

Clean Development Mechanism (CDM) in Cambodia

Current Status of CDM in Cambodia

Basic Information (5 November 2010)

Project Status	Num.
CDM projects registered at EB	4
CDM projects approved by Cambodia's DNA	7
CDM projects at or after the validation stage	3

Source: IGES CDM Project Database < <http://www.iges.or.jp/en/cdm/report.html> >
and UNFCCC website < <http://cdm.unfccc.int/Projects/index.html> >

Approved CDM Projects (5 November 2010)

Type of project/Year	2006	2007	2008	2009	2010	Total
Biogas		2		1	1	4
Hydro power			1			1
Waste/heat gas utilisation			1			1
Biomass	1					1
Total	1	2	2	1	1	7

Source: Cambodia Climate Change Department < <http://www.camclimate.org.kh> >

Recent Activities in Cambodia

Event	Date	Venue
The 1 st National Forum on Climate Change	19-21 Oct. 2009	Phnom Penh

Source: Cambodian Climate Change Department < www.camclimate.org.kh >
UNDP Cambodia < <http://www.un.org.kh/undp/pressroom/press-releases/cambodias-first-national-forum-on-climate-change> >

Four Cambodia's CDM projects have been registered at the CDM Executive Board (EB): rice husk biomass cogeneration project in Kandal Province; biogas project at tapioca starch factory in Kampong Cham Province; methane recovery and utilisation at a pig farm in Kandal Province, and Kampot cement waste heat power generation project in Kampot Province. Three projects (one hydro power & two biogas) were approved by Cambodia's Designated National Authority (DNA) and are currently under validation.

National approval procedures are formally approved by the Cambodia's DNA and operated smoothly so far. Cambodian Government organised the first national workshop on climate change last year and many important stakeholders including politician participated its event. In addition, the DNA in Cambodia is active in proposing the CDM reform to the United Nations Framework Convention on Climate Change (UNFCCC) in order to further promote CDM in Least Developed Countries (LDCs).

The potential area for CDM in Cambodia may be particularly the agricultural sector, where major emissions occur in Cambodia although the total emission level is not so large.

In general, risks for project implementation, which are common in LDCs, may exist in Cambodia. As most projects are closely related to production in agricultural sector, those projects are highly vulnerable to the global market due to its export-oriented nature. Issuance of Certified Emission Reductions (CERs) from registered projects have not yet occurred because of some delay in the project implementation due to the recent global recession.

CDM Project Information

Approval Status (as of 5 November 2010)

Name of CDM Project Activity	Type of Project	Supplemental Information	Approval Date (D/M/Y)	Annual emission reduction (tCO ₂ /yr)	Project Participants (Host Country)	Project Participants (Others)	Status
Angkor Bio Cogen Rice Husk Power Project	Biomass	Rice husk	19/1/2006	51,620	Angkor Bio Cogen Co., Ltd.	Mitsubishi UFJ Securities Co., Ltd.	Registered
T.T.Y. Cambodia Biogas Project	Biogas	Agricultural Waste	4/7/2007	50,036	T.T.Y Agricultural Plant Development and IMEX Co. Ltd; Carbon Bridge Pte Ltd	None	Registered
Methane fired power generation plant in Samrong Thom Animal Husbandry,	Biogas	Animal Waste	15/10/2007	5,593	Samrong Thom Animal Husbandry	Mitsubishi UFJ Securities Co., Ltd.	Registered
Kampot Cement Waste Heat Power Generation Project (KCC-WHG)	Waste heat/gas utilisation	Cement production line	20/11/2008	17,107	Kampot Cement Company Co., Ltd.	None	Awaiting issuance request (06/09-04/10)
Kamchay Hydroelectric BOT Project	Hydro	New reservoir	20/11/2008	370,496	The Royal Government of Cambodia Electricite du Cambodge	Sinohydro Corporation Limited	Under validation
Biogas Project at MH Bio-ethanol Distillery, Cambodia	Biogas	Agricultural Waste	29/6/2009	52,831	MH Bio-Energy Co., Ltd	None	Under validation
W2E Siang Phong Biogas Project Cambodia	Biogas	Agricultural Waste	03/11/2010	27,121	W2E Siang Phong Ltd	None	Under validation

Source: IGES CDM Project Database < <http://www.iges.or.jp/en/cdm/report.html> > and UNFCCC website < <http://cdm.unfccc.int/Projects/index.html> >

Designated National Authority (DNA) Information

Source: Cambodia Climate Change Department. < <http://www.camclimate.org.kh/> >

(1) DNA Structure

DNA Board

Policy makers (at least at the level of the Undersecretary of State) for the Board Members

- Ministry of Environment (MoE)
- Ministry of Agriculture, Forestry and Fisheries (MAFF)
- Ministry of Industry, Mines and Energy (MIME)
- Ministry of Planning (MoP)
- Council for the Development of Cambodia (CDC)
- Ministry of Public Works and Transport (MPWT)

DNA Secretariat

The Cambodian Climate Change Department (CCD) of the MoE acts as the DNA Secretariat.

Technical Inter-ministerial Working Group

The energy technical working group

- Representatives from MIME (renewable energy, planning and hydroelectricity)
- Representatives from MOE (CCD, environment impact assessment, and one other relevant department)
- Representative from the Royal University of Phnom Penh (RUPP)
- Representative from the Royal University of Agriculture (RUA)
- Representative from the Institut de Technologie du Cambodge
- Representative from the MPWT.

The Forestry Technical Working Group

- Representatives from MAFF (Forest Administration, agronomy, planning)
- Representatives from MoE (CCD, environment impact assessment, natural conservation, one other relevant department),
- Representative from the RUPP
- Representative from the RUA

* MIME and other relevant ministries are also invited, if necessary.

➤ The chair is the Minister of Environment and the vice-chair is elected from either MAFF or MIME.

➤ The Board evaluates proposed CDM projects submitted to Cambodia's DNA to determine whether the projects are to be approved or rejected. A proposed CDM project requires the approval of each member and also an approval letter that will be issued with the signature from the chair of the Board.

➤ The Secretariat receives project applications and checks if the Project Design Document (PDD) and other application documents are complete.

➤ Assessment using the sustainable development criteria will not be conducted by the Secretariat who are not allowed to ask for the re-submission of the project documents or to reject the project, based on such assessment.

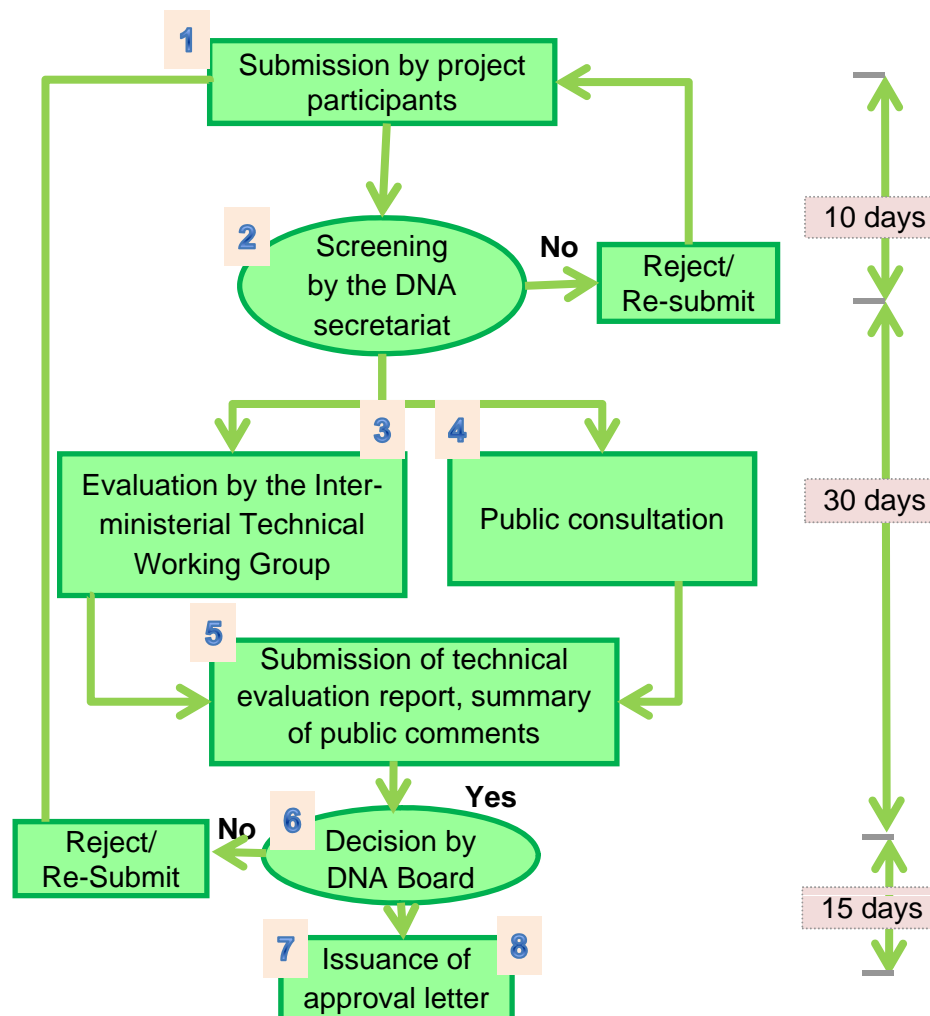
➤ The Secretariat coordinates working groups, that assess the PDDs, and asks for the project participants to submit further information, if necessary. The Secretariat may also request domestic or international technical experts for assessment of the PDDs.

➤ The technical working group assesses the PDDs based on the sustainable development criteria.

➤ After an assessment, the technical working group submits a Project Technical Assessment Report to the DNA secretariat.

(2) DNA Approval Procedure

1. The application form is provided by Cambodia's DNA and required application documents should be submitted to the DNA Secretariat. The application documents are as follows.
 - A) Documents to be submitted (mandatory):
 - ❑ Completed application form (downloadable from the CCD web-site)
 - ❑ PDD (Project Design Document)
 - ❑ Sustainable Development Compliance Checklist (downloadable from the CCD web-site)
 - ❑ Section A2 of the PDD (Description of the project activity) written in Khmer
 - B) Documents to be submitted (optional):
 - ❑ Environment Impact Assessment (EIA) Report
 - ❑ Stakeholders Consultation Report
 - ❑ Environment Management Planning Report
 - ❑ Approval letter for project investment, etc.
2. The DNA Secretariat checks if the submitted documents are complete (10 days). After screening, the Secretariat notifies the 1st meeting of an inter-ministerial technical working group, sends the PDD, and conducts public consultation.
3. The inter-ministerial technical working group assesses the PDD and holds the meeting.
4. After the 1st meeting, the working group prepares the Project Technical Assessment Report (within 10 days). After preparing the report, the 2nd meeting will be held. The public consultation will be ended.
5. The DNA Secretariat prepares a final evaluation report for DNA Board members (within 10 days). After submitting the report, a DNA Board meeting will be organised.



Source: Cambodia Climate Change Department.

<http://www.camclimate.org.kh/index.php?page=searchdocument&docid=b31>

6. Each board member assesses the final evaluation report (within 10 days). After 10 days, a Board meeting is organised again and makes the final decision.
7. An approval letter or notification of rejection is prepared (within five days).
8. An approval letter is issued to project participants (total 45 days for issuance).

(3) DNA Approval Criteria

A sustainable development matrix is used for the assessment of a project's contribution towards sustainable development. An inter-ministerial technical working group evaluates a proposed CDM project based on the Sustainable Development compliance checklist and PDD prepared by project participants. Evaluation criteria are classified into four groups: economic, social, environmental, and technology transfer and each indicator is evaluated according to three ratings: positive, neutral, or negative. No project is allowed to receive negative points at any indicators. If a project receives a negative point, it has to reconsider the design to satisfy the criterion and re-apply. The criteria are as follows.

Category 1: Environmental Protection and Improvement		
Eligibility Criteria	Indicator for Assessment	Legislation and Policy Reference Table*
1.1 Contribution to mitigation of global climate change	Change of GHG emissions	• Cambodia's National Communication under the UNFCCC
1.2 Reduction in air pollution	Change of air pollutant levels (Comparison with baseline scenario in the PDD)	• Sub-decree on Air Pollution Control and Noise Disturbance
1.3 Reduction in water pollution	Change of water pollutant levels (Comparison with baseline scenario in the PDDs)	• Sub-decree on Water Pollution Control • Strategic Plan on Water Resources Management and Development 2004-2008
1.4 Reduction in soil pollution	Change of soil pollutant levels (Comparison with baseline scenario in the PDDs)	• Sub-decree on Solid Waste Management
1.5 Reduction in noise pollution	Change of noise levels (Comparison with baseline scenario in the PDDs)	• Sub-decree on Air Pollution and Noise Disturbance
1.6 Biodiversity conservation	Impact on indigenous biodiversity resources at the ecosystem, species and/or genetic levels	• Draft Protected Areas Law • Royal decree on the Creation and Designation of Protected Areas
1.7 Sustainable use of land resources	Impact on land resources	• Draft Protected Areas Law • Royal decree on the Creation and Designation of Protected Areas
1.8 Rationale use of mineral resources	Rational use of mineral resources	• Law on Mineral Management and Exploration
1.9 Sustainable use of forest resources	Impacts on forest resources Management/implementation plan in place to mitigate the impacts	• Forestry Law • Community Forestry Sub-decree
1.10 Sustainable use of water resources	Impacts on water resources Management/implementation plan in place to mitigate the impacts	• Sub-decree on Water Pollution Control • Strategic Plan on Water Resources Management and Development 2004-2008
1.11 Archaeological, cultural, historical and spiritual heritage	Impacts on archaeological, cultural, historical and spiritual heritage	• Draft Protected Areas Law

Source: Cambodia Climate Change Department. <http://www.camclimate.org.kh/index.php?page=searchdocument&docid=b35>

* Legislation is not fully listed from the original document. Measure legislation is only selected.

Category 2: Social – Enhancement of Income and Quality of Life		
Eligibility Criteria	Indicator for Assessment	Legislation and Policy Reference Table*
2.1 Poverty alleviation	Impacts on livelihoods of local people	<ul style="list-style-type: none"> National Poverty Reduction Strategy 2003-2005 Cambodian Millennium Development Goals 2003
2.2 Provision of community infrastructures	Impacts on community infrastructure	<ul style="list-style-type: none"> Second Five-Year Socioeconomic Development Plan
2.3 Stakeholder consultation	Stakeholders were consulted and minimal impact identified	
2.4 Access to community assets	Change in access for the target communities to community assets	<ul style="list-style-type: none"> Sub-decree on Community Fisheries Sub-decree on Social Land Concessions
2.5 Equity in accessing the community benefits of the project for the target Communities	Equitable access for the target communities to the community benefits of the project	<ul style="list-style-type: none"> Sub-decree on Community Fisheries Sub-decree on Social Land Concessions
2.6 Creation of employment in country	Change in employment compared to the baseline; no jobs are created or lost	<ul style="list-style-type: none"> Labor Law
2.7 Impact on public health	Impact on public health	
2.8 Gender equity	Change in gender equity and women empowerment	<ul style="list-style-type: none"> Cambodian Millennium Development Goals 2003

Category 3: Technology Transfer		
Eligibility Criteria	Indicator for Assessment	Legislation and Policy Reference Table*
3.1 Transfer of appropriate and best available technology	<ul style="list-style-type: none"> - best available technology and technology well proven - best available technology and technology can easily be maintained locally - best available technology and technology appropriate for local economic and social conditions 	<ul style="list-style-type: none"> Cambodian Millennium Development Goals 2003 Second Five-Year Socioeconomic Development Plan
3.2 Capacity building	<ul style="list-style-type: none"> - transfer of skills for use and maintenance of technology/equipment - use of local companies to install and maintain equipment - training of local technicians in areas of expertise not available in 	<ul style="list-style-type: none"> Cambodian Millennium Development Goals 2003 Second Five-Year Socioeconomic Development Plan

Category 4: Economic Benefits		
Eligibility Criteria	Indicator for Assessment	Legislation and Policy Reference Table*
4.1 Use of local business and industries	Use of local businesses and industries	<ul style="list-style-type: none"> National Poverty Reduction Strategy 2003-2005 Cambodian Millennium Development Goals 2003
4.2 Share of project budget spent in country	Proportion of total budget spent in country on Cambodian economy	<ul style="list-style-type: none"> Investment Law
4.3 Reduced dependence on fossil fuels (energy projects only)	Frequent use of clean energy Dependence on fossil fuels	<ul style="list-style-type: none"> Renewable Energy Action Plan Cambodian Millennium Development Goals 2003
4.4 Reduced dependence on imported energy	Dependence on imported energy.	<ul style="list-style-type: none"> Renewable Energy Action Plan Cambodian Millennium Development Goals 2003

Source: Cambodia Climate Change Department. <http://www.camclimate.org.kh/index.php?page=searchdocument&docid=b35>

* Legislation is not fully listed from the original document. Measure legislation is only selected.

CDM Relevant Information

Kyoto Protocol Ratification Status

Ratification of the Climate Change Convention	13 December 1995
Ratification of the Kyoto Protocol	04 July 2002
Establishment of the Climate Change Office (CCCO) at the Ministry of Environment	23 June 2003
Appointment of the Ministry of Environment as interim DNA	15 July 2003
Establishment of the National Climate Change Committee	24 April 2006
The 4 th Meeting of the National Climate Change Committee	29 June 2009
Establishment of the Climate Change Department	14 October 2009

Source: UNFCCC website < <http://maindb.unfccc.int/public/country.pl?country=KH> >; Cambodia Climate Change Department
< <http://www.camclimate.org.kh/index.php?page=searchdocument&docid=b25> > Interview of the Cambodia Climate Change Department

Laws and Regulation to Apply for CDM Investment

Law on Investment

The Council for the Development of Cambodia (CDC)
<http://www.cdc-crdb.gov.kh/>



Law on Environmental Protection & Natural Resources Management

Sub-decrees on Water Pollution Control, Solid Waste Management, Air Pollution Control and Noise Disturbance



EIA Requirement

Sub-decree on Environmental Impact Assessment Process



Electricity Law

Forestry Law

Source: Cambodian Climate Change Department
< <http://www.camclimate.org.kh/index.php?page=searchdocument&docid=b25/> >

UNFCCC Related Works

Cambodia's First National Communication	August 2002
Cambodia's National Adaptation Programme of Action to Climate Change	October 2006

Source: UNFCCC website
< <http://maindb.unfccc.int/public/country.pl?country=KH> >

List of Example Cases Required for EIA in Cambodia

* Referred only relevant projects for CDM

Projects	Production Capacity
Rice mill and cereal grains	More than 3,000 tons/year
Rubber factories	More than 1,000 tons/year
Chemical fertilizer plants	More than 1,000 tons/year
Cement industry, oil refinery, gas factory	All projects
Waste disposal plants	All projects
Wastewater treatment plants	All projects
Mining	All projects
Power Plants	More than 5MW
Hydro power projects	More than 1MW
Agriculture and agro-industrial land	More than 10,000 ha

Source: Annex of Sub-decree No.72 ANRK.BK. (MOE, 1999)

Proposed New Methodology (as of 5 November 2010)

Name of CDM Project Activity	Type of Project	Supplemental Information	Approval Date (D/M/Y)	Annual emission reduction (tCO ₂ /yr)	Project Participants (Host Country)	Project Participants (Others)	Status
Cambodia – Rural Electrification and Transmission Project (RETP) – 220 kV Interconnection between Cambodia and Vietnam.	Energy Efficiency	Supply Side	Not yet	53,616	Cambodia Electricite du Cambodge (EDC)	IBRD as trustee of one various Carbon Funds	Not approved at EB50
					Vietnam Electricite of Vietnam (EVN) Power Company 2 (PC2)		

Source: UNFCCC website < <http://cdm.unfccc.int/methodologies/PAmethodologies/pnm/byref/NM0269> >

Contact Information

Cambodia's DNA

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References

- Department of Climate Change for Cambodia DNA information
<http://www.camclimate.org.kh/>
- Market Mechanism Group, Institute for Global Environmental Strategies
 CDM Capacity Building Activities in Cambodia
<http://www.iges.or.jp/en/cdm/cambodia.html>

Naoki Torii, IGES Market Mechanism Group **November 2010**

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