



*Call for Proposal for  
Emission Reductions generated by CDM projects  
under the Austrian JI/CDM Programme*

**Required Documents and Explanations for Call for  
Projects  
(Publication reference: KPC/CDM/2010/08)**

Vienna, June 2010



---

KOMMUNALKREDIT PUBLIC CONSULTING

**Title:** Required Documents and Explanations for Call for Projects under the Austrian JI/CDM Programme

**Publication reference:** KPC/CDM/2010/08

**Nature of Contract:** Purchase of Emission Reductions generated by CDM projects.

**Date of Publication:** Publication issued on 30 June 2010

**Closure for receipt of applications:** 30 June 2011

**Competent Authority:** Kommunalkredit Public Consulting on behalf of the Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management

**Contact:** Sabine Schoeller

**Tel:** +43/1/31 6 31-212

**E-mail:** [kyoto@kommunalkredit.at](mailto:kyoto@kommunalkredit.at)

**Web:** <http://www.ji-cdm-austria.at>

**Team:**

Alexandra Amerstorfer, General Manager	ext. 240
Wolfgang Diernhofer, Head of Department	ext. 380
Sabine Schoeller, Assistant	ext. 212
Sascha Eichberger, Senior Consultant	ext. 247
Martin Gauss, Senior Consultant	ext. 224
Thomas Ranfler, Consultant	ext. 413
Andrea Stockinger, Senior Consultant	ext. 246
Bianca Gusenbauer, Senior Consultant	ext. 331
Daniela Dragnev Zörnlaib, Senior Consultant	ext. 293

## Table of Contents

<b>1</b>	<b>INTRODUCTION.....</b>	<b>5</b>
<b>2</b>	<b>TERMS OF REFERENCE.....</b>	<b>6</b>
<b>2.1</b>	<b>Contents of Proposal .....</b>	<b>6</b>
2.1.1	Indicative Offer of Emission Reductions.....	8
2.1.2	Project Design Document (PDD).....	8
2.1.3	Validation Report .....	9
2.1.4	Letter of Approval from the Host Country .....	9
2.1.5	Business Plan .....	10
2.1.6	Eligibility.....	10
2.1.7	Financial and economic standing .....	11
2.1.8	Technical capacity .....	12
2.1.9	Social Responsibility.....	12
2.1.10	Other relevant documents .....	12
<b>2.2</b>	<b>Evaluation of Proposals and Negotiations.....</b>	<b>13</b>
<b>2.3</b>	<b>Negotiation Procedure .....</b>	<b>16</b>
2.3.1	Draft ERPA.....	16
2.3.2	Contract Conclusion .....	16
<b>3</b>	<b>GENERAL CONDITIONS .....</b>	<b>17</b>
<b>4</b>	<b>APPENDICES .....</b>	<b>18</b>
<b>4.1</b>	<b>Appendix 1: Indicative Offer.....</b>	<b>19</b>
<b>4.2</b>	<b>Appendix 2: Project Design Document (PDD) .....</b>	<b>21</b>
<b>4.3</b>	<b>Appendix 3: Letter of Approval .....</b>	<b>22</b>
<b>4.4</b>	<b>Appendix 4, Project specific qualifications and experience of Applicant .....</b>	<b>24</b>
<b>4.5</b>	<b>Appendix 5, Staff Resources .....</b>	<b>25</b>
<b>4.6</b>	<b>Appendix 6, Letter of social responsibility .....</b>	<b>26</b>



Required Documents and Explanations: KPC/CDM/2010/08

---

<b>4.7 Appendix 7: Draft Emission Reduction Purchasing Agreement (ERPA) .....</b>	<b>29</b>
---	-----------

## 1 Introduction

The applicant is invited to submit a detailed proposal and thereby invited to this negotiation procedure with prior public announcement launched for purchasing Emission Reductions generated by Clean Development Mechanism (CDM) projects within the Austrian JI/CDM Programme<sup>1</sup>. The general provisions contained in the Call for Projects are the basis for this second stage of the tender and shall be applied by the Applicant if this document does not state otherwise. Contractual provisions of the Applicant, including without limitation general terms and conditions do not apply.

This document serves as a reference manual with auxiliary list of required documents and explanations. Submitted proposals are assessed applying evaluation criteria in order to ascertain that all selected projects meet or exceed the standards of the Austrian JI/CDM Programme.

Negotiations will be held individually with the Applicant to conclude an Emission Reduction Purchase Agreement (ERPA). Based on the results of the negotiations the Programme Management makes a recommendation to the Commission for the Austrian JI/CDM Programme. The Commission may recommend the project to the Austrian Federal Minister of Agriculture, Forestry, Environment and Water Management, who then officially approves the project from the Austrian side.

---

<sup>1</sup> Further information on the Austrian JI/CDM Programme and the procedures there under is provided in “A Guide to Joint Implementation and Clean Development Mechanism Projects within the framework of the Austrian JI/CDM Programme”, which can be downloaded at <http://www.ji-cdm-austria.at/blueline/upload/leitfadenenglishlangversion.pdf>

## 2 Terms of Reference

The subject of the tender is the purchase of Emission Reductions generated by a CDM project and delivery of parts or the whole amount of Emission Reductions generated in the course of the CDM project by the selected Applicant to the Republic of Austria pursuant to an Emission Reduction Purchase Agreement (ERPA).

The Proposal shall be submitted to KPC within 3 months of the date of dispatch of the Invitation for Proposal.

All submitted Proposals are assessed applying the evaluation criteria. Each Proposal is continuously evaluated provided that sufficient information has been submitted. The Applicant will be notified about the result of evaluation accordingly. The Proposals selected according to the evaluation procedure will be subsequently invited to negotiations.

### 2.1 Contents of Proposal

All submitted proposals should be submitted using the standard forms as specified in this document (Appendix 1 to 6). The Proposal should contain the following items as provided in the below table which should be provided at the indicated times.

No.	Chapter	Item	Form	Due
1.	2.1.1	<b>Offer of Emission Reductions</b>	<b>Appendix 1</b>	As part of the Proposal*
2.	2.1.2	<b>PDD</b> (including Environmental Impact Assessment, if necessary) plus <b>Austrian Questionnaire</b> additional to EB PDD. PDD form as recommended by the CDM Executive Board	<b>Appendix 2</b>	As part of the Proposal*
3.	2.1.3	<b>Preliminary Validation Report</b>		Mandatory for concluding the ERPA
4.	2.1.4	<b>Letter of Approval (LoA)</b>	<b>Appendix 3</b>	Mandatory before concluding the ERPA

\* Due within 3 months of the date of dispatch of Invitation for Proposal

**Required Documents and Explanations: KPC/CDM/2010/08**

5.	2.1.5	<b>Business Plan</b>		As part of the Proposal*
6.	2.1.6	<b>Eligibility</b>		
		<u>General Eligibility Criteria</u>	<b>Signed Statement</b>	As part of the Proposal*
		<u>Recent extract from a professional register or trade register*</u>	<b>Documents</b> in English or with English translation	
7.	2.1.7	<b>Financial and Economic Standing</b>		
		<u>Annual (audited) Reports**</u> (for the past three years )	<b>Documents</b> in English or with English translation	As part of the Proposal*
		<u>Description of Ownership structure</u> (if applicable)	<b>Documents</b> in English or with English translation	
8.	2.1.8	<b>Technical Capacity</b>		
		<u>Project references</u>	<b>Appendix 4</b>	As part of the Proposal*
		<u>Staff resources</u>	<b>Appendix 5</b>	As part of the Proposal*
		<u>Company Profile</u> as applicable	<b>Document</b> in English or with English translation	
9.	2.1.9	<b>Letter of Social Responsibility</b>	<b>Appendix 6</b>	As part of the Proposal*
10.	2.1.10	<b>Further Documents</b> (as applicable)		Mandatory before concluding the ERPA

Other relevant documents may have to be provided by the applicant on request of KPC.

\*Should such a register not exist in the country of residence, an equivalent certificate complies

\*\* If the required documents can not be submitted, annual, audited financial statements for the past three years (if available), otherwise credit rating through bank statement and annual financial standing for the past three years should be provided as outlined.

### **2.1.1 Indicative Offer of Emission Reductions**

The indicative offer of Emission Reductions should be submitted as part of the Proposal (see Appendix 1) and should clearly reveal the assumptions for the offered price and price calculations (with reference to the attached draft ERPA). The indicative offer of Emission Reductions should state:

- Indicative total number of Emission Reductions offered<sup>2</sup>;
- Indicative Delivery Schedule;
- Indicative Price<sup>3</sup> per Certified Emission Reduction.

### **2.1.2 Project Design Document (PDD)**

The Project Design Document is a detailed project description and serves as the basis for the CDM project assessment by an independent Validator.

The Austrian JI/CDM Programme has developed a specific Austrian Questionnaire which is partially more comprehensive than the standard PDD the Executive Board has elaborated for CDM projects (CDM-PDD). The Austrian Questionnaire contains further questions, especially with regard to environmental, socio-economic and development aspects.

The PDD is an integral part of the Proposal and the following detailed information/documents/surveys/comments should be contained in the PDD or should be attached to it.

- a) Details of *ecological, socio-economic and development* effects of the project. Documentation on the analysis of the environmental impacts, including transboundary impacts, of the project activity shall be provided. This documentation has to be attached to the PDD. If the environmental impacts are considered significant by the project participants or the Host Party, conclusions and all references to support documentation of an Environmental Impact Assessment undertaken in accordance with the procedures as required by the Host Party shall be provided.
- b) Documentation of the invitation of *stakeholder comments*, a summary of the comments received and a report on how due account was taken of comments received.

---

<sup>2</sup> Anticipated Emission Reductions as defined in the draft ERPA (see Appendix 7)

<sup>3</sup> The price should be stated in EURO. According to § 7 (5) of the Directive for the Austrian JI/CDM Programme *the purchase of CERs is bound to cost-benefit optimisation and should be based on international market prices for comparable projects.*

- c) *Baseline study*: A baseline study is a reference scenario which should quantify the emissions which would occur if the project was not carried out. The Baseline Study has to adhere to the relevant Kyoto rules and standards established by the Executive Board (EB).
- d) *Monitoring Plan*: The Monitoring Plan should contain information on the data to be collected and the corresponding procedure how actual emissions will be monitored and how emission reductions will be verified. The Monitoring Plan has to adhere to the relevant Kyoto rules and standards established by the EB.

The Project Design Document which should be submitted as part of the Proposal is provided under Appendix 2.

### **2.1.3 Validation Report**

The Validation shall be conducted by an Operational Entity (Validator) to verify whether the proposed project activity complies with the Kyoto Protocol and Marrakech Declaration requirements and criteria as well as other relevant regulations.

1. The **Validation Report** should be submitted to KPC within the negotiation procedure and is a prerequisite for signing the ERPA.
2. **Registration** is the formal acceptance by the Executive Board of a validated project as a CDM project activity. Registration is the prerequisite for the Verification and Certification of the emission reductions generated by that project activity and the issuance of the respective CERs. The ERPA can be signed subject to later Registration.

### **2.1.4 Letter of Approval from the Host Country**

Prior to the submission of the Validation Report to the Executive Board the Designated Operational Entity has to receive from the project participants written approval of 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.

The Host Country is required to approve the project by issuing a Letter of Approval covering the issues mentioned above. The Applicant is required to provide this Letter of Approval to KPC.

The Letter of Approval (LoA)<sup>4</sup> is a prerequisite for concluding an ERPA.

### **2.1.5 Business Plan**

The Proposal should include a Business Plan containing a description of the market situation in which the investment will operate, a description of the marketing mix and a detailed financial (risk) assessment (incl. a financing plan and a financial modelling).

### **2.1.6 Eligibility**

Participation is open on equal terms to all Applicants **who can plausibly assure** that they will be legally entitled to Emission Reductions generated by CDM-projects.

Should the legal entity that will own the project not yet exist (e.g. a Special Purpose Company) at the time of submitting the project, the main investor (e.g. the Mother Company or the project developer) should be stated as Applicant which represents that all criteria included herein will also be complied with by such new legal entity.

Any applicant legally entitled to Emission Reductions generated by CDM-projects should accompany his application with an **officially signed statement** that he does not fall into any of the categories cited below. Supporting documents shall be provided upon request by KPC. These supporting documents shall be supplied in the form of originals or photocopies. Where such documents are in a language other than English, a faithful translation shall be attached.

Any Applicant may be excluded from participation who:

- is bankrupt or is being wound up, whose affairs are being administered by the court, who has entered into an arrangement with creditors, who has suspended business activities or who is in any analogous situation arising from a similar procedure under national laws and regulations;
- is the subject of proceedings for a declaration of bankruptcy, for an order for compulsory winding up or administration by the court or for an arrangement with creditors or of any other similar proceedings under national laws and regulations;
- has been convicted of an offence concerning his professional conduct by a judgment which has the force of res judicata;

---

<sup>4</sup> An example of a LoA is provided in Appendix 2.

## Required Documents and Explanations: KPC/CDM/2010/08

- has been guilty of grave professional misconduct proven by any means which the Contracting Authority can justify;
- has not fulfilled obligations relating to the payment of social security contributions in accordance with the legal provisions of the country in which he is established;
- has not fulfilled obligations relating to the payment of taxes in accordance with the legal provisions of the country in which he is established;
- is guilty of serious misrepresentation in supplying the information required under this Chapter.

KPC reserves the right to verify the **general eligibility** of the Applicant by demanding additional documents.

Any Applicant legally entitled to Emission Reductions generated by CDM- projects should prove enrolment in a professional or trade register of the country of origin by providing a **recent extract from a professional register or trade register**. Should such a register not exist in the country of residence, an equivalent certificate complies.

### **2.1.7 Financial and economic standing**

The financial and economic standing of the applicant should be demonstrated considering his future contractual obligations towards the Austrian JI/CDM Programme. Generally KPC will evaluate the financial and economic standing of the Applicant (on the basis of applicable financial indicators like equity/debt ratio, development of annual turnover etc.) in relation to the anticipated project investment.

The Applicant should provide:

- a) Annual (audited<sup>5</sup>) Reports for the past three years including financial statements (containing balance sheets and profit and loss account) of the Applicant;
- b) If the documents under a) can not be provided, (audited<sup>5</sup>) annual financial statements for the past three years containing balance sheets and profit and loss account of the Applicant;
- c) If the required documents under a) and b) can not be submitted, credit rating through certified bank statement and annual financial standing for the past three years;
- d) Description of the ownership structure of the Applicant;

---

<sup>5</sup> if applicable

### **2.1.8 Technical capacity**

The technical capacity of the applicant to realise a CDM- project in which Emission Reductions are generated should be demonstrated. KPC assesses the technical capacity of the applicant considering the number of project references (that are of comparable type and/or are of comparable size and/or are situated in a same region) and permanent staff of the Applicant for the respective project fields. The applicant should provide:

- a) Selected project references of the Applicant as outlined in Appendix 4;
- b) Staff resources of the Applicant as outlined in Appendix 5;
- c) Company Profile of the Applicant (if available).

### **2.1.9 Social Responsibility**

Applicants should adhere to social guidelines. The commitment of the Applicant to adhere to social guidelines is evidenced by signing Appendix 6 (**Letter of Social Responsibility**). Any Applicant legally entitled to Emission Reductions generated by CDM-projects who does not conform with the Letter of Social Responsibility (e.g. projects where child labour is exploited) may be excluded from the Austrian JI/CDM Programme.

### **2.1.10 Other relevant documents**

On request the Applicant should submit any documents to KPC, which prove that all contractual arrangements regarding the project are in place and effective, which will allow the operation of the project, the generation of Emission Reductions by the project and the transfer of Emission Reductions to Austria.

Such further documents for example include without limitation:

- Major contracts relevant for implementation and operation of the project activity (e.g. engineering, procurement and construction);
- Purchasing agreements;
- Permits, concessions etc.;
- Information about the project owner;
- Financing agreements from sources of finance.

These documents may form a prerequisite for signing the ERPA.

## 2.2 Evaluation of Proposals and Negotiations

All Proposals will be checked for their completeness as specified under 2.1. The submitted Proposals will be evaluated in regard to the stated evidence that the project will be capable of generating Emission Reductions that can be used for fulfilling the Austrian emission reduction commitment.

Those projects will be selected which state clear evidence of a long-term sustainable project implementation such guaranteeing the generation of the respective Emission Reductions within the Austrian JI/CDM Programme.

The projects will be evaluated according to following criteria:

**(1) Kyoto related criteria** **max. 20 Points**  
**min. 10 Points**

The viability and the potential risk of the project in terms of its capability to generate Emission Reductions in accordance with the Kyoto Protocol is evaluated through the Kyoto related criteria. The evaluation is performed on the basis of:

- Baseline Study (as part of the PDD);
 

Maximum score:	12 points
Minimum requirement:	positive score (> 0 points)
- Monitoring Plan (as part of the PDD);
 

Maximum score:	8 points,
Minimum requirement:	positive score (> 0 points)

**(2) Economic criteria** **max. 20 Points**  
**min. 10 Points**

The viability and the potential risk of the project in terms of its capability to generate Emission Reductions considering its economic basis is evaluated through the economic criteria. The evaluation is performed on the basis of:

- Financial and economic standing of the Applicant (financial statements as provided)
 

Maximum score:	4 points
----------------	----------
- Economic viability of the project (basis: Business Plan)

- |   |                             |
|---|-----------------------------|
| Maximum score:  | 8 points                    |
| Minimum requirement:  | positive score (> 0 points) |
| ➤ Financial structure of the project (basis: Business Plan) |                             |
| Maximum score:  | 8 points,                   |
| Minimum requirement:  | positive score (> 0 points) |

**(3) Technical criteria** **max. 20 Points**  
**min. 10 Points**

The viability and the potential risk of the project in terms of its capability to generate Emission Reductions considering the technical implementation of the project is evaluated through the technical criteria.

The evaluation is performed on the basis of:

- |  |                             |
|--|-----------------------------|
| ➤ Technical capacity of the Applicant (project references and staff resources as provided) |                             |
| Maximum score:   | 8 points                    |
| ➤ Technical feasibility of the project (technical description of the project)              |                             |
| Maximum score:   | 12 points                   |
| Minimum requirement:   | positive score (> 0 points) |

**(4) Ecological criteria** **max. 20 points**  
**min. 5 points**

The viability and the potential risk of the project in terms of its capability to generate Emission Reductions considering the environmental impact of the project is evaluated through the ecological criteria. The evaluation is performed on the basis of:

- |  |           |
|--|-----------|
| ➤ Ecological impact during construction phase (as part of the PDD) |           |
| Maximum score:   | 3 points  |
| ➤ Ecological impact during operation phase (as part of the PDD)    |           |
| Maximum score:   | 17 points |

**(5) Socio-economic and Development criteria** **max. 20 Points**  
**min. 5 Points**

**Required Documents and Explanations: KPC/CDM/2010/08**

---

The viability and the potential risk of the project in terms of its capability to generate Emission Reductions considering the socio-economic and development impact of the project is evaluated through the socio-economic and development criteria. The evaluation is performed on the basis of:

- Socio-economic and development impact, especially considering (as part of the PDD)
  - Stakeholder integration
  - Technology and know-how transfer
  - Gender equality (in new jobs)
  - Quality of new jobs created
  - Social protection of the workforce
  - Additional contribution of the project to sustainable development

All proposals satisfying or exceeding the required minimum scores for these criteria and for any of the sub criteria stating a minimum requirement will be ranked on the basis of their overall score and may be invited for negotiation. All proposals not satisfying the required minimum scores may be excluded from the Tender.

Each Proposal will be evaluated on the basis of the complete Proposal (as specified under 2.1.).

## 2.3 Negotiation Procedure

Based on proposal evaluation negotiations will be envisaged in order to conclude an Emission Reduction Purchase Agreement (on the basis of the draft ERPA as provided under Appendix 7).

### 2.3.1 Draft ERPA

A draft Emission Reduction Purchase Agreement (ERPA) is provided to all selected Applicants under Appendix 7. The following summary of issues will be covered by the ERPA; their actual content is subject to negotiation:

- a) Delivery of Emission Reductions (in accordance with a Delivery Schedule to be agreed upon);
- b) Payments;
- c) Advance payments (up to a maximum of 30 percent of the contract value);
- d) Support of certain immaterial services (such as Baseline Study or Validation) necessary for the success of the proposed project;
- e) Project implementation (including reporting requirements, inspection rights);
- f) Termination, delivery default and remedies;
- g) Other contractual obligations including, without limitation, representations and warranties, provisions regarding assignment and subcontracting, confidentiality obligations and other customary contractual obligations. The ERPA will also provide for appropriate provisions regarding change of circumstances.

For a full understanding of the scope of the contractual arrangements, Applicants are strongly advised to review the draft ERPA in detail.

The basic terms of the ERPA will be stipulated in the Term Sheet, which will represent the basis for negotiations.

### 2.3.2 Contract Conclusion

Within the negotiation the Applicant will be asked to offer a price for the Emission Reductions. The price has to be stated in EURO. According to § 7 (5) of the Directive for the Austrian JI/CDM Programme the purchase of Emission Reductions takes place on the basis of cost-benefit optimisation and must be based on the international market price for comparable projects. Therefore, not

withstanding any other rights of KPC according to this Invitation for Proposal, KPC reserves the right to reject any Proposal that does not match such market price for comparable projects. Furthermore, KPC reserves the right to reject any Proposal that includes a price for Emission Reductions, the calculation of which is not described transparently by the Applicant or the basis of which is unreasonable, e.g. if the economic feasibility of the project might be put at risk if the respective price was applied. If KPC has objections in regard to the price or the price calculation it may at its own discretion ask the Applicant to change the price or explain the price calculation accordingly.

KPC is entitled to accept only part of the Emission Reductions offered in a Proposal, should such be necessary, e.g. if one of the proposals offers a substantial amount of Emission Reductions.

KPC will recommend the Project to the Commission for the Austrian JI/CDM Programme if all of the above criteria are fulfilled to the satisfaction of KPC. The Proposal will be recommended according to the price offered, i.e., the Proposal (or part of Emission Reductions offered in the Proposal) with the lowest price will be the first to be recommended, followed by the Proposal (or part of Emission Reductions offered in the Proposal) with the second lowest price and so on up to the maximum amount of the budget limit. A Proposal (or part of Emission Reductions offered in the Proposal) will not be recommended, if the purchase of the Emission Reductions according to this project would exceed the budget. The Commission for the Austrian JI/CDM Programme is an advisory board and makes a recommendation to the Austrian Federal Minister of Agriculture, Forestry, Environment and Water Management, who finally decides on the project. If the approval is granted, the ERPA will be concluded.

### **3 General Conditions**

General conditions apply as provided in Call for Projects (Publication reference: KPC/CDM/2010/08).

## 4 APPENDICES

### Checklist

Before dispatching your Proposal, please check that it is complete:

1.  Indicative Offer of Emission Reductions
2.  Project Design Document (PDD) including Austrian Questionnaire
3.  Letter of Approval\*\*
4.  Validation Report\*\*
5.  Business Plan
6.  Eligibility
7.  Financial and Economic Standing
8.  Technical capacity
9.  Letter of social responsibility
10.  Further Documents  
please specify:

---

\*\* if available

## 4.1 Appendix 1: Indicative Offer

Delivery Schedule				
Year of generation	Number of Anticipated Emission Reductions	Scheduled Date of Delivery	Cumulative number of emission reductions due	
<i>Emission reductions (CERs)</i>				
2007				
2008		[...] 2009		
2009		[...] 2010		
2010		[...] 2011		
2011		[...] 2012		
2012		[...] 2013	[total amount of Anticipated Emission Reductions]	

\*All quantities are to be expressed in metric tons of Carbon Dioxide Equivalent

Indicative Price<sup>6</sup> per Emission Reduction

EUR per t of CO<sub>2e</sub>:

---

<sup>6</sup> The price should be stated in EURO. According to § 7 (5) of the Directive for the Austrian JI/CDM Programme the purchase of emission reductions is bound to cost-benefit optimisation and should be based on international market prices for comparable projects.

**Required Documents and Explanations: KPC/CDM/2010/08**

---

The offered price  
is based on the following assumptions and price calculations:

---

consists of the following price components:

---



Required Documents and Explanations: KPC/CDM/2010/08

---

## 4.2 Appendix 2: Project Design Document (PDD)

The Austrian JI/CDM Programme recommends the form of the PDD for CDM projects issued by the CDM Executive Board (<http://cdm.unfccc.int>). The Austrian Questionnaire in addition to the CDM-PDD may be downloaded at [http://www.ji-cdm-austria.at/en/portal/online\\_services/downloads/](http://www.ji-cdm-austria.at/en/portal/online_services/downloads/)



### 4.3 Appendix 3: Letter of Approval

[Preambles, references, political statements.]

Undersigned, as a legal and authorised representative of *<name country/state>*,

referring to:

proposal named *<name proposal>*, hereafter to be referred to as 'the CDM project',

located at *<location>*

*<any other information needed to identify the project>*

proposed by *<name proposer>*, hereafter to be referred to as 'Applicant',

dated *<date proposal>*,

declares that:

*<Host Country>* has ratified the Kyoto Protocol.

Participation of *<Host Country>* in the CDM project activity is voluntary.

*<Host Country>* confirms that the project activity assists it in achieving sustainable development.

*<Host Country>* recognises the CDM project to be a Clean Development Mechanism project in accordance with Article 12 of the Kyoto Protocol and its underlying decisions.

*<Host Country>* authorises the Applicant and any future operator /owner of the CDM project to generate Emission Reductions, by operation of the CDM project, in accordance with Article 12 of the Kyoto Protocol.



**Required Documents and Explanations: KPC/CDM/2010/08**

---

<Host Country> accepts the transfer of <amount, percentage> of verified and certified Emission Reductions, generated through the CDM project, to the Government of Austria during the crediting period of the CDM project, through any mechanism accepted by COP/MOP.

The right of transfer of these Emission Reductions is irrespective of any legal or other transfer of the CDM project to another operator/owner.

Drafted <town, country>, <date> and signed for the Host Country:

Full Name Host Country:

Name:

Position:

Date:

Signature:

## 4.4 Appendix 4, Project specific qualifications and experience of Applicant

Any Applicant should present evidence of his technical capacity to realise an JI/CDM project by summarising the major relevant project references comparable to the proposed project carried out in the course of the past 3 years by the Applicant.

The references presented shall cover the following items:

- Name of legal entity
- Project title
- Country
- Overall project value
- Proportion carried out by legal entity (%)
- Name of client
- Dates (start/end)
- Name of partners if any
- Types of services provided
- Detailed description of project (max ½ A4 page)

## 4.5 Appendix 5, Staff Resources

Any Applicant should provide the following personnel statistics for the current year and the two previous years.

Average manpower	Year before last		Last year		This year	
	Overall	Total related to the field of project	Overall	Total related to the field of project	Overall	Total related to the field of project
Permanent staff <sup>1</sup>						
Other staff <sup>2</sup>						
Total						
Permanent staff as a proportion of total staff	%	%	%	%	%	%

1 = staff directly employed by the candidate on a permanent basis (i.e., under indefinite contracts)

2 = other staff not directly employed by the candidate on a permanent basis (i.e., under fixed-term contracts)

## 4.6 Appendix 6, Letter of social responsibility

Undersigned, as a legal and authorised representative of *<name Applicant>*, herewith declares that *<name Applicant and its appendant project>* **accepts and fulfils the requirements regarding social responsibility in adherence to OECD guidelines for multinational enterprises.**

An extract of the essence of these guidelines is stated below<sup>7</sup>:

### General Policies

Enterprises shall take fully into account established policies in the countries in which they operate, and consider the views of other stakeholders. In this regard, enterprises should

- contribute to economic, social and environmental progress with a view to achieving sustainable development
- respect the human rights of those affected by their activities consistent with the Host government's international obligations and commitments.

### Employment and Industrial Relations

Enterprises shall, within the framework of applicable law, regulations and prevailing labour relations and employment practices:

- respect the right of their employees to be represented by **trade unions** and other bona fide representatives of employees, and engage in constructive negotiations, either individually or through employers' associations, with such representatives with a view to reaching agreements on employment conditions.
- contribute to the effective **abolition of child labour**.
- contribute to the **elimination of all forms of forced** or compulsory labour.

---

<sup>7</sup> The full text can be downloaded from [http://www.oecd.org/findDocument/0,2350,en\\_2649\\_34889\\_1\\_1\\_1\\_1\\_1.00.html](http://www.oecd.org/findDocument/0,2350,en_2649_34889_1_1_1_1_1.00.html)

- **not discriminate against their employees** with respect to employment or occupation on such grounds as race, colour, sex, religion, political opinion, national extraction or social origin, unless selectivity concerning employee characteristics furthers established governmental policies which specifically promote greater equality of employment opportunity or relates to the inherent requirements of a job.
- take adequate steps to ensure **occupational health and safety** in their operations.
- in their operations, to the greatest extent practicable, **employ local personnel and provide training** with a view to improving skill levels, in co-operation with employee representatives and, where appropriate, relevant governmental authorities.

### Environment

Enterprises should, within the framework of laws, regulations and administrative practices in the countries in which they operate, and in consideration of relevant international agreements, principles, objectives and standards, **take due account of the need to protect the environment, public health and safety**, and generally to conduct their activities in a manner contributing to the wider goal of sustainable development. In particular, enterprises should:

- **assess**, and address in decision-making, the foreseeable **environmental, health, and safety-related impacts** associated with the processes, goods and services of the enterprise over their full life cycle. Where these proposed activities may have significant environmental, health or safety impacts, and where they are subject to a decision of a competent authority, prepare an appropriate environmental impact assessment consistent with the scientific and technical understanding of the risks, where there are threats of serious damage to the environment, taking also into account human health and safety, not use the lack of full scientific certainty as a reason for postponing cost-effective measures to prevent or minimise such damage.
- maintain contingency plans for preventing, mitigating, and controlling serious environmental and health damage from their operations, including accidents and emergencies.

### Combating Bribery

Enterprises should not, directly or indirectly, offer, promise, give, or demand a **bribe or other undue advantage to obtain or retain**

**business** or other improper advantage. Nor shall enterprises be solicited or expected to render a bribe or other undue advantage.

### **Science and Technology**

Enterprises should adopt where practicable in the course of their business activities, practices that permit the transfer and rapid diffusion of technologies and know-how, with due regard to the protection of intellectual property rights.

### **Competition**

Enterprises should, within the framework of applicable laws and regulations, conduct their activities in a competitive manner.

### **Furthermore the undersigned declares that**

- the proposed project does not limit physical or de facto access by indigenous or local users to natural resources;
  
- the proposed project does not cause compulsory resettlement and expropriation without indemnification of local inhabitants;
  
- the proposed project has no major impact on local cultural heritage.

*<Town, date>*,

*<Signature>*

*<Name>*

*<Position>*

*<Applicant's name>*

## **4.7 Appendix 7: Draft Emission Reduction Purchasing Agreement (ERPA)**

Draft of Emission Reduction Purchasing Agreement (ERPA) is attached as a separate document.