

Pakistan National Operational Strategy for Clean Development Mechanism (CDM) and Criteria for Approval of CDM Projects

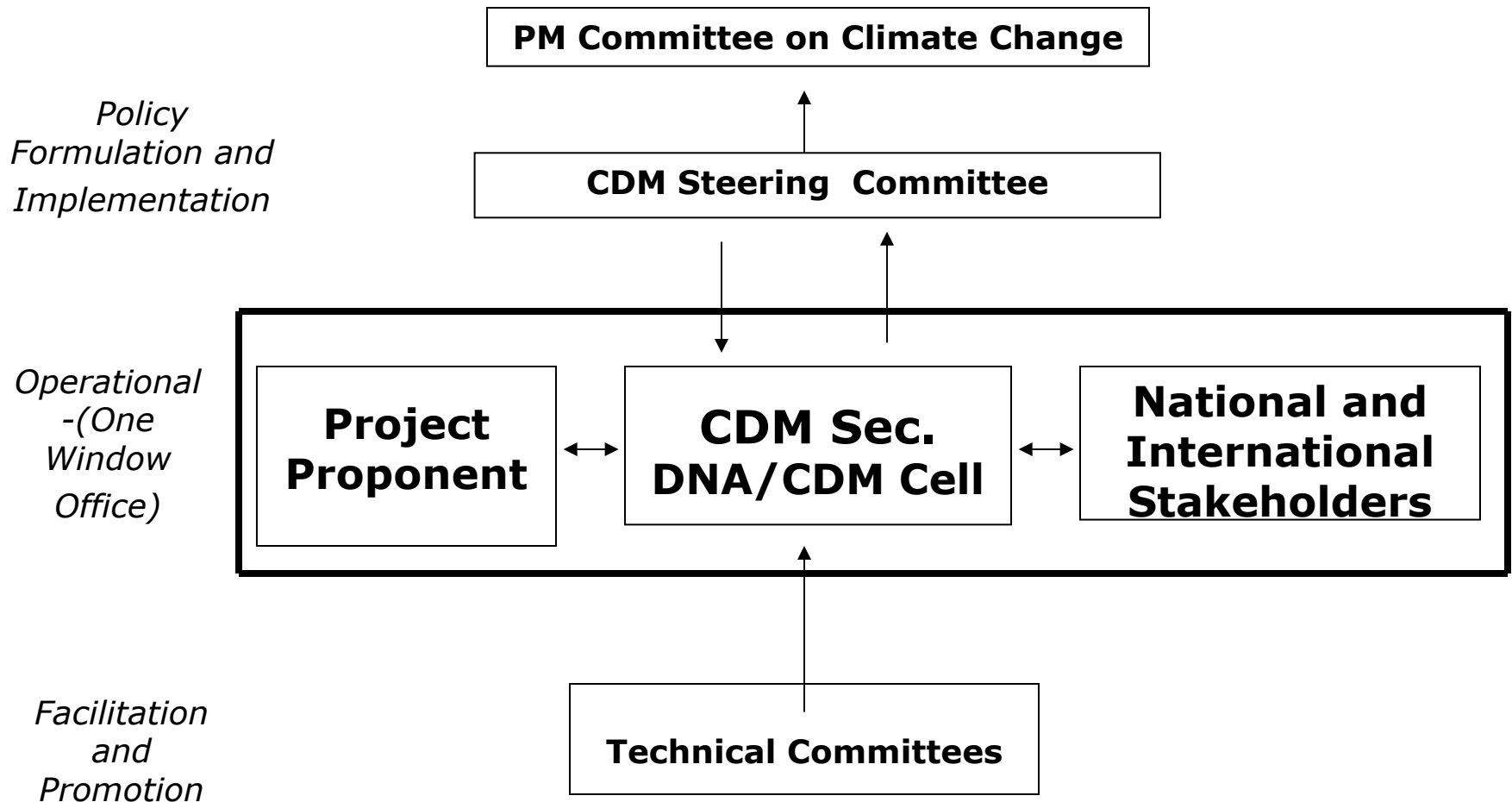
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Overview of Presentation

- Institutional set-up of Designated National Authority for CDM
- Criteria for CDM Projects
- Tax and Credit Sharing Policies
- CDM Project Cycle
- Project Approval Process

Institutional Set-up for CDM



High Level Committees

PM Committee on Climate Change

- **Policy and Review Forum on climate change**

CDM Steering Committee

(To meet at least quarterly)

- **Policy advice and guidance**
- **Review of Progress**
- **Ensure inter- ministerial coordination**

CDM Secretariat

Composition:

1. **Headed by Director General (Environment), Ministry of Environment (DNA)**
2. **CDM Cell (includes qualified Experts)**

Functions:

- **Facilitation of CDM process
(awareness raising, capacity building, establishing liaison)**
- **Provide support to the stakeholders.**
- **National approval of CDM projects**

CDM Technical Committees

Three Technical Committees (to meet on need basis)

1. Technical Committee on Energy Efficiency/ Renewable Energy
2. Technical Committee on Waste Management/Chemical Process
3. Technical Committee on Agriculture, Forestry and Livestock

Additional committees may be notified if needed

Functions

- Promote and advise on CDM projects
- Assist project sponsors in developing CDM projects, if required

Type of CDM Projects

Unilateral, Bilateral and Multilateral CDM Projects allowed in:

- Energy
 - Renewable/alternate energy,
 - Energy efficiency/conservation, and
 - Fossil- fuel cogeneration

- Waste Management
 - landfill gas capture
 - Recycling
 - Energy from solid waste etc.

- Transportation
 - Alternative fuel vehicles
 - Mass transit systems
 - Cleaner engines, CNG

Type of CDM Projects

Cont--

- Industrial processes (Cement, Fertilizer, Textile etc.)
- Land Use, Land Use Change and Forestry (watershed management, sustainable forest management, afforestation and reforestation)
- Agricultural and livestock practices

Criteria for CDM Projects

- Consistency with the national laws and sustainable development policies, strategies and plans.
- No obligation of the GoP to the investors other than CERs.
- **Environmental Criteria**
 - Significant reduction in the emissions of GHGs
 - Conservation of local resources and/or improvement of the local environment.
- **Social Criteria**
 - Poverty alleviation, jobs creation, benefits to local communities etc.

Criteria for CDM Projects

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– Economic Criteria

- Positive impact on balance of payments (not result in net increase in external debt burden), cost effective.

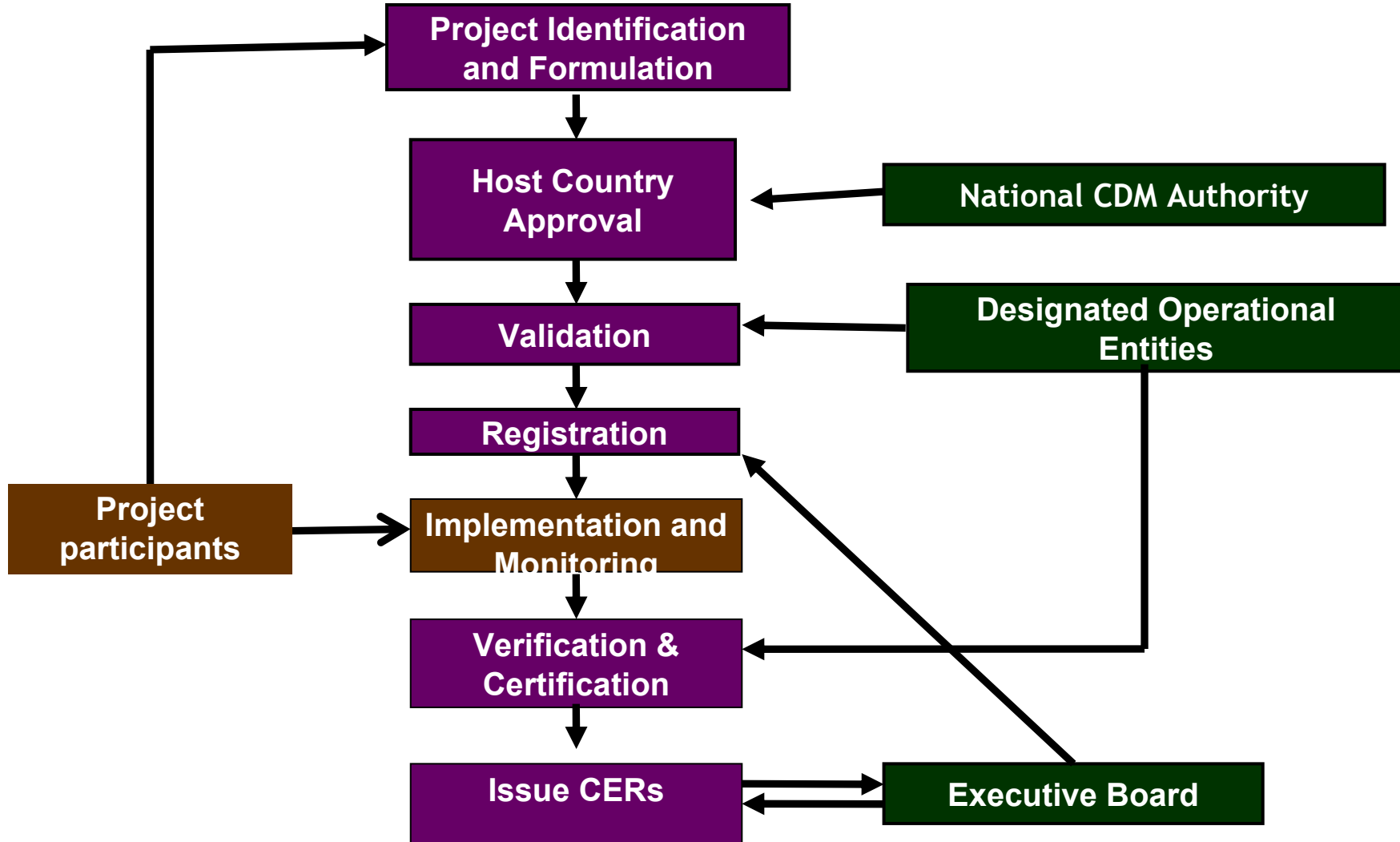
– Technological Criteria

- Technology and know how transfer
- Not result in import of obsolete technology

Tax and Credit Sharing Policies

- No income tax or duty on transfer/ sale of CDM emission credits
- Credits to be awarded fully to the project sponsors
- Banks and other financial institutions to be encouraged to provide special incentives to investors

CDM Project Cycle



Project Approval Process

- Project proponent submits the CDM Project to the DNA.

Mr. Javed Ali Khan, Director General (Environment), Ministry of Environment, Islamabad.

- The proposed CDM project will be qualitatively assessed by the CDM Cell against the National CDM Criteria.
- Letter of approval will be issued by DNA within one month of project submission.

THANK YOU