

JI- and CDM-Projects: Current practices - the perspective of DNA/DFP

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Unit „Administrative Procedures, Quality control, Fees, JI and CDM“

Content

- **German DNA and DFP**
- **Project Application Procedure**
- **German Particulars**
- **Project Overview**
- **Experiences**
- **Outlook**

1. German DNA and DFP

German DNA and DFP established:

- German Act on Project-Based Mechanisms JI- and CDM –ProMechG (30.09.2005)
- Federal Environment Agency named as competent national authority
- Team of 4 for Project-Based Mechanisms

2. Project Application Procedure

- **Receipt of Applications**
- Acknowledgement of receipt
- a. Scrutiny of documents:
 - Project Design Document (PDD)
 - Validation Report
 - Letter of endorsement of the host country (if available)
- b. Within 2 Weeks:
 - If necessary: Claim for additional documents

2. Project Application Procedure

II. Control of Participation Requirements

CDM: Ratification of the Kyoto Protocol by host country

Jl: If both countries involved fulfill all participation requirements

→ Track 1

→ otherwise Track 2

2. Project Application Procedure

III. Criteria Assessment

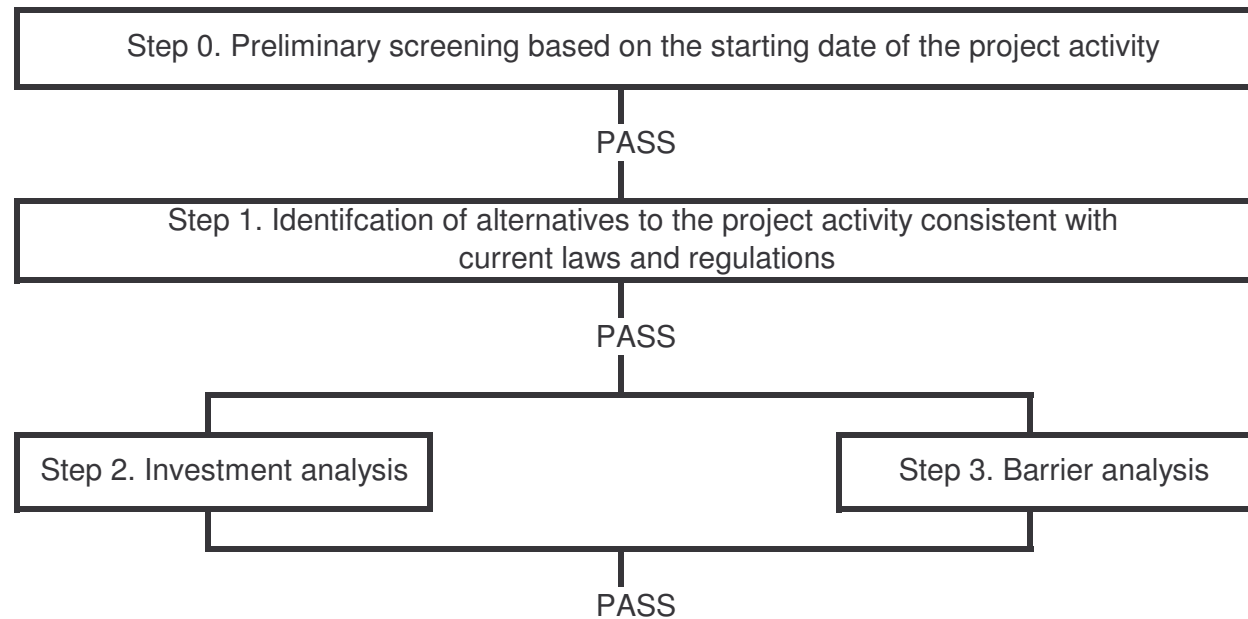
- **Additional** emission reduction
- No serious harmful **environmental impacts**
- If necessary consideration of other international criteria (e.g. World Dam Criteria)

2. Project Application Procedure

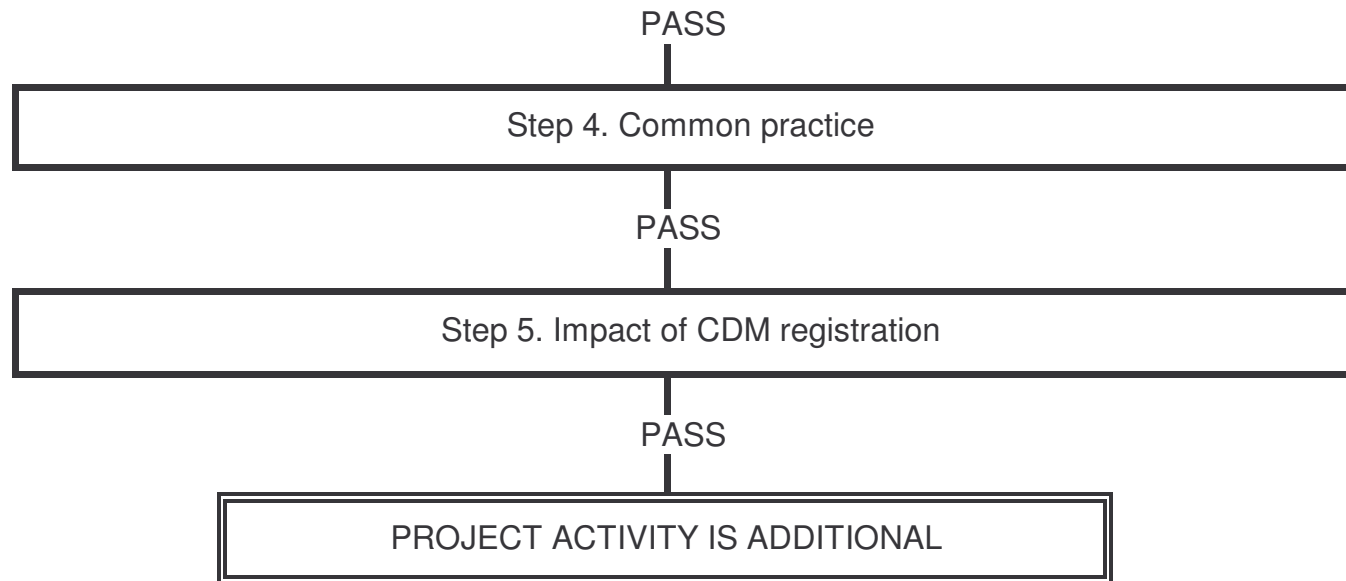
III. Criteria Assessment

- Assessment is generally focused on plausibility, consistency and coherence
- Focus is especially on additionality (Usage - with regard to JI particulars - of the Tool for the demonstration and assessment of additionality (version 2) of the CDM Executive Board):

Additionality scheme of CDM EB



Additionality scheme



2. Project Application Procedure

III. Criteria Assessment

In case of:

- **JI within the EU ETS:** Action against **double counting**
JI in Germany: Action against **double public funding**
- **CDM:** The project is not allowed to run contrary to the 3 dimensions of sustainable development (economy, social, ecology)

2. Project Application Procedure

IV. Approval

- Decision within 2 months after submission of complete application documents (administrative act = Letter of Approval)

3. German Particulars

For all project types:

- Letter of Approval is only issued to the Project Initiator (or his representative)
- The Applicant does not have to be of German nationality
- If the Applicant is based abroad, he needs to authorize a recipient for the letter of approval in Germany

JI in Germany:

- Principle of Reciprocity

4. Project Overview - number of applications

	Total	CDM	JI abroad	JI Germany
Total	81	22	4	55
Application for Endorsement	14	2	4	8
approved	2		2	
rejected	1			1
under examination	11	2	2	7
Application for Approval	67	20		47
approved	8	8		
rejected	0			
under examination	59	12		47

4. Project Overview - Project Categories

	Total	CDM	JI abroad	JI Germany
Project Categories				
Biogas	2	1		1
Landfill gas	2	2		
Fuel Switch	6	1	1	4
Solar Energy	2	2		
Hydro Power	6	6		
Biomass	6	6		
Wind Power	3	1	2	
HFC23 Destruction	2	2		
N2O Destruction	2	1		1
Mine Gas	48		1	47
Energy Efficiency	2			2

4. Project Overview - Host Countries

	Total	CDM	Jl abroad	Jl Germany
Host Countries				
South Africa	1	1		
Indonesia	3	3		
Brasil	4	4		
Thailand	1	1		
Costa Rica	1	1		
Colombia	1	1		
China	2	2		
India	6	6		
Egypt	1	1		
Azerbaijan	1	1		
Paraguay	1	1		
Bulgaria	1			1
Poland	2			2
Estonia	1			1

5. Experiences after one year

- **Lack of harmonization within the EU**
 - Significant differences with regard to scope of assessment and in-depth analysis by different DNAs
 - Fees
- **Differences in the quality and scope of PDDs and VRs**
 - e.g. investment analysis not adequately documented
 - e.g. lack of comprehensible validation

5. Experiences after one year

- **Methodologies**
 - in general workable and adequate
 - debatable in some project categories, e. g. biomass

5. Experiences after one year

- **Application possible only by the Project Initiator in Germany**

Our experience: Difficult to deal with for applicants (e.g. necessities for authorization)

→ It should be discussed whether all project participants and buyers should be able to apply for a Letter of Approval

Outlook

- **Fees**

- Official acts under the ProMechG are chargeable.
- The Cost Ordinance sets out the framework for UBA to levy fees for full coverage of expenses incurred.

→ **A substantial lowering of fees is expected in 2007**

→ **Financing of administrative costs through selling/auctioning of EU allowances.**

Outlook

- **Double counting (necessity to develop methods and procedures for scrutiny)**
- **Which members of the KP will become eligible?**
- **Adoption of JI second track rules in Nairobi?**
- **Handbook/Manual by the German DNA is planned for 2007**
- **Perspectives post 2012**

THANK YOU
for your attention!

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