

# Comissão para as Alterações Climáticas

## Comité Executivo

### Portuguese Designated Focal Point

### National Guidelines and Procedures for Approving Joint Implementation (JI) Projects

#### Background

The JI projects must be in accordance with the following legal texts:

- The article 3, paragraphs 3 and 4, and the article 6 of the **Kyoto Protocol** to the United Nations Framework Convention on Climate Change (UNFCCC), concluded in Kyoto on 11 December 1997;
- The decision 16/CP.7 of the **Marrakesh Accords**, that provides guidelines for the implementation of the article 6 of the Kyoto Protocol;
- The subsequent decisions of the **Conference of the Parties (COP) and the Meeting of the Parties (MOP) to the UNFCCC**, specially the **decision 9/CMP.1 and its annex and appendixes, guidelines for the implementation of article 6 of the Kyoto Protocol**, and **decision 10/CMP.1, implementation of article 6 of the Kyoto Protocol**;
- The **Directive 2004/101/EC of the European Parliament and of the Council** (the **linking Directive**) of 27 October 2004 amending Directive 2003/87/EC, establishing a scheme for greenhouse gas emission allowance trading within the Community (OJ L 338), in respect of the Kyoto project mechanisms;
- The **Law-Decree n.º 72/2006** of 24 March 2006 that transposes to the Portuguese law the Directive 2004/101/EC.

#### Point 1

#### Objective

Under JI any Party (country that have ratified the Kyoto Protocol) included in Annex I (industrialised and transition countries), or an authorised institution or enterprise from an Annex I country, may transfer to, or acquire from, any other such Party in another Annex I country, emission reduction project. The investor country receives a certain amount of the resulting Emission Reduction Units (ERUs) in order to meet its Kyoto target.

#### Point 2

#### General requirements

1. The emission reduction means the reduction of emissions from sources in any sector of the economy, of the following greenhouse gases specified in Appendix A to the Kyoto Protocol: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), partially halogenated hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF<sub>6</sub>).
2. The Parties are to refrain from using ERUs generated from nuclear facilities.

3. The Parties involved in hydroelectric power production project activities with a generating capacity exceeding 20 MW, shall ensure that relevant international criteria and guidelines, including those contained in the World Commission on Dams November 2000 Report “Dams and Development – A New Framework for Decision-Making”.

4. The increased removal of greenhouse gases by sinks in the areas of land-use, land-use change and forestry project activities shall be included, according to the subsequent rules. In the linking directive the Commission should consider technical provisions relating to the temporary nature of credits and the limit of 1% for eligibility for these activities in the Community scheme from 2008, in accordance with the decisions adopted pursuant to the UNFCCC or the Kyoto Protocol.

5. The project must provide a reduction in emissions by sources, or an enhancement of removals by sinks, that is additional to any that would occur in the absence of the certified project activity (baseline emissions).

6. The baselines for project activities, as defined by subsequent decisions adopted under the UNFCCC or the Kyoto Protocol, undertaken in countries having signed a Treaty of Accession with the Union must fully comply with the *acquis communautaire*, including the temporary derogations set out in that Treaty of Accession.

7. The acquisition of emission reduction shall be supplemental to domestic actions for the purposes of meeting commitments.

8. Any such project must have the approval of the Parties involved.

### **Point 3**

#### **Investor Country Requirements**

Investor country shall meet the following criteria:

- 1) It is a Party to the Kyoto Protocol;
- 2) It has submitted a report for determining its initial assigned amount;
- 3) It has in place a national registry compliant with international requirements;
- 4) It has an annually submission report of the required inventory fully compliant with the Kyoto Protocol;
- 5) It has a national system to estimate all sources of greenhouse gases and for storage using sinks;
- 6) It submits all supplementary information on its assigned amount.

### **Point 4**

#### **Host Country Requirements**

There are two options:

- **Track 1** (fast track), if the host country meets all criteria listed above (both Parties meet all the eligibility requirements). This track is subject to the supervision of the host Party:
  - The project shall apply to host country project criteria and procedures;
  - It checks the project's eligibility;

- It sets the baseline in accordance with the investor country or enterprise;
  - It verify the emission reductions or removals from the project;
  - It makes information on the project available;
  - It may issue and transfer the project's ERUs since it has established its assigned amount.
- **Track 2** (more detailed rules), if the host country meets 1), 2) and 3) criteria listed above. This track is subject to international supervision by the JI Supervisory Committee (JISC). Projects participants are free to choose track 2 (lower risk) even if all criteria listed above (point 4) are met. Project participants must submit the PDD to an Accredited Independent Entity (AIE). Designated Operational Entities (DOEs) under the CDM may act provisionally as accredited independent entities under article 6 of the Kyoto Protocol until the JISC has approved its procedures for accreditation.

## Point 5

### Project Documentation

Approval shall be granted upon submission of a written application by the project promoter to the Portuguese DNA. The project promoter shall enclose the following documents:

- The Project Design Document (PDD). The PDD should set out the following:
  - A description of the project activity (like for instance: the purpose of the project; the activities and emission sources covered by the project; details of the projects partners, regarding their finance and capacity to realise the project; details of the project location; a technical project description; the organisational economic and financial project structure);
  - An appropriate baseline;
  - The duration of the project / crediting period;
  - A monitoring plan;
  - The planned emission reductions or removals;
  - The environmental impacts;
  - Stakeholder' comments.
- The validation report;
- A Letter of Approval or a Letter of Endorsement from the host country;
- A declaration by the project promoter that the guidelines of the World Commission on Dams will be taken into account, in both the project activity and its implementation, in the case of projects activities generating hydroelectricity with a capacity exceeding 20MW.

Applications shall be made electronically to the DNA (the Designated Focal Point for JI). These should be sent to: [DNA.Portugal@sg.maotdr.gov.pt](mailto:DNA.Portugal@sg.maotdr.gov.pt).

A hard copy of the documents shall be sent to:

Designated National Authority

Director: Mr. Nuno Lacasta  
Casa do Ambiente e do Cidadão  
Rua de S. Domingos à Lapa, n.º 26  
1249-033 LISBOA

The project promoters will be advised by the DNA of any additional documents and information it may require in order to reach a decision, within four weeks the latest. A final decision will be reached within 40 days of the reception of the complete application documents.

Applicants must pay a processing fee of € 250 (two hundred and fifty euros) for any application for approval of participation in a project activity. This fee is to be paid by transferring the amount due to the appropriate account of the Ministry for Environment, Spatial Planning and Regional Development.

## **Point 6**

### **Approval**

The DNA shall grant its approval, for **project activities outside the Portugal's territory**, provided:

- The project documentation will be conforming with the legal requirements;
- The project is expected to achieve an additional emission reduction;
- The project activity does not cause any severe adverse environmental impacts;
- The project promoter is able to provide the required guarantee of proper implementation of the project activity, if necessary.

Positive decisions are conveyed in the form of a Letter of Approval (LoA), in Portuguese and English versions, approving the participation of a specific participant in a specific project, for a limited period in accordance with the term applied for by the project promoter. Each period must not exceed seven years upon application. Approval for the same project activity may be renewed up to three times, subject to the Conference of the Parties and Meeting of the Parties to the Protocol's decisions.

To cover the costs of preparing the decision to approve participation in a Kyoto project activity a fee will be charged. The amount will reflect the actual costs of approval and will be based on the average processing time for a request and the level of the relevant activities.

## **Point 7**

### **Appeals**

Appeals should be made to the DNA within 20 working days of the letter notifying the project promoter of the DNA decision.

Appeals shall be submitted electronically and in hard copy to the DNA addresses (see point 5).

The DNA has 30 working days from the date of receipt of the appeal to give written response.

## **Point 8**

### **Validation**

Project participants under **track 2** must follow the validation procedure submitting the PDD to an AIE.

The PDD will be made available for public comments for a period of one month. The project participant must submit the name of the project activity, the date on which the PDD was made publicly for

commentary, by Parties, stakeholders and UNFCCC accredited observers, and the website on which it was posted.

The AIE verifies whether the project:

- Is approved by the Parties involved;
- Results in a reduction of anthropogenic emissions by sources or an enhancement of removals by sinks;
- Has an appropriate baseline and monitoring plan;
- The project participants have submitted an analysis of the environmental impact of the project activity.

The AIE's determination will be deemed final 45 days after the date it was submitted, unless a review is requested by a Party involved, or at least three members of the JISC, and shall be publicly available. Such a review should be completed no later than six months after the AIE's determination was made public.

### **Point 9**

#### **Monitoring**

Under **track 2** the project promoter prepares a monitoring report on reductions that have already occurred to be submitted to an AIE.

### **Point 10**

#### **Verification**

Under **track 2** the AIE determine the validity of the submitted monitoring report and makes the report and its own determination publicly available. The AIE determines the reductions in emissions to be issued.

Unless a Party involved or at least three members of the JISC request a review the determination is final 15 days after the AIE's decision. In this case the JISC will decide at its next meeting or no later 30 days after the formal request.

### **Point 11**

#### **Issuance of ERUs**

The determined amount of reductions in emissions is transferred from the host country to the investor country.

The Assigned Amount Units (AAUs) or Removal Units (RMUs) from the host country are transformed into ERUs to the project promoter account.