





## 1. INTRODUCTION AND INSTITUTIONAL ISSUES

The guidelines for the Implementation of Article 6 of the Kyoto Protocol, FCCC/KP/CMP/2005/8/Add.2, ("Joint Implementation Guidelines"), in its paragraph 20 stipulate that a Party to the Kyoto Protocol shall inform the UNFCCC secretariat of its national guidelines and procedures for approving Article 6 projects in order to be able to become involved in an Article 6 project under the Kyoto Protocol ("Article 6 project", "Joint Implementation project").

Luxembourg can authorize legal entities to participate in a specific Article 6 project by issuing a Letter of Approval ("Letter of Approval") for participation in a specific project. By authorizing legal entities to participate in Article 6 projects, Luxembourg shall remain responsible for the fulfilment of its obligations under the Kyoto Protocol and shall ensure that such participation is consistent with the Joint Implementation Guidelines. In Luxembourg, according to the Law of the 22nd of December 2006 (A-No239, chapter 2, Art. 22 bis), the Ministry for Sustainable Development and Infrastructure, Department of Environment, which also constitutes the Designated Focal Point, is responsible for issuing such Letters of Approval and defining procedures for approving Article 6 Joint Implementation ("JI") projects.

## 2. ELIGIBILITY CRITERIA

### 2.1. APPLICANTS

Applications for approval of participation in an Article 6 project can be submitted by any legal entity or individual based in Luxembourg or not based in Luxembourg.

### 2.2. ELIGIBLE TYPES OF PROJECTS

All types of JI projects are eligible to be presented for approval to the Luxembourg government, with the exception of:

- Nuclear projects;
- Large hydroelectric projects (with a generating capacity of more than 20 MW) that cannot sufficiently demonstrate 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", will be respected or have been respected during the development of such project activities.

The present guidelines and procedures for the approval of Article 6 projects are only applicable for projects located outside the country of Luxembourg.



### 3. REQUIRED DOCUMENTATION

The following information and documentation should be submitted with an application for receiving a Letter of Approval for participation in an Article 6 project:

#### 3.1. INFORMATION ABOUT THE APPLICANT

- If the applicant is a legal entity established in Luxembourg: copy of the company extract from the "Registre de commerce et des sociétés", [www.rcsl.lu](http://www.rcsl.lu), including trade name, business address, place of business, RCS registration number and type of registration;
- If the applicant is a legal entity not established in Luxembourg: copy of the constitutional act establishing the company, copy of its statutes, extract from a trade register where the company is registered including the same information as mentioned above and accompanied with an English translation by an accredited translator;
- If the applicant is an individual: Copy of a valid identity document, address and contact details;
- In case the applicant is not listed as a project participant in the project design documents, the applicant has to provide a written declaration in English by all participants in the project referred to in the project design documents endorsing the project participant's inclusion.

#### 3.2. INFORMATION ABOUT THE PROJECT

- a) If the emission reductions of an Article 6 project are verified according to the verification procedures listed in Section E " Verification procedure under the Article 6 Supervisory Committee " of the Joint Implementation Guidelines, also commonly referred to as Track-II JI verification procedures, the applicant has to provide the following information related to the project:
  - Name of the project activity;
  - Latest version of the Project Design Documents;
  - Final determination report as made public through the UNFCCC web page. In case such a report has not yet been published a draft validation report prepared by the accredited independent entity (AIE) shall be submitted;
  - Name of the web site on which the project has been posted for public comments, specification of the period during which it was posted on this web site and comments received.
- b) If the emission reductions of an Article 6 project are *not* verified according to the verification procedures listed in Section E " Verification procedure under the Article 6 Supervisory Committee " of the Joint Implementation Guidelines, also commonly referred to as Track-I JI verification procedures, the applicant has to provide the following information related to the project:

- Name of the project activity;
- Latest version of the Project Design Documents including a description of the environmental impacts of the project;
- Name of the competent authority in the host country responsible for approving JI projects, including contact details and if available website;
- Information about the Track-I JI approval procedures of the host country, the host country procedures for demonstrating additionality (setting and validating baselines), for monitoring and verification of the emission reduction units generated by Track-I JI project activities as well as requirements for public consultation including the consideration of stakeholder comments related to those project activities;
- If available, a report from an independent entity, approved by the host country, validating the baseline and monitoring procedures of the Article 6 project activity.

For all hydroelectric projects with a generating capacity above 20 MW, a declaration by the applicant should be provided that the guidelines of the World Commission on Dams referred to in art.11ter, para 6, of the EC Emissions Trading Directive will be taken into account in both the development of the project activity and its implementation. This declaration has to be accompanied by evidence in the form of a validated<sup>1</sup> compliance report as specified by EU non-paper "Guidelines on a common understanding of Article 11b (6) of Directive 2003/87/EC as amended by Directive 2004/101/EC".

### 3.3. HOST COUNTRY APPROVAL AND FURTHER DECLARATIONS

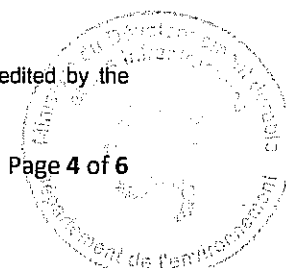
Furthermore the applicant for a Letter of Approval has to submit the following documents:

- Letter of Approval or decision by the Designated Focal Point or competent national authority of the host country approving the Article 6 project and authorizing the project participant to participate in the project;
- Written declaration by the applicant that his participation in the JI project activity is on a voluntary basis and that the information provided is complete and accurate;
- Written declaration by the applicant that his participation in the JI project activity will meet the requirements imposed on such participation by the Kyoto Protocol and the relevant decisions and guidelines taken in accordance with the Kyoto Protocol for the implementation of Art. 6 of the Kyoto Protocol.

Luxembourg reserves the right to request additional information from the applicant as deemed necessary by Luxembourg.

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<sup>1</sup> Validators should be Designated Operational Entities (DOE) or Independent Operational Entities (IOE) accredited by the UNFCCC other qualified independent third party accepted by Luxembourg.



## 4. REVIEW PROCEDURES AND CRITERIA

The applications will be reviewed in order to make sure that underlying Article 6 projects are in accordance with the Article 6 project requirements of the UNFCCC Joint Implementation Guidelines. Luxembourg will not be in a position to make a detailed analysis of all criteria set by the Kyoto Protocol and related decisions. Luxembourg's review will particularly focus on whether the project meets the following conditions:

- that the realisation of the Article 6 project results in a reduction in greenhouse gas<sup>2</sup> emissions that is additional to any that would otherwise occur and that can be clearly attributed to the underlying Article 6 project;
- that the Article 6 project respects the baseline determination and monitoring procedures as laid down in the JI Guidelines and that the resulting emission reductions are verifiable;
- that the project does not present serious negative environmental or social impacts;
- that the project is in accordance with the EU Directive 2003/87/EC and 2004/101/EC, especially articles 11b;
- for the evaluation of large hydroelectric projects, Luxembourg will apply the EU Guidelines on a common understanding of Article 11b (6) of Directive 2003/87/EC as amended by Directive 2004/101/EC;
- ratification of the Kyoto Protocol by the host country;
- approval of the underlying project by the host country's Designated Focal Point for approving Article 6 projects.

## 5. TIMING AND FEES

The applications will be processed on a first come first serve basis and will be reviewed as soon as practicable. The result of an application will be communicated to the applicant in writing by the Luxembourg Designated National Focal Point. If a Letter of Approval cannot be issued by Luxembourg a written explanation of the reason for refusal will be provided. The Luxembourg Designated National Focal Point will aim at giving a final response within 10 weeks of receipt of the complete application documentation. For Track-I JI projects and large hydroelectric projects this response time might be longer.

Luxembourg does not charge a fee for processing and granting Letter of Approvals for Article 6 Projects.

Applicants should note that Luxembourg has to release some project information in order to be conform with the EU Directive 2004/101/EC (16), which stipulates that information on project activities in which a Member State participates or authorises private or public entities to participate should be made available to the public in accordance with Directive 2003/4/EC of the European Parliament and of the Council of 28 January 2003 on public access to environmental information.

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<sup>2</sup> Including only the greenhouse gases that are covered by the Kyoto Protocol: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFC, PFC, SF<sub>6</sub>

## 6. CONTACT INFORMATION

The applications for receiving a Letter of Approval should be submitted by mail or email to the following contact address:

Ministry for Sustainable Development and Infrastructure  
Department of Environment  
Designated Focal Point, Mr. Henri Haine  
Tour 'Alcide de Gasperi'  
4, place de l'Europe  
L-2918 Luxembourg  
Tel: +352 24786824  
Email: henri.haine@mev.etat.lu

Luxembourg, the 31<sup>st</sup> March 2011

