

# **UK Guidance on project approval and authorisation to participate in Joint Implementation (JI)**

# Joint Implementation Guidance – Introduction

This guidance applies to the approval and authorisation of Joint Implementation (JI) projects under Article 6 of the Kyoto Protocol<sup>1</sup> and which occur in countries other than the UK (the Government is not currently approving JI projects in the UK). The Secretary of State for Energy and Climate Change acts as the Designated Focal Point for JI (DFP) and may approve projects in accordance with international and EU requirements. These requirements are set out in various documents at international, EU and national levels including:

1. Article 6 of the Protocol is supplemented by UN decisions and in particular Decisions 15 and 16 CP.7 (in the Marrakech Accords<sup>2</sup>);
2. Directive 2004/101/EC amending Directive 2003/87/EC<sup>3</sup> establishing a scheme for greenhouse gas emission allowance trading within the Community, in respect of the Kyoto Protocol's project mechanisms ('the Linking Directive') implements and supplements these project approval and authorisation requirements;
3. The Greenhouse Gas Emissions Trading Scheme (Amendment) and National Emissions Inventory Regulations 2005<sup>4</sup> ('the Implementing Regulations') implement EU requirements in the UK.

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<sup>1</sup> Text of Kyoto Protocol can be found at <http://unfccc.int/resource/docs/convkp/kpeng.html>

<sup>2</sup> Available at <http://unfccc.int/resource/docs/cop7/13a02.pdf>

<sup>3</sup> O.J. L No. 338, 13/11/2004, p18

<sup>4</sup> SI 2005/2903 as amended by The Greenhouse Gas Emissions Trading Scheme (Amendment) (Fees) and National Emissions Inventory Regulations 2011 (SI 2011/727)

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## 2. Glossary

<b>Accredited Independent Entity (AIE)</b>	A private company, accredited by the JI Supervisory Committee, and used for making determinations on, or verifying emissions reductions resulting from JI projects where the JI Supervisory Committee procedure (Track 2) is used.
<b>Acquis Communautaire</b>	The entire body of European Union laws is known as the Acquis Communautaire. This includes all the treaties, regulations and directives passed by the European institutions as well as judgements laid down by the Court of Justice.
<b>Annex I Party / Non-Annex I Party</b>	An Annex I Party is a country which is a Party to the UNFCCC and which is listed in its Annex I. Annex I Parties include the 24 original OECD members, the European Union, and the 14 countries with economies in transition. Countries not listed in Annex I are known as Non-Annex I Parties (those eligible for hosting CDM project activities).
<b>Article 6 Supervisory Committee</b>	See " <i>JI Supervisory Committee</i> ".
<b>Assigned amount</b>	The amount of greenhouse gases which each Annex I country is allowed to emit during the first commitment period (2008-2012).
<b>Assigned Amount Unit (AAU)</b>	A unit of assigned amount equivalent to one tonne of CO <sub>2</sub> .
<b>Baseline</b>	The baseline is the scenario that describes the situation that would occur in the absence of a proposed project. This is used as the basis for establishing emission reductions attributable to the project.
<b>CDM</b>	Clean Development Mechanism - the project mechanism provided for under Article 12 of the Kyoto Protocol. CDM projects can be undertaken in non-Annex I countries to reduce emissions of greenhouse gases or enhance sinks.
<b>COP</b>	The Conference of the Parties to the UNFCCC – the supreme body of the UNFCCC, comprised of countries that have ratified or acceded to the UNFCCC. The COP meets annually.
<b>COP/MOP</b>	The Conference of the Parties (to the UNFCCC) serving as the Meeting of the Parties to the Kyoto Protocol – the Meeting of the Parties (MOP) is the supreme body of

	Parties to the Kyoto Protocol and meets annually.
<b>Designated Focal Point (DFP)</b>	An office, ministry, or other official entity appointed to approve, and authorise companies' participation in JI projects. Defra has been appointed the UK's DFP.
<b>Determination</b>	A written decision by an Accredited Independent Entity on whether / how a Track 2 project meets the requirements of JI, or verifying emissions reductions or removals resulting from a project.
<b>Emission Reduction Units (ERUs)</b>	Kyoto units issued for emissions reductions or removals resulting from JI projects. 1 ERU is issued for reductions or removals equivalent to 1 tonne of CO <sub>2</sub> .
<b>Environmental Impact Assessment (EIA)</b>	A formal assessment of the environmental impacts of a project, required in the case of Track 2 projects likely to have significant environmental impacts. All projects require some form of assessment of environmental impacts including transboundary impacts, in accordance with the requirements of the host country.
<b>EU ETS</b>	European Union Emission Trading Scheme.
<b>European Union Allowance (EUA)</b>	The unit traded within the EU ETS.
<b>Host Party</b>	A(n) (annex I) country in whose territory a JI project is physically located.
<b>Implementing Regulations</b>	The Greenhouse Gas Emissions Trading Scheme (Amendment) and National Emissions Inventory Regulations 2005 which implement the provisions of the Linking Directive in the UK.
<b>International Transaction Log (ITL)</b>	The ITL performs checks on all issuance and trading transactions to ensure compliance with UN rules.
<b>Issuance</b>	The act of crediting registry accounts with ERUs.
<b>JI Supervisory Committee (JISC)</b>	The UN body responsible for supervising Track 2 JI projects.
<b>JI Track 1 project</b>	A project carried out under the national guidelines and procedures of the host country, where the host meets all the eligibility requirements related to the transfer and acquisition of Emission Reduction Units (ERUs).
<b>JI Track 2 project</b>	A project carried out under the supervision of the JI Supervisory Committee. The Track 2 procedure has to be used when the host country does not meet the eligibility requirements for Track 1.

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<b>Joint Implementation (JI)</b>	The project mechanism provided for under Article 6 of the Kyoto Protocol – JI projects can be undertaken in Annex I countries with Kyoto targets (inscribed in Annex B to the Kyoto Protocol) to reduce emissions of greenhouse gases or enhance sinks.
<b>Kyoto Protocol</b>	The Kyoto Protocol to the UNFCCC. Amongst other things, this Protocol sets binding targets for the reduction of greenhouse-gas emissions by industrialised countries.
<b>Letter of Approval / Authorisation (LoA)</b>	A letter from a DFP approving a JI project / authorising a company's participation in a JI project. All companies wishing to participate in a JI project need a LoA before they can be issued with credits.
<b>Linking Directive</b>	Directive 2004/101/EC of the European Parliament and of the Council, amending the EU Emissions Trading Directive in respect of the Kyoto Protocol's project mechanisms. The Linking Directive provides for use of credits from Joint Implementation and CDM projects in the EU ETS.
<b>LULUCF (projects)</b>	Land use, land use change and forestry (projects).
<b>Marrakech Accords</b>	Agreements reached at COP-7 which set out detailed rules and procedures, building on the provisions of the Kyoto Protocol. The Accords include guidelines for the implementation of Article 6 of the Kyoto Protocol, and modalities and procedures for a CDM as defined in Article 12 of the Kyoto Protocol.
<b>Monitoring plan</b>	A monitoring plan should set out the arrangements for collecting all the relevant information needed to determine the emissions generated in the baseline, measure the emissions generated by the project, leakage (emissions impacts outside the project) and finally, the emission reductions or removals achieved by the project. A monitoring plan must be included in the PDD for a JI project.
<b>National guidelines (and procedures)</b>	The procedures set out by a host Party (and notified to the UNFCCC) for conducting JI projects in its territory.
<b>OECD</b>	The Organisation for Economic Co-operation and Development - a grouping of 30 (largely developed) member countries, working together on a range of economic and social issues (including climate change through the Annex I Expert Group).
<b>Operator holding account (OHA)</b>	An account in the UK Registry held by an operator of an installation covered by the EU ETS. The account can be used for trading and compliance within the EU ETS.
<b>Person holding</b>	An account in the UK Registry which can be used for

<b>account (PHA)</b>	holding ERUs by those without Operator Holding Accounts.
<b>Project Design Document (PDD)</b>	A PDD is a key element in the JI project cycle (and provides the basis for a determination on a Track 2 project). It should set out a description of the project activity, an appropriate baseline and monitoring plan, planned emission reductions or removals, a monitoring plan and other evidence needed to show that the project activity meets the requirements of JI.
<b>Project mechanisms</b>	The collective term for the two Kyoto mechanisms whereby emission reduction projects may be undertaken: JI and CDM.
<b>Project Participant</b>	A public or private entity authorized by a Party involved to participate in a JI project activity.
<b>Registry</b>	A registry is an application that records allowances and credits held by operators (e.g. under the EU ETS), Parties or project participants and tracks transactions. All Annex I countries participating in emissions trading or the project mechanisms need to have a national registry.
<b>Removal Unit (RMU)</b>	A Kyoto unit covering removal of greenhouse gases from the atmosphere through LULUCF activities. 1 RMU is equivalent to 1 tonne of CO <sub>2</sub> removed.
<b>Sink</b>	A sink is any process or activity or mechanism which removes a greenhouse gas from the atmosphere.
<b>Supervisory Committee (for JI)</b>	See “ <i>JI Supervisory Committee</i> ”.
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change – the international treaty signed by 189 countries around the world sets goals and rules for confronting climate change. The UNFCCC has an ultimate objective of stabilising greenhouse gas emissions “at a level that would prevent dangerous anthropogenic (human induced) interference with the climate system.”
<b>Verification</b>	Verification is the process of independent determination by an Accredited Independent Entity of emission reductions or removals resulting from a project.
<b>WCD</b>	World Commission on Dams – an independent, international, multi-stakeholder process addressing controversial issues relating to large dams.



## 3. Joint Implementation: Two Tracks

The international climate change agreements provide two sets of JI procedures, commonly referred to as the “Two Track” approach. The two tracks refer to alternative procedures and projects cycles for JI projects depending on the status of the host country with regard to meeting relevant eligibility requirements.

In order to undertake JI activities, each Party is required to inform the UNFCCC secretariat of:

- Its designated focal point (DFP) for the approval of JI projects
- Its national guidelines and procedures for approving JI projects, including consideration of stakeholders’ comments, as well as monitoring and verification.

### 3.1 Track 1 Joint Implementation

A host Party may verify reductions itself, and may transfer ERUs when it is considered to meet all the relevant eligibility requirements for international trading. A number of parties have adopted Track 1 Procedures. For details please refer to the UNFCCC’s JI web pages [www.unfccc.int/ji](http://www.unfccc.int/ji)

**Track 1 procedures** apply when the host country meets all the eligibility requirements related to the transfer and acquisition of ERUs. In this situation, Annex I host countries are allowed to apply their own procedures for assessing the additionality of JI project emissions. The relevant eligibility requirements for countries to undertake Track 1 projects include having in place a national system for emissions estimation, having submitted an annual inventory of these emissions and having established the nation’s emissions to be issued as Kyoto AAUS. The host country is then able to issue and transfer ERUs to the investing party, without recourse to any international body for approval.

### 3.2 Track 2 Joint Implementation

Where a host Party does not meet the eligibility requirements, verification can be undertaken by means of a verification procedure to be established by the Supervisory Committee for JI<sup>5</sup>. Parties that meet the eligibility requirements may also elect to use the Track 2 procedure. The Supervisory Committee was established at COP/MOP 1 in Montreal in December 2005.

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<sup>5</sup> See paragraph 24 of Decision 16/CP.7

**Track 2 procedures**, which are quite similar to those for a CDM project, apply when the host country does not meet the eligibility requirements for Track 1 JI or alternatively countries can opt to use Track 2. Under Track 2, projects are assessed according to procedures administered by an international regulatory body established by the Conference of the Parties (COP) to the UNFCCC called the JI Supervisory Committee. After projects are approved under this process, and project emissions verified the host countries will be able to issue and transfer ERUs to the investing party.

## 4. UK Project Authorities

### 4.1 The UK Designated Focal Point (DFP) for Joint Implementation (JI)

In July 2004 the Department of Environment, Food and Rural Affairs (Defra) was established as the UK's DFP for JI. From October 2008 the Department for Energy and Climate Change (DECC) took over this role. For projects involving Scottish, Welsh or Northern Irish companies, DECC will ensure the relevant Devolved Administration agrees with project decisions. To contact the DFP please email: [jifp@decc.gsi.gov.uk](mailto:jifp@decc.gsi.gov.uk).

For further information on the opportunities and how to get involved in the international carbon market please contact [www.businesslink.gov.uk](http://www.businesslink.gov.uk)

### 4.2 Making payments for applications for letters of approval

As of 6 April 2011 UK Government made the decision to introduce charges for applications received in respect to CDM/JI projects.

The charging scheme would require each applicant to pay an administrative fee before their application is assessed by the DNA & DFP. The fees (exempt of VAT) have been agreed at:

- £250 per CDM (excluding large hydro) application
- £700 per CDM large hydro (over 20MW) application
- £700 per JI application

In line with our policy to support better equitable distribution of finance from the carbon market, DECC will offer letter of approvals free of charge for projects in Least Developed Countries (LDC's). The fees are set out in the Greenhouse Gas Emissions Trading Scheme (Amendment) (Fees) and National Inventory Regulations 2011<sup>6</sup>. Please see the schedule to the regulations for a list of those countries.

Please download and fill out the payment form (DNADFP1) with your company details and payment information and send with your application to [jifp@decc.gsi.gov.uk](mailto:jifp@decc.gsi.gov.uk). We will then issue you with an invoice. Once payment has been received by DECC we will process your application.

The DNADFP1 Payment form can be downloaded from the DECC website at [http://www.decc.gov.uk/en/content/cms/what\\_we\\_do/change\\_energy/tackling\\_clima/intl\\_strat/mechanisms/clean\\_developm/clean\\_developm.aspx](http://www.decc.gov.uk/en/content/cms/what_we_do/change_energy/tackling_clima/intl_strat/mechanisms/clean_developm/clean_developm.aspx)

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<sup>6</sup> <http://www.legislation.gov.uk/ukxi/2011/727/contents/made>

# Letters of Approval or Authorisation

## 5.1 Why do I need a letter of approval?

In accordance with article 6 of the Kyoto Protocol, participation in JI project activities requires written approval from all Parties involved. This includes obtaining an Annex I letter of approval (LOA). To obtain UK approval you should apply to the Secretary of State at the Department of Energy & Climate Change<sup>7</sup>.

In addition to approval of the project activity itself, authorisation of participation in the project activity is also required and can similarly be applied for to the Secretary of State.

## 5.2 Where can a JI be based?

Please note that the UK has taken a decision to not host JI projects. We do however play a role in issuing Annex I letters of approval to JI projects in other Annex I countries. For a list of parties able to host JI projects please visit the following link [http://ji.unfccc.int/JI\\_Parties/index.html](http://ji.unfccc.int/JI_Parties/index.html).

## 5.3 Who can receive a letter of approval - do I have to be based in the UK?

We can accept applications from companies irrespective of their location. The only exception to this concerns companies based in the UK's Crown Dependent and Overseas territories.

DECC, acting in its capacity as the UK's DNA, can only issue a Letter of Approval to entities based in the UK's overseas and Crown Dependent territories when a) they have joined the UK ratifications of the Kyoto Protocol; and b) the UK has an agreement in place with that country. Therefore the UK can issue a LOA to entities based in the following territories:

- the Cayman Islands
- the Isle of Man
- Jersey
- Guernsey.

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<sup>7</sup> See regulation 5(1) of the Implementing Regulations.

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Due to the absence of agreements, with the other overseas territories, we cannot issue LOA to entities based there unless the application is made by a branch office or subsidiary of the company based outside of the territory in question. For further information on obtaining a LOA for an entity based in one of the UK's Overseas or Crown Dependent Territories please e-mail [jifp@decc.gsi.gov.uk](mailto:jifp@decc.gsi.gov.uk).

### **5.4 When should I apply for a letter of approval?**

You may apply for a letter of approval following receipt of host government approval.

As regards authorisation of participation in the project activity, this can be applied for either once the project has received approval of all Parties involved, or at the same time as the application for approval is made.

### **5.5 How do I apply for a letter of approval and / or authorisation?**

Applications should be made electronically to the DFP. These should be sent to [jifp@decc.gsi.gov.uk](mailto:jifp@decc.gsi.gov.uk). All documents must be submitted in English. Please see chapter 7 below for more information on what documents are required.

### **5.5 How long should it take to get a letter?**

On receipt of the relevant documents/information (see 7.2 and 7.3 below), DECC may issue a letter of approval of a project activity and / or authorisation of participation in that project activity. The documentation will be made available for public comment for a period of 1 month, on the UNFCCC website.

DECC will aim to make a decision as soon as possible and, in any event a final decision will be taken within two months of the receipt of all requisite information except where a longer period is agreed with the applicant. In some more complex cases, for example hydro-electric generation facilities with a capacity of over 20MW, it may take longer to consider applications<sup>8</sup>.

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<sup>8</sup> See regulation 7(3) of the Implementing Regulations.

# 6. General Requirements for approval

## 6.1 What do I need to get a letter of approval?

Regulations 7(6) and (7) of the Implementing Regulations provide that the Secretary of State may only approve a project activity if he/she is satisfied that International and European requirements have been met. In order to make this judgement the Implementing Regulations provide that;

- applications shall contain such information as the Secretary of State may reasonably require<sup>9</sup>
- the Secretary of State may request further information to enable him/her to make a decision on approval<sup>10</sup>.
- the Secretary of State may require information to be independently verified<sup>11</sup>.

The basic format of the application is the same for all applications, although specific information requirements vary according to the project type and legal requirements. In particular:

- where the project is undertaken within the EU, baselines must comply with EU requirements;
- where the project involves hydro-electric generation facilities with a capacity of over 20MW, WCD guidelines and criteria must be complied with (please see section 9.2 of this document). The WCD's Report can be accessed at [www.dams.org](http://www.dams.org)

## 6.2 Joint Implementation projects verified under Track 1

For a UK letter of approval and / or authorisation to be issued for a Track 1 project we require the following:

- **Host Country Letter of Approval (LOA)**; this must contain a statement that the project contributes to the sustainability of the host country and provide the title of the project which is being approved<sup>12</sup>;

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<sup>9</sup> See regulations 5(3) and (4) of the Implementing Regulations

<sup>10</sup> See regulation 6 of the Implementing Regulations

<sup>11</sup> See regulation 5(5) of the Implementing Regulations

<sup>12</sup> See article 6(1)(a) of the Kyoto Protocol

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- **Project Design Document (PDD)** - for a JI project to be approved by the host party, the project proponent must prepare a PDD which provides evidence that the project activity meets the requirements of JI<sup>13</sup>. The PDD template can be accessed, on the UNFCCC website at <http://ji.unfccc.int/Ref/Forms.html>;
- **A signed Declaration of Compliance with the rules and procedures of Joint Implementation;** A template for the declaration can be found in Annex B and is also accessible via; [http://www.decc.gov.uk/en/content/cms/what\\_we\\_do/change\\_energy/tackling\\_clima/intl\\_strat/mechanisms/joint\\_implemen/joint\\_implemen.aspx](http://www.decc.gov.uk/en/content/cms/what_we_do/change_energy/tackling_clima/intl_strat/mechanisms/joint_implemen/joint_implemen.aspx)). The Declaration must either be signed by two authorised signatories of the company or, alternatively the person signing must possess a Power of Attorney. In the latter case a copy of the Power of Attorney must be included with your application.

NB: the DFP may request additional information and/or require information to be independently verified.

### 6.3 Joint Implementation projects verified under Track 2

The approval procedure for Track 2 JI is subject to the procedures laid down by the Supervisory Committee and follows similar requirements to the approval process for CDM project activities, also being subject to international supervision. To be able to issue a letter of approval and / or authorisation in respect of Track 2 project activities we will require the following:

- **Host Country Letter of Approval (LOA);** this must contain a statement that the project contributes to the sustainability of the host country and provide the title of the project which is being approved;
- **Project Design Document (PDD);** for a JI project to be verified under the supervision of the supervisory committee the project proponent must prepare a PDD which provides evidence that the project activity meets the requirements of JI<sup>14</sup>. The PDD template can be accessed, on the UNFCCC website at <http://ji.unfccc.int/Ref/Forms.html>;
- **A signed declaration of compliance with JI rules and procedures for established track 2 projects;** The Declaration must either be signed by two authorised signatories of the company or, alternatively the person signing must possess a Power of Attorney. In the latter case a copy of the Power of Attorney must be included with your application. A template for the declaration can be found in Annex C or at; [http://www.decc.gov.uk/en/content/cms/what\\_we\\_do/change\\_energy/tackling\\_clima/intl\\_strat/mechanisms/joint\\_implemen/joint\\_implemen.aspx](http://www.decc.gov.uk/en/content/cms/what_we_do/change_energy/tackling_clima/intl_strat/mechanisms/joint_implemen/joint_implemen.aspx)

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<sup>13</sup> See paragraph 31 of Decision 16/CP.7.

<sup>14</sup> See paragraph 31 of Decision 16/CP.7.

NB: the DFP may request additional information and/or require information to be independently verified.



## 7. Approval and authorisation requirements – ensuring participation is in accordance with the Marrakech Accords

Paragraph 29 of the JI Decision, as implemented in paragraph 11b(5) of the Linking Directive<sup>15</sup>, require Parties authorising participation in projects to ensure an entity's participation is in accordance with the relevant procedures and requirements.

The UK considers that participation of project participants in JI project activities is primarily for supervision of the JI Supervisory Committee (JISC) for track 2 projects and the relevant national authority acting as focal point of the host country for track 1 projects<sup>16</sup>.

### 7.1 What are the participation requirements for project participants?

Decision 16/CP.7 describes the role of JI project participants. The requirements laid down in this Decision are set out in the table below:

Paragraph	Requirement
<b>31</b>	Submit to an accredited independent entity (AIE) a project design document (PDD), including information needed to determine whether project has been approved by Parties involved, would provide 'additional' emission reductions or removals and has an appropriate baseline and monitoring plan
<b>33(d)</b>	Submit to an AIE documentation on the analysis of the environmental and transboundary impacts of the project activity and carry out an environmental impact assessment (EIA) if the project participants or the host party consider that the impacts are likely to be significant
<b>36</b>	Submit to an AIE and make publicly available a report in accordance with the monitoring plan on reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks that have already occurred
<b>Appendix B</b>	
<b>2</b>	Establish a baseline
<b>3</b>	Justify choice of baseline

<sup>15</sup> See regulation 7(7) of the Implementing Regulations.

<sup>16</sup> See paragraphs 23 and 24, read in conjunction with paragraph 21, of Decision 17/CP.7.

<b>4 (a-f)</b>	Include as part of the PDD a monitoring plan showing reductions of anthropogenic emissions by sources and/or enhancements of anthropogenic removals by sinks by the proposed JI project, and adjusting for leakage effects, if any
<b>5</b>	Justify any revisions to the monitoring plan and submit to the AIE for verification
<b>6</b>	Implement the monitoring plan

In addition to the above requirements, the project participants must submit the documentation detailed above (see 7.2 and 7.3) in order to receive written approval from the UK DFP.

## 7.2 What is the UK Government's role in projects?

Decision 16/CP.7 describes the role of Parties involved in a project. The main functions of a Party involved are to designate a focal point for approving projects (paragraph 20(a), to adopt national guidelines and procedures (in the case of host Parties – paragraph 20(b)), to verify emission reductions or removals if eligible (as host - paragraph 23), to authorise legal entities to participate (paragraph 29), to issue letters of approval (paragraph 31(a)/33(a)), and to request reviews of projects and of determinations of emission reductions or removals (paragraphs 35 and 39).

Paragraph	Host Party/ Non Host Party	Requirement	Further Guidance
20 (a)	HP/non-HP	Inform the secretariat of its Designated Focal Point for approving projects	Secretary of State acts as DFP for the UK.
20 (b)	HP	Inform the secretariat of its national guidelines and procedures for approving JI projects	The UK will notify the Secretariat of these guidelines in respect of non UK projects
23	HP	May verify emissions reductions or removals from a JI project, if it meets the eligibility requirements	Eligibility requirements will be met following a successful review of reports establishing assigned amount.
24	HP	May issue and transfer ERUs, if it meets the eligibility requirements	Eligibility requirements will be met following a successful review of reports establishing assigned amount.
25	HP	May use the verification procedure under the JI Supervisory Committee	This is processed by the JI Supervisory Committee
28	HP	Make information on the project publicly available	Project applications will be made available on

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			the UK JI-FP webpage.
29	HP/no n-HP	Authorise legal entities to participate in JI projects and ensure that participation is consistent with the relevant annex to 16/CP.7	See section 5 of this guidance.
31(a)/3 3(a)	HP/no n-HP	Give approval of participation	See section 5 of this guidance.
35	HP/no n-HP	May request a review	See section 6.5 of this guidance
39	HP/no n-HP	May request a review of the AIE's determination on reported emission reductions or removals	See section 6.5 of this guidance

### 7.3 How does the UK Government ensure our participation is in accordance with the Marrakech Accords?

The UK Government ensures participation is in accordance with the Marrakech Accords<sup>17</sup>:

- At the point of approval, by requiring:
  - project participants to confirm that information supplied in the application is correct; or
  - verification of information by an independent verifier;
- At the point of a determination on a Track 2 project, through the potential for a request for review<sup>18</sup>;
- At the point of a determination on emission reductions from a Track 2 project, through the potential for a request for review of issuance<sup>19</sup>.

### 7.4 Role on approval

The UK Government ensures participation is in accordance with the Marrakech Accords by requiring a declaration to this effect by the project participant, and may require independent verification of information supplied<sup>20</sup>.

The project participant is responsible for ensuring that the information contained in the PDD and other documentation is accurate. It is a criminal offence for you to knowingly make a false or misleading statement; or to recklessly make a statement which is false or misleading<sup>21</sup>.

<sup>17</sup> See paragraph 29 of Decision 16/CP.7; article 11b(5) of the Linking Directive; and regulation 7(7) of the Implementing Regulations.

<sup>18</sup> See paragraph 35 of Decision 16/CP.7

<sup>19</sup> See paragraph 39 of Decision 16/CP.7

<sup>20</sup> See regulations 5(4) and 5(5) of the Implementing Regulations.

<sup>21</sup> See regulation 13(1)(b) of the Implementing Regulations.

## 7.5 Role after approval

A Party involved in a Track 2 project can request a review of either an initial determination on a project or of a determination on emission reductions from the project. There is no such provision for Track 1 projects, which are subject to the national guidelines and procedures of the host Party.

### a. Request for review of projects

Once the Accredited Independent Entity (AIE) has made available its decision as to whether the project is valid, together with supporting evidence, it is considered final unless a Party involved in the project or three members of the JISC object within 45 days of it being made public<sup>22</sup>.

The UK Government will not duplicate the functions of the host Party, the Accredited Independent Entities or the Supervisory Committee.

### b. Request for review of issuance

Once the AIE has made available its determination on emission reductions, it is considered final 15 days after the date on which it is made public, unless a Party involved in the project or three of the members of the JISC request a review by the JISC<sup>23</sup>.

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<sup>22</sup> See paragraphs 34 and 35 of Decision 16/CP.7

<sup>23</sup> See paragraphs 37-39 of Decision 16/CP.7

## **8. EU requirements**

The EU Linking Directive not only transposes project approval requirements set out in the Marrakech Accords, but also introduces further requirements, specifically related to approval by EU Member States. These relate to:

- baselines for projects carried out in countries which have signed a Treaty of Accession with the EU; and
- projects involving hydro-electric facilities with a generating capacity greater than 20MW.

### **8.1 Baselines of projects**

In addition to the international requirements, EU Member States are required to ensure that the baselines for project activities undertaken in countries that have signed a treaty of accession with the EU fully comply with all Community legislation (the *Acquis Communautaire*), including the temporary derogations set out in the relevant Treaty of Accession<sup>24</sup>.

This requirement is intended to ensure that the reductions credited through the mechanism are additional to the reductions that are required by Community law.

In order for the Government to be satisfied that these requirements are met, the UK DFP requires a statement either from the host country (in the letter of approval) or from the verifying Independent Entity<sup>25</sup>.

### **8.2 What Are The Requirements For Hydro Electric Facilities With A Generating Capacity Greater Than 20MW?**

The Linking Directive provides that in the case of hydro-electric projects with a generating capacity exceeding 20MW, Member States when approving such projects must take into account relevant criteria, including those set out in the World Commission on Dams (WCD) November 2000 Report “Dams and Development – A New Framework for Decision-Making”<sup>26</sup>.

To fulfill this obligation the UK DFP requires a declaration from project participants in these projects, indicating that the development of the proposed project activity will respect the criteria and guidelines identified in the report produced by the World Commission on Dams. For further information, please see Annex C, which sets out a form for explaining how your project complies

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<sup>24</sup> See article 11b(1) of the Linking Directive and regulation 7(6)(a) of the Implementing Regulations.

<sup>25</sup> See regulations 5(4) and 5(5) of the Implementing Regulations.

<sup>26</sup> See article 11b(6) of the Linking Directive and regulation 7(6)(b) of the Implementing Regulations.

with the WCD report's checklist. For further information on the WCD report please go to [www.dams.org](http://www.dams.org).

## 9. Appeals

### 9.1 What if I disagree with your decision?

There is a right of appeal to the Secretary of State under Regulation 9 of the Implementing Regulations.

Appeals should be made in writing and submitted to the Appeals Officer **within 15 working days of the date of the letter notifying the project participant of the Government's decision.** Appeals can be submitted electronically to [jiappeals@decc.gsi.gov.uk](mailto:jiappeals@decc.gsi.gov.uk) copied to the JIFP mailbox ([jifp@decc.gsi.gov.uk](mailto:jifp@decc.gsi.gov.uk)).

In case of appeals in respect of project participants in Scotland, Wales and Northern Ireland a copy of the appeal should be sent to the relevant Devolved Administration.

- Scotland: [climate.change@scotland.gsi.gov.uk](mailto:climate.change@scotland.gsi.gov.uk)
- Northern Ireland: [climate.change@doeni.gov.uk](mailto:climate.change@doeni.gov.uk)
- Wales: [climate-change@wales.gsi.gov.uk](mailto:climate-change@wales.gsi.gov.uk)

The closing date for appeals is 15 working days from the date of the letter notifying the project participant of the Government's approval decision. Any appeals received after this period will not be processed. For further details on the appeals procedure please see **Annex A**.

# 10. Issuance - how do we get our credits?

## 10.1 JI Credits are issued into a registry account on the instructions of the relevant authority in the host country.

JI Credits are issued into a registry account. Issuance of credits is conditional, in the case of Track 1 projects, on countries complying with the necessary national eligibility criteria, or, in the case of Track 2 projects, on approval by the JISC. Emission Reduction Units (ERUs) are issued by the host country but cannot be issued until the host has established its Assigned Amount. If eligible, the host country issues ERUs by converting Assigned Amount Units (AAUs) or Removal Units (RMUs) as appropriate<sup>27</sup>.

## 10.2 When will credits become available

ERUs in respect of JI project activities can only be issued in respect of periods from 2008 onwards. In respect of both Track 1 and Track 2 JI projects, we do not expect full eligibility requirements to be met, or assigned amount or removal units to become available for conversion to ERUs until early 2008.

## 10.3 How do I get a UK registry account?

To receive ERUs in the UK Registry, you will require a Person Holding Account (PHA). There is a small charge for opening an account, (for details please refer to the Registry's website, linked to below).

You can apply for an account online at the Registry website (<http://emissionsregistry.gov.uk>), where you will be prompted to send certain information to the Environment Agency for checking. Full details of how to open a registry account can be found on the Environment Agency's website<sup>28</sup>.

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<sup>27</sup> See paragraph 29 of Decision 19/CP.7

<sup>28</sup> See [http://www.environment-agency.gov.uk/business/444217/590750/590838/1009544/1009655/1009773/?lang=\\_e&theme=&region=&subject=&searchfor=account+representatives&any\\_all=&choose\\_order=&exactphrase=&withoutwords=](http://www.environment-agency.gov.uk/business/444217/590750/590838/1009544/1009655/1009773/?lang=_e&theme=&region=&subject=&searchfor=account+representatives&any_all=&choose_order=&exactphrase=&withoutwords=)



## JI Approval and Authorisation Guidance

### ANNEX A: APPEAL PROCEDURES

An 'Appeals Officer' who will review all appeals against the application of the JI rules will be appointed. The Appeals Officer will be somebody who has not been involved in the original project decision and will work separately from the DFP team. The appeals officer will not discuss appeals with the DFP team.

The DFP team has 10 working days from the date of receipt of an appeal to submit in response written representations to the Appeals Officer. These representations must be copied to the appellant and, where an appeal relates to a project participant in Scotland, Wales or Northern Ireland, to the relevant Devolved Administration.

The appellant will have 5 working days from the date of submission of those representations from the DFP team to submit to the Appeals Officer any further representations in response. Any such further representations must be copied to the DFP team and where an appeal relates to a project participant in Scotland, Wales or Northern Ireland, to the relevant Devolved Administration.

If he considers it necessary, the Appeals Officer may set alternative time limits to those mentioned above and/or may require further exchanges of representations between the appellant and the DFP team. There is no provision for oral hearings.

The Appeals Officer shall give notice to the appellant of his determination of the appeal and shall give reasons for his decision. A copy of the determination shall be given to the DFP team and where an appeal relates to a project participant in Scotland, Wales and Northern Ireland, to the relevant Devolved Administration.

The Appeal Officer's decision will be incorporated into the final decision on approval which may include such additional conditions and requirements as the Appeals Officer considers necessary.

If you have any questions about the appeals process, please email [jiappeals@decc.gsi.gov.uk](mailto:jiappeals@decc.gsi.gov.uk) copying in the DFP mailbox at [jifp@decc.gsi.gov.uk](mailto:jifp@decc.gsi.gov.uk)

If you have any questions about the decision but do not wish to appeal, please email these to the [DFP mailbox](mailto:jifp@decc.gsi.gov.uk) at [jifp@decc.gsi.gov.uk](mailto:jifp@decc.gsi.gov.uk).

## ANNEX B DECLARATION – FOR TRACK 1 DECLARATION OF COMPLIANCE WITH THE RULES AND PROCEDURES OF JOINT IMPLEMENTATION (D1/04)

On behalf of [*insert name of company*], I confirm that [*insert name of company*] is requesting approval from the UK's Focal Point for Joint Implementation of [*insert name of project activity*] / [and] authorisation of participation in [*insert name of project activity*] (Delete as appropriate).

In doing so I declare on behalf of [*insert name of company*] that:

- participation in the project activity complies with the internationally agreed rules governing the Joint Implementation, as laid out in the Marrakech Accords and subsequent relevant decisions, and regulations national guidelines and procedures.
- **Delete as appropriate:** [where the project has not been subject to a determination: [*insert name of company*] will inform the Focal Point when the project has been subject to a determination by the Supervisory Committee/[*insert name of relevant national authority*].
- **Delete as appropriate:** [where the project has been subject to a determination: [*insert name of project*] has been subject to a determination by the Supervisory Committee/[*insert name of relevant national authority*]. [*insert date of registration*]/attach determination]
- the project design document (PDD) is attached.
- the information supplied in the PDD is correct.
- **Delete as appropriate** [Where the host party is an accession country - the baseline for this project activity fully complies with the *acquis communautaire*, including the temporary derogations set out in the Treaty of Accession]
- **Delete as appropriate** [where the project is a hydro electric generation activity with a generating capacity of more than 20 MW: the development of the proposed project activity will respect the criteria and guidelines identified in the Report produced by the World Commission on Dams “Dams and Development — A New

## JI Approval and Authorisation Guidance

Framework for Decision-Making”, and the attached checklist and supporting information is correct.

- *[insert name of company]* agrees that it is responsible for the performance of any functions that fall to it as a project participant pursuant to the Marrakech Accords, and any additional requirements imposed by and in accordance with the law of the Host Party
  
- *[insert name of company]* understands that in granting approval the UK’s Focal Point will not consider those matters that fall within the competence of:
  - a *[insert name of host party]* acting as Host Party in respect of this project;
  - b *[insert name of AIE]*, appointed by the project participants as Accredited Independent Entity in respect of this project; or
  - c [the host party focal point for JI/*[insert name of relevant national authority]*, **[Delete as appropriate]**

Signed .....

Director

Name (in capitals) .....

Date.....

**Signed** .....

**Director / Company Secretary**

Name (in capitals)

.....

Date.....

On behalf of (insert company name).....

## ANNEX C DECLARATION – FOR TRACK II

### DECLARATION OF COMPLIANCE WITH THE RULES AND PROCEDURES OF JOINT IMPLEMENTATION (D1/04)

On behalf of [*insert name of company*], I confirm that [*insert name of company*] is requesting approval from the UK's Focal Point for Joint Implementation of [*insert name of project activity*] / [and] authorisation of participation in [*insert name of project activity*] (Delete as appropriate).

In doing so I declare on behalf of [*insert name of company*] that:

- participation in the project activity complies with the internationally agreed rules governing the Joint Implementation, as laid out in the Marrakech Accords and subsequent relevant decisions, and regulations national guidelines and procedures.
- **Delete as appropriate:** [where the project has not been subject to a determination: [*insert name of company*] will inform the Focal Point when the project has been subject to a determination by the Supervisory Committee/[*insert name of relevant national authority*].
- **Delete as appropriate:** [where the project has been subject to a determination: [*insert name of project*] has been subject to a determination by the Supervisory Committee/[*insert name of relevant national authority*]. [*insert date of registration*]/attach determination]
- the project design document (PDD) is attached.
- the information supplied in the PDD is correct.
- **Delete as appropriate** [Where the host party is an accession country - the baseline for this project activity fully complies with the *acquis communautaire*, including the temporary derogations set out in the Treaty of Accession]
- **Delete as appropriate** [where the project is a hydro electric generation activity with a generating capacity of more than 20 MW: the development of the proposed project activity will respect the criteria and guidelines identified in the Report produced by the World Commission on Dams “Dams and Development — A New

## JI Approval and Authorisation Guidance

Framework for Decision-Making”, and the attached checklist and supporting information is correct.

- *[insert name of company]* agrees that it is responsible for the performance of any functions that fall to it as a project participant pursuant to the Marrakech Accords, and any additional requirements imposed by and in accordance with the law of the Host Party
  
- *[insert name of company]* understands that in granting approval the UK’s Focal Point will not consider those matters that fall within the competence of:
  - d *[insert name of host party]* acting as Host Party in respect of this project;
  - e *[insert name of AIE]*, appointed by the project participants as Accredited Independent Entity in respect of this project; or
  - f [the host party focal point for JI/*[insert name of relevant national authority]*, **[Delete as appropriate]**

Signed .....

Director

Name (in capitals) .....

Date.....

**Signed** .....

**Director / Company Secretary**

Name (in capitals)

.....

Date.....

On behalf of (insert company name).....

## ANNEX D: APPROVAL OF HYDRO-ELECTRIC FACILITIES >20MW

This is the UK DFP guidance on approval of voluntary participation in CDM hydro-electric projects > 20MW subject to receipt of a **hydro-electric Compliance Report**.

This guidance replaces our previous guidance on hydro-electric projects >20MW which required completion of a WCD “checklist”.

We will only approve participation in projects that are at a late stage in the JI project cycle. To do this we require the almost complete **AIE validation report** which only requires the UK Letter of Approval for the validation to be finally completed. The UK DFP will refer to the version number and date of the validation report and of the PDD when in their Letter of Approval and the Letter of Approval is only valid for that version of the PDD. If further changes are made to the PDD or the validation report a new request for an LoA will need to be made.

### Compliance Report

As of 01 July 2009, large hydro application should include the harmonised EU Compliance Report in Annex E. This new Report has been negotiated and agreed upon by an Ad Hoc Working Group of Member States and builds upon the existing UK and Swedish Compliance Reports. We will accept completion of the Report by either the Project Participants or an assessment by an Accredited Independent Entity;

- **Project Participant:** Where a project participant completes the report, the PP remains responsible for ensuring statements in the report are correct. This self assessment is in line with our current approach.
- **Accredited Independent Entity:** Where a AIE completes the report, the AIE is responsible for the statements made in the report and for other supporting documentation relating to that report. This is a new approach.

### Case specific examples to the application of WCD to hydro-electric project activities

UK DFP will aim to offer best practice guidance for gaining UK approval for these projects once the DFP has received several applications. However, you may wish to note the following points when approaching the UK DFP for approval.

### Retrofit activities

The UK DFP considers that for projects activities in the case of improvements/extensions to pre-existing installation, Article 11(b)(6) of the EU Linking Directive applies only where the JI project activity which is the subject of the application exceeds 20 MW. The capacity of the pre-existing

## **JI Approval and Authorisation Guidance**

facilities is not relevant. Therefore, in the case of improvements and extensions to existing facilities, if the improvement or extension itself exceeds 20MW, then WCD criteria must be respected.

### **Bundled projects**

The CDM Executive Board has rules on bundling CDM projects, these rules apply to JI project activities also. If the bundled project involves small scale projects where the aggregate is over 20MW – we consider the bundled application to be the project activity and therefore the World Commission on Dams must be respected.

### **Aggregate of smaller projects**

Article 11(b)(6) is not relevant where several project activities are located in close proximity, but are not “bundled” according to CDM rules and are of capacity of 20MW or less.

## **ANNEX E; LARGE HYDRO COMPLIANCE REPORT**



**ANNEX E****COMPLIANCE REPORT ASSESSING APPLICATION OF ARTICLE 11 b (6) OF EMISSIONS TRADING DIRECTIVE  
TO HYDROELECTRIC PROJECT ACTIVITIES EXCEEDING 20 MW**

*(Final Version of 17 November 2008)*

**Section 1: Description of the project**

<b>1: Summary description of the CDM project activity</b>	<b>Please complete</b>
Name of the project	
Project ID Number	
Location	

Name of the watercourse	
Date of completion of the Compliance Report	
<b>1.1. Project area</b>	
<p>1. Description of the watershed:</p> <ul style="list-style-type: none"> <li>- Political and administrative boundaries</li> <li>- Communities located along</li> <li>- Principal land use patterns</li> <li>- Existing and planned river flow modifications</li> <li>- Average annual runoff (m<sup>3</sup>)</li> </ul>	
2. Average annual river flow (m <sup>3</sup> /s)	
3. Average annual river runoff before and after project's implementation (m <sup>3</sup> )	

4. State briefly what impacts other hydrological projects have had on the river basin within 50 km (untouched, affected, significantly affected by other activities).	
5. Ecological description of the surroundings (forest, cultivated land, wasteland, cultural heritage sites etc.) conservation value	
<b>1.2. Project-related activities</b>	
1. Type of water infrastructure (i.e. storage reservoir, run-of-river, other)	
2. Related infrastructure being built as part of the project (i.e. roads, transmission lines, bridges)	
3. Installed generation capacity (MW)	

<p>4. Load factor</p>	
<p>5. Average annual energy production (MWh)</p>	
<p>6. What role does the project play in the national/regional electricity supply (base load, peak load, load balancing services for the grid, support for intermittent renewables, etc.)?</p>	
<p>7. Estimated annual emission reduction potential (tCO<sub>2</sub>e)</p>	
<p>8. At what stage is the project's construction at the time of this application?</p>	
<p>9. What other direct purposes does the project serve (irrigation, flood control, water storage for drought protection, water-based transport, leisure facilities, aquaculture, industrial and municipal water supply, etc)?</p>	

<b>1.3. Project components</b>	
<b>Water-flow: structures and changes</b>	
1. Production capacity-submerged area ( $W/m^2$ )	
2. Retention structure/retarding structure (if present)	
3. Type of water diversion	
4. Length of diversion	
5. Type of water inlet	
6. Reservoir (if present)	
7. Dam height (from the foundation)	

8. Crest length	
9. Reservoir area at average water level	
10. Total reservoir capacity (m <sup>3</sup> )	
11. Backwater length	
12. Submerged area in total	
13. Submerged residential area	
14. Submerged farmland/grassland	
15. Number of displaced inhabitants	

16. Production capacity/submerged area(W/m <sup>2</sup> )	

## Section 2: Assessment of compliance with the WCD criteria

Please complete this form with full explanations for all items. If a criterion is not relevant to the project, please explain why.

CRITERIA			
1. Gaining Public Acceptance	Description	Sources <sup>29</sup>	Validator's Assessment
<p><b>1.1. Stakeholder consultation</b></p> <ol style="list-style-type: none"> <li>1. Describe how the relevant stakeholders were identified.</li> <li>2. Are any of these people minority groups, especially indigenous people and if so, what special efforts were taken to identify and meet their needs?</li> <li>3. How many people have to be resettled due to the project?</li> <li>4. Resettled people/annual energy production (number/GWh).</li> </ol>			

<sup>29</sup> Such as process documentation, stakeholders and issues identification, consultation strategies, resources planning, compensation plans, timetables, information sharing, written agreements with stakeholders, records of interviews, results of surveys/polls, minutes of meetings of the Stakeholders Forum, project documentation, Environmental Impact Assessments, documents related to local spatial planning, government and local authorities permits and agreements, description of methodologies used, decommissioning plans (where appropriate), other related environmental impact and social impact studies, etc.



<p>5. How many people were otherwise affected by the project (e.g. through loss of land, reduced productivity of fishing or hunting, etc.)?</p> <p>6. Describe how the affected local people and other relevant stakeholders have been informed and involved in the decision-making process of building the power plant.</p> <p>7. Describe how the affected local people and relevant stakeholders have been informed about the impacts of the project on their quality of life.</p> <p>8. How have the affected local and indigenous communities participated in the decision-making process?</p> <p>9. How will the economic and social impacts of the project on the affected local communities, indigenous people and/or other relevant stakeholders be addressed?</p> <p>10. How do compensation and benefit agreements correspond with the identified needs and rights of the stakeholders negatively affected <u>upstream and downstream</u> due to the project?</p> <p>11. Was a Stakeholders Forum held with a</p>			
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<p>broad local community participation (based on a customary and national law)? Describe the process and its outcome, and the response of project developer, local and national authorities?</p>			
<p><b>1.2. Transparency.</b></p> <ol style="list-style-type: none"> <li>1. Was key project documentation (e.g., social and environmental impact assessments) made publicly available before a decision to start construction was made?</li> <li>2. In what form was project documentation made available to stakeholders? Was it the original EIA etc. or was it in another form e.g. , a summary of positive and negative effects of the hydrological construction.</li> <li>3. How many of the total number of stakeholders have had access to the key documentation and have been actively involved?</li> <li>4. Is there a negotiated agreement between the stakeholders and project owner(s)? If so, is it publicly available?</li> </ol>			

<p><b>Validator's Conclusions concerning Priority 1:</b></p>			
<p><b>2. Comprehensive Options Assessment</b></p>			
<p><b>2.1 Needs</b></p>			
<p>1. What priority is given to hydropower in <b>national development or energy planning</b> (e.g. relevant government decisions)?</p> <p>2. What are the needs for hydropower at regional and local level?</p> <p>3. What are the regional/national supply needs of the electric system (renewable base load, peak load or load balancing of the grid, support of intermittent renewables)?</p> <p>4. Describe safeguards for equitable access to water resources. How do hydropower projects contribute to efficient water resources management?</p>			

<p>5. Does this hydropower project provide financial incentives to develop a multi-purpose project?</p>			
<p><b>2.2. Alternatives</b></p> <p>1. Describe the examination of alternatives to the project that have been considered (include details of feasibility studies and do-nothing options analysis that have been conducted).</p> <p>2. Have stakeholders been involved in the identification of the options? Describe process and outcome of that involvement.</p> <p>3. What are the main reasons behind the project choice and site selection (social, environmental, economic, and technical)?</p> <p>4. What are the consequences of non-action for the local and global environment?</p> <p>5. On the project assessment level, describe project variants and types of technology considered in comparison with the selected option.</p>			

<b>Validator's Conclusions concerning Priority 2:</b>			
<b>3. Addressing Existing Dams/hydroelectric projects</b>			
<p>1. For hydroelectric projects with dams, please describe the national requirements and routines for monitoring and reporting regarding:</p> <ul style="list-style-type: none"> <li>- emergency warning,</li> <li>- sediment management,</li> <li>- safety system,</li> <li>- maintenance system,</li> <li>- environmental impact,</li> <li>- social impact,</li> <li>- implementation of compensation agreements.</li> </ul> <p>2. For non-dam projects, describe details of the continuous monitoring of the project (environmental and quality assurance).</p>			

<p>3. How have relevant outstanding social and environmental issues from existing dams/hydroelectric projects in the river basin been addressed?</p> <p>4. Have national regulations been enforced for existing dams and what can be concluded with regard to compliance?</p> <p>5. Will the implementation of safety measures and evacuation plans be independently audited?</p>			
<p>6. Provisions for maintenance and decommissioning</p> <ul style="list-style-type: none"> <li>- What provisions have been made for maintenance and refurbishment (eg. a maintenance and refurbishment fund)?</li> </ul>			
<ul style="list-style-type: none"> <li>- What arrangements are made for decommissioning at the end of the plant lifetime, if any (e.g. decommissioning set aside fund)?</li> </ul>			

<ul style="list-style-type: none"> <li>- Describe provisions for emergency drawdown and decommissioning.</li>   <li>- Are they sufficiently flexible to accommodate changing future needs and values, including ecosystem needs and ecosystem restoration (Guideline 12)?</li> </ul>			
<ul style="list-style-type: none"> <li>- Does the licence for project development define the responsibility and mechanisms for financing decommissioning costs?</li> </ul>			
<ul style="list-style-type: none"> <li>- Describe economic, environmental, social and political factors that may point against future decommissioning, if this has been recognised as the best solution.</li> </ul>			
<p><b>Validator's Conclusions concerning Priority 3:</b></p>			
<p><b>4. Sustaining Rivers and Livelihoods</b></p>			

<p><b>4.1. Water use ratio<sup>30</sup></b></p>			
<p>Water use ratio (ratio of natural flow, agricultural water, industrial water, domestic water...) including:</p> <ol style="list-style-type: none"> <li>1. population of the river basin area (<math>10^6</math> inhabitants);</li> <li>2. natural mean flow (<math>\text{km}^3/\text{year}</math>);</li> <li>3. demand (<math>\text{km}^3/\text{year}</math>);</li> <li>4. water use ratio (%);</li> <li>5. comparison of water demand with natural mean flow;</li> <li>6. storage capacity (<math>\text{km}^3</math>);</li> <li>7. annual water consumption by type of users (<math>\text{hm}^3/\text{year}</math>): agricultural and farming, domestic use, industrial use</li> </ol>			
<p><b>4.2 Impact Assessment</b> (<i>Note: both positive and negative impacts should be included here</i>)</p> <p>What Impact Assessments have been carried out and on which regulations were they based on? – Describe the major impacts in each of</p>			

<sup>30</sup> Water Use Ratio - an environmental indicator which refers to the withdrawal of water for irrigation, industry, household use... A ratio of 25% or higher is generally an indicator of water stress. Important water demanding activities affect seriously its quantity and in consequence the availability of water resources. Some of these driving forces are urbanization, industry and agricultural production. The increase in impervious surface has the effect of reducing water infiltration and aquifer recharge



<p>the following categories and the mitigation measures for negative impacts:</p>			
<p><b>4.2.1. Environmental Impacts</b></p> <p>Describe environmental impacts of the project (including impact on water quality (temperature, oxygen, etc.), soil, air quality, GHG emissions, <b>biodiversity</b>, habitats, risk of erosion caused by inundation etc.)</p>			
<p><b>4.2.2. Environmental Flow Assessment</b></p> <ol style="list-style-type: none"> <li>1. Describe how the environmentally safe minimum flow has been determined.</li> <li>2. Describe the measures taken to minimise the impact of reduced flow in the affected river.</li> <li>3. Describe the measures taken to maintain ecosystems, productive fisheries and other aqua-cultures downstream and upstream.</li> </ol>			

<p>4. Describe the activities the project developer will undertake before flooding the land (e.g. clearing of vegetation or other preparations).</p>			
<p>5. Describe any other compensatory measures addressing environmental impacts of the project</p>			
<p><b>4.2.3. Social Impact Assessment</b></p> <p>1. Describe social impacts of the project (including resettlement, impacts on other land or river use e.g. fishing, agriculture, hunting and use of other types of natural resources and including benefits to individuals and communities)</p>			
<p>2. Describe any identified health impacts due to the project.</p>			
<p>3. Describe impacts on religious and cultural heritage.</p>			

<p>4. Describe the liability provisions safeguarding the implementation of the planned measures.</p>			
<p>5. Is the project planned in a responsible way in order to sustain livelihoods and the environment?</p>			
<p><b>4.3 Cumulative Impacts</b></p>			
<p>Describe the cumulative impacts of all hydrological structures existing in the river basin using variables such as:</p> <ol style="list-style-type: none"> <li>1. flow regime,</li> <li>2. water quantity,</li> <li>3. productivity,</li> <li>4. water quality species composition of different rivers in the same river basin</li> </ol>			

<p><b>Validator’s Conclusions concerning Priority 4:</b></p>			
<p><b>5. Recognising Entitlements and Sharing Benefits</b></p>			
<p>Are Mitigation, Resettlement and Development Action Plans (where applicable - including <b>commensurate</b> compensation packages) in place? Provide details:</p> <ol style="list-style-type: none"> <li>1. Demonstrate that the construction of the plant did not lead to worsening of the living conditions of the local residents and resettled families</li> <li>2. Were compensation and benefit agreements planned in consultation with affected groups?</li> <li>3. What standards were the measures based on? (e. g. national standards or other)</li> <li>4. Were the affected people satisfied with the compensation packages?</li> </ol>			

<p>5. <b>Benefits</b> for the affected people (individuals and communities): In what way will the affected local and indigenous population's livelihoods be improved due to the project?</p>			
<p><b>Validator's Conclusions concerning Priority 5:</b></p>			
<p><b>6. Ensuring Compliance</b></p>			
<p><b>6.1. Compliance measures:</b></p> <ol style="list-style-type: none"> <li>1. What will be done to ensure that relevant laws, regulations, agreements (including resettlement and compensation agreements) and recommendations are followed?</li> <li>2. Are the compensation agreements legally binding – through treaties, administrative acts or other safeguards?</li> <li>3. Is the cost of the compensation package included in the financial plan?</li> </ol>			

<p>4. Does the project developer already operate other hydroelectric power stations? If so, have there been any conflicts between the project developer and stakeholders related to the development, operation and compensatory measures related to these projects? If so, describe the cause of the conflict and how it was resolved.</p> <p><b>6.2. Monitoring and evaluation during crediting period:</b></p> <p>1. Describe conditions in place for monitoring and evaluation of environmental and socio-economic impacts of the project.</p> <p>2. What provisions have been made to ensure that all measures not yet implemented at the time of validation will be put in place as appropriate, and monitored (for example through an independent auditing panel or auditor, or through self-auditing etc.)?</p>			
<p><b>Validator's Conclusions concerning Priority 6:</b></p>			

<p><b>7. Sharing rivers for peace, development and security.</b></p>			
<p>Does the project have trans-boundary impacts? - If so, give details of agreement(s) between affected countries, considering international recommendations for trans-boundary water projects and describe how this affects the project.</p>			
<p><b>Validator’s Conclusions concerning Priority 7:</b></p>			
<p><b>Validator’s assessment as to how the project respects the seven strategic priorities outlined in the World Commission on Dams November 2000 Report “Dams and Development – A New Framework for Decision-Making”</b></p>			

Name:

Function:

Contact details:

Company/validating entity:

Date of validation of the Compliance Report:



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URN 11D/687