



ENVIRONMENTAL AFFAIRS DEPARTMENT

**SUSTAINABLE DEVELOPMENT CRITERIA
FOR CLEAN DEVELOPMENT MECHANISM
PROJECT APPROVAL**

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1.0 INTRODUCTION

The Sustainable Development Criteria have been developed in compliance to provisions of Article 12 of Kyoto Protocol on the Clean Development Mechanism (CDM) and Malawi Government sustainable development policies. The criteria aim to guide developers in the preparation of CDM projects and also to assist the DNA in the review of CDM project activities.

The Brundtland Commission Report of 1987 defines sustainable development as "*the integration of social, economic and environmental factors into planning, implementation and decision making so as to ensure that development serves present and future generations*". This definition of sustainable development will inform the decisions of the CDM DNA of Malawi.

2.0 CRITERIA FOR ASSESSMENT

In accordance with the EMA definition of sustainable development, three core criteria will be used to assess the contribution of the proposed project sustainable development in Malawi. These are the environment, the economic and the social dimensions of sustainable development.

a) Environmental criteria: Does the proposed project contribute to environmental benefits in Malawi?

- Local environmental quality
- Biodiversity, ecosystems and community use of natural resources

b) Economic criteria: Does the proposed project contribute to economic development in Malawi?

- Employment
- Monetary income
- Transfer of Appropriate technology

c) Social criteria: Does the proposed project contribute to social development in Malawi?

- Social equity and poverty alleviation
- Quality of Life

d) General criteria: Is the distribution of project benefits reasonable and fair?

INDICATORS FOR ASSESSMENT OF THE PROJECT APPROVAL CRITERIA

The following indicators¹ will be used to assess a CDM projects' contribution to sustainable development in Malawi.

	CRITERIA	INDICATOR
ENVIRONMENTAL	Local environmental quality	<ul style="list-style-type: none"> • Impact of the project on air quality • Impact of the project on water pollution • Impact of the project on soil pollution • Impact of the project on the generation or disposal of solid waste • Any other environmental impacts of the project (such as impacts on noise, safety, visual impacts, or traffic)
	Biodiversity, ecosystems and community use of natural resources	<ul style="list-style-type: none"> • Impact on local or regional biodiversity arising from the project • Impact on ecosystems • Impact of the project on the sustainable use of water, minerals or other non renewable natural resources • Impact of the project on the efficiency of resource utilisation • Impact on the resilience of local communities in relation to climate change • Impact of the project on community access to natural resources
ECONOMIC	Employment	<ul style="list-style-type: none"> • Impact on short term (construction) and long-term job creation • Impact on jobs lost
	Monetary income	<ul style="list-style-type: none"> • Impact of the project on existing economic activity in the area • Impact of the project on foreign exchange requirements (e.g. reduction in import of fossil fuels) • Impact of the project on foreign direct investment • Percentage of investment used in engaging Malawian companies or agencies' services
	Transfer of Appropriate technology	<ul style="list-style-type: none"> • Implications for the transfer of technology to Malawi • Impacts of the project on local skills development • Impact of the project on the cost of energy • Demonstration and replication potential of the project • Level of adoption by local or traditional cultures to the technology used

¹ Not all projects will fulfill all the criteria presented in the table. The indicators must be considered as a non-exhaustive reference guide of the criteria that apply to analyze the impacts of projects on sustainable development.

SOCIAL	Social equity and poverty alleviation	<ul style="list-style-type: none"> • Impact of the project on the quality of employment (distribution of employment opportunities, types of employment, categories of employment changes in terms of skill levels and gender and racial equity) • Impact of the project on the provision of social amenities to the community in which the project is situated • Contribution of the project to the development of previously underdeveloped areas or specially designated development nodes
	Quality of Life	<ul style="list-style-type: none"> • Impact on health (index of toxicity of emissions, incidence of respiratory problems or other diseases) • Impact on Education • Impact on Housing • Impact of the project on the relocation of communities if applicable • Impact of the project on the provision of, or access to, basic services to the area
GENERAL	General project acceptability	<ul style="list-style-type: none"> • Is the distribution of project benefits reasonable and fair? • How is the project aligned with provincial, national and local government objectives? • Contribution of the project to any specific sectoral objectives (for example, renewable energy targets)

3.0 APPLICATION OF THE CRITERIA

The DNA will consider each application against the three core criteria and will make an assessment of whether on balance the project supports sustainable development in the country. In some instances, projects will have a negative impact on one or more dimensions of sustainable development and a positive impact on the other dimensions. In such cases the DNA, in fulfilment of its regulatory role and with support from the inter-ministerial advisory committee, will assess the overall contribution or otherwise of the project to sustainable development.

The DNA will provide reasons for the decision. In these reasons the DNA will set out the analysis behind the decision and will note the expected performance of the project against the relevant indicators used.