

# Department of Energy

## Introduction to DNA Host Country Approval Process

*Designated National Authority*

*13 February 2014*



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# Overview

- **Introduction**
- **Background of the South African DNA**
- **The DNA and its Functions**
- **SA CDM Projects Portfolio**
- **Barriers to CDM Development in SA**
- **Conclusion**



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# Background of the South African DNA

- SA acceded to UNFCCC in 29 August 1997
- Ratified the Kyoto Protocol in 31 July 2002
- Department of Environmental Affairs – National focal point for Climate Change & responsible for:
  - Coordination of Climate Change activities
  - National Communications to the UNFCCC
  - Development of Environmental Legislation and regulatory frameworks
  - Other instruments – DOE's policies and targets on RE and EE
- DNA was established in December 2004
- Regulations establishing DNA gazetted in July 2005 under section 25 of the NEMA Act of 1998
- Cabinet approved establishment of DNA within the DOE as most projects were energy related



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# Functions of Designated National Authority

Cabinet approved establishment of DNA at DOE to perform the following functions:

## ***Regulation function:***

Project evaluation and approval in accordance with section 40(a) of the Marrakech Accords.

## ***Promotion function:***

To promote and facilitate the development of CDM projects in South Africa

Secure an adequate share of CDM investment in South Africa

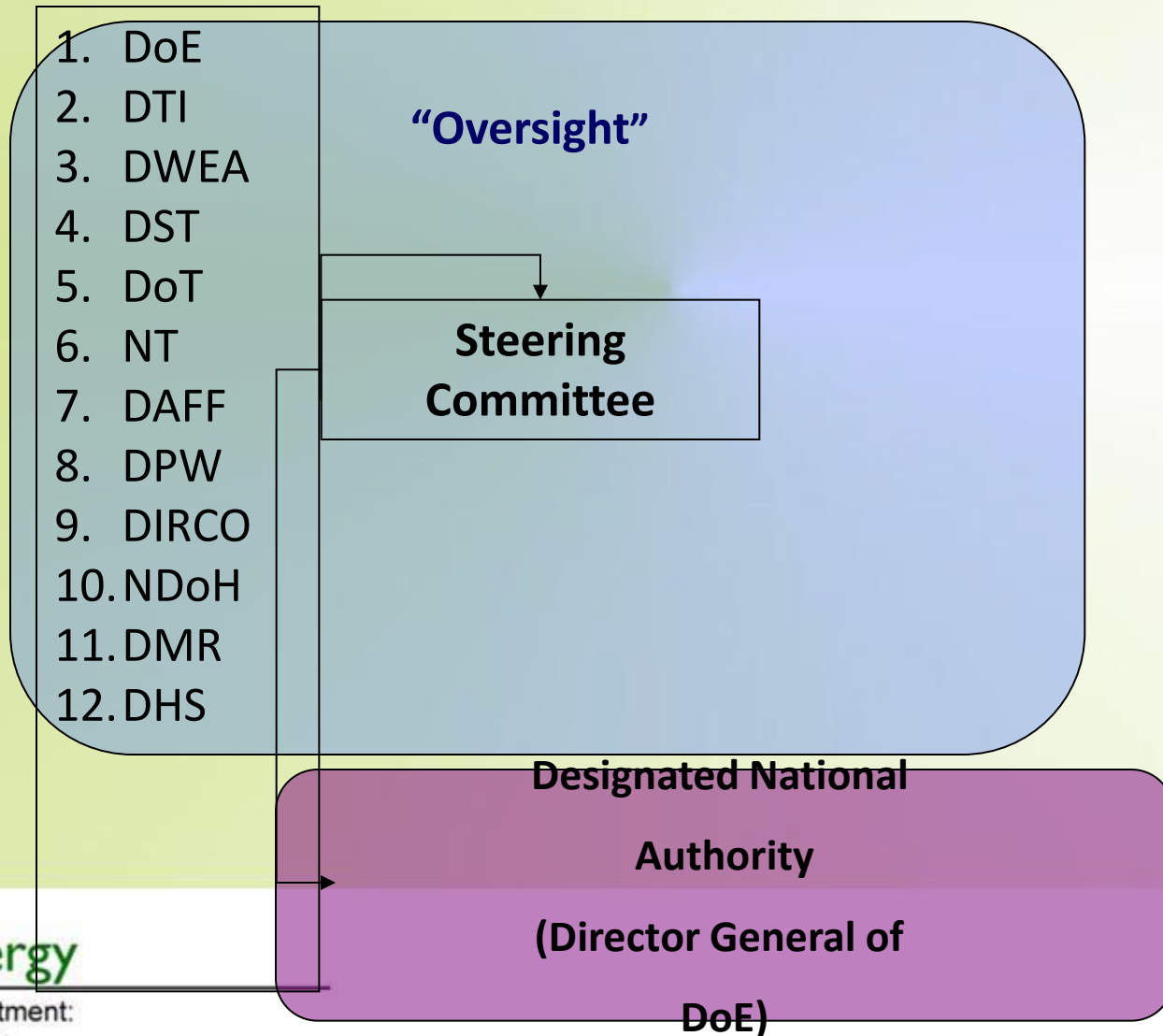
Ensure that the mechanism is in the national interest (Gov. objectives)



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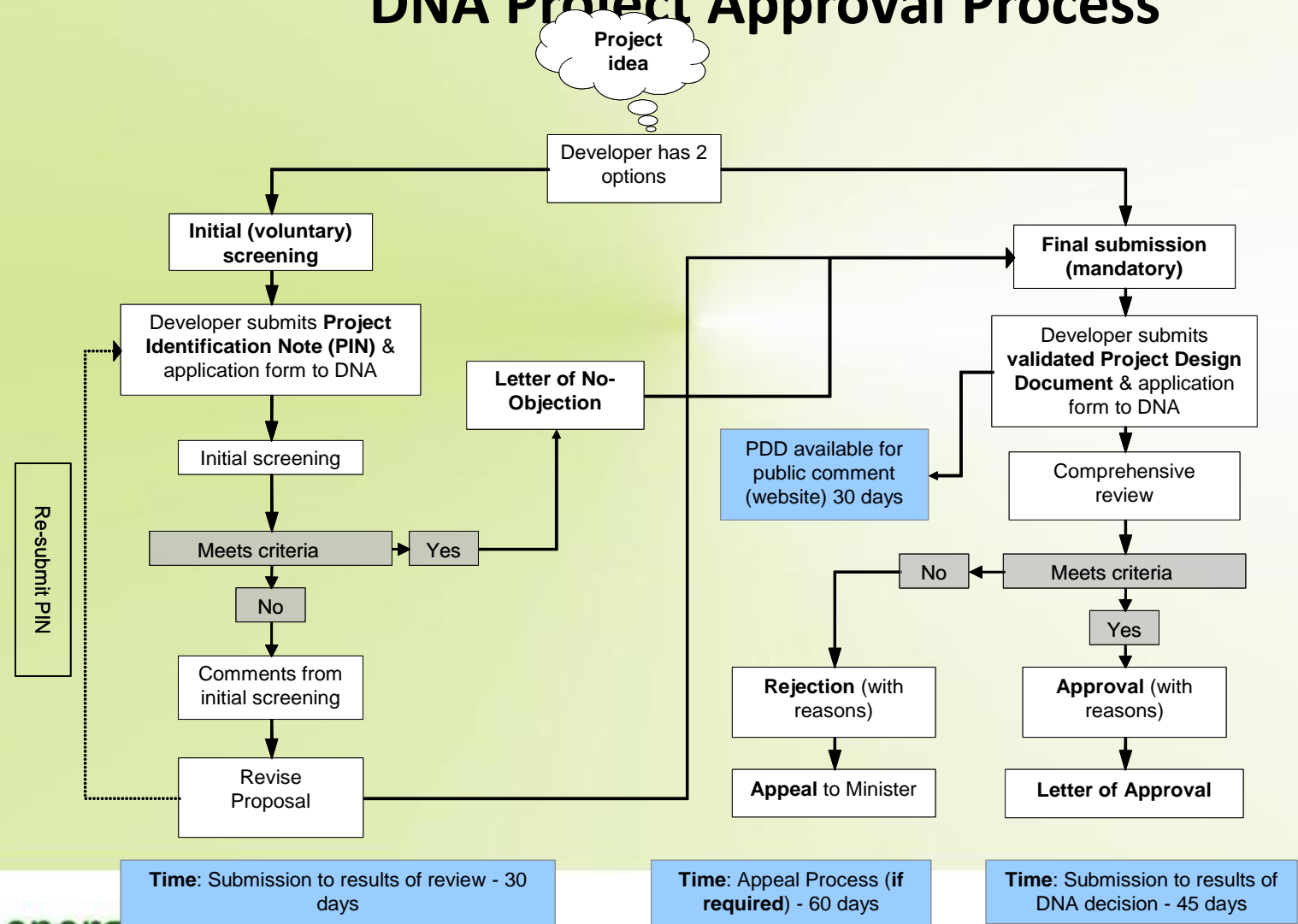
# Institutional Arrangement to Handle CDM in SA



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# DNA Project Approval Process



**Time:** Submission to results of review - 30 days

**Time:** Appeal Process (if required) - 60 days

**Time:** Submission to results of DNA decision - 45 days



# SD Criteria for CDM Project Approval

## Economic:

- Attract foreign investment to SA
- Technology and skills transfer: clean energy technologies such as cogeneration, RE ,EE, methane recovery etc
- Contribute to National EE and RE targets

## Social

- Job creation: no. of jobs and types
- Improved quality of life, e.g. Social upliftment through poverty alleviation
- Improved Access to services

## Environment

- Improved air quality, water quality, Impact on biodiversity and ecosystems

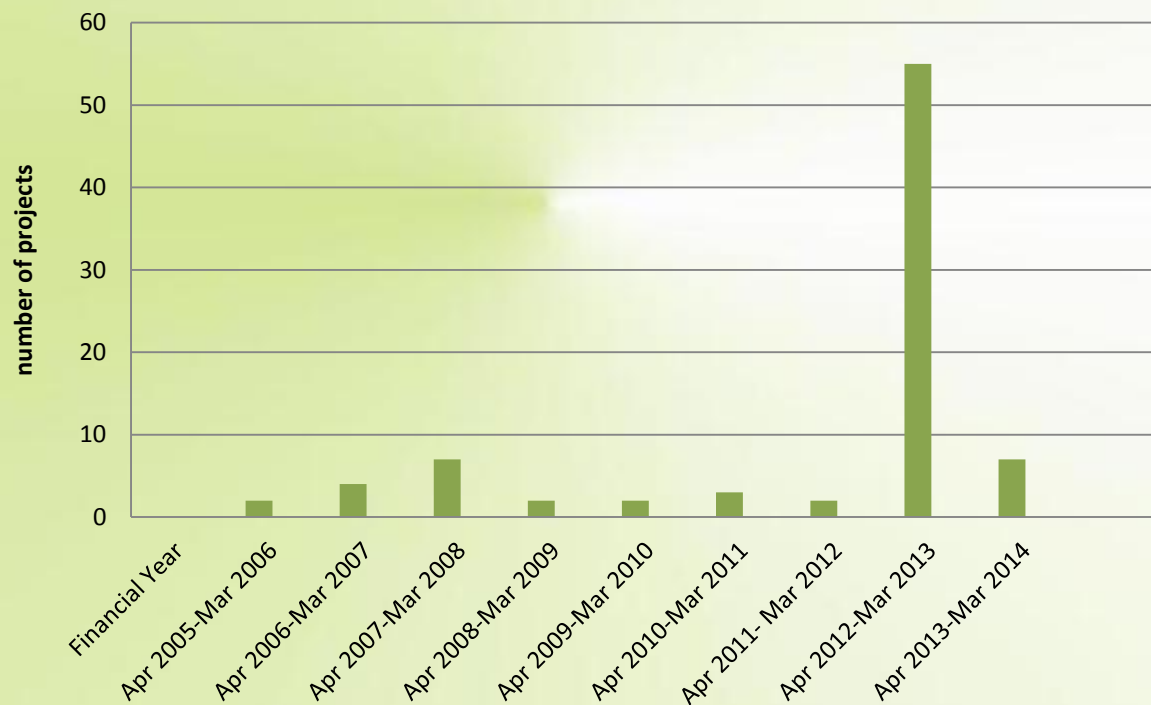


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# CDM PROJECTS PER ANNUM

Projects registration per financial year



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# SA PROJECT PORTFOLIO

Project	No Projects Reviewed	EB Registration	ISSUANCE
RE	149	41	-
EE	68	14	1
Fuel Switch	28	8	2
Nitrous oxide abatement	5	4	4
Bio-fuel (vegetable oil)	5	-	-
Industrial process (industrial steam to generate energy)	6	-	-
Waste Management / Methane recovery	59	16	3
Cogeneration( Furnace gas )	23	1	1
Transport	3	-	-
Afforestation	1		
<b>Total</b>	<b>347 (209 PINs, 138 PDDs)</b>	<b>84</b>	<b>11</b>



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# Challenges and Identified Barriers

- Continued uncertainty regarding continuity on the future of Kyoto and the role of CDM post-2012.
- Perception that the CDM is too much effort for too little reward – cumbersome processes and a drop/decline in CER price.
- Limited DOEs, high Validation and Verification cost
- Exclusion of CERs in the EU-ETS from developing countries for projects registered after 2012



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# Conclusion/Recommendation

- It is recommended that:
  - Need to explore alternative carbon markets, to allow for sale of CERs for projects registered post 2012.
  - Support advanced DNAs to strengthen other DNAs, DOEs, Potential project Participants within the same Continent, e.g. African Continent in order to improve the current status of 2% of CDM projects.



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# Highlights

**South African DNA entered the competition for “UNFCCC Changing Lives Competition,”**

- The competition takes place annually
- The theme for 2012 was on promoting and raising awareness on PoAs.
- The DNA submitted: PoA Communication Plan for South Africa, PoA Brochure, brief description of the meetings held, workshop reports as well as website linkage to PoAs in South Africa
- South Africa won the International Competition for the best DNA communicator of the year show case in the category of Non-Annex 1 countries with 10 or more registered CDM projects.
- In 2013 ,SA DNA won the first prize of the competition. The theme for 2013 was “When the going gets tough”, the UNFCCC Secretariat wanted to know what key messages the DNAs are communicating to local stakeholders regarding the benefits of the CDM



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Thank You

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