

Institutional Arrangements for CDM-Uganda's Experiences

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Outline

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1.Introduction

- As many of you are aware, climate change continues to pose the greatest environmental and development challenge to the global humanity.
- Uganda is no exception to the threats posed by the adverse impacts of climate change as many episodes in the recent past attest to this.
- One of the ways embraced by the global community to fight climate change is through the market mechanisms established by the Kyoto Protocol to the UNFCCC, CDM being the relevant one for Africa and other developing countries.

1.Introduction 2

- It must be recalled that CDM projects must ensure there is environmental integrity in the net reduction of GHG emissions or enhancing carbon sinks while at the same time should assist host developing countries to contribute to their sustainable development.
- However, Uganda like other African countries and especially LDCs, have not so far benefitted much from the CDM due to numerous constraints associated with CDM.
- However, concerted efforts by the DNA Secretariat in the last 4 years have yielded modest progress in the number of registered CDM Projects.
- To date Uganda has 12 registered projects some of which are PoAs in the energy, forestry, and municipal solid wastes sectors. 8 more have been issued with LoAs.

2. Institutional Framework for CDM

- We note that developing countries that are Party to UNFCCC and Kyoto Protocol and wish to participate voluntarily in the CDM, must put in place the institutional framework known as the Designated National Authority (DNA).
- Uganda has already established the institutional framework for the CDM.
- Uganda's DNA structure includes the Minister for Water and Environment as the DNA, the multi-isectoral Climate Change Policy Committee (CCPC) chaired by Permanent Secretary, Ministry of Water and Environment as the advisory body for CDM projects and the Climate Change Unit as the Secretariat for the DNA.

2. Institutional Framework for CDM 2

- However, the new Final draft UG NCCP provides for upgrading the current CCU to CCD with new additional core mandates including overall coordination and monitoring the implementation of the NCCP. CCD will be Secretariat for NCCPC, NCCAC, DNA, and overall Focal Point institution on CC.
- At national level, 2 multistakeholder coordination mechanisms are to be established - NCCPC chaired by PM and includes a no. of ministers and the NCCAC chaired by Minister, MWE with membership drawn from MDAs, CSOs, PS and DLGs. MoFPED, NPA and MoLG will have some coordination roles.
- At Local Govt level, this involves DNRO as CCFP and Environ Committee for local coordination.

2. Institutional Framework for CDM 3

The DNA Secretariat core functions currently includes:

- Ensuring the national approval process of all CDM projects. This includes checking on the completeness of all documentations, assessing the voluntary participation of UG in the CDM Project activity and ensuring that the CDM Projects contribute to the sustainable development of the country;

2. Institutional Framework for CDM 4

- Issue letters of No Objection for proposed projects (PINs) that request for them;
- Undertake field visits to CDM project sites seeking LoAs;
- Prepare LoAs for the Minister's signature to Project Participants in respect of CDM Projects that meet the sustainable development criteria;
- Issue Letters of Rejection or Refusal to Project Participants in respect to proposed CDM Projects that are not approved;
- Monitoring CDM Projects for compliance on SDC;

2. Institutional Framework for CDM 5

- Undertake promotion ,awareness and capacity building on CDM and general mitigation actions in the country; and
- Put in place systems and databank including the CDM Register to support the implementation of various mitigation strategies for the country covering both the public and private sectors as well as NGOs;
- Support various sectors on key mitigation strategies that support sustainable development of the country.
- However, it is worth noting that at the international level, the regulatory body for CDM is the CDM EB and the COP/CMP.

3. CDM Approval Process in Uganda

- For approval process of the proposed CDM projects to commence, the following steps must be followed:
 1. PIN –submission of the PIN to CCU/DNA Secretariat for ‘No Objection’ is optional.
 2. Requests for LoAs must be submitted to CCU in hard and soft copy. The request letter must include the following documents attached:

3.Approval Process 2

- a) Dully prepared Project Design Document (PDD) for single CDM projects or Programmatic CDM Design Document (PoA-DD) and at least one Component Programme of Activities Design Document (CPA-DD).
- b) Dully completed Sustainable Development Criteria template.
- c) Environmental Impact Assessment (EIA) Certificate issued by NEMA.
- d) Supportive documents on the legal status of the Project Developers.

3.Approval Process 3

- e) Any relevant documentation about the proposed CDM projects and/or applicants (PPs) including information on ODA financing where applicable.
- 3. Upon receipt of the mandatory documents, the DNA Secretariat will check for the completeness of the documents and where necessary, may request for additional documents or seek further clarifications.
- 4. When complete documents have been received, DNA Secretariat conducts initial assessments of the requests including subjecting them to the Sustainable Development Criteria (SDC) for Uganda.

3.Approval Process 4

After the above, the meeting of the CCPC is convened to consider the Projects for their approval.

8. Once approved by the CCPC, CCU/DNA Secretariat recommends to the Minister(MWE) to issue the LoA for the CDM Project or Programme of Activities.

9.The timeline from receipt of complete documents upto issuance of the LoA is approximately 60 working days.

4. Lessons on CDM

- Experience so far has shown that Uganda cannot gain much from the CDM especially due to a number of constraints such as:
- Lengthy, costly and bureaucratic procedures associated with CDM Projects.
- Recent collapse of the carbon markets
- Failure of the carbon markets to provide pre-financing.
- Difficulty by PPs in getting all the necessary information such as baseline emissions, GEF, etc despite the move for greater use of SBs, updated GEF, positive lists, and encouragement to implement PoAs.

5. NAMAs emergence in the country

- In the most recent years, Uganda has joined other developing countries to consider the important role of NAMAs in not only contributing to low carbon development pathways for the country as embodied in the NDP, but also in fostering socio-economic development of the country and poverty reduction.
- NAMAs regulatory regime which are still subject of further international negotiations with less stringent procedures and systems could spur sustainable development in developing countries like Uganda.

5. NAMAs emergence in the country 2

- However, it should be recognized that CDM (and JI/ETS), NAMAs , REDD+ or any future acceptance of the NMM,FVA,MBMs,etc are all part of the wider mitigation efforts.
- It is therefore feasible that CDM may come in the form of NAMAs or any agreed mechanisms that are expected to comprise a key element in the future international climate regime.
- The recognition that CDM and NAMAs are all part of the mitigation actions/measures, the institutional framework for handling NAMAs in Uganda remains the DNA framework.
- What is however required is to strengthen further both technical and DNA institution to effectively handle NAMAs in the country..

6. Conclusion

The CCU/DNA Secretariat strives to progressively make improvements towards the effective processing and approval of CDM Projects within reasonable timeframes and enhance awareness and capacity building in support of more CDM projects in the country to contribute to country's sustainable socio-economic development, poverty reduction and ensure food production.

The DNA Secretariat further strives to take on more initiatives such as NAMAs in pursuit of Uganda's strategic objective of promoting low carbon development pathway for transformation of the economy and social welfare.

**For God and My Country,
Thank you for your attention.**