



Government of Pakistan
Ministry of Climate Change

IGES
Institute for Global
Environmental Strategies



United Nations
Climate Change Secretariat

Status of CDM in Pakistan and Institutional arrangements

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CDM in Pakistan

Ratification:

Pakistan ratified the Kyoto Protocol in January, 2005

Establishment of DNA:

Ministry of Climate Change, Government of Pakistan is the Designated National Authority (DNA),

Director General (Environment/ Climate Change) as the National Focal Person

Operational Strategy:

Pakistan National Operational Strategy for CDM approved in February, 2006

Institutional Strengthening :

A CDM Cell was established in 2005, through Public Sector Development Programme (PSDP) and strengthened through World Bank's PHRD Grant, SDC support and the support from Royal Norwegian Embassy (through UNIDO)

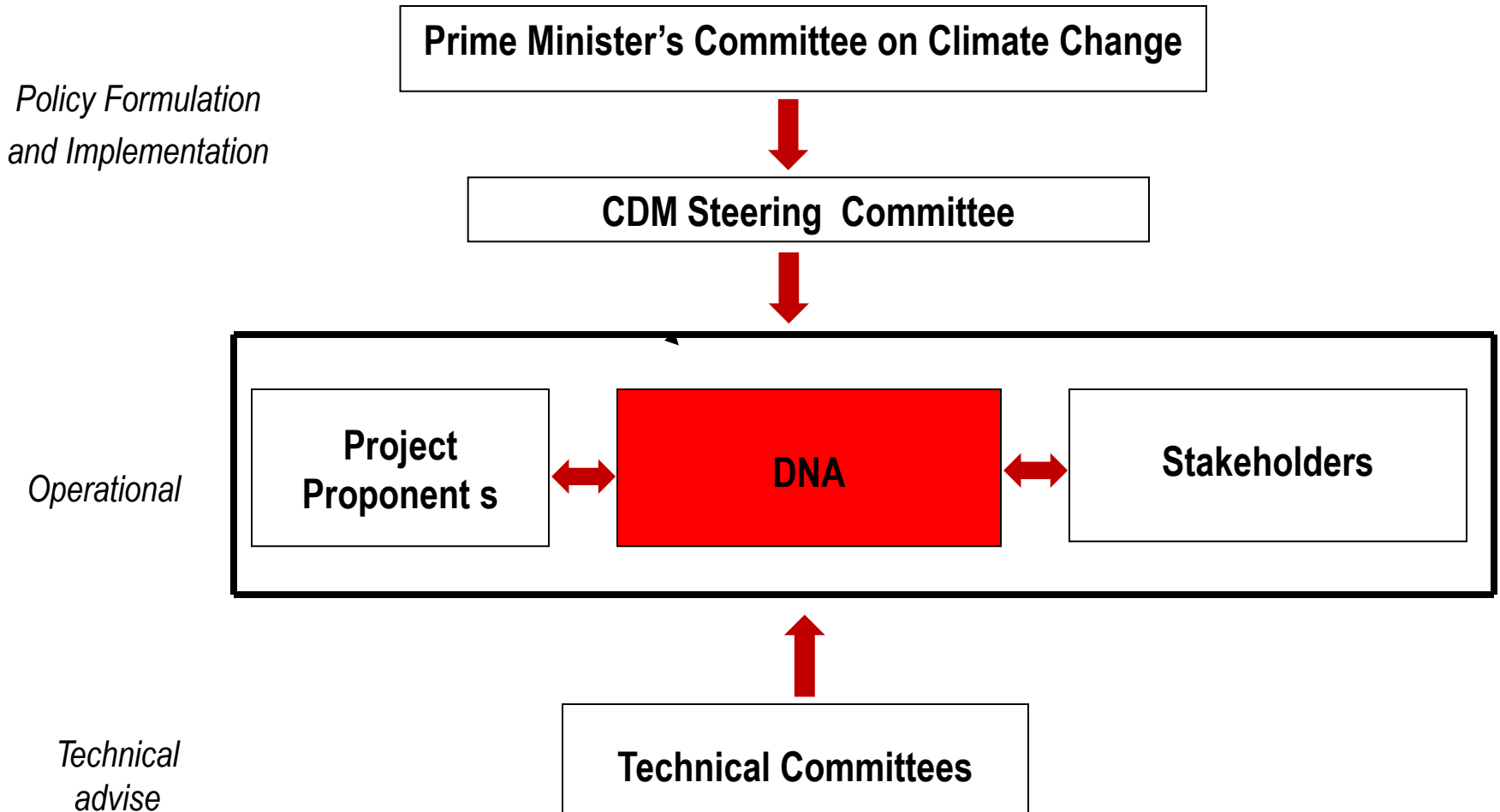


Role of DNA in Pakistan

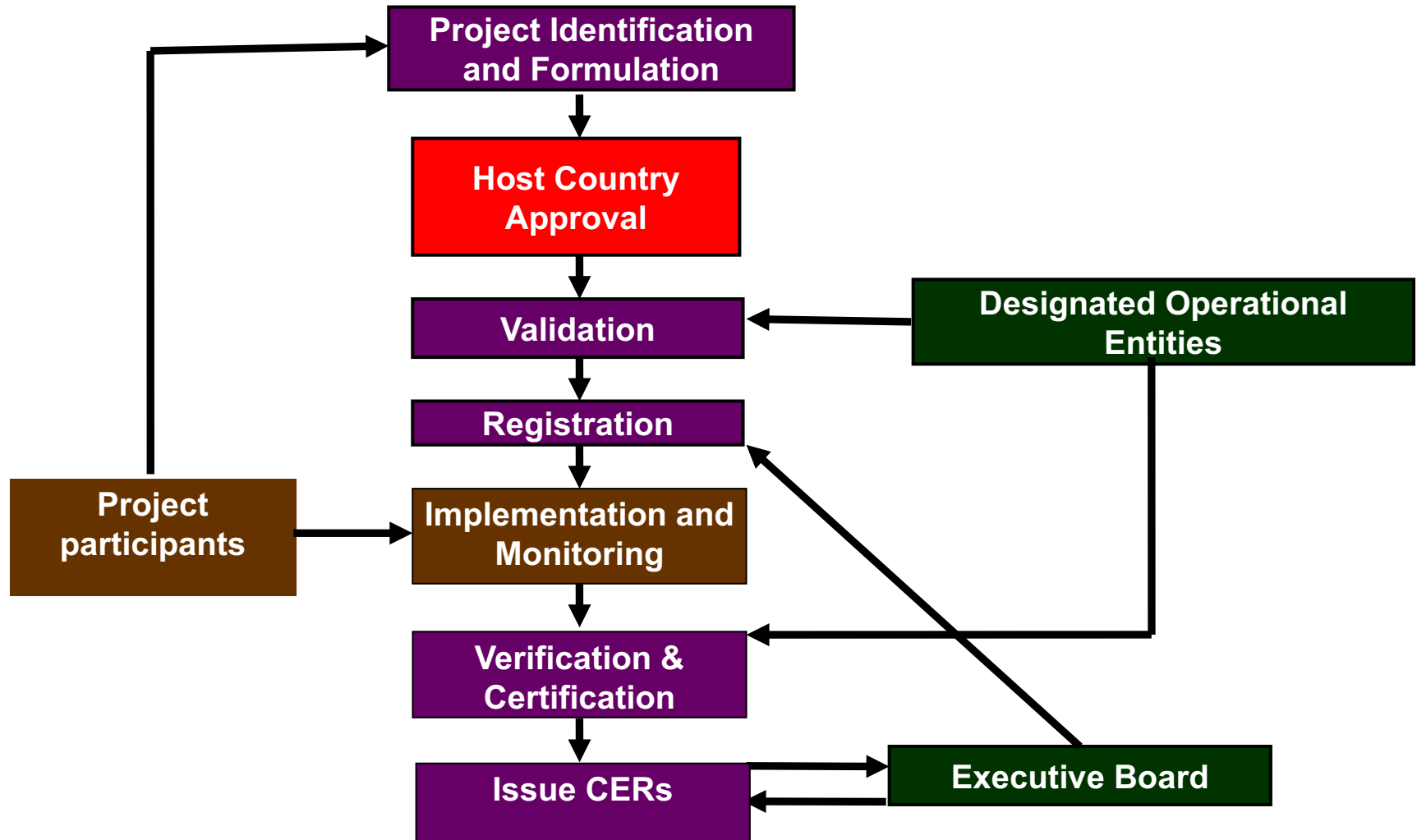
- Custodian of National Operational Strategy for CDM
- Grant 'Host Country Approval' to CDM projects in Pakistan
- Create awareness raising, capacity building and other enabling environment for promotion of CDM Projects in the country
- Represent Country in all forums under UNFCCC/ Kyoto Protocol
- Support implementation of new regulatory mechanisms, under the UNFCCC



Institutional set-up for CDM in Pakistan



Role of DNA in CDM Project Cycle



Role of Committees

Prime Minister's Committee on Climate Change

- Policy and review forum on climate change

CDM Steering Committee

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

Technical Committees

- Need based technical advise (particularly to DNA)



Tax and Credit sharing Incentive

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



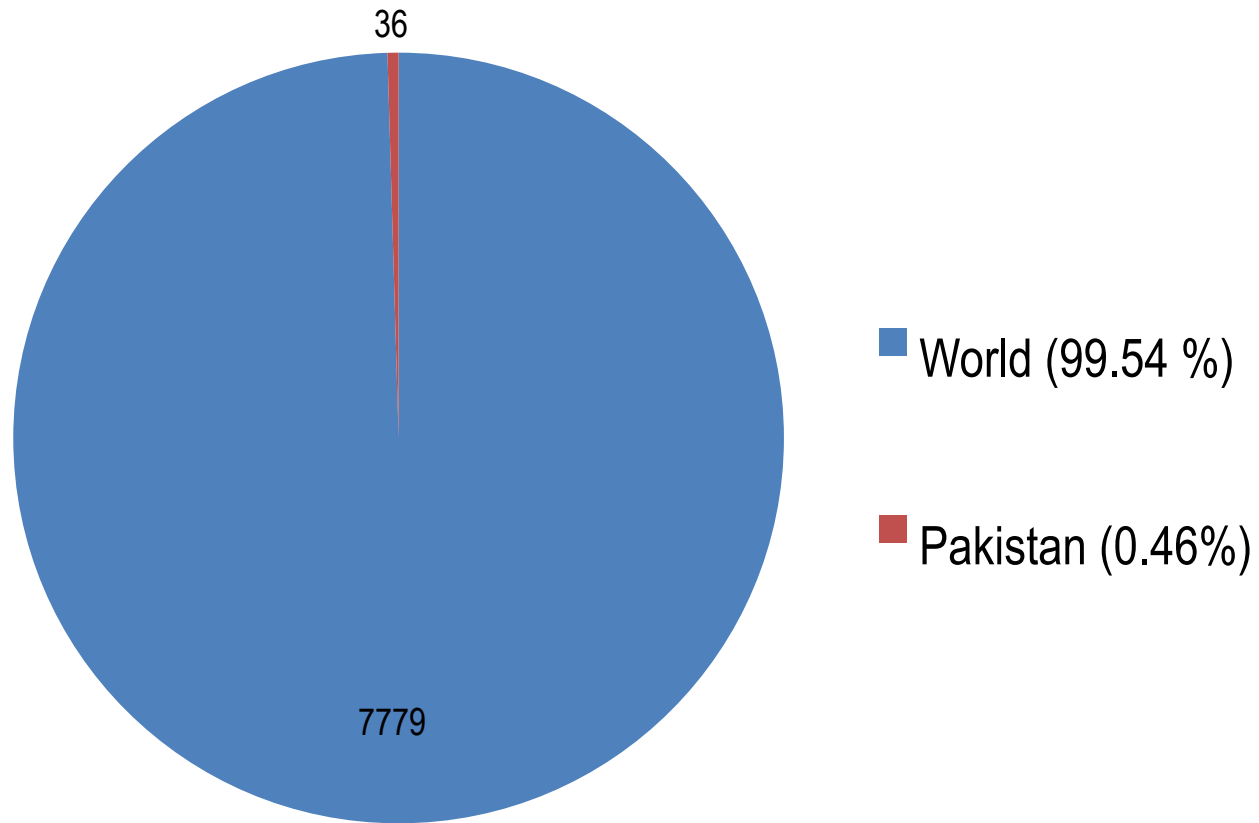
Status of CDM Projects in Pakistan

- Host Country Approval granted: 76
- Registered to CDM Executive Board: 36
- Rejected from CDM Executive Board: 3
- GHG reduction from registered Projects: 3.79 Mt of CO₂ eq./ yr.

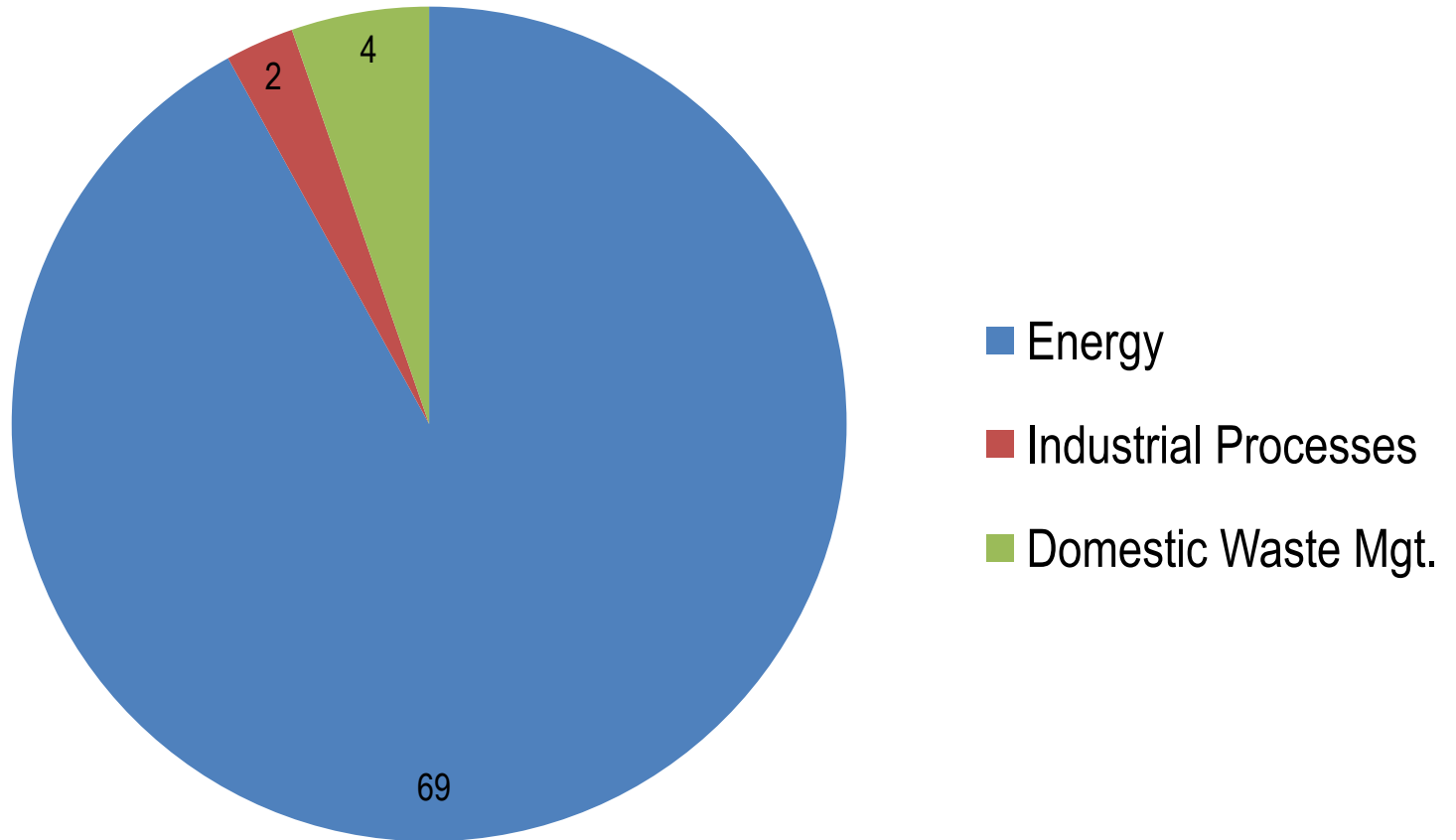


Pakistan's percentage share in CDM Projects

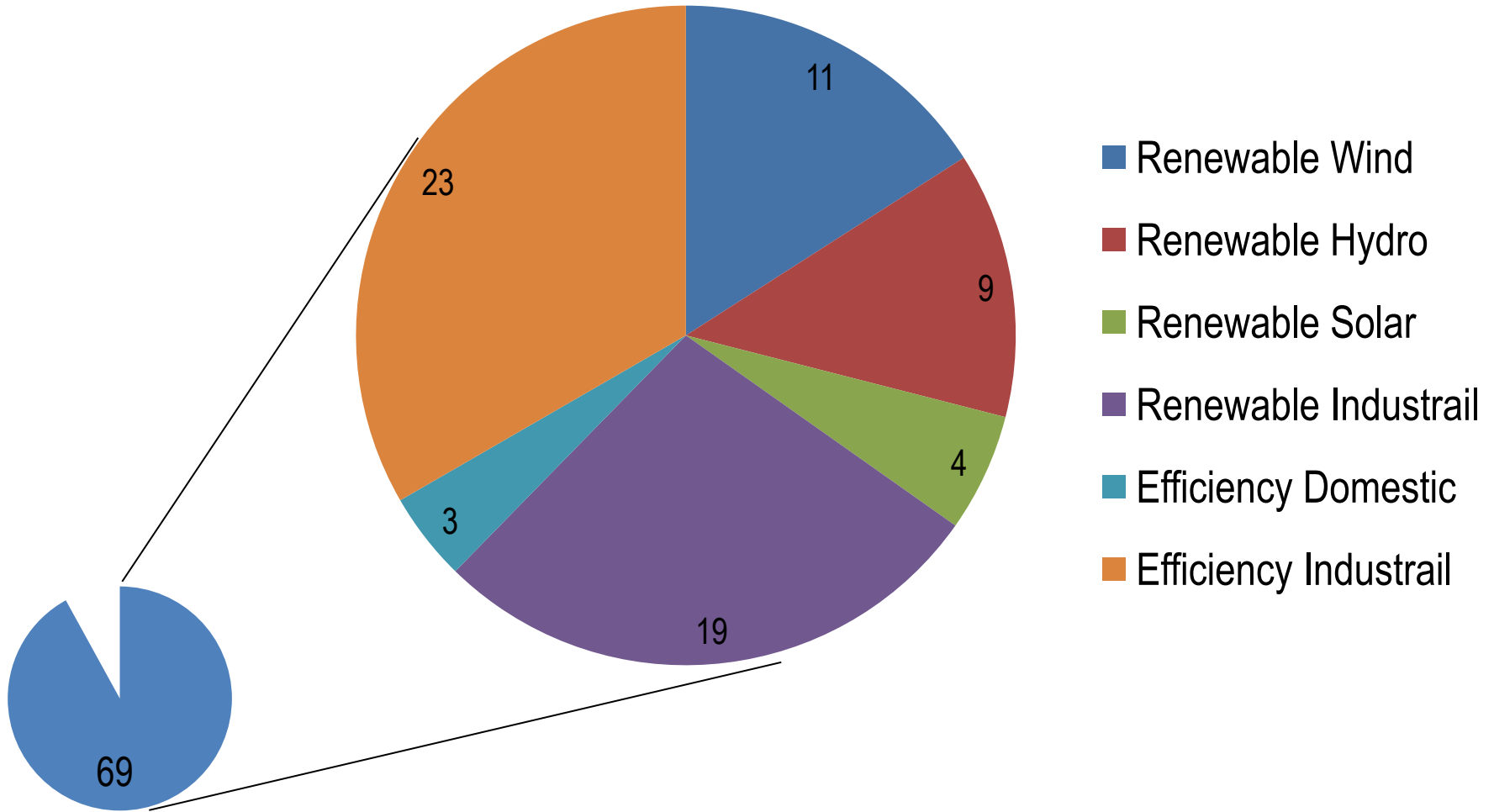
(globally by number)



CDM Projects in Pakistan (by sector)



CDM Projects in Energy Sector



CDM Projects in Pakistan (by sector)

- All the 4 projects in waste sector are waste- methane capture
- Both the two projects in industrial processes are Nitrous oxide abatement



Issues in Pakistan

Not as dirty~ accounts less than 1% of global emissions

Smaller industrial (manufacturing) base

Complex political & institutional framework- PoA

Institutional capacities~ mandates~ devolution

lesser understanding of processes

Market un-certainties





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Role of the DNA in the CDM project cycle

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Designated National Authority (DNA)

UNFCCC defines

A designated national authority (DNA) is the organization granted responsibility by a Party to authorise and approve participation in CDM projects. Establishment of a DNA is one of the requirements for participation by a Party in the CDM

The main task of the DNA is to assess potential CDM projects to determine whether they will assist the host country in achieving its sustainable development goals, and to provide a letter of approval to project participants in CDM projects

DNAs have additional roles to play, such as the submission of proposed standardized baselines for their country, among others. These responsibilities have increased as the CDM has evolved



DNA in Pakistan

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Director General (Environment/ Climate Change) as the National Focal Person

Muhammad Irfan Tariq

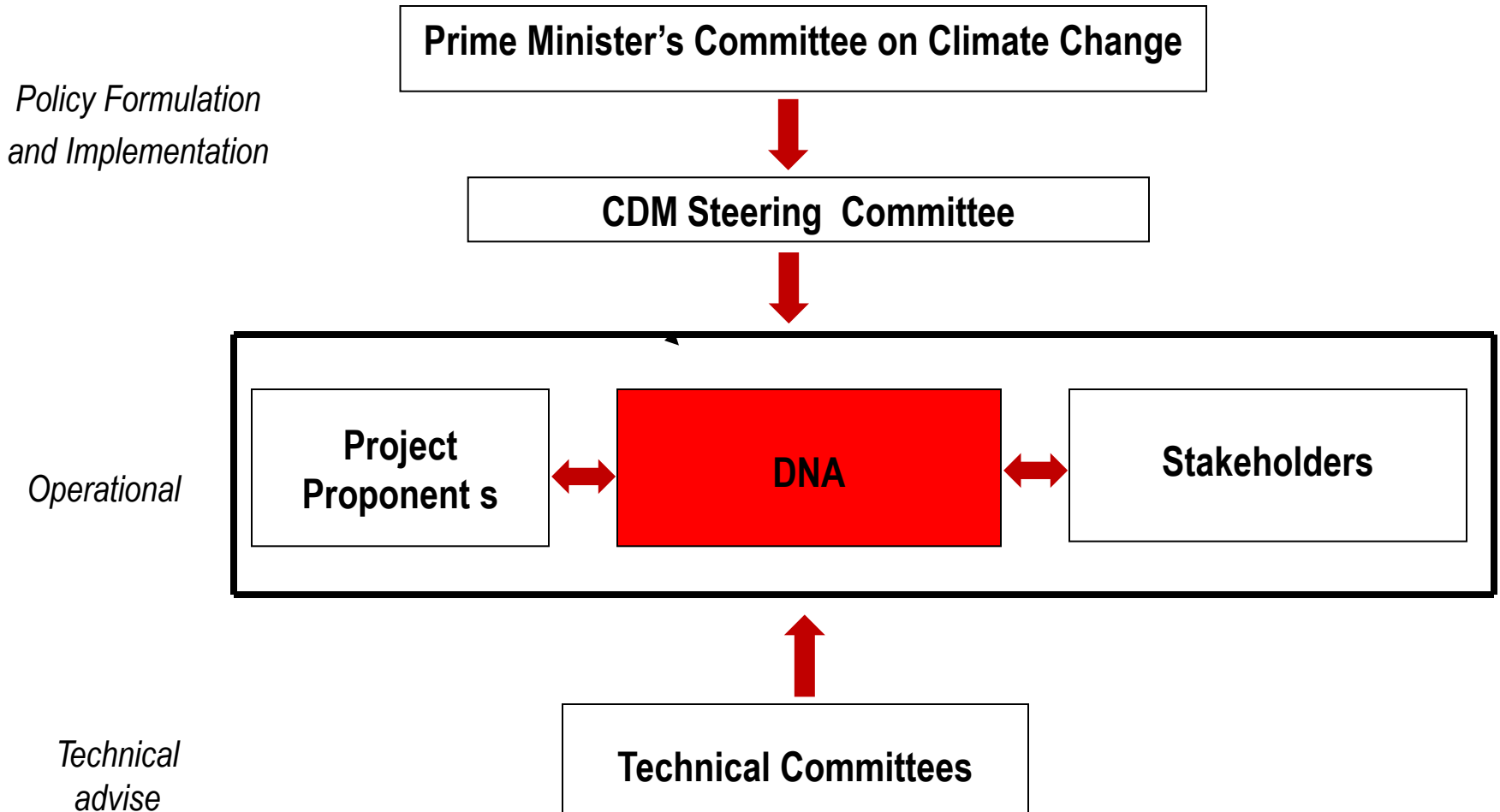
Director General (Environment/ Climate Change)

Ministry of Climate Change, Government of Pakistan

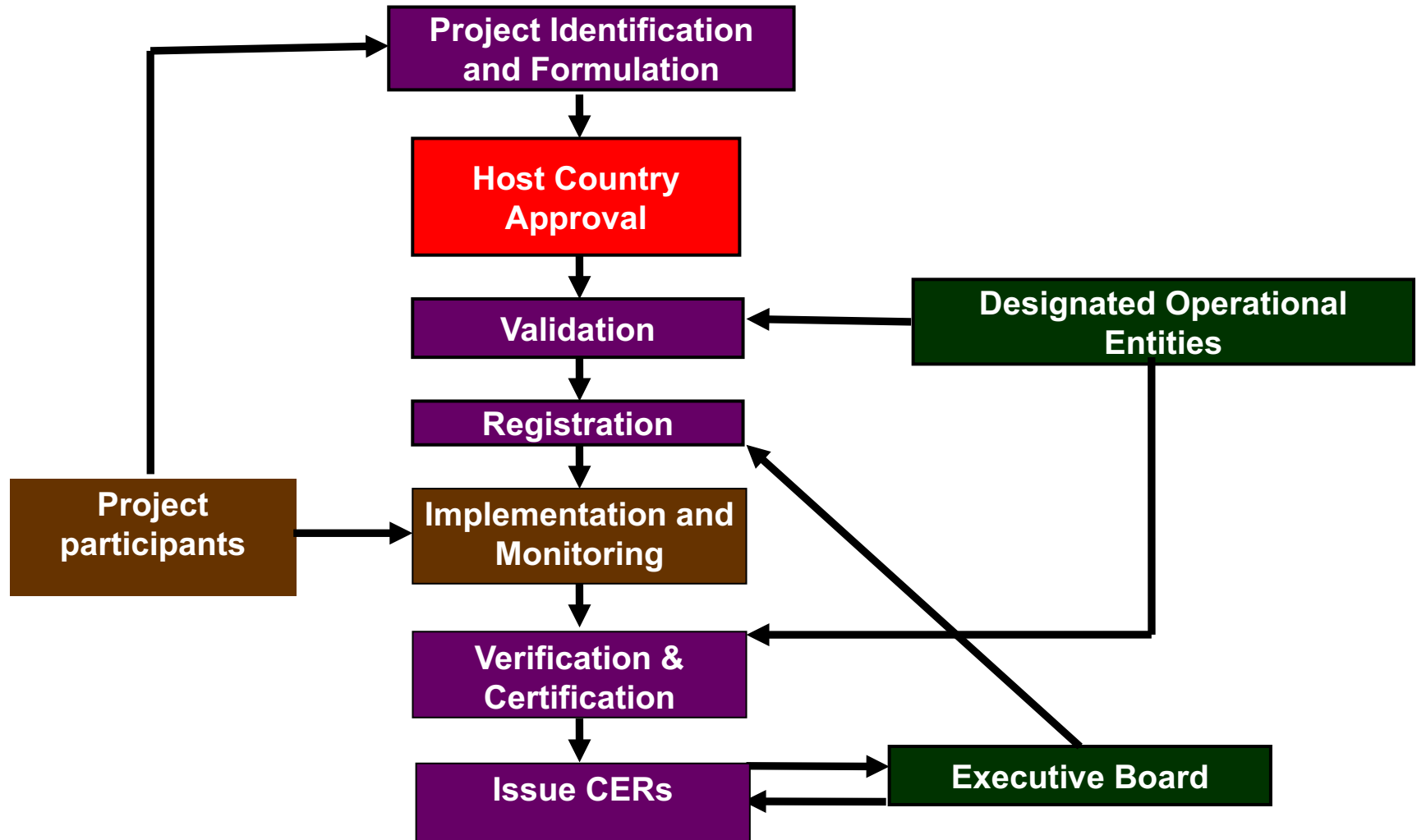
Islamabad



Institutional set-up for CDM in Pakistan



Role of DNA in CDM Project Cycle



Project approval process by DNA

- Project proponent submits the CDM Project to the Focal Person DNA
- The proposed CDM project will be qualitatively assessed by the DNA against the 'National CDM Criteria'
- After CDM Project Evaluation, the Project Proponent has to present their CDM Project in A CDM Review Committee (Chaired by Secretary Climate Change)
- Letter of approval issued within one month of project submission, if the project successfully demonstrates consistency with 'Eligibility Criteria'



National CDM Criteria- Pakistan

defined by Pakistan National Operational Strategy for CDM

General Criteria:

- Consistency with the national laws/ policies, strategies and plans
- No obligation of the Government of Pakistan to the investors

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.

Economic Criteria:

- Positive impact on balance of payments
- Cost effectiveness

Technological Criteria:

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



End



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