Current requirements under the CDM rules and procedures for issuing LoAs; and the process for dealing with letters from DNAs that withdraw approval/authorization for project participants/project activities or PoAs

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1. Issuance of Letters of Approval /Authorization
2. Current requirements
3. Withdrawal of LoA
The main task of the DNA

LoA issuance

• Assess potential CDM projects to determine whether they will assist the host country in achieving its sustainable development goals

and

• Provide a letter of approval to project participants in CDM projects.
Current requirements

• Issuing LoAs for Projects Activities
• Issuing LoAs for PoAs
• Issuing LoAs for Bundled Projects Activities
• Issuing LoAs for CCS Projects
• DOE verification points
• Withdrawal of LoAs
• Signature on the LoA
CDM Project Standard - Version 07.0

7.6. Approval and authorization (PA)

78. Project participants shall obtain a letter of approval from the DNA of each Party involved in the proposed CDM project activity confirming that:
- (a) The Party is a **Party to the Kyoto Protocol**;
- (b) Participation in the proposed CDM project activity is **voluntary**;
- (c) Project participants are **authorized to participate** in the proposed CDM project activity.

79. LoA shall also confirm that the proposed CDM project activity assists the host Party in achieving **sustainable development**.
12.9. Approval and authorization (PoA)

227. The coordinating/managing entity (CME) shall obtain a letter of approval from the DNA of each Party for the PoA, confirming that:

- (a) Party to the Kyoto Protocol; and
- (b) Participation is voluntary.

229. The LoA shall confirm that the PoA assists achieving sustainable development.

230. CMEs shall obtain a letter of authorization by each host Party of its coordination of the PoA.

231. Each PP shall be authorized to participate in the PoA by at least one Party involved in the proposed PoA.

232. CDM project participation is only recorded at the PoA level.
CDM PS Version 07.0

13.10.3. Changes of coordinating/managing entity

300. If the CME of a registered CDM PoA changes after the registration of the PoA, the new CME shall:

(a) Obtain a **new letter of authorization from each host Party** stating the change and confirming the authorization of coordination of the new coordinating/managing entity of the PoA;
LoA for Bundled project Activities

Annex 21
GENERAL PRINCIPLES FOR BUNDLING (Version 02.0)
16. The letter of approval by the host Party(ies) shall indicate that the Party is aware that the project activity(ies) taking place in its territory is part of the bundle.

Bringing together of several small-scale CDM project activities, to form a single CDM project activity or portfolio without the loss of distinctive characteristics of each project activity
11.3. Host Party participation requirements for carbon dioxide capture and storage projects

160. In addition to the approval and authorization set out section 7.6, PPs shall seek written confirmation of the following from the DNA of the host Party:

(a) That the right to store carbon dioxide in, and gain access to, the proposed geological storage site has been conferred to them;

(b) That the host Party agrees to the financial provision described in the PDD;

(c) That the host Party accepts the allocation of liability as proposed in the PDD and the transfer of liability (see section 11.9 below);

(d) Whether the host Party accepts the obligation to address a net reversal of storage in the situation referred to in section “Addressing non-permanence in CCS project activities” of the Project cycle procedure.
DOEs are to verify that the LoA

CDM VALIDATION AND VERIFICATION STANDARD Version 07.0

7.6.2. Means of validation

40. The DOE shall determine whether each letter confirms that:
   (a) The Party is a Party to the Kyoto Protocol;
   (b) Participation is voluntary;
   (c) In the case of the host Party, the proposed project activity contributes to the sustainable development of the country;
   (d) It refers to the precise proposed project activity title in the PDD being submitted for registration.

41. The DOE shall determine whether the letter(s) of approval is unconditional with respect to 39 (a) to (d) above.

42. The DOE shall determine whether the letter(s) of approval has been issued by the respective Party’s DNA and is valid for the proposed project activity under validation.

43. If the DOE doubts the authenticity of the letter of approval, the DOE shall verify with the DNA that the letter of approval is authentic.
Signature on the LoA has to be same as one of the signatures submitted to the UNFCCC secretariat as one of the authorised signatures for the LoA.

DNAs should update their representatives details, DNAs can have one primary and two alternate representatives.
DNAs that withdraw approval/authorization

Process for dealing with letters from DNAs that withdraw approval/authorization (adopted at EB 76)

• (a) Provide guidance to DNAs of Parties as to the procedures that the Board will follow in the absence of specific instructions from that DNA.
• (b) Provide some clarity to stakeholders affected by withdrawals of approval/authorization as to the process that will be followed by the Board and secretariat;
• (c) Ensure consistency of treatment for all project activities and programmes of activities affected where the DNA does not specify particular implications.
Procedure says that letter withdrawing approval/authorization should...

- Be addressed to the Executive Board;
- Be sent by the DNA (rather than another agency/ministry) to the secretariat;
- Identify the Affected project participants (namely, the project participant(s) to which the Withdrawal Letter applies);
- Identify the project activity(ies) or PoA to which the Withdrawal Letter applies;
- State the date of the original Letter of Approval;
- Specify the Effective Date (NB MANDATORY);
- Set out the implications of the withdrawal;
- Include the reasons for the withdrawal;
- Contain all other relevant information considered necessary by the DNA;
- Be dated and duly signed or stamped;
- If possible, be copied to all other project participant(s) currently participating in the project activity or PoA.
PoAs with more than one Host Party

Host Party B withdraws approval/authorization, only CPAs in Host Party B are affected. As CERs are issued by Host Party, CDM registry/ITL can distinguish CERs from CPAs in Host Party A from CERs from CPAs in Host Party B.
Thank you for your attention!