

## Designated National Authority Forum

### Submission to the CDM Executive Board

*Submitted as received*

#### I. Background

In response to the request by the CMP (Decision 2/CMP.4 paragraph 41) to develop, in consultation with Designated National Authorities, **ways to streamline the process relating to CDM project activities in countries hosting fewer than 10 registered CDM project activities, especially in the least developed countries, small island developing States and Africa**, without compromising environmental integrity, the Board, at its forty-sixth meeting, agreed to launch a call for inputs for Designated National Authorities from 30 March to 4 May 2009 to provide inputs on how to address this CMP request for consideration by the Board at its forty-seventh meeting.

The DNA Forum, in response to this call for inputs by the Board, agreed at its seventh meeting to submit, through the Chairing Committee and on behalf of the DNAs present at the meeting, a submission, which reflects ideas and views expressed by DNAs during the forum.

#### II. Views and ideas expressed

##### African Group

- Concerns of SIDS/Africa – project scale not comparable to larger countries due to the nature of activities
- Financing (minimize transaction costs – developers benefit less, access to CDM funds, invitation of African banks as observers)
- Private sector investment – lack of understanding
- Projects are market-oriented, frustration with process in Africa
- There should be start-up funds & guarantee funds to secure certain partners against CERs
- Post-2012 concerns – need for clarification especially for financiers
- Long-term projects need stability
- Short-term CDM expertise to provide support for PIN/PDD development
- Should have concrete actions for capacity building
- Technology transfer issues in governments should link with negotiations especially in acquisition and generation of technology transfer in the CDM cycle
- More involvement in WTO & other MEAs to pursue appropriate mechanisms to iron out African trade barrier
- Identify working relations between UNIDO (Vienna) and CDM Project coordination especially the energy sector
- Identify linkages to regional bodies such as ECOWAS which is strongly involved in CDM training for industries
- Strengthen capacity building
- Awareness is still low
- Inter-linkages between negotiators & DNA
- There is a disconnection between high-level government officials and negotiators
- DNA forum required to catalyze the process

- Setting up of DOE's in Africa
  - Only DOE's left in Africa left, some do not visit countries due political stability – hinder projects
  - Their validation fees are costly – maybe provision of a ceiling or guidelines or CERs as payment)
  - 11 DOEs approved recently, non in Africa - projects limited in Africa, there should be a conditionally that DOEs should be regionally representative
  - Set-up an informal framework to examine DOEs in Africa
- Africa & Annex I cooperation for private sector investment
  - Secretariat should have sufficient capacity to inform and promote CDM projects to private sector and donors
- CDM Methodologies & criteria (biofuels vs fossil fuels)
- Strict additionally criteria – baseline scenario vs government policy
- CDM Helpdesk to facilitate DNA forum and project development as EB is busy with other activities
- In addition there should be an exchange forum between DNA & EB
- Long gestation period of projects lead to frustration – from in-country approval to CDM EB
- Consider the linkage to the Voluntary Carbon Market
- Countries request for quantification of GHGs certificates
- **All countries in Africa have less than 10 projects, except South Africa, making them eligible for a streamlined process.**

#### The Asia and Pacific Group

- Need to know if CDM will still be there after 2012
- Arrange Capacity Building activities including baseline identification, training for public and private sector
- Set up regular dialogue meetings between CDM EB and DNAs, between DOEs and DNAs, and between Annex I and Non-Annex I DNAs outside DNA Forum meetings
- Reiterate the need to organize the Asia Pacific regional workshops so as to take up specific regional needs, issues and concerns
- Improve the communication among DNAs, CDM EB and DOEs
- Promote unilateral CDM projects and simplify procedure for small scale CDM projects
- Request technical assistance in establishing DNA offices
- Conduct focused country level training led by DNAs and as capacity building for DNAs and other local stakeholders
- Ensure the conduct of regular DNA consultation meetings with CDM/EB and DOE
- Disseminate CDM knowledge including roles of EB and DOE
- Share information and views on determination of SD benefits and updates on PoA implementation
- Explore ways to expand sectoral scopes of project activities, e.g. more RE and A/R project activities

#### Eastern Europe

- **All countries of the group have less than 4 CDM projects registered**
- Validation process: tools too long, as the size of projects are small and the region may benefit if the deadlines for DOEs will be introduced
- Verification reports have to include interviews with DNAs for reflecting impact of the project on Sustainable development objectives stated in the PDD
- DNAs have to officially be informed on any changes with registered PDDs, etc. (a) implementation scheme, (b) project participants, (c) deviations from methodologies
- Capacity building provided by multi-lateral, bilateral assistance to the countries with less than CDM projects has to consider:

- a) National circumstances and priorities
- b) Sector specific baseline development
- c) Support to DNAs in executing its function including requiring legal, technical expertise, coordination with private sector and line ministries
- d) Introduction and implantation of the POA, which is of particular importance of the countries of the Eastern Europe region due to the potential for small scale projects
- e) Simplified additionality test is needed for demand side, small scale, energy efficiency projects.

### Latin America and Caribbean

- Capacity building of DNAs in order to develop more CDM projects
- Getting financial assistance for capacity building
- To reduce barriers
- Exchange of views with the Board and among DNAs
- Strengthen DNA roles
- Create awareness among policy sector
- To develop capacity on the private sector (regional CDM consultants)
- To have a DNA Forum within the framework of the COP/MOP in order to have a financial aid
- Be more proactive in the development of methodologies
- Assessment of additionality
- Language barriers (CDM projects – DNAs)
- Approval and promotion activities

### CDM: Regional developments

LAC COUNTRIES WITH REGISTERED CDM PROJECTS WITH STABLISHED DNAs			Countries Establishing DNAs	
No.	Country Name	No. Registered Projects		
1	Brazil	158	25	Haiti
2	Mexico	113	26	Grenada
3	Chile	32	27	Suriname
4	Peru	17	Countries with no DNAs	
5	Argentina	15	28	Saint Vincent and the Grenadines
6	Colombia	14	29	Guyana
7	Honduras	14	30	Montserrat
8	Ecuador	13	31	St Kitts and Nevis
9	Guatemala	9	32	Anguilla
10	Panama	6	33	Bermuda
11	Costa Rica	6	34	British Virgin Islands
12	El Salvador	5	35	Cayman Islands
13	Nicaragua	4	36	Turks and Caicos Islands
14	Uruguay	3	37	St. Martin (France)
15	Bolivia	2	38	St. Maarten (Netherland Antilles)
16	Cuba	2	39	St. Bartholomew (France)
17	Dominican Republic	1	40	Martinique (France)
18	Jamaica	1	41	Guadeloupe (France)
19	Bahamas	0	42	Aruba (Netherland Antilles)
20	Barbados	0	43	Bonaire(Netherland Antilles)
21	Belice	0	44	Curacao (Netherland Antilles)
22	Saint Lucia	0		
23	Paraguay	0		
24	Trinidad & Tobago	0		
	<b>TOTAL</b>	<b>415</b>		

### **Consultations with the EB on regional and subregional distribution and capacity building**

- EB as a facilitating channel in order to identify mitigation potentials in each country
- Command EB to facilitate the exchange of experience intra/extra regional
- The EB should establish a focal point according to the official UN language
- The EB should have all documents in the 6 official UN languages

## **WEOG**

### **Role of the DNA Forum**

- Information exchange – technical level
- Capacity building
- Interaction with other bodies in a structured manner

### **Regional distribution**

- PoAs – things still need to be sorted out
- Suppressed demand
- Additionality testing
- Use of sectoral standards where allowed in current methodologies – experience in applying this?

### **Ideas from project developers**

- Barriers from methodologies – some information is just not available
- Need for more methods applicable more widely
- Host government role:
  - Transparency – laws and costs
  - Rapid responses
- Encourage contacts – buyers, sellers, investors, others
- Independent setting of baseline emission factors
- Awareness raising – eg Indonesia post BALI CMP

### **Transparency regarding**

- Competent authorities and contact persons that need to be involved and in which order
- Timelines for endorsement and approval
- Fees

### **Feedback from project developers**

- Government of Non-Annex-I-countries should strengthen position and capacity of DNAs
- DNAs should initiate awareness building activities e.g. for the private and banking sector in their countries
- Assistance through south-south assistance of DNAs?

### **Facilitate the implementation of PoAs**

- Critical Issues
    - Definition of additionality on programme or CPA level
    - Unlimited liability of DOEs for erroneous inclusion of CPAs
    - Combination of methodologies within one PoA not possible
    - Application of debundling rules
    - Starting date of CPA
- A streamlined PoA can unlock CDM potential in LDCs and Africa.

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