

**CDM-EB78-A06-GUID**

## Guideline

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# Letter of approval for carbon dioxide capture and storage project activities

Version 01.0



**United Nations**  
Framework Convention on  
Climate Change

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## **1. Introduction**

### **1.1. Background**

1. At its seventh session, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol adopted decision 10/CMP.7; "Modalities and procedures for carbon dioxide capture and storage in geological formations as clean development mechanism project activities". This decision enables carbon dioxide capture and storage (CCS) projects to be implemented under the clean development mechanism (CDM).

### **1.2. Objectives**

2. To assist designated national authorities (DNAs) of host Parties of proposed CDM CCS project activities in preparing letters of approval (LoA) for such project activities.

## **2. Scope, applicability, and entry into force**

### **2.1. Scope**

3. This document describes the elements of a written approval by host Parties to allow CDM CCS project activities on their territory.

### **2.2. Applicability**

4. This document is applicable to DNAs of host Parties of proposed CDM CCS project activities.

### **2.3. Entry into force**

5. This guideline shall enter into force immediately upon its adoption by the Executive Board of the clean development mechanism (the Board) (on 04/04/2014).

## **3. Definitions**

6. The definitions contained in the Glossary of CDM terms and CDM project standard apply to this guideline.

## **4. Elements of written approval for CDM CCS project activities**

7. In accordance with the CDM project cycle procedure, when issuing a letter of approval to a project participant the DNA of a host Party involved in a proposed CDM CCS project activity is required to include the following information, that:
  - (a) The country has ratified the Kyoto Protocol;
  - (b) The approval of voluntary participation in the proposed CDM project activity;
  - (c) The proposed CDM project activity contributes to sustainable development;

- (d) The host Party has submitted its expression of agreement (EoA) to the UNFCCC secretariat confirming that it agrees to allow the implementation of CDM CCS project activities in its territory;
  - (e) The right to store carbon dioxide in, and gain access to, the proposed geological storage site has been conferred to the project participants;
  - (f) The host Party agrees to the project participant's proposed financial provisions as set out in the project design document (PDD) [, in accordance with [the modalities and procedures for carbon dioxide capture and storage in geological formations as clean development mechanism project activities (decision 10/CMP.7)];
  - (g) The host Party Agrees to accept the allocation of liability and the transfer of liability as set out in the PDD [in accordance with the modalities and procedures for carbon dioxide capture and storage in geological formations as clean development mechanism project activities [(decision 10/CMP.7)];
  - (h) The host Party either accepts or does not accept the obligation to address a net reversal of storage [in accordance with the modalities and procedures for carbon dioxide capture and storage in geological formations as clean development mechanism project activities (decision 10/CMP.7)].
8. A template for an LoA from a host Party of a proposed CDM CCS project activity is set out in Appendix 1. A host Party may wish to use this template when preparing such an LoA.

## Appendix 1. Draft template for host Party letter of approval for CCS project activities

### Letter of Approval

To: [Project participants]

[Place, date]

Dear [ ],

Ref: Letter of approval to [Project name/reference number] by [designated national authority] of [host Party].

Madam or Sir,

[Designated national authority] approves the [Project name/reference number] as a clean development mechanism project, on the following basis:

1. [Host Party] is a Party to the Kyoto Protocol;
2. Participation in the proposed CDM project activity is voluntary;
3. The project contributes to sustainable development in [host Party];
4. [Host Party] submitted its expression of agreement (EoA) to the UNFCCC secretariat to allow the implementation of CCS project activities on its territory on [date];
5. The right to store carbon dioxide in, and gain access to, the [proposed geological storage site] has been conferred to the [relevant project participants];
6. The host Party agrees to the financial provisions, in accordance with the modalities and procedures for carbon dioxide capture and storage in geological formations as clean development mechanism project activities (decision 10/CMP.7), described in the project design document [version] [date];
7. [Host Party] accepts the allocation of liability as proposed in the project design document [version] [date] and the transfer of liability in accordance with the modalities and procedures for carbon dioxide capture and storage in geological formations as clean development mechanism project activities (decision 10/CMP.7) for the above mentioned project activity;
8. [Host Party] [accepts][does not accept] the obligation to address a net reversal of storage in accordance with the modalities and procedures for carbon dioxide capture and storage in geological formations as clean development mechanism project activities (decision 10/CMP.7).

Sincerely

By \_\_\_\_\_  
Authorized Representative of the Designated National Authority for the CDM  
[Name of Signatory]  
[Title]

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