



*Ministry for the*  
**Environment**  
*Manatū Mō Te Taiao*

# **Joint Implementation and the Clean Development Mechanism under the Kyoto Protocol**

**New Zealand's Guidelines and Procedures  
for Investment**

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**Environment**  
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# Notes to Reader

These guidelines will be updated if the New Zealand Government introduces new Joint Implementation and Clean Development Mechanism policies.

For any enquiries on these guidelines and procedures contact New Zealand's Designated Focal Point or Designated National Authority:

Postal address      Manager, Carbon Markets  
                         Ministry for the Environment  
                         PO Box 10362  
                         Wellington 6143  
                         New Zealand

Email                      [projects@mfe.govt.nz](mailto:projects@mfe.govt.nz)

Phone                     +64 4 439 7400

Fax                         +64 4 439 7700

# Introduction

The Clean Development Mechanism (CDM) and Joint Implementation (JI) are tools established as part of the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC). These tools allow Annex I (or developed) countries, or companies within those countries, to invest in projects that help them meet their greenhouse gas emission reduction commitments.

## Joint Implementation

JI allows Annex I countries to work together by jointly implementing initiatives that will reduce overall greenhouse gas emissions. This mechanism enables Annex I countries to meet part of their required cuts in greenhouse gas emissions by paying for projects that reduce emissions in other Annex I countries, in return for emission reduction units (ERUs). This means that countries, or entities within those countries, can find the least-cost method for meeting their emission targets.

## Clean Development Mechanism

CDM allows Annex I countries, or entities within those countries, to invest in projects in non-Annex I (or developing) countries that either reduce greenhouse gas emissions or sequester carbon in sinks. These projects help non-Annex I countries achieve sustainable development and generate certified emission reductions (CERs). CERs are used by Annex I countries or entities to meet their emission targets at the least cost.

Approval for JI or CDM projects can be obtained through a 'letter of approval'. In New Zealand, the Ministry for the Environment is the designated authority for issuing letters of approval for these purposes under, and in accordance, with these guidelines.

## Who these guidelines are for

These guidelines are for New Zealand-based entities wishing to invest in a JI or CDM project outside of New Zealand, and who want to transfer the resulting ERUs or CERs into the New Zealand Emission Unit Register (NZEUR). Under Article 6 and 12 of the Kyoto Protocol, project activities must have the approval of the Parties involved.

## Who these guidelines are not for

### New Zealand-based investors in New Zealand projects

New Zealand-based investors do not need a letter of approval to invest in a New Zealand project. New Zealand-based investors in New Zealand projects that have the agreement from the Crown to be issued emission units (for example through the Projects to Reduce Emissions programme) will receive Assigned Amount Units (AAUs) rather than ERUs. To be considered a JI project, and receive ERUs, overseas investors are required.

### Development of JI projects in New Zealand

If you have a New Zealand-based project (either a project under the Projects to Reduce Emissions programme, Te Apiti or Tararua 2 wind farms), or you have an overseas investor, and want to have your project considered as a JI project please see *New Zealand's Guidelines and Procedures for Track 1 Joint Implementation under the Kyoto Protocol*.

### New Zealand-based project developers of JI and CDM projects outside of New Zealand

Approval is required from the host party to register a JI or CDM project. In addition, formal acceptance is needed from the CDM Executive Board for a CDM project. Under certain circumstances formal acceptance may be needed from the JI Supervisory Committee for a JI project. More information on these processes is available at the UNFCCC website at <http://unfccc.int/>, the CDM Rulebook at <http://www.cdmrulebook.org/> and the JI Rulebook at <http://www.jirulebook.org/>. The New Zealand Designated Focal Point (NZ DFP) and New Zealand Designated National Authority (NZ DNA) are not involved in authorising entities to *develop* project activities outside of New Zealand. The NZ DFP and NZ DNA are only involved in authorising entities wishing to *invest* in a JI or CDM project outside of New Zealand for the purpose of transferring the resulting emission units (ERU or CER) into the NZEUR.

### Investors based outside of New Zealand or Australia

The NZ DFP and NZ DNA will only authorise entities to participate in JI or CDM projects if the entity meets the definition of a qualified person as defined by regulation 3 of the Climate Change (Unit Register) Regulations 2008. Only a 'qualified person' is able to open an account in the NZEUR. Information on how to open an account in the NZEUR is available at <https://www.eur.govt.nz/eats/nz/>

## Fees

Currently there is no application fee associated with letters of approval.

# Investing in a Joint Implementation Project

## New Zealand's designated focal point

All countries wishing to participate in JI must appoint a designated focal point (DFP). The DFP serves as a point of contact and has the authority to approve participation in JI projects.

New Zealand's DFP is the Carbon Markets team at the Ministry for the Environment. The contact details for the NZ DFP are:

Postal address	Manager, Carbon Markets Ministry for the Environment PO Box 10362 Wellington 6143 New Zealand
Email	<a href="mailto:projects@mfe.govt.nz">projects@mfe.govt.nz</a>
Phone	+64 4 439 7400
Fax	+64 4 439 7700

Joint Implementation activities are limited to Annex I Parties (developed countries that have ratified the Kyoto Protocol) that have quantitative greenhouse gas emissions reduction targets.

The emission reduction units generated by JI activities are issued out of the host party's assigned amount. The JI mechanism is arranged into two verification systems: track 1 and track 2. Under track 1, a country that meets the specific eligibility requirements can verify its own JI projects in its own country and issue ERUs. Track 2 JI projects require verification by the JI Supervisory Committee.

For approval of JI projects, the NZ DFP considers it unnecessary to duplicate evaluations within processes that are the responsibility of the host party, accredited independent entity and the JI Supervisory Committee.

## Letter of approval

Article 6 of the Kyoto Protocol requires the approval of a JI project by all Parties involved. Article 6.1 states that:

*"... any Party included in Annex 1 may transfer to, or acquire from, any such Party emission reduction units resulting from projects ... provided that, any such project has the approval of the Parties involved."*

Project participants must be authorised to participate. Article 6.3 states that:

*"A Party included in Annex 1 may authorise legal entities to participate, under its responsibility, in actions leading to the generation, transfer or acquisition under this Article of emission reduction units."*

When a New Zealand-based entity wishes to become an investor in a JI project activity, the role of the NZ DFP consists of two parts:

1. approval of the project
2. authorisation for the investor to participate.

Authorisation to participate in a JI project is given through a letter of approval to the investor. This letter is specific to the investor and project.

## Criteria for eligible entities

Applications for letters of approval should only be made by:

1. Persons (individual and entities) qualified to open a holding account in the NZEUR as defined under regulation 3 of the Climate Change (Unit Register) Regulations 2008. Information on how to open an account in the NZEUR is available at <https://www.eur.govt.nz/eats/nz/>
2. Persons (individual and entities) that will be receiving the ERUs in the initial distribution from the national registries of the host party.

## Types of Joint Implementation projects not eligible

The NZ DFP will not issue letters of approval for nuclear power plants and nuclear energy projects.

## Before applying for a letter of approval

The following steps must be taken before you can apply for a letter of approval:

1. Check the type of JI project is eligible.
2. Check you fit the criteria for eligible entities.
3. Open a holding account with the NZEUR.
4. Check that the project has been approved by the host party.
5. If it is for a track 2 JI project, check there is a project design document suitable for submission to an accredited independent entity.<sup>1</sup> If it is a track 1 project, a similar document should be available.

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<sup>1</sup> Paragraph 31 of the [annex to decision 9/CMP.1](#) often referred to as JI guidelines.

## Applying for a letter of approval

For a letter of approval for a project under the **track 1** procedure to be issued, the following documents in electronic and hard copy should be sent to the NZ DFP:

1. Letter of Approval Application (Appendix 1).
2. Joint Implementation Approval Application Form (Appendix 2).
3. A comprehensive document explaining the project. This could be a JI Supervisory Committee compliant project design document or a similar kind of document.
4. Host party letter of approval or similar.
5. A declaration of compliance with the host party and UNFCCC guidelines (Appendix 3).

For a letter of approval under the **track 2** procedure to be issued, the following documents in electronic and hard copy should be sent to the NZ DFP:

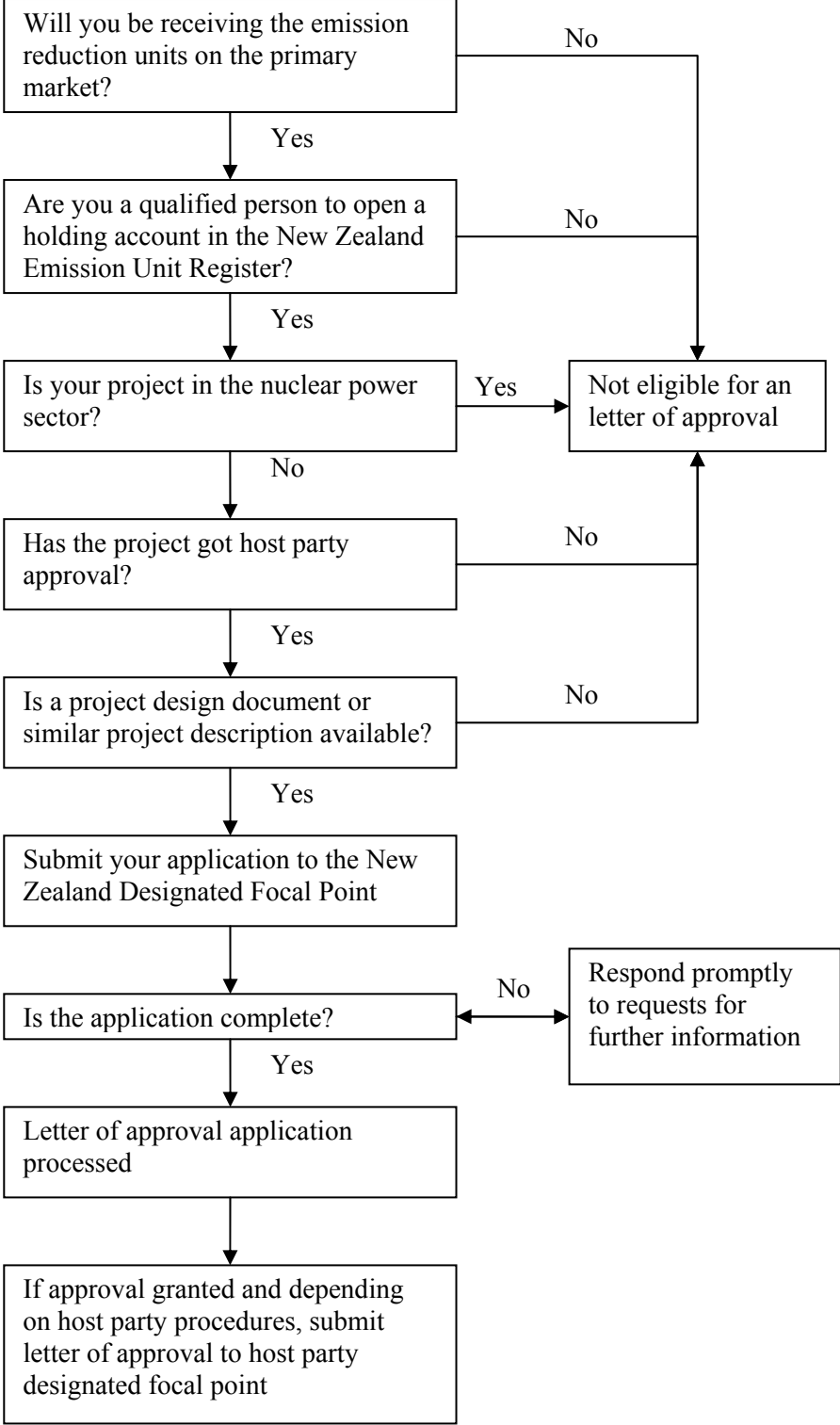
1. Letter of Approval Application (Appendix 1).
2. Joint Implementation Approval Application Form (Appendix 2).
3. A project design document according to paragraph 31 of the JI guidelines or a more developed project design document.
4. Host party letter of approval.
5. A declaration of compliance with the host party and UNFCCC guidelines (Appendix 3).

## Timeframes

The application for a letter of approval must be made **after** the project has host party approval. In addition, for track 2 projects, the JI Supervisory Committee's standard project design document for the project must exist (a project design document submitted according to paragraph 31 of the JI guidelines is a minimum).

The NZ DFP will endeavour to process your application for a letter of approval within 10 working days of receiving the application. If the NZ DFP assesses the application to be incomplete, this timeframe will be extended.

# Process for applying for a Joint Implementation letter of approval



# Investing in a Clean Development Mechanism Project

## New Zealand's designated national authority

All countries wishing to participate in the Clean Development Mechanism must appoint a designated national authority (DNA). The DNA serves as a point of contact for CDM in a country and evaluates and approves investor involvement in CDM projects.

New Zealand's DNA is the Carbon Markets Team at the Ministry for the Environment. The contact details for the NZ DNA are:

Postal address	Manager, Carbon Markets Ministry for the Environment PO Box 10362 Wellington 6143 New Zealand
Email	<a href="mailto:projects@mfe.govt.nz">projects@mfe.govt.nz</a>
Phone	+64 4 439 7400
Fax	+64 4 439 7700

A detailed institutional process exists to ensure that projects meet all the rules of the CDM as set out in the Marrakech Accords.<sup>2</sup> This process is governed by the CDM Executive Board. The NZ DNA considers it unnecessary to duplicate evaluations within this process that are the responsibility of the host party, designated operational entity (DOE) involved, or the CDM Executive Board. As an Annex I Party, the New Zealand DNA's main focus is in authorising voluntary participation of an entity in a CDM project.

## Letter of approval

Article 12 of the Kyoto Protocol allows for the approval and authorisation of CDM projects. Paragraph 5(a) of Article 12 states that:

*"Emission reductions resulting from each project activity shall be certified ... on the basis of: voluntary participation approved by each Party involved ..."*

In addition, in the [16th meeting of the CDM Executive Board, Annex 6](#), it was decided that:

*"A written approval constitutes the authorization by a designated national authority (DNA) of specific entity(ies)' participation as project proponents in the specific CDM project activity.*

*The DNA shall issue a statement including the following:*

- *The Party has ratified the Kyoto Protocol*
- *The approval of voluntary participation in the proposed CDM project activity."*

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<sup>2</sup> The meeting of the 7th session of the Conference of Parties to the UNFCCC.

Before an entity can receive certified emission reductions in the initial distribution, the CDM Executive Board will check that written approval has been given by the DNA in the Annex I country into whose registry the entity wishes to have their allocation of certified emission reductions deposited. If no approval has been given, CERs will not be issued into the project participant's account.

The registration of a CDM project activity can take place without an Annex I Party being involved at the registration stage. Before an Annex I Party acquires CERs from the CDM Registry, it shall submit a letter of approval to the Executive Board. The CDM Registry administrator will then forward CERs from the CDM Registry to the national registry of the Annex I Party. This is outlined in [18th meeting of the CDM Executive Board, paragraph 57](#).

A new letter of approval is required from the NZ DNA when a new project participant is added to a CDM project (whether this takes place before or after registration). This includes both the replacement of a project participant with another entity, or the addition of a new entity as a project participant (in addition to the existing project participants).

## Criteria for eligible entities

Applications for letters of approval should only be made by:

1. Persons (individual and entities) qualified to open a holding account in the NZEUR as defined under regulation 3 of the Climate Change (Unit Register) Regulations 2008. Information on how to open an account in the NZEUR is available at <https://www.eur.govt.nz/eats/nz/>
2. Entities that will be receiving the CERs in the initial distribution from the CDM registry.

## Types of Clean Development Mechanism projects not eligible

The DNA will not approve projects from the following sectors:

- nuclear power plants/energy projects
- afforestation / reforestation projects where the entity has chosen to receive long-term certified emission reductions (ICERs).

This is because emission units from nuclear power plants/energy projects and ICERs are prohibited to be held in the NZEUR by the Climate Change (Unit Register) Regulations 2008.

Afforestation/reforestation projects where the entity has chosen to receive temporary certified emission reductions (tCERs) are eligible for DNA approval. However, it should be noted that under regulation 8 of the Climate Change (Unit Register) Regulations 2008, entities may not transfer tCERs from a holding account to a surrender account of the NZEUR.

## Before applying for a letter of approval

The following steps must be undertaken before you can apply for a letter of approval:

1. Check the type of CDM project is eligible.
2. Check you fit the criteria for eligible entities.
3. Have a project design document [using the UNFCCC forms](#).  
Note: The NZ DNA does not want to be listed as an ‘other party’ in the project design document.
4. Obtain a letter of approval from the host party.
5. Make your project design document available for public comment, as required in the project validation process (outlined in the [13th meeting of the CDM Executive Board](#), paragraph 39).
6. Open a holding account with the NZEUR.

## Applying for a letter of approval

To apply for a letter of approval for a CDM project, the following documents in electronic and hard copy should be sent to the NZ DNA:

1. Letter of Approval Application (Appendix 1).
2. CDM Approval Application Form (Appendix 5).
3. Project design document.
4. Host party letter of approval.
5. A declaration of compliance with the host party and UNFCCC guidelines (Appendix 6).

Note that it is not necessary to include the project design document or host party letter of approval in the application if the project is [already registered](#) or [requesting registration](#).

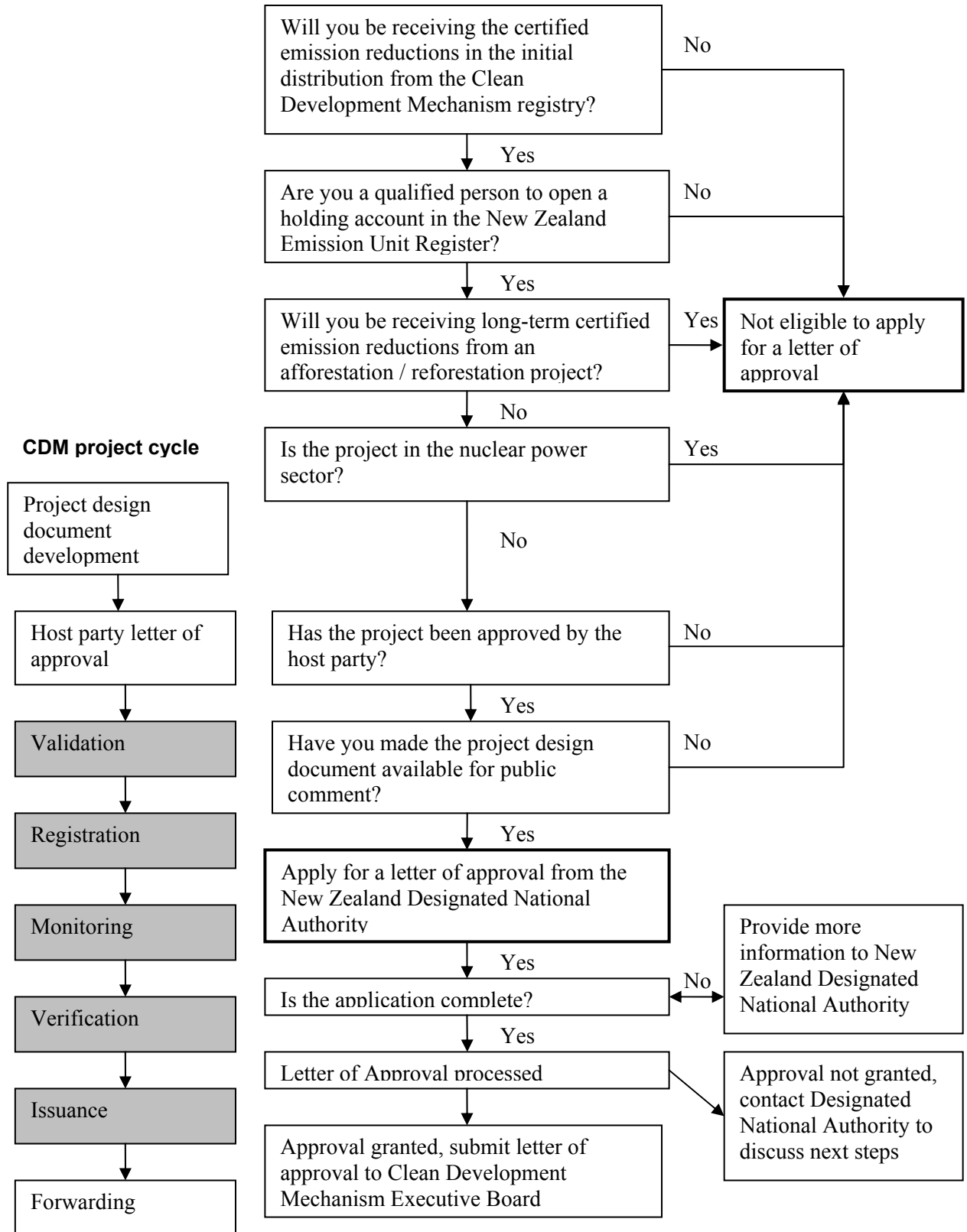
## Timeframes

The application for a letter of approval must be made after the project has host party approval and the project design document for the project has been made available for public comment. The timing of public comment on a project design document is outlined in the Annex of Decision3/CMP.1 Modalities and Procedures for a CDM, [paragraph 40](#).

The NZ DNA will consider your application for a letter of approval within 10 working days of receiving the application. If the NZ DNA assesses the application to be incomplete, this timeframe will be extended.

# Process for applying for a Clean Development Mechanism letter of approval

Note: Boxes shaded in grey indicate the stages in the CDM project cycle when you can apply for a letter of approval from the NZ DNA.



# Further Information

Glossary of climate change terms on the New Zealand government climate change website  
<http://www.climatechange.govt.nz/glossary.html>

Joint Implementation information on the UNFCCC website: <http://ji.unfccc.int>

Joint Implementation information on the JI rulebook website: <http://www.jirulebook.org/>

Clean Development Mechanism information on the UNFCCC website: <http://cdm.unfccc.int>

Clean Development Mechanism information on CDM rulebook website:  
<http://www.cdmrulebook.org/>

New Zealand's Emission Unit Register: <http://www.eur.govt.nz>

# Appendix 1: Letter of Approval Application

*To be provided on official letterhead of the applicant*

[Date]

Manager, Carbon Markets  
Ministry for the Environment  
PO Box 10362  
Wellington 6143  
New Zealand

Dear Sir/Madam

## **Approval to participate in a Joint Implementation / Clean Development Mechanism *[delete one]* activity**

I seek permission to participate, as an investor, in a Joint Implementation / Clean Development Mechanism *[delete one]* project activity. The specific project is called *[name of project]* and the host party is *[country name]*.

Please find attached a:

- completed Request for Letter of Approval for Participation in Joint Implementation / Clean Development Mechanism *[delete one]* Form
- completed Joint Implementation / Clean Development Mechanism *[delete one]* declaration
- project design document
- host party letter of approval.

Yours sincerely

*[Signature]*

*[Name of person authorised to sign]*  
*[Contact details – phone numbers and email]*

# Appendix 2: Joint Implementation Approval Application Form

## Request for Letter of Approval for Participation in Joint Implementation

If you have any questions about this form, please contact New Zealand's Designated Focal Point. Phone (04) 439 7400 or email [projects@mfe.govt.nz](mailto:projects@mfe.govt.nz).

<b>1. Project in brief</b>	
Project title:	
Project participant (developer):	
<b>2. Project participant (investor)</b>	
Name of the legal entity:	
Company number (if applicable):	
Name of authorised signatory:	
Phone number:	
Email address:	
Postal address:	
NZEUR holding account name:	
NZEUR holding account number:	
Years covered by this application:	
Emission reductions in CO <sub>2</sub> -e per year:	
Volume of ERU during CP1:	
<b>3. Host party</b>	
Country:	
Project location:	
Host party approval:	Date given: Internet link:
Emission Reductions Purchase Agreement signed:	Yes / No If yes, date:
<b>4. Project in detail</b>	
Determination status:	
UNFCCC reference number:	
Project summary description:	
<b>5. Attachments</b>	
Project design document	Yes / No Internet link:
Host party approval	Yes / No Internet link:
Determination report	Yes / No Internet link:
<b>6. Checklist</b>	
Answered all relevant questions	Yes / No
Signed and dated declaration	Yes / No

# Appendix 3: Joint Implementation Form of Declaration

Applicants requesting a letter of approval should submit a form of declaration of compliance with the rules and procedures of Joint Implementation on company letterhead using the following template.

An electronic and hard copy of all documents should be sent to:

Email address	<a href="mailto:projects@mfe.govt.nz">projects@mfe.govt.nz</a>
Postal address	Designated Focal Point Manager, Carbon Markets Ministry for the Environment PO Box 10362 Wellington 6143 New Zealand

## Form of declaration template

On behalf of *[insert name of company]*, I confirm that *[insert name of company]* is a project participant in “*[insert name of JI project activity]*” in *[insert name of host party]*, and is requesting approval from New Zealand’s Designated Focal Point of the *[insert name of JI project activity]* and authorisation of participation in *[insert name of project activity]*.

In doing so I *[insert name]* of *[insert place of abode and occupation]* solemnly and sincerely declare that:

1. Participation in the project activity complies with the internationally agreed rules governing the Joint Implementation, as laid out in the Marrakech Accords and subsequent relevant decisions.
2. **[Delete if the project has been subject to a final determination]:** *[insert name of company]* will inform the Designated Focal Point when the project has been subject to a final determination by the Supervisory Committee *[insert name of national authority]*.
3. **[Delete if the project has not been subject to a final determination]:** *[insert name of project]* has been subject to a determination by the Joint Implementation Supervisory Committee *[insert name of relevant national authority]* on *[insert date of registration/attach determination]*.
  - a. The project design document is attached.
  - b. The information supplied in the project design document is correct.
4. *[Insert name of company]* agrees that it is responsible for the performance of any functions that fall to it as a project participant, pursuant to the Joint Implementation guidelines (9/CMP.1), and any additional requirements imposed by and in accordance with the law of the host party.
5. *[Insert name of company]* understands that in granting approval, New Zealand’s Designated Focal Point will not consider those matters that fall within the competence of:
  - a. *[insert name of host party]* acting as host party in respect of this project.
  - b. *[insert name of accredited independent entity]*, appointed by the project participants as an accredited independent entity in respect of this project.
  - c. **[Delete as appropriate]** The host party focal point for Joint Implementation *[insert name of national authority]* / the Joint Implementation Supervisory Committee.

Signed \_\_\_\_\_

Name \_\_\_\_\_

# Appendix 4: Joint Implementation Letter of Approval Example

Date

Address of investor

## Project approval and investor authorisation under Article 6 of the Kyoto Protocol

The Ministry for the Environment, acting as New Zealand's Designated Focal Point (DFP) for Joint Implementation, for the purposes of Article 6 of the Kyoto Protocol and the decisions adopted pursuant to the United Nations Framework Convention on Climate Change,

Referring to:

- |                                  |   |
|----------------------------------|---|
| ▪ project reference:             | JI Supervisory Committee or host party reference number (specify) |
| ▪ project title:                 | 'The JI project'  |
| ▪ project participant:           | 'the investor'  |
| ▪ host party:                    |   |
| ▪ accredited independent entity: |   |

declares that:

1. The Government of New Zealand has ratified the Kyoto Protocol.
2. New Zealand participates in the flexibility mechanisms of the Kyoto Protocol on a voluntary basis.
3. This letter constitutes the DFP's approval, as required by Article 6 of the Kyoto Protocol and paragraph 31(a) of the Annex to 9/CMP.1, of the project based activity.
4. This letter constitutes the DFP's authorisation, as required by Article 6 of the Kyoto Protocol, of '*the investor's*' involvement as a project participant in the JI project.
5. In granting approval and authorisation, the DFP has not considered those matter that fall within the competence of the:
  - a. host party
  - b. accredited independent entity
  - c. Joint Implementation Supervisory Committee.
6. This letter does not imply or provide a commitment on the part of the New Zealand Government to support the JI project in the event that any host party legal or environmental requirement for the construction and operation of the JI project is not fulfilled and the JI project therefore is unable to proceed.
7. This letter has effect according to its terms and is not binding on the Government of New Zealand.

Signed

Date:

\_\_\_\_\_  
**MANAGER, CARBON MARKETS**  
**NEW ZEALAND'S DESIGNATED FOCAL POINT**

# Appendix 5: Clean Development Mechanism Approval Application Form

## Request for Letter of Approval for Participation in the Clean Development Mechanism

If you have any questions about this form, please contact New Zealand's Designated National Authority. Phone +64 4 439 7400 or email [projects@mfe.govt.nz](mailto:projects@mfe.govt.nz).

1. Project in brief	
Project title:	
Project participant:	
Has the project been: denied approval by another Annex I DNA?	Yes / No If yes, please provide the contact details of the DNA involved and reasons why approval was denied.
Has the project been given approval by the NZ DNA or another Annex 1 DNA?	Yes / No If yes, please provide the contact details of the DNA involved.
2. Project participant (investor)	
Name of the legal entity:	
Company registration number (if applicable):	
Name of authorised signatory:	
Phone number:	
Email address:	
Postal address:	
NZEUR holding account name:	
NZEUR holding account number:	
Years covered by this application:	
Tonnes of CO <sub>2</sub> -e abatement from the project for the years covered by this application:	
Volume of CERs during CP1:	
3. Host party	
Country:	
Modalities of communication:	
Project location:	
Host party approval:	Date given:                      Internet link:
Emission Reduction Purchase Agreement signed:	Yes / No                      If yes, date:

<b>4. Project in detail</b>	
Registration status:	
UNFCCC reference number:	
Sectoral scope:	
Emission reductions in CO <sub>2</sub> -e per year:	
Project summary description:	
<b>5. Attachments</b>	
Project design document	Yes / No      Internet link:
Host party approval	Yes / No      Internet link:
Validation report	Yes/No      Internet link:
<b>6. Checklist</b>	
Answered all relevant questions	Yes/No
Signed and dated declaration	Yes/No

# Appendix 6: Clean Development Mechanism Form of Declaration

Applicants requesting a letter of approval should submit a form of declaration of compliance with the rules and procedures of the Clean Development Mechanism on company letterhead using the following template.

An electronic and hard copy of all documents should be sent to:

Email address      [projects@mfe.govt.nz](mailto:projects@mfe.govt.nz)  
Postal address      Designated National Authority  
                                 Manager, Carbon Markets  
                                 Ministry for the Environment  
                                 PO Box 10362  
                                 Wellington 6143  
                                 New Zealand

## Form of declaration template

On behalf of [*insert name of company*], I confirm that [*insert name of company*] is a project participant in ‘[*insert name of project activity*]’ in [*insert name of host party*], and is requesting written approval from New Zealand’s Designated National Authority of voluntary participation in the Clean Development Mechanism in respect of this project activity.

In doing so I [*insert name*] of [*insert place of abode and occupation*] solemnly and sincerely declare that:

1. Participation in the project activity complies with the internationally agreed rules governing the Clean Development Mechanism as laid out in the Marrakech Accords and subsequent relevant decisions.
2. **[Delete if the project has been registered]:** [*insert name of company*] will inform the Designated National Authority when the validated project is registered.
3. **[Delete if the project has not been registered]:** [*insert name of project*] was registered by the Clean Development Mechanism Executive Board on [*insert date of registration*].
  - a. The project design document is attached.
  - b. The information supplied in the project design document is correct.
4. [*insert name of company*] agrees that it is responsible for the performance of any functions that fall to it as a project participant pursuant to the Marrakech Accords and any additional requirements imposed by, and in accordance with, the law of the host party.
5. [*insert name of company*] understands that in granting approval New Zealand’s Designated National Authority will not consider those matters that fall within the competence of:
  - a. [*insert name of host party*] acting as host party in respect of this project.
  - b. [*insert name of designated operational entity*], appointed by the project participants as designated operational entity in respect of this project.
  - c. The Clean Development Mechanism Executive Board.

Signed \_\_\_\_\_

Name \_\_\_\_\_

# Appendix 7: Clean Development Mechanism Letter of Approval Example

Date

Address of investor

## Approval of voluntary participation in a Clean Development Mechanism project under Article 12 of the Kyoto Protocol

The Ministry for the Environment, acting as New Zealand's Designated National Authority (DNA) for the Clean Development Mechanism (CDM), for the purposes of Article 12 of the Kyoto Protocol and the decisions adopted pursuant to the United Nations Framework Convention on Climate Change,

Referring to:

- UNFCCC project reference:
- project title:
- project participant:
- host party:
- designated operational entity:

declares that:

1. The Government of New Zealand has ratified the Kyoto Protocol
2. New Zealand participates in the flexibility mechanisms of the Kyoto Protocol on a voluntary basis.
3. This letter constitutes the DNA's approval, as required by Article 12 of the Kyoto Protocol and paragraphs 33 and 40(a) of the annex to 3/CMP.1 (CDM Modalities and Procedures), of the project activity.
4. This letter constitutes the DNA's authorisation, as required by Article 12 of the Kyoto Protocol, of XXX's involvement as a project participant in the CDM project activity.
5. In providing this written approval, DNA has not considered those matters that fall within the competence of the:
  - a. host party for this CDM project activity
  - b. designated operational entity/entities contracted by the CDM project activity
  - c. CDM Executive Board.
6. This letter does not imply or provide a commitment on the part of the New Zealand Government to support the CDM project activity in the event that any host party legal or environmental requirement for the construction and operation of the CDM project activity is not fulfilled and the CDM project activity therefore is unable to proceed.
7. This letter has effect according to its terms and is not binding on the Government of New Zealand.

Signed

Date:

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**MANAGER, CARBON MARKETS**  
**NEW ZEALAND'S DESIGNATED NATIONAL AUTHORITY**

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