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Establishment of a Designated National Authority (DNA): Road Map and Case Study

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eni's commitment on climate change mitigation

- **CLIMATE CHANGE MITIGATION**

Commitment to reduce CO2 emissions through a set of actions:

- GHG data accounting for all worldwide operated installations
- CDM and JI activities development
- Emissions Trading implementation (60 installations)
- efficiency and renewables development

- **CO2 INJECTION**

- R&D and field projects aimed at EHR and CO2 storing

- **FLARING DOWN**

- participation in the World Bank's GGFR (Global Gas Flaring Reduction) partnership since 2004
- GHG Master Plans implementation in the main emitting countries

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■ CDM PROJECTS

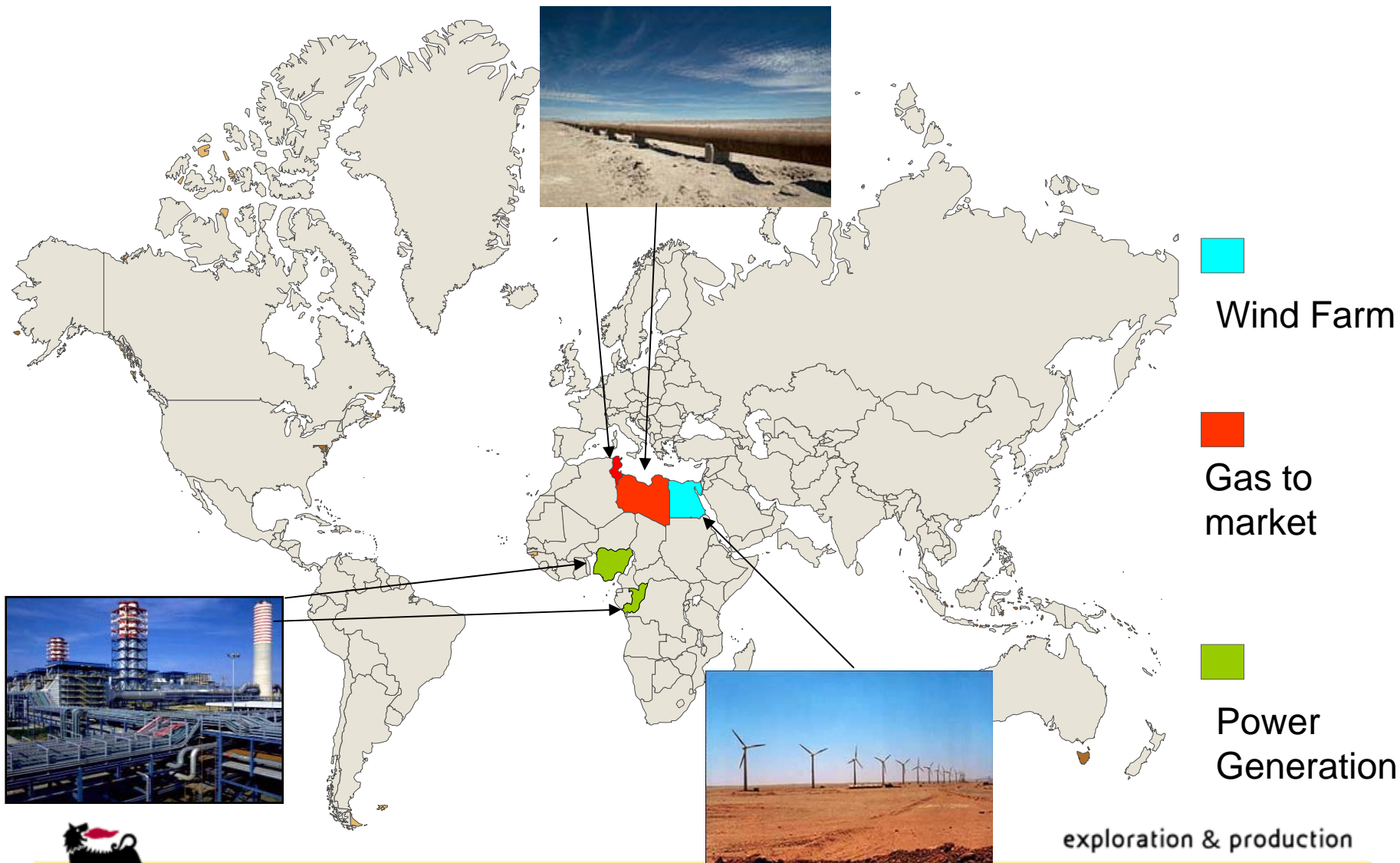
- development of a portfolio of activities to be submitted as CDM (Nigeria, Congo, Libia, Tunisia, Egypt)
- in 2006 the Kwale – Okpai (Nigeria) project was approved as a CDM activity

■ CAPACITY BUILDING

- Supportive to Nigerian and Italian Governements for bi-lateral agreements on environmental projects and CDM
- Proposal to the Congolese Government for DNA establishment



eni's CDM projects



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What is a DNA?

From CDM Decision 3/CMP.1

"Parties participating in the CDM shall designate a national authority for the CDM"

The DNA for the CDM is the Host Country entity or body that evaluates potential CDM projects and provides written approval confirming that:

- the project activity is voluntary
- complies with national and international criteria
- boosts sustainable development of the Host Country



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What are the mandatory responsibilities of a DNA?

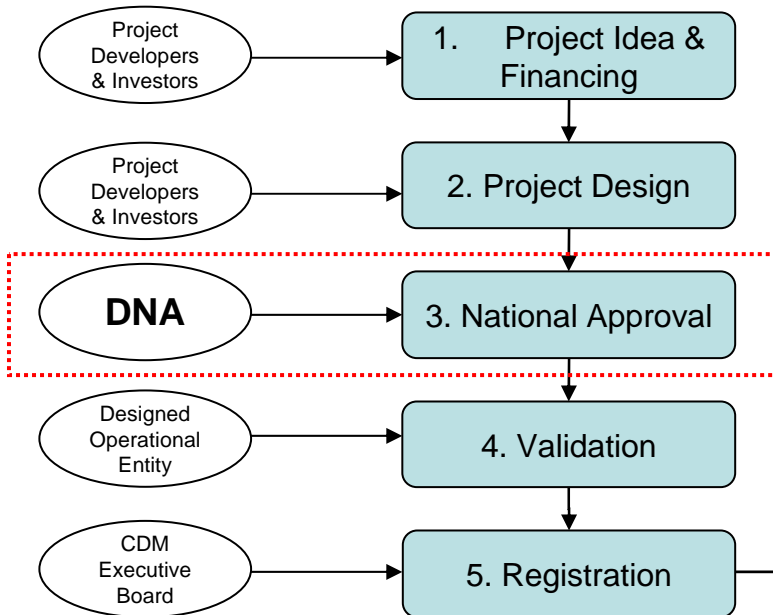
Main activities

- establish national rules for CDM project eligibility, submission and approval
- confirm projects compliance with national sustainable development and CDM rules
- issue Letter of Approval / Letter of Rejection

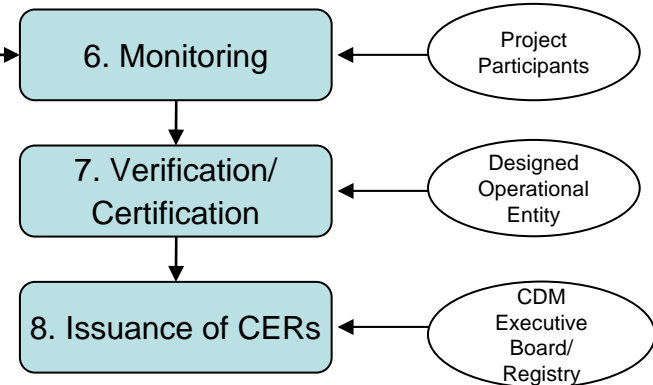


What are the mandatory responsibilities of a DNA?

Pre-Implementation



During Implementation



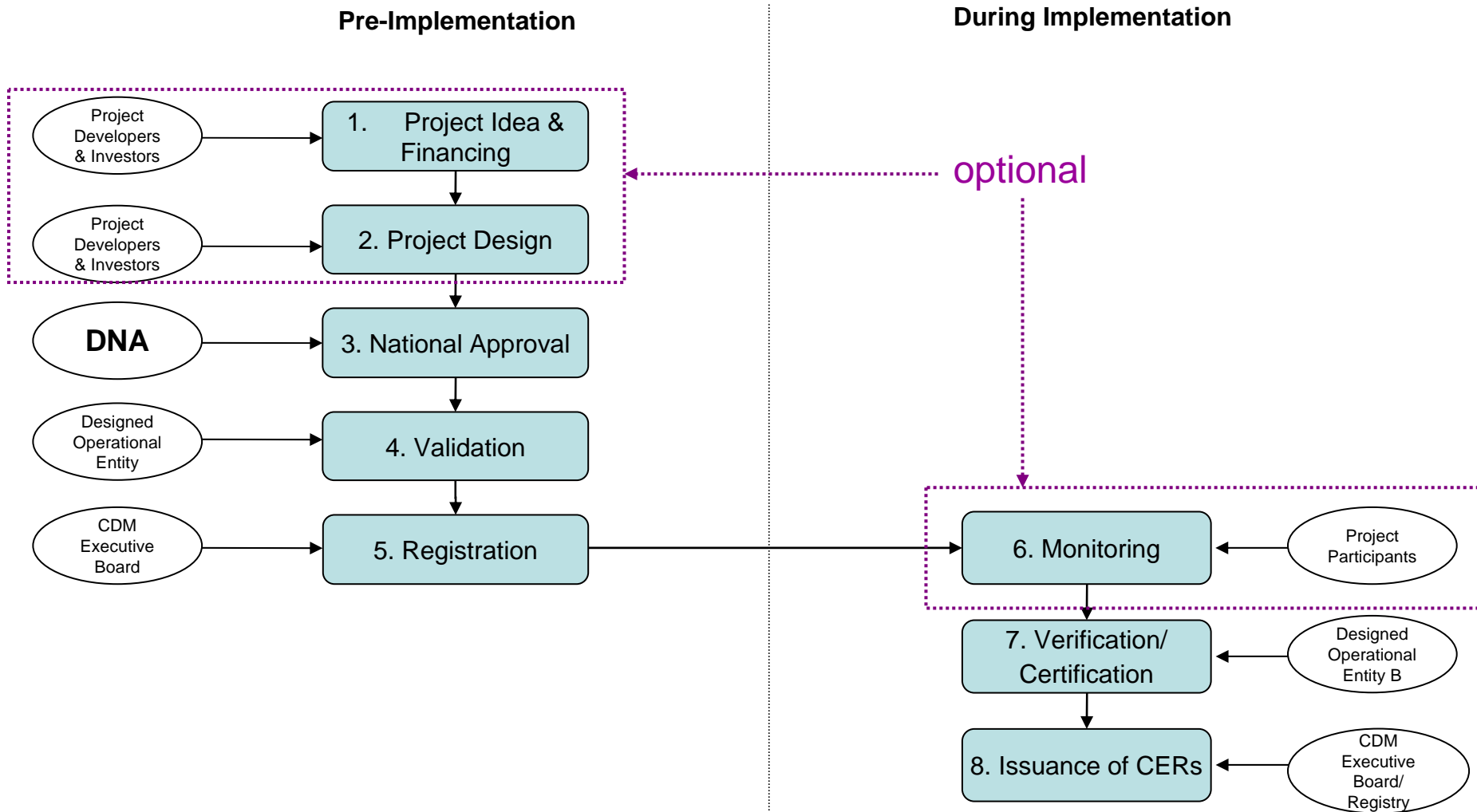
What are the optional activities of a DNA?

Capacity Building/Promotional Activities

- certify compliance with other country-specific regulation and criteria, such as Environmental Impact Assessment (EIA) procedure;
- technical assistance to project proponent/developer
- outreach to project developers and financial lending institutions
- attract donors for financing capacity building initiatives
- promotional activities



What are the optional activities of a DNA?



Establishing a DNA

1. Initial assessment of the political environment and technical expertise

political stability, level of intersectoral communication – general level of understanding, level of technical/scientific expertise (Who?: Focal Point with relevant Ministries)

2. Select the Institutional Framework

several options can be used: single Ministry model, two-tiered inter-ministerial committee model, independent DNA outside the Government, new Government entity (Who?: Focal Point with relevant Ministries and Government)



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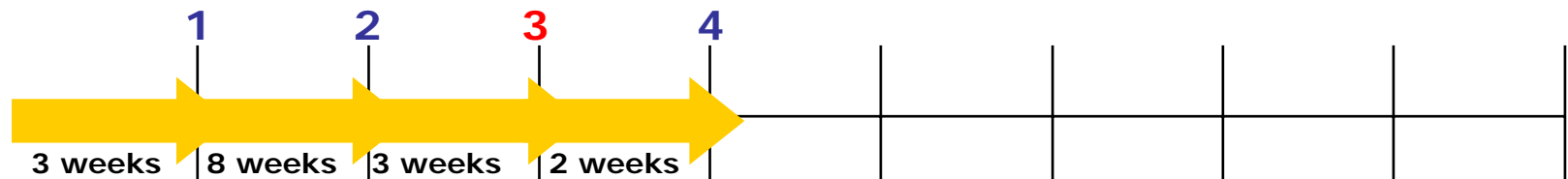
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3. Obtain official status

official recognition may come in different forms: a presidential or ministerial decree or similar legal instruments (Who?: Relevant Ministries and/or Government)

4. Review and establish national legal framework

legislative framework might need to be modified for some specific sectors (e.g. legislation regarding foreign investment, taxation etc.) (Who?: DNA with relevant Ministries and Government)

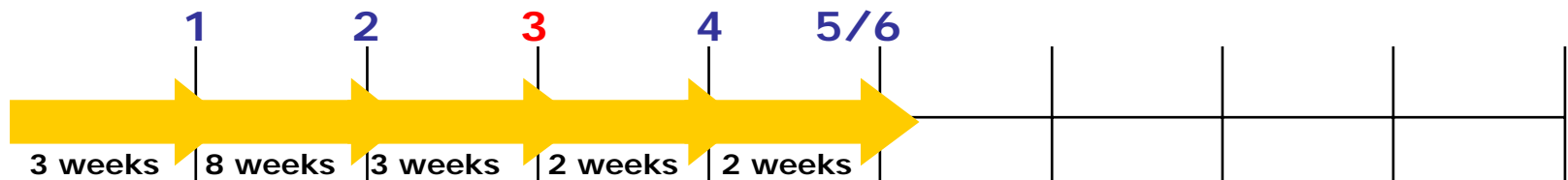


5. Obtain financial and non-financial resources

The Government must secure the funds necessary for the DNA annual budget, including the selection and training of DNA members (Who?: Relevant Ministries and/or Government)

6. Staff the DNA

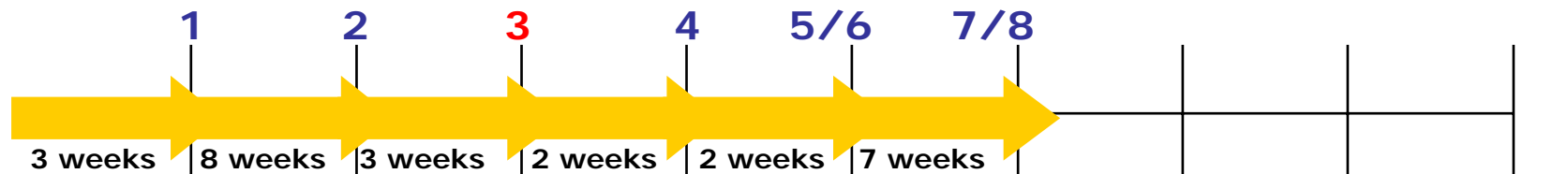
permanent vs. ad hoc, full-time vs. part-time, technical/scientific vs. policy/administrative, relationship with existing climate change meteorology institutions (Who?: Relevant Ministries and/or Government)



7. Define the DNA's mission and objectives in line with national sustainable development priorities
achievement of National sustainable development goals (Who?: DNA)

8. Establish CDM projects evaluation and approval procedures

project review cycle, deciding on public participation, deciding evaluation documents and a template approval letter (Who?: DNA)

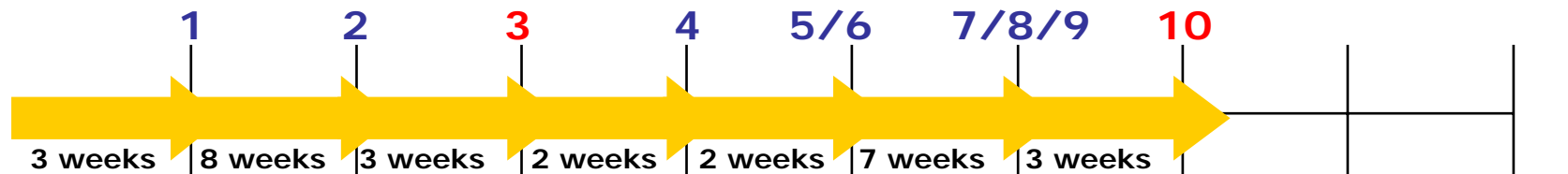


9. Design sustainable development criteria

the criteria must be based on the National Strategy for Sustainable Development and are used for the CDM projects evaluation process (Who?: DNA)

10. Develop a comprehensive website with a project database

make documents and information available to the public (Who?: DNA)

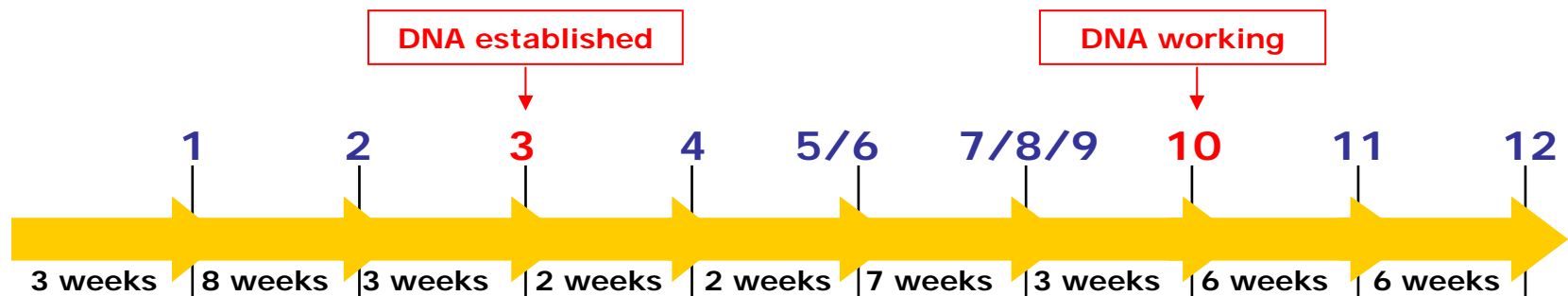


11. Define and implement a capacity building strategy

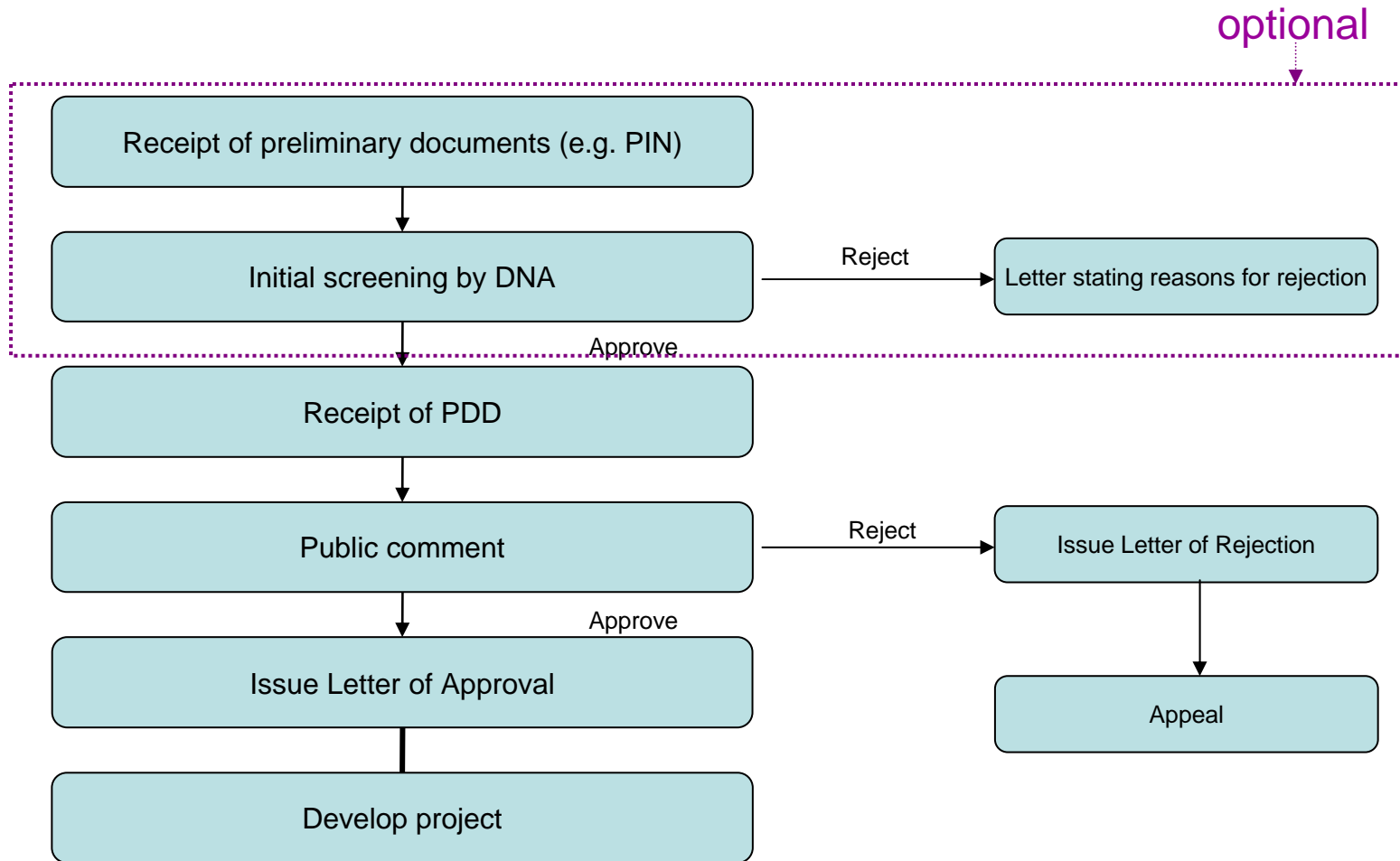
legal, policy and technical training to DNA members (priority) and to project developers (Who: DNA)

12. Define and implement an outreach strategy

awareness raising and stakeholders' involvement through workshop/conferences etc (priority), and international promotion to attract foreign investors/buyers (Who?: DNA)



One possible evaluation and approval procedure



Challenges

- **awareness raising:** CDM program benefits, managing expectations;
- **political will:** long-term planning, vision;
- **sectoral coordination:** share the load, leadership;
- **champion:** person who focuses exclusively on how to form a DNA and make it work effectively;
- **imperfection:** learning by doing.



Benefits

Environmental	Economic	Social
Climate change mitigation	Cutting-edge technology transfer	Rural development
Cleaner air/ water	CERs taxation	Employment
Improved land use	Foreign investment	Poverty alleviation



From KP Ratification to DNA Establishment

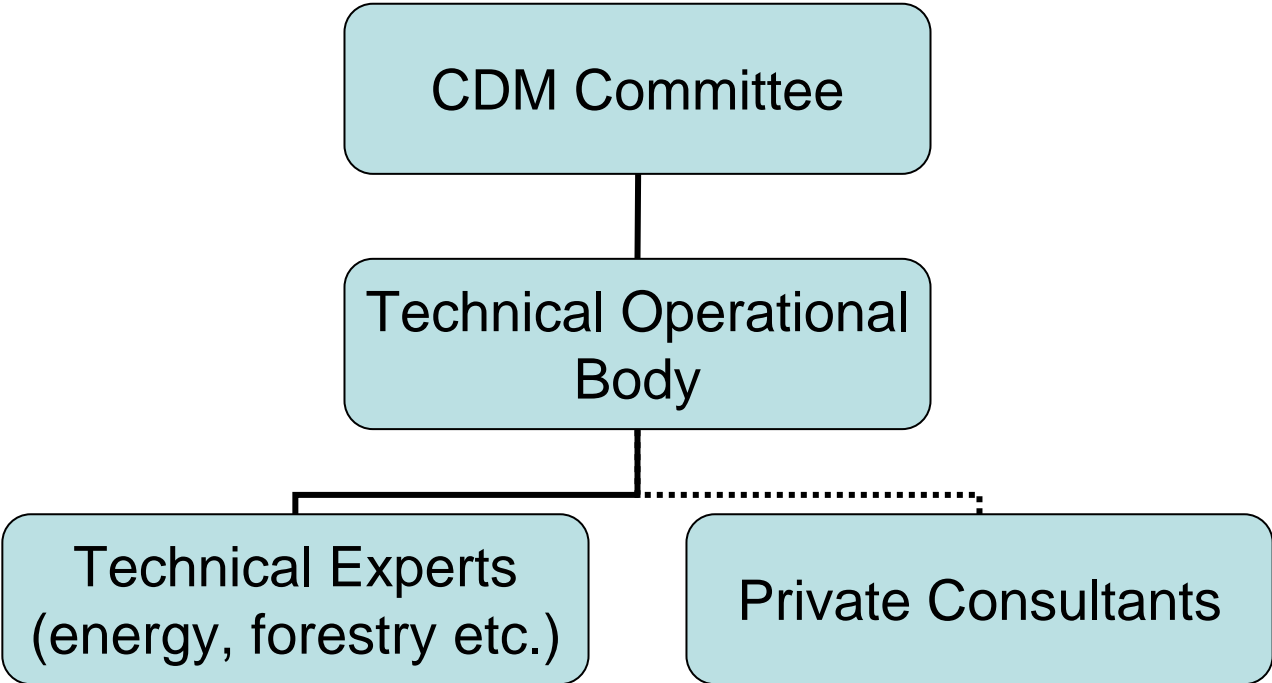
- March 2007: Montenegro ratified the Kyoto Protocol
- June 2007: dissemination of the key information to stakeholders
- November 2007: Proposal for DNA structure
- February 2008: Establishment of the Montenegrin DNA

From DNA Establishment to DNA Operation

- May 2008: DNA Registration at UNFCCC
- June 2008: adoption of the CDM projects evaluation procedures
- July 2008: DNA website on-line
- September – December 2008: Training Courses to DNA members
- From January 2009: evaluation of incoming PDDs



Montenegro Case Study – DNA Structure



Conclusions and Recommendations

- a well-functioning DNA is critical to the achievement of a successful CDM program;
- there is no one best approach for all Countries;
- do not limit the DNA to its mandatory responsibilities; though
- start with the prescribed evaluation and approval functions, and gradually assume other responsibilities.



Thank you for you attention

Any questions?



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