



The Republic of Serbia  
Ministry of Environment and Spatial Planning

No: 021-02-00004/2008-1

Date: 21.11.2008.

Belgrade

Pursuant to the Government Decision 05 No: 02-2099/2008-1 dated 5<sup>th</sup> June 2008, and the Agreement on Establishment of the National Authority for Implementation of Projects under the Clean Development Mechanism of the Kyoto Protocol, dated 30<sup>th</sup> July, the Minister of Environment and Spatial Planning passes:

### **RULES OF PROCEDURE**

on the working methodology, criteria and deadlines for assessment and approval of proposed Clean Development Mechanism (CDM) projects by the Designated National Authority for the implementation of CDM projects under the Kyoto Protocol

#### *Definitions*

##### Article 1

Certain terms used in these Rules of Procedure have the following meaning:

1. "**Serbian National Authority**" consists of the Expert Group and the Secretariat, the head of the National Authority is the minister in charge of environmental issues. The National Authority verifies and approves CDM projects under the Kyoto Protocol at the national level (hereinafter: DNA);

2. "**CDM project**" means Clean Development Mechanism project under the Kyoto Protocol;
3. "**Project Design Document (PDD)**" means project description in standard form approved by the Executive Board of the CDM under the Kyoto Protocol;
4. "**Project Idea Note (PIN)**" means project idea description in the form given in Annex 6 which is an integral part of these Rules of Procedure. In the project development process the PIN submission is voluntary and non obligatory;
5. "**Project participants**" means the project owner and investors;
6. "**The Expert Group**" consists of nominated representatives of the ministry in charge of water management, construction, economy, energy, environment, agriculture, regional development, mining, transportation, finance and forestry. The Expert Group provides opinion on submitted CDM projects, that is, checks compliance of these projects with the provisions of the Kyoto Protocol, national CDM indicators of sustainable development and with relevant positive laws of the Republic of Serbia. If necessary, activities of the Expert Group may be supported by explicitly invited experts as well as by representatives of institutions in charge of matters relevant to certain CDM projects without a nominated representative in the Expert Group;
7. "**The Secretariat**" means an organizational unit within the ministry in charge of environmental issues which is performing technical and administrative work for DNA, primarily including: reception of CDM project proposals, communication with stakeholders, coordination of DNA activities, checking if the project proponent has fulfilled his commitments under the Law on Environmental Impact Assessment, submission of CDM project proposals to the Expert Group, preparation of the draft Letter of Approval/Rejection and submission for approval of these letters to the ministries responsible for the proposed CDM project, preparation of the final Letter of Approval/Rejection, submission of the Letter of Approval/Rejection to the project proponent and performing other administrative work of the DNA;
8. "**The Interested Ministries**" means the ministries responsible for sectors in which CDM projects may be implemented without nominated representatives in the Expert Group;
9. "**The Public**" means one or more natural or legal bodies, their associations, organizations or groups;
10. "**The Interested Public**" means the public which is influenced or likely to be influenced by the CDM project, including non-governmental organizations dealing with environmental protection which are registered with the responsible authority.

*Submission of CDM project proposals*  
Article 2

For purposes of verification and approval of CDM project proposals, project participants have to submit to the Secretariat an application containing the following documentation:

- 1) Request for approval with the project title and name/names of project participants (Annex 2 which is an integral part of these Rules of Procedure);
- 2) Project Design Document (PDD);
- 3) Justification of the contribution of the proposed project to sustainable development of the Republic of Serbia, that is, listing which national CDM indicators of sustainable

development stipulated in Annex 1 of these Rules of Procedure have been fulfilled, with a short explanation;

4) Preliminary Final Validation Report prepared in accordance with procedures prescribed by the CDM Executive Board;

5) Decision on Approval of Environmental Impact Assessment of a particular project, if mandatory, or a Decision stating that, according to the law, that particular project is not subject to mandatory environmental impact assessment;

6) Contract, describing the relations between the parties participating in project preparation.

### *Process of handling the request for the approval of a project proposal* Article 3

Within the period of a maximum 3 days after receiving the request for approval of project proposal the DNA Secretariat has to verify that the documentation is complete. If the documentation referred to in Article 2 of these Rules of Procedure is not submitted with the request, the Secretariat will send, without delay, request to project participants to submit the missing documentation.

If a project participant does not submit the missing documentation within a maximum of 10 days, his request will be considered rejected, and in case of further interest, the project participant must submit a new request.

When the documentation is complete, the Secretariat has to, for public consultation purposes, publish the Project Design Document (PDD) on the official DNA website.

The deadline for submission of public comments on PDD is 7 days after the publication of the PDD on the official DNA website.

Upon expiration of the period referred to in paragraph 1, that is, paragraph 3 of this Article, the Secretariat will forward the received documentation to the Expert Group members for providing opinion including the competent authority's explanation on the approval/rejection of the proposed project.

Within the period referred to in paragraph 1 of this Article, the Secretariat will, in consultation with the Expert Group members, determine a list of interested ministries, that is, the ministries of Serbian Government which are competent for certain CDM projects and which do not have representatives involved in activities of the Expert Group, and will submit the received documentation to the interested ministries for opinion.

### *CDM project assessment* Article 4

The Ministries which have nominated representatives in the Expert Group have to, within the period of 15 days upon receiving the documentation referred to in paragraph 6, Article 3 of these Rules of Procedure, submit their opinion on the proposed project, including an explanation for such opinion.

In case of a negative opinion, it is necessary that the explanation contains reference to elements in which the proposed project is contrary to the provisions of the Kyoto Protocol,

national CDM indicators of sustainable development and relevant positive laws of the Republic of Serbia, with reference to certain provisions.

If within the period prescribed in paragraph 1 of this Article, the ministry which has nominated representative in the Expert Group, that is, the interested ministry, does not submit its opinion, that is, does not explain its position in accordance with paragraph 2 of this Article, the Secretariat will infer that the interested ministry has raised no objection and will continue the procedure.

#### *Meeting of the Expert Group* Article 5

A meeting of the Expert Group may be held in order to discuss all issues related to the work of the National Authority, that is, to enable consultation between Expert Group members in the process of assessment of the proposed projects.

An Expert Group member has a right to call for organization of a meeting of the Expert Group for evaluation of the proposed projects at any time within the period of 8 days after receiving the documentation referred to in paragraph 6, Article 3 of these Rules of Procedure, and with the aim of discussing other issues related to the work of the National Authority, at any time.

In cases referred to in paragraph 2 of this Article, the Secretariat will call a meeting within the period referred to in Article 4, paragraph 1 of these Rules of Procedure.

By way of exception to paragraph 2 of this Article, the Secretariat may call a meeting of the Expert Group at any time.

During the meeting the Expert Group will, through consensus, decide on matters related to the work of the National Authority.

Beside the invitation to the meeting of the Expert Group, the Secretariat will also submit a draft agenda.

If a project proposal has been submitted to an interested ministry for opinion, the Secretariat will invite that ministry to attend the meeting called for evaluation of the proposed project.

The meeting will be chaired either by the head of the DNA or a person authorized to represent him at the meeting.

If an Expert Group member is unable to attend the meeting, the Ministry has to send other nominated representatives of that Ministry as delegate for that specific meeting.

#### *Public consultation* Article 6

The Secretariat will submit opinions obtained during the public consultation referred to in paragraph 5, Article 3 of these Rules of Procedure to the members of the Expert Group.

Expert Group members will, during the evaluation of the project proposal, take into consideration the relevant opinions referred to in paragraph 1 of this Article.

The Interested Public participation will also be realized through the process of obtaining opinions on Environmental Impact Assessment.

*Request for submission of additional information*  
Article 7

Expert Group members may, through the Secretariat, request additional information from project participants within the period of 8 days after receiving the documentation referred to in paragraph 6, Article 3 of these Rules of Procedure.

The request referred to in paragraph 1 of this Article must be elaborated supported by arguments and made in such a way that it does not put the claimant in a less favorable position in comparison to other project proponents, and that it does not incur unnecessary costs to the project applicant.

Such a request prolongs the deadline for the submission of opinions for additional 15 days after submission of the information requested, while the final deadline for the submission of additional information is 10 days after filing the request referred to in paragraph 1 of this Article.

*Decision-making method and the final decision of the DNA*  
Article 8

Based on the opinion of the Expert Group, the Secretariat will, within the period of 3 days after the expiration of the period referred to in paragraph 1, Article 4, that is, the deadline referred to in paragraph 3, Article 7, prepare a Draft Letter of Approval or a Draft Letter of Rejection.

If the Ministry which has nominated representatives in the Expert Group does not submit an opinion with explanation within the period specified, it will be inferred that the ministry's opinion is positive.

If any of the ministries with a representative in the Expert Group, that is, an interested ministry has submitted a negative opinion with explanation, the Secretariat will make a Draft Letter of Rejection using the standard form given in Annex 5, which is an integral part of these Rules of Procedure.

If all ministries with representatives in the Expert Group, that is, the interested ministries have submitted a positive opinion, the Secretariat will make a Draft Letter of Approval using the standard form given in Annex 4, which is an integral part of these Rules of Procedure.

The minister in charge of environmental issues will submit the Draft Letter of Approval/Rejection to the ministry in charge of that particular CDM project for giving consent.

The competent ministry referred to in paragraph 5 of this Article is obliged to submit their consent to the Draft Letter of Approval or the Draft Letter of Rejection within the period of 3 days upon receiving it.

If the competent ministry referred to in paragraph 5 of this Article does not submit the approval within the period specified, it will be inferred that the ministry gave its approval.

After receiving the approval referred to in paragraph 5 of this Article, the minister in charge of environmental issues will sign the Letter of Approval, that is the Letter of Rejection and submit it to project participants within the period of 3 days.

If the competent ministry referred to in paragraph 5 of this Article submits a negative opinion on the Draft Letter of Approval/Rejection, the Secretariat will call a meeting, in accordance with the provisions of Article 5 of these Rules of Procedure, for reevaluation of the proposed project.

In case referred to in paragraph 9 of this Article, the ministries which have nominated representatives in the Expert Group are obliged to submit a new opinion on project proposal within the period of 3 days after the meeting.

*Publishing the National Authority decision*  
Article 9

The Secretariat will publish the DNA decision on the official DNA website.

*Language and correspondence*  
Article 10

All requests, including the follow-up documentation of the CDM project proponents, must be submitted to the DNA in written and electronic form, in Serbian and English language.

By way of exception to paragraph 1 of this Article, Preliminary Validation Report can be submitted only in English language.

The Secretariat will forward, all documents in written and electronic form to the Expert Group, and the opinions of Expert Group members will be submitted in the aforementioned forms.

Other correspondence between the Secretariat and members of the Expert Group will be handled exclusively in electronic form.

*Submission of the Project Idea Note (PIN)*  
Article 11

For the purpose of gaining support for the Project Idea Note (*PIN*), project participants shall submit to the Secretariat an application containing the following documentation:

- 1) Project Idea Note (*PIN*) in the form given in Annex 6 of these Rules of Procedure;
- 2) Justification of the contribution of the foreseen project to the sustainable development of the Republic of Serbia, that is, listing which national CDM indicators of sustainable development stipulated in Annex 1 of these Rules of Procedure have been fulfilled, with a short explanation.

On decision-making process for supporting the *PIN*, the provisions concerning the decision-making process for approving CDM projects will apply, with exception of the provision on the deadline for submitting an opinion on *PIN*.

Deadline for submitting an opinion on PIN by the ministry with a nominated representative in the Expert Group is 8 days after receiving the PIN.

Support for the PIN will be submitted as a Letter of Support, contained in Annex 3 of these Rules of Procedure.

*Entry into force*

Article 12

These Rules of Procedure will enter into force on the day of their enactment by the minister in charge of environmental issues.

Annex 1

CRITERIAS OF SUSTAINABLE DEVELOPMENT AND TABLE OF NATIONAL CDM INDICATORS

In order to determine contribution of proposed CDM projects to sustainable development of the Republic of Serbia, Table of national CDM indicators of sustainable development supplied in this Annex is to be used. Criterias are divided into areas and indicators in compliance with national indicators of sustainable development (Sustainable Development Strategy of the Republic of Serbia).

Proposed project has to meet at least one of given indicators for each of the three sustainable development criteria.

<b>Criteria</b>	<b>Area</b>	<b>Indicators</b>	<b>Remark</b>
<b>Economic</b>	1. Investment conditions	<ul style="list-style-type: none"><li>- Involvement of local partners and the way it has been realized</li><li>- Contribution of the project to the increase of foreign investments</li><li>- Contribution of the project to existing activities in given area</li></ul>	
	2. Sustainable transfer of technology	<ul style="list-style-type: none"><li>- Best available technology</li><li>- Technology compliant to requirements of a local conditions</li></ul>	

	<p>3. Economic development of the region</p>	<ul style="list-style-type: none"> <li>- Contribution of the project to development of undeveloped regions</li> <li>- Impact of the project to electric energy price</li> <li>- Contribution of the project to infrastructure regional development/local community</li> </ul>	<p>Will project be implemented in an undeveloped area/region?</p>
	<p>4. Employment</p>	<ul style="list-style-type: none"> <li>- Contribution of the project to the opening of new working places</li> </ul>	<p>Will project contribute to employment/unemployment rate?</p>
	<p>5. Sectoral priorities</p>	<ul style="list-style-type: none"> <li>- Contribution of the project to sectoral priorities</li> </ul>	

	6. Costs and production	<ul style="list-style-type: none"> <li>- Energy intensity</li> <li>- Contribution of the project to reduction of local population/region dependence from import of energy - generating products</li> <li>- Contribution of the project to participation of renewable energy sources in total energy consumption</li> <li>- Contribution of the project to reduction of waste generation</li> <li>- Contribution of the project to waste management in compliance with environmental protection requirements</li> <li>- Energy intensity of traffic</li> </ul>	<p>Ratio of total energy consumed value and realized GDP</p> <p>Contribution to achievement of national goals regarding the share of renewable sources in total consumption of energy</p> <p>Consumption of energy for transport</p>
	1. Stakeholders' participation	<ul style="list-style-type: none"> <li>- Involvement of stakeholders in project preparation and implementation</li> <li>- Support to the project from stakeholders at local level</li> </ul>	

<b>Social</b>	2. Improvement of life conditions	<ul style="list-style-type: none"> <li>- Increased employment at local/regional level</li> <li>- Increase in revenues at local/regional level</li> <li>- Improvement of life conditions in poor and vulnerable communities</li> <li>- Improvement of gender equality</li> <li>- Contribution of the project to improvement of public health</li> </ul>	
	3. Capacity building	<ul style="list-style-type: none"> <li>- Contribution of the project to transfer of knowledge and experience necessary for use and maintenance of technology/equipment</li> <li>- Participation of local enterprises in project execution</li> <li>- Enabling local population to apply new knowledge, technologies and skills</li> </ul>	

<b>Environment and natural resources</b>	1. Energy resources (fuel switch, energy efficiency, energy savings, renewable energy sources)	<ul style="list-style-type: none"> <li>- Reduction of energy dependence of fossil fuels/import of energy - generating products</li> <li>- Energy intensity</li> <li>- Energy intensity of traffic</li> </ul>	
	2. Air	<ul style="list-style-type: none"> <li>- Reduction of GHG emissions</li> <li>- Reduction of other pollutants (VOC, SO<sub>2</sub>, NO<sub>x</sub>)</li> </ul>	Emission expressed in CO <sub>2e</sub> per capita
	3. Water	<ul style="list-style-type: none"> <li>- Contribution of project to improvement of drinking water quality</li> <li>- Contribution of project to sustainable water use</li> </ul>	Percentage of wastewater being treated
	4. Land	<ul style="list-style-type: none"> <li>- Consequences of changes in land use</li> <li>- Contribution to prevention of land degradation</li> <li>- Contribution of sustainable land use</li> </ul>	<p>In case that there are consequences to change in land use</p> <p>Name measures for prevention of land degradation</p>

	5. Biodiversity	<ul style="list-style-type: none"> <li>- Conservation of local and regional biodiversity</li> <li>- Contribution to conservation/increase in plant coverage</li> <li>- Contribution to conservation/increase in forest coverage</li> <li>- Contribution to sustainable use of biomass</li> </ul>	
	6. Natural resources	<ul style="list-style-type: none"> <li>- Contribution of project to sustainable use of water, forest, mineral resources etc.</li> </ul>	

## Annex 2

### APPLICATION FOR LETTER OF APPROVAL

Project participants

[ names]

[address]

On [date], project participants apply for issuance of Letter of Approval [project name].

Project participants have to submit the following documentation to DNA of the Republic of Serbia in written and electronic form, in Serbian and English language:

- 1) Project Design Document (PDD);
- 2) Justification of the contribution of the proposed project to sustainable development of the Republic of Serbia, that is, listing which national CDM indicators of sustainable development stipulated in Annex 1 of these Rules of Procedure have been fulfilled, with a short explanation;
- 3) Preliminary Final Validation Report, prepared in accordance with procedures prescribed by CDM Executive Board and which can be submitted only in English;
- 4) Decision on Approval of Environmental Impact Assessment of a particular project, if mandatory, or a Decision stating that, according to the law, that particular project is not subject to mandatory environmental impact assessment;
- 5) Contract, describing the relations between the parties participating in project preparation.

[date]

[project participants' names]

Annex 3

MEMORANDUM  
Government of the Republic of Serbia  
MINISTRY OF ENVIRONMENT  
AND SPATIAL PLANNING

Date

LETTER OF SUPPORT  
for (project name)  
(number of the LoS)

[recipient address]

Designated National Authority of the Republic of Serbia is compliant to submitted Project Idea Note (PIN) for the [project name].

This Letter shall not obligate DNA of the Republic of Serbia to issue Letter of Approval once Project Design Document has been submitted for assessment and approval.

[Minister,  
Chair of DNA]

Annex 4

MEMORANDUM  
Government of the Republic of Serbia  
MINISTRY OF ENVIRONMENT  
AND SPATIAL PLANNING

Date

LETTER OF APPROVAL  
for (project name)  
(number of the LoA)

[recipient address]

DNA of the Republic of Serbia has approved (project name) as CDM project and shall state the following:

1. The Letter confirms that Republic of Serbia has ratified Kyoto Protocol on 24 September 2007 and that it is a Party to the Kyoto Protocol.
2. The Letter confirms voluntary participation in proposed CDM project.
3. The Letter confirms that project contributes to the achievement of sustainable development aims of the Republic of Serbia.

[Minister,  
Chair of DNA]

Annex 5

MEMORANDUM  
Government of the Republic of Serbia  
MINISTRY OF ENVIRONMENT  
AND SPATIAL PLANNING

Date

LETTER OF REJECTION  
for (project name)  
(number of the LoR)

[recipient address]

DNA of the Republic of Serbia has rejected (project name) as a CDM project.

Reasons for rejection of (project name) have been appended to this Letter.

[Minister,  
Chair of DNA]

Annex 6

<b>Project Idea Note form (PIN)</b>	
<b>1. Project name and submission date</b>	
<b>2. Project proponent's name/title:</b>	Institution/entity: Public/private: Main business activity:
<b>3. Contact information</b>	Contact person: Address: Phone: Fax: E-mail:
<b>4. Project activity location</b>	Region: City/town: Municipality:
<b>5. Project description</b> (Describe project activity, main technical parameters, that is technology which will be used, expected results in accordance to GHG emission reduction, contribution to sustainable development on the basis of sustainable development criteria and indicators) (two pages maximum)	
<b>6. Current project status</b> (Pre-feasibility study, feasibility study, project idea only, project concept, main project in construction phase etc.)	
<b>7. Additionality</b> (What would happen in case of absence of project activity?)	
<b>8. Funding</b> Assessment of investment costs and available funds	

<b>9. Timeframe</b> Estimation of timeframe for implementation of proposed project	