including sink project, N₂O and HFC-23).

As a host country for CDM projects, PRC can develop its own SD criteria. The government of PRC considers sustainable development to be a national strategy, where environmental protection constitutes a fundamental national policy and strives to maintain harmonious development of the economy, society, and the environment. SD should alleviate poverty by generating additional employment. Additional investment brought in as part of SD must be

consistent with the needs of the people. Evaluation is done for the effects of the proposed activity on resource sustainability, resource degradation, impact on human health, and a general reduction of pollution level. The CDM project should lead to the transfer of environmentally-safe and sound technologies, comparable to the best practices that are available, in order to assist in the upgrading of PRC's technological base.¹³

To encourage the development of additional projects, the newly issued measures indicate that if a foreign CERs buyer has not been found by the time a project is submitted for approval (i.e., the code of CER has not yet been determined), then the PDD must indicate that the emissions reduction produced by the project will be transferred to PRC's national emissions reduction account. Then these reductions can only be transferred out of the account with approval from the DNA.

The government of PRC has set the priority areas in CDM project, as defined in Article 4 of CDM rule. These are energy efficiency improvement, development and utilization of new and renewable energy, methane recovery and utilization.

As of November 1, 2009, current status of CDM in PRC is as follows: 652 projects were registered at the CDM EB; 2,232 projects were approved by the PRC DNA; 2,354 projects were at or after the validation stage. The government of the PRC collects a share of CERs as tax. Tax rate is 65% for fluoride gases, 30% for N₂O, and 2% for energy and forestation projects¹⁴.

Table 2. DNA Structure in PRC¹⁵

Organization	Member	Function
National Coordination Committee on Climate Change (NCCCC)	Representative of NDRC is the chair. Vice-Chair is selected from MOFA, MOST, SEPA, CMA, and other ministries.	Policy making and coordination of CDM related issues
Office of the NCCCC	Managed by the NDRC	Serves as the secretariat of NCCCC and NCB; manages the review of CDM application documents
National CDM Board	Representatives of NDRC and	Conduct the review and

¹³ CDM country guide for China, 2005

¹⁴ CDM country Fact Sheet: China, Institute for Global Environmental Strategies (IGES), 2008

¹⁵ http://www.chinacarbonfund.com/assets/downloads/76/China_CDM%20Fact%20Sheet.pdf

(NCB)	MOST are the co-chair. Representative of the MOFA is vice-chair. Board is composed of MOF, MOA, SEPA, and CMA.	evaluation of CDM projects
National Development and Reform Commission (NDRC)	Act as the Chinese DNA and manage the office of NCCCC	Receive the CDM application documents. Issue an approval letter
Ministry of Science and Technology (MOST)	Act as the co-chair of the NCB	Open the documents for approved projects to the public
Ministry of Foreign Affairs (MOFA)	Act as the vice-chair of the NCB	Open the documents for approved projects to the public

3.5 The Philippines

The Philippine government ratified the Kyoto Protocol in November 2003 and has made the initial step to become a host country for the CDM by establishing a DNA. By Executive Order No. 320 dated June 2004, the Department of Environment and Natural Resources (DENR) was appointed as CDM DNA in the Philippines. Following the legislation, the DENR has established the guidelines to execute Executive Order No. 320.

Regarding the DNA structure, the CDM Steering Committee plays a key role in the organization and management while CDM secretariat provides the technical staff support. Under the CDM Steering Committee, three inter-agency and multi-sectoral committees are responsible for reviewing the assessment of the appropriate CDM. The Technical Evaluation Committee(s) provides advice to the DENR Secretary for the effective implementation and improvement of the Philippine CDM policy and framework in accordance with the provisions of DAO 2005-17 and any amendments thereto.

An Undersecretary of the DENR, designated by the DENR Secretary, serves as the Chair of the CDM Steering Committee, together with a named alternate. The Secretaries of the Department of Energy and the Department of Science and Technology have likewise designated an Undersecretary and an alternate to represent their respective departments in the Steering Committee. One representative each from the Philippine Chamber of Commerce and Industry and the Philippine Network on Climate Change also serve as members on behalf of the private sector and non-governmental organizations, respectively.

As the DNA for CDM in the Philippines, the DENR, in line with its mandate, supports policies

and measures that protect the climate system against human-induced change, which are appropriate to the specific conditions of the State, by facilitating and promoting CDM project activities that contribute to the UNFCCC objective, leading to the transfer of environmentally-safe and sound technology and know-how, contribute to the conservation of biological diversity and sustainable use of natural resources, comply with all other pertinent laws and regulations and provide measures to alleviate poverty as part of their contribution to sustainable development, all toward the realization of its vision of “a nation enjoying and sustaining its natural resources while maintaining a clean and healthy environment.”

Principles of SD as stated in the Philippine Agenda 21(PA 21) were established after United Nations Conference on Environment and Development - Rio Earth Summit in 1992. The PA 21 is a wide-range multi-dimensional strategy, which integrates SD concerns in all decision making structures not only within the government but also in civil society. SD in Philippines pursues sound economy, responsible organization, social equity, and ecological integrity. The PA 21 aims at introducing an ecosystem-based and people-centered approach. According to the medium-term development plan for 2004~2010, it targets to reduce poverty through education, financial stabilization, balanced development, sustainable economic growth. Also it seeks to utilize resources by spreading investment and entrepreneurship. In this respect, small-scale CDM projects which are based in local communities are more effective in the Philippine setting. The CDM projects must be accompanied with technology transfer and technology supports.

CDM approval in the Philippines is stipulated based on the following criteria.

1. The proposed project shall contribute the economic growth and improvement of quality of life.
2. The proposed project shall be accompanied with financial support.
3. The proposed project shall provide clean, more efficient and environment-friendly technology.
4. The proposed project shall contribute to the ecological integrity.
5. The proposed project shall contribute to social equity.

Among these, ecological integrity to ensure that development is a life-enhancing process considers the following factors: CDM projects should increase the sustainable utilization of natural resources and contribute to improvement in quality of local environment. Also they should comply with national environmental policies and guidelines. Regarding the social

equity, the CDM projects should provide education and training in local community. It should promote second-class citizens' access to the proper utilization of resources.

Concluding Remarks

This guidebook suggests possible roles and functions of the DNA and some cases of DNA structure from selected countries. Even though the government of Mongolia has its DNA and the CDM Review Committee in place, the functions and roles are limited and the resources, both human and physical, are lacking, posing difficulties in promoting the CDM in Mongolia to the internationally-competitive level. The case examples in this guidebook provide useful tips and guides for the Mongolia DNA to take into account in moving one step forward.

As it is mentioned at the introduction, a simple, efficient, and transparent arrangement of the DNA and approval process is crucial in promoting CDM projects and attracting potential investors. The case of ROK suggests an inter-ministerial arrangement of the DNA and expert review by responsible ministries depending upon the types of projects. The time limit at each stage of approval process can give project developers and potential investors clear idea on the timeframe of their plan.

The approval guideline of the ROK's DNA and sample documents in the Appendices will be useful templates for Mongolia and other countries who plan to develop written guidelines and documents.

The Mongolia DNA may differ from the ROK DNA in many aspects. Lessons, however, can be learned from the ROK's case which the Mongolia DNA can take into consideration. Although this guide book is developed to provide helpful comments and tips mainly for the Mongolia DNA, other non-Annex I countries' DNA may refer to it as needed.

Appendix 1. DNA Guideline in ROK

Clean Development Mechanism Approval Guideline

< Revised on 20 May 2009 >

Chapter 1. General Provision

Article 1. Purpose

This guideline seeks to outline the government approval criteria on Clean Development Mechanism project and its ex post-facto management under the Kyoto Protocol to the United Nations Framework Convention on Climate Change.

Article 2. Definitions

In this guideline, any word or expression will be understood according to the meaning designated and shall be understood as such unless the context otherwise indicates:

- ① "CDM" refers to the "Clean Development Mechanism" contemplated in Article 12 of the Kyoto Protocol;
- ② "CDM Project" refers to a "Clean Development Mechanism Project" activity proposed or established to reduce greenhouse gas emission reduction (includes projects of anthropogenic greenhouse gas removal by sink);
- ③ "Project proponent" refers to a person submitting a CDM project for approval;
- ④ "CER" refers to the "Certified Emission Reduction" contemplated in Article 12 of the Kyoto Protocol;
- ⑤ "Responsible Ministry" refers to the central administrative authority which is the approving authority consistent with the goals of the greenhouse gas emission reduction project as the CDM project;
- ⑥ "LOA" refers to a "Letter of Approval" which is issued by the Designated National Authority of the Host Country to a CDM Project certifying that the project, as proposed, will assist the Host Country in achieving its goals of sustainable development;
- ⑦ "SD" refers to "Sustainable Development" defined as 'development that meets the needs for the present without compromising the ability of future generations to meet their own needs' which is balanced along with social, economic and environmental interests.

Article 3. Priority Areas for CDM projects

The following areas are recommended as CDM projects in order to facilitate greenhouse gas emission reduction in conformity with long-term national policies to implement the UN Framework Convention on Climate Change.

- ① New and renewable energy projects
- ② Energy efficiency improvement projects
- ③ Methane recovery and utilization projects
- ④ Afforestation and reforestation project
- ⑤ Other projects whose greenhouse gas emissions reduction is acknowledged

Chapter 2. Structure and Roles of Designated National Authority

Article 4. CDM Review Committee

- ① “CDM Review Committee (hereinafter referred to as “Review Committee”) is established in the Prime Minister’s Office in order to approve CDM projects in line with greenhouse gas emission reduction objective.
- ② The Review committee shall consist of not more than 10 members headed by a chairperson.
- ③ The Review Committee shall be chaired by the Deputy Minister for Administration Affairs. The Review Committee shall be comprised of officials at the division director level from Prime Minister’s Office, Ministry of Foreign Affairs and Trade, Ministry of Education, Science & Technology, Ministry for Food, Agriculture, Forestry and Fisheries, Ministry of Knowledge Economy, Ministry of Environment, Ministry of Land, Transport and Maritime Affairs and other representatives of Ministries or agencies which the Committee Chair admits to participate in.
- ⑤ The Review Committee shall assess the proposed CDM project based on national CDM criteria based on the evaluations from Responsible Ministry. The project shall be approved by members’ unanimous vote. Any opposing vote must state the reason for such opposition.
- ⑥ The review shall be, in principle, face-to-face, but can be substituted by evaluation of submitted documents with the consent of the chairperson.
- ⑦ A secretariat shall be appointed as a technical support for the Review Committee and a staff support to the director of Fiscal and Industry Policy Department, Prime Minister’s Office.

Article 5. CDM Project Criteria

CDM projects shall be assessed based on the following criteria:

(The details of each criterion below will be further elaborated in a separate table¹⁶.)

- ① be consistent with the Kyoto Protocol, Marrakech Accords, and CDM Executive Board Decision
- ② be consistent with the national laws

¹⁶ See appendix 2 for more details.

- ③ contribute to the national sustainable development

Article 6. Role of Prime Minister's Office

The Prime Minister's Office shall carry out the following duties on behalf of the representative of the DNA:

- ① Receive documents for CDM projects approval application and operate the Review Committee
- ② Designate the Responsible Ministry
- ③ Develop and implement guidelines for the approval of CDM projects
- ④ Manage domestic CDM projects

Article 7. Role of Responsible Ministry

The Responsible Ministry appointed by Prime Minister's Office shall carry out following duties:

- ① Submit Conformity Review Report
- ② (If needed, advisory opinion can be provided by professional groups)
- ③ Issue official Letter of Approval for CDM projects on behalf of the government of ROK

Chapter 3. CDM Project Evaluation and Approval Procedure

Article 8. Pre-consultation on CDM projects

- ① Project proponents who promote greenhouse gas emission reduction as CDM projects shall notify DNA of the start of CDM project and intention to register project promotion intention document within 6 months from the start of the project.
- ② Project proponents shall submit project promotion document every two years after notifying DNA of its intention from the first promotion registration.

Article 9. Application for the approval on CDM project

A Project Proponent seeking approval of a GHG reduction project as a CDM project shall submit the following documents to the Prime Minister's Office:

- ① Consent to Appoint as Representative between Project Proponents (appendix iii, In case project developers are many)
- ② CDM project approval application (appendix iv)
- ③ CDM projects summary (appendix v)
- ④ Complete "Project Design Document (PDD)", prepared as per CDM format and guidelines
- ⑤ Certified document on the validity of projects by CDM operating organization

Article 10. Evaluation Procedure

- ① The Prime Minister's Office shall appoint the Responsible Ministry who shall evaluate the proposed CDM project within two weeks. Owing to unavoidable

circumstances, the two-week set deadline can be extended. The evaluation shall be based on the CDM contribution in the following key target areas:

1. Energy Industries
 2. Energy distribution
 3. Energy Demand
 4. Manufacturing Industries
 5. Chemical Industry
 6. Construction
 7. Transport
 8. Mining/ Mineral Production
 9. Metal Production
 10. Fugitive Emissions from fuels (solid, oil and gas)
 11. Fugitive Emissions from production and consumption of HFC, PFC, and SF₆
 12. Solvent use
 13. Waste handling and disposal
 14. Afforestation and Reforestation
 15. Agriculture
- ② Responsible Ministry shall submit review documents to Prime Minister's Office within 3 weeks after it is designated and notified on the eligibility as the proposed CDM project in accordance with article 5 CDM project criteria
- ③ Responsible Ministry may require additional documents for submission and conduct investigations as it may deem necessary. A Project proponent shall notify the Responsible Ministry when there are substantial alterations in the documents submitted during the period of approval.
- ④ Prime Minister's Office shall compose a Review Committee within one week after Responsible Ministry submits the eligibility report except when special circumstances call for the extension of the said period.

Article 11. Project Approval

- ① Head of Responsible Ministry shall issue certificate of approval to the project proponent within one week after it is notified by the Review Committee that the project is qualified.
- ② When Responsible Ministry is composed of many designated officers, the certificate of approval issued must reflect the joint approval by all members

Chapter 4. Ex post-facto management and others

Article 12. Ex post-facto management

- ① In cases where a change of name or legal status in one or more of the focal point entities is made, the project proponent shall report the said changes to the Responsible Ministry within 10 days. The Responsible Ministry shall inform the Prime Minister's Office of the said changes.
 1. Change of name in project proponent(s)
 2. Project suspension

3. Cancellation of the Annex I Party's LOA
 4. Substantial change of project plans and project validity certification report
 5. Registration as CDM project in UNFCCC
 6. In case of issuance of the Certified Emission Reductions
 7. In case of transfer of the Certified Emission Reductions to the Annex I Party
- ② Responsible Ministry shall oversee CDM projects including reporting requirements outlined in the paragraph 1. For this purpose, Responsible Ministry can request project proponents to submit relevant materials and on-the-spot-inspection in verifying its authenticity of the said materials.
 - ③ Prime Minister's Office can also request the Responsible Ministry to submit materials mentioned in paragraph 1 and paragraph 2, to which the Responsible Ministry should respond without any delay.

Article 13. Cancellation of Approval

- ① Responsible Ministry shall notify the Prime Minister's Office without delay when the following circumstances occur:
 1. Documents submitted for approval application turned out to be false;
 2. Approval conditions were not implemented;
 3. Implementing project after approval, serious social conflicts and complications occur
- ② Prime Minister's Office should compose the Review Committee to deliberate on the possible cancellation of project.
- ③ Responsible Ministry shall notify the project proponent of its decision within one week after cancellation notification by the Prime Minister's Office of its second review of its prior project approval.

Article 14. Appeal

A project proponent who is not satisfied with the cancellation decision of the Review Committee may appeal its interests to the DNA. An appeal made in accordance with the terms of this guideline must be in writing. Any appeal contemplated in this guideline must be answered by the DNA within 30 days after reception of the appeal.

Annex

Article 1 (Enforcement Date) This guideline will be effective on the date of approval by the CDM Review Committee.

Article 2 (Effectiveness) This guideline shall be considered abolished upon enforcement of the decree on low carbon green growth¹⁷

¹⁷ Basic Act on Low Carbon Green Growth will take over the guideline.

Appendix 2. Approval Criteria

1.	Compliance with Kyoto Protocol, Marrakech Accords, and the Executive Board's Decisions
2.	Compliance with relevant national policy and regulatory regimes
3.	Compliance with relevant political and legal frameworks.
4.	Compatibility with national sustainable development objectives
1)	Environmental Benefits
<input type="checkbox"/>	Effectiveness in mitigating GHG emission
<input type="checkbox"/>	No increase in the usage of resources for the implementation of CDM project
2)	Social Benefits
<input type="checkbox"/>	Shall not create civil or local conflicts
<input type="checkbox"/>	Shall not give rise to issues regarding industrial health around the project boundary
<input type="checkbox"/>	Shall not have negative impact on the accessibility to local public service
3)	Technology Transfer and Economic Benefits
<input type="checkbox"/>	Contribution to capacity building and utilization in similar area
<input type="checkbox"/>	Explicit statement on schedule and substance of technology transfer including maintenance and operation (exclusive to Unilateral CDM project)
<input type="checkbox"/>	Mutual agreement in underlying shares among project participants based on contribution and revenue share after CERs accrue earnings (exclusive to Unilateral CDM project)
<input type="checkbox"/>	To contribute to additional revenues consistent with the needs of the local people
<input type="checkbox"/>	To contribute to the generation of additional employment in local arena

Appendix 3. CDM Project Promotion Document

CDM Project Promotion Document

1. Project Name

2. Name of the Project Developer

3. Project Location and the Address

(Please attach following items: map and recent photo of project location)

4. Project Summary

- Project Objectives
- Type of project
- Description of the project activity
- GHG Coverage

5. Project Operation Schedule

- Period of investigating project validity and feasibility
- Starting Date / Completion Date
- Duration of the project activity
- Crediting Period

Need Attachment of <Proof of the Project Start Date, One copy>

<reference>

Date CDM project activity begins:

The earliest date on which the implementation of program activities begin

Date when project participants has caused payments for the implementation of the project shall be regarded as Start Date

Ex) Dates when equipments purchase made or when contract on construction/operation concluded shall be regarded as Start Date

Ex) Dates for insignificant payments for activities such as feasibility study, contract for preliminary investigation shall not regarded as Start Date.

In case of the project any prior construction or implementation processes, the date when actual activity occurred shall be considered as Start Date.

Ex) Bulb replacement project

Appendix 4. Consent to Appoint as Representative between Project Proponents

Consent to Appoint as Representative between Project Proponents

In accordance with provisions of Article 6. 1(a) and 12.5 (a) of the Kyoto Protocol to the United Nations Framework Convention on Climate Change, the undersigned _____ of _____ hereby consents to appoint as representative between project proponents to get national approval for CDM project as follows:

Project Name :
Date submitted :

- Project Developer
 - ◆ Name of Project Developer :
 - ◆ Name of the Organization :
 - ◆ Address :

- Project Developer (List all project developers)
 - ◆ Name of Project Developer :
 - ◆ Name of the Organization :
 - ◆ Address :

Date

Project Developer _____(Print name and signature)_____

Project Developer _____(Print name and signature)_____

Appendix 5. Application for CDM Project Approval

Project developer shall submit to the Prime Minister' Office the official documents mentioned in application form.

Application for CDM Project Approval

On behalf of [*insert name of company*], I confirm that [*insert name of company*] is a project participant in “[*insert name of project activity*]” in [*insert name of host country*], and is requesting written approval of voluntary participation in the Clean Development Mechanism under the article 6.1(a) and article 12.5(a) of the Kyoto Protocol to the UNFCCC.

Project Name :

Date Submitted :

Project Developer Data

- Address
- Name of the Organization
- Department / Officer in Charge
- Contacts: Telephone Number, Fax Number, E-mail Address

Project Developer (Print Name, Signature)

Attachments

1. Consent to Appoint a Representative between Project Proponents
(If project developers are pluralized)
2. CDM Project Summary
3. CDM PDD
4. Project Validation Report of CDM DOE

Appendix 6. CDM Project Summary

(Based on submitted PDD, complete this form in Korean)

1. General Information

Project Name

Project Location

Project Overview

- Project Objectives
- Methodology for GHG emissions reduction or sink
- Project Description

GHG Coverage (Indicate the greenhouse gas(es) covered in the project.)

⑤ Project Operation Schedule

- Period for the investigating the project validity
- Starting Date / Construction Date/ Completion Date
- Duration of the project activity
- Crediting Period

Financing Information

(Sources of finance identified; Equity, Long-term Debt, Short-term Debt)

Information on underlying shares among project participants and CERs proceeding earning

- Underlying shares among project participants
- Total project costs estimate
- Expected price of the CERs
- Revenue share after CERs proceeding earning

Barriers related to Project Implementation

(Describe barriers that have impeded the project from being implemented, solutions, and the area for government support)

2. Effects on GHG reduction

1) Baseline Methodology and Estimates

(Explain the established baseline methodology and state estimates based on the baseline scenario during the project duration period)

2) The anticipated total amount of GHG reduction compared to the business-as-usual scenario. State information on the emissions reduction comparing the anticipated GHG emissions from the project and baseline GHG emissions)

3.) Contribution to Sustainable Development

General

- Recognition of the compliance with the Kyoto Protocol of the United Nations Framework Convention on Climate Change, the Marrakech Accords, and Decisions by the CDM Executive Board.
- Recognition of the compliance with the local regulations related to the project

Environmental Benefits

- State whether usage of resources are increased or in excess of project boundary
- If the project is under the Impact Assessment Law regarding environment, traffic and disaster ,exhibit the certainty of conducting Environmental Impact Assessment

Social Benefits

- Benefits on local public service
- Consultations and feedbacks from local stakeholders
- Possibilities of the issues that may arise regarding industrial health around the project boundary and counterplot

Economic Benefits

- Technology transfer
(State level of the employed technology (including statement that the technology is not out-dated), contribution to capacity building and utilization in similar area, schedule and relevance of technology transfer including maintenance and operation)
- Benefits on local community's revenues
- Benefits on local community's employment

4. Others

1) Confidential Information

(If any information is considered to be confidential, please briefly mention)

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