



ENVIRONMENTAL AFFAIRS DEPARTMENT

# CLEAN DEVELOPMENT MECHANISM PROJECT APPROVAL PROCEDURE FOR MALAWI

DESIGNATED NATIONAL AUTHORITY  
ENVIRONMENTAL AFFAIRS DEPARTMENT  
PRIVATE BAG 394  
LILONGWE 3  
MALAWI.

## 1. INTRODUCTION

Clean Development Mechanism (CDM) is one of the Kyoto Protocol provisions (Article 12) that promote cleaner technologies basically in developing countries to mitigate green houses gases while contributing to sustainable development. The CDM is aimed to assist developed countries to meet their agreed emissions resulting from projects on cleaner technologies implemented in developing countries. This implies that the certified emission reductions achieved in developing countries are traded to the developed countries while ensuring promotion of sustainable development of developing countries and contributing to the ultimate objective of the Convention which is to reduce or stabilize man-made greenhouse gases that cause global warming and climate change.

Malawi signed the UNFCCC in June 1992 and ratified it on 21st April 1994. It acceded to the Kyoto Protocol on 26<sup>th</sup> October 2001. Government of Malawi is committed to address climate change issues in the country. A Climate Change Addendum to the Malawi Growth and Development Strategy (MGDS) was developed in 2008 realizing that climate change has a great contribution to our development agenda, and therefore should be mainstreamed in the MGDS. The overall goal of the climate change sub theme of the MGDS is to promote climate change mitigative and adaptive measures to reduce its impact on socio and economic growth.

## 2. STRUCTURE OF THE MALAWI DESIGNATED NATIONAL AUTHORITY

In accordance with the procedures for the CDM agreed at Marrakech, Morocco in 2001, participants in CDM projects are required to designate a National CDM Authority to evaluate and approve the projects, and serve as a point of contact. CDM project participants are required to provide "*written approval of the voluntary participation from the designated national authority of each party involved, including confirmation by the host party that the project activity assists it in achieving sustainable development*" (Section 40(a), Decision 17/CP.7). Host country project approval is one of the prerequisites of the registration of a potential CDM project with the UNFCCC and the Kyoto Protocol.

The Designated National Authority (DNA) for Malawi was established through a decision that was adopted at a national stakeholder consultative meeting held on 8<sup>th</sup> April 2005. The DNA consists of a Focal Point, a CDM Technical Committee and a National Council on the Environment.

### 2.1 CDM Focal Point

The focal point is Environmental Affairs Department, currently in the Ministry of Natural Resources, Energy and Environment. The CDM rules do not place any restrictions on the functions and responsibilities that non-Annex 1 Parties allocate to DNAs through its domestic laws. The DNA Focal Point is committed to actively promote implementation of CDM projects in Malawi through:

- i. Conducting initial assessments of CDM project concepts to ensure that CDM project activities are in line with government policies and national sustainable development objectives.
- ii. Issuance of Letter of Approval (LoA) to project developers upon successful assessment of project design documents by CDM Technical Committee.
- iii. Raising awareness and building capacity among potential project participants and decision-makers to enhance local knowledge and interest in the CDM;
- iv. Assisting in the identification of CDM investment opportunities for Malawi and promoting CDM opportunities with trading partners;
- v. Monitoring sustainable development impacts of CDM projects under implementation in Malawi;
- vi. Ensuring that CDM project approval processes are as transparent and efficient as possible;
- vii. Coordinating internal climate change policy regarding the CDM and developing positions for international climate change negotiations.

## 2.2. CDM Technical Committee

A Technical Committee was established to review CDM projects and make recommendations for approval by the National Council on the Environment. The Committee comprises the following Institutions:

Coordination Union for the Rehabilitation of Environment (CURE)  
 Department of Energy  
 Department of Forestry  
**Environmental Affairs Department**  
 Malawi Environment Endowment Trust (MEET)  
 Malawi Investment Promotion Agency (MIPA)  
 Ministry of Development Planning and Cooperation  
 Ministry of Finance  
 Ministry of Local Government  
 Ministry of Industry and Trade  
 Ministry of Irrigation and Water Development  
 Mzuzu University  
 Malawi Industrial Research Technology Development Centre (MIRTDC)  
 University of Malawi (Constituent colleges as appropriate)  
 Wildlife and Environment Society of Malawi (WESM)

The role of the Technical Committee is to:

- (i) Ensure that CDM project activities contribute to the ultimate objective of the UNFCCC and the Kyoto Protocol;
- (ii) Ensure that the CDM project activities comply with Malawi's sustainable development objectives; and
- (iii) Ensure that the CDM project activities comply with relevant national policies and regulations.

### **2.3. National Council on the Environment**

The NCE, in discharging its functions outlined in the Environment Management Act of 1996 Section 12 will take into consideration the advice received from the CDM Technical Committee and will make a final decision on the project.

## **3. PROCEDURES FOR APPROVAL**

### **3.1 Scope**

The scope of the national approval is limited to assessing the voluntary participation of Malawi in CDM project activities and the project's contribution to the sustainable development of the country.

### **3.2 Guiding Principles**

In undertaking its functions, the DNA is guided by a number of principles, including: efficiency, transparency, confidentiality, certainty and stability of the decision and participation.

### **3.3 Project Approval**

The CDM project approval procedure is shown in the diagram below. From the diagram above, there are two entry points into the approval procedure. These are:

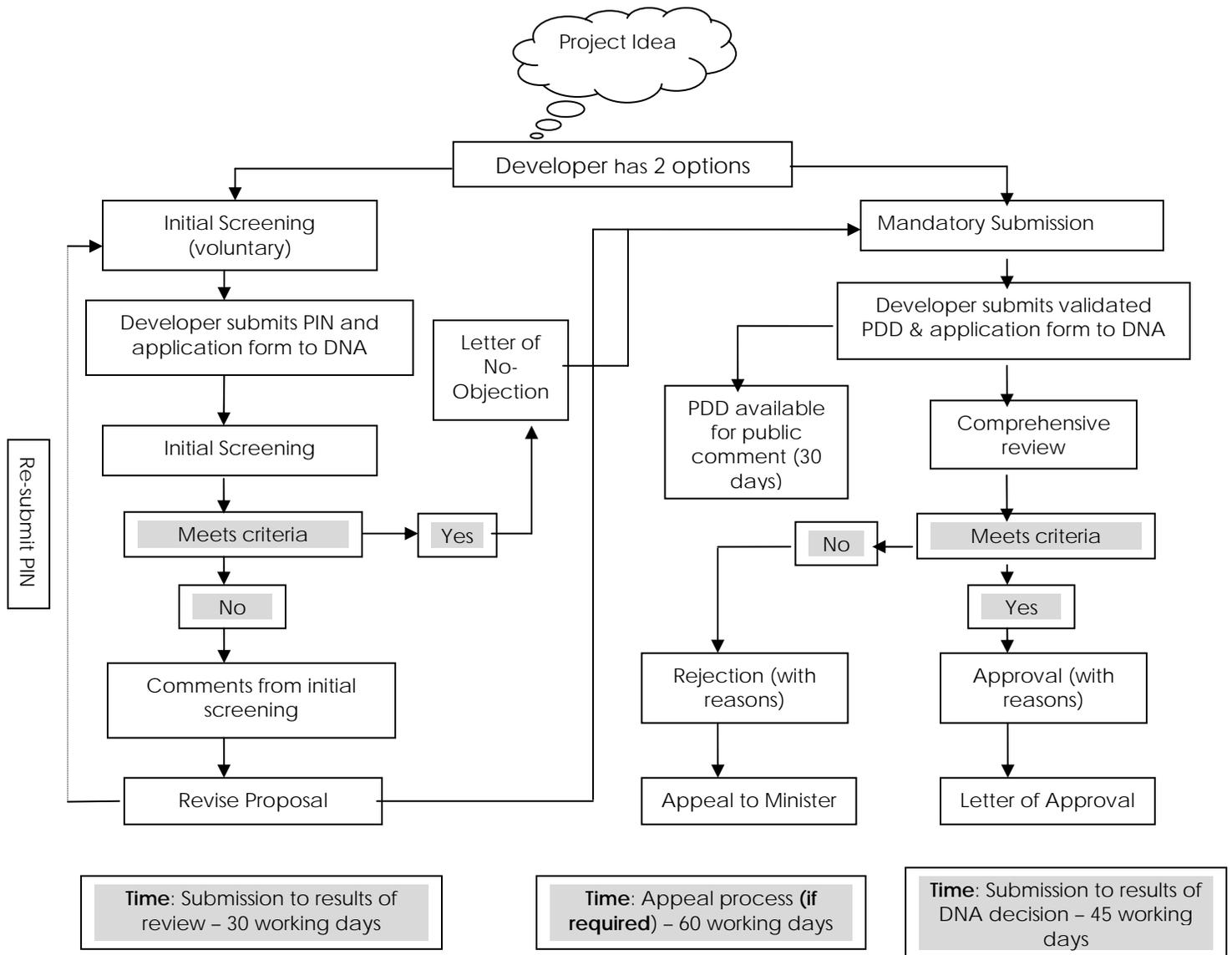
#### **3.3.1. Initial screening (voluntary)**

This **voluntary step** allows project developers the opportunity to receive an initial evaluation of their project from the DNA to identify any potential conflicts with the project approval criteria and other government policies.

##### ***a. Project Identification Note submission to Focal Point***

Developers may seek an initial review of the project from the DNA by submitting a project idea to the DNA. The developers should submit their project in the form of a standard Project Identification Note (PIN), accompanied by a Prior Consideration Form and a completed application form as in Annex 1,2 and 3 respectively.

## Project Approval Procedure for Malawi.



### ***b. PIN Review***

The Focal Point conducts an initial evaluation of the likely sustainable development impacts of the project against sustainable development criteria and other government policies. The Focal point will provide the developer with comments from the initial screening within **30 working days** from the date of submission of the PIN. **A Letter of No Objection (LNO)** is issued if the project is deemed not to have any major conflicts with Malawi's sustainable development criteria.

The LNO is a statement from the Focal Point that, on the basis of the information received, a project under preparation does not show any obvious conflicts with the project approval criteria. The LNO includes a summary of the result of the initial screening as well as comments with regard to measures proposed to mitigate possible negative impacts of the project.

The LNO does not guarantee that a project will be finally approved by the DNA. Thus, no final approval decision by the DNA is precluded through the issuance of LNO. Final approval is subject to recommendations from relevant government agencies, consideration of public comments and consideration of the final Project Design Document.

### **3.3.2. Mandatory approval**

Developers who are able to independently develop a project to the point of validation may submit a project to the DNA in the form of a validated Project Design Document (PDD) for consideration.

#### ***a. PDD Submission to Focal Point***

The PDD that is submitted to the Focal Point should already have been validated by a <sup>1</sup>Designated Operational Entity (DoE). If an Environmental Impact Assessment (EIA) is required the final record of decision of the assessment will need to be included as a component of the PDD. If an EIA is not required, a Management Plan should be developed indicating how, among other things, negative environmental, economic and social impacts will be mitigated.

#### ***b. Stakeholder Consultation***

- The Developer, in liaison with the Focal point, will make the submitted PDD available for public comments for a period of **30 days**.
- The public should be notified about the day, time and venue of the hearing with the project participant's contact details, including name, address and phone number, must be made available.
- A minimum of one week notice prior to the meeting should be given, using the following means: publishing a notice twice in local newspapers, running four

---

<sup>1</sup> Designated Operational Entity (DoE) is an independent legal entity accredited by CDM Executive Board and designated by the COP/MOP that can validate proposed CDM projects and verify and certify greenhouse gas emission reductions.

radio announcements and putting up posters in the national language at the site of the proposed development.

- A summary of the comments received is provided to the Focal Point and DoE together with a report indicating how due account was taken of any comments received.
- The PDD will also be uploaded on the DNA website for comments.
- The developer is required to incorporate comments received from stakeholder consultation before submission for review by the Technical Committee.

### ***c. Evaluation***

The Technical committee evaluates the project based on the PDD with comments from stakeholder consultation. The Technical Committee will make recommendations about the assessment to the National Council on Environment. The developer is required to pay a fee to cover administrative costs for review of the PDD.

### ***d. Final Decision***

Taking into consideration the comments received from the Technical Committee, the NCE will make a final decision. If the decision is positive, the Director of Environmental Affairs issues a <sup>2</sup>**Letter of Approval (LoA)**. The process of PDD submission and final decision will take not more than **45 working days** or in line with meeting schedules of the NCE.

If the decision is negative, the developer has the right to appeal to the Minister responsible for the Environment. The Minister will notify the developer of his decision **within 60 working days** of submission of the appeal.

### ***e. Monitoring and Reporting***

Once the CDM project is operational, the developer is required to submit bi-annual reports indicating how the Management Plan is being implemented, in line with Sustainable Development Criteria for CDM in Malawi. All CDM projects in Malawi will abide by the existing national legislation.

## **3.0 REGULATORY AUTHORITY OF THE DNA**

If a project is deemed by the DNA to be contrary to the spirit of the Kyoto Protocol or contrary to the intention of stated government policy the DNA reserves the right to refuse project approval until such time as suitable alterations are made to the project design. In such instances clear reasons for the rejection of a project must be provided by the DNA.

---

<sup>2</sup> Letter of Approval (LoA) is a letter issued by the Designated National Authority of the host country to a CDM project confirming that the project, as proposed, will assist the host country to achieve its goals of sustainable development.

#### **4. SUBMISSION OF DOCUMENTS**

Developers are required to submit electronic and hard copies of all documentation to the DNA Focal Point.

Hard copies of the documents should be addressed to:

**The DNA Secretariat  
The Director of Environmental Affairs Department  
Private Bag 394  
Lilongwe 3  
Malawi.**

Electronic copies of the documents should be emailed to:

**yntupanyama@eadmw.org and shamiso@eadmw.org  
yntupanyama@yahoo.co.uk and shamiso\_b@yahoo.com**

**Annex 2: Prior Consideration Form**

**Annex 3: DNA Application Form**

#### **Annex 4: Structure of a Project Design Document**

- General description of the project;
- Description of the baseline methodology;
- Timeline and crediting period;
- Monitoring methodology and plan;
- Calculation of GHG emissions by sources;
- Statement of environmental impacts;
- Stakeholder comments.