



*Call for Projects generating  
Emission Reductions from CDM projects  
under the Austrian JI/CDM Programme*

**Call for Projects  
(Publication reference: KPC/CDM/2011/09)**

**Vienna, June 2011**



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**KOMMUNALKREDIT PUBLIC CONSULTING GMBH**

**Title:** Call for projects generating Emission Reductions from CDM projects under the Austrian JI/CDM Programme

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## 1 Introduction

Under the Kyoto Protocol and based on the “EU Burden-Sharing” Agreement **Austria** has committed itself to reduce its **emissions of greenhouse gases by 13 %** during the commitment period 2008 – 2012 compared to the base year level. In order to satisfy the emission reduction target and to fill the gap between this commitment and the actual emissions, the Austrian National Climate Strategy defines domestic measures, but supplementary also provides for the implementation of the project-related Flexible Mechanisms of the Kyoto Protocol, Joint Implementation and Clean Development Mechanism. Accordingly, the Directive for the Austrian JI/CDM Programme specified that JI/CDM projects shall be initiated in order to cost-effectively contribute to achieving the Austrian reduction commitment.

Thus an incremental budget was drawn up for the Austrian Programme amounting to a **total budget** for the Austrian Programme (2003 – 2012) of **EUR 531 million**.

**Kommunalkredit Public Consulting (KPC) GmbH** was put in charge of the Programme Management and acts on behalf of the Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management in this respect. KPC is a specialist in the management of support and consultancy programmes in fields of activity such as climate control, energy, water management, rehabilitation of contaminated sites, development co-operation and international consulting.<sup>1</sup> It is a wholly owned subsidiary of Kommunalkredit Austria AG, a specialist bank for public finance.

The Programme Management of the Austrian JI/CDM Programme publishes regular Calls for projects generating emission reductions under JI and CDM. Thus it guarantees non-discrimination and transparency to all potential project developers.

Hereby, a two-phase negotiation procedure with prior public announcement is launched for purchasing Emission Reductions **generated** by **Clean Development Mechanism (CDM) projects** within the Austrian JI/CDM Programme<sup>2</sup>.

The negotiation procedure is designed in a way to offer a flexible and efficient approach to those clients who intend to submit their emission reductions to the Austrian Programme. Consequently, the following structure is set up:

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<sup>1</sup> Detailed information can be found at <http://www.publicconsulting.at>.

<sup>2</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/en/portal/online\\_services/downloads/](http://www.ji-cdm-austria.at/en/portal/online_services/downloads/)

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Initially, the **Project Idea Note (PIN)** may be submitted **any time** from the date of publication of this Call until the specified closure date. If already available, the **Project Design Document (PDD)** may be submitted likewise. The evaluation of the project will be performed **continuously** within a maximum of 30 working-days from receipt of the complete documentation. The evaluation will ascertain that all selected projects meet or exceed the standards of the Austrian JI/CDM Programme.

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All selected projects may be invited to negotiations. Negotiations will be held individually with the applicant to conclude an ERPA. During negotiation the applicant will be invited to provide detailed project documentation as outlined in the tender dossier forwarded. All submitted proposals will be assessed applying the evaluation criteria given in the tender dossier and will result in determining the **eligibility of the applicant** and **the appendant project** to participate in and conclude an ERPA with the Austrian JI/CDM Programme.

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.

All interested Applicants are invited to provide their documents on the basis of this Call for projects.

## 2 Terms of reference

The **main purpose** of the Austrian JI/CDM Programme is the purchase of Emission Reductions generated by JI/CDM projects and the financing of certain project-related intangible investments and services<sup>3</sup> (e.g. baseline studies), if necessary for the success of projects.

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 following project types are explicitly named in §8 of the Directive for the Austrian JI/CDM-Programme. This listing of measures gives an overview over typical project types which are expected to be submitted as CDM projects under this Call for Expressions of Interest. Other equivalent project types are likewise admissible and may be submitted.

- Construction (or retrofitting) of combined heat and power installations;
- Fuel-switch projects in energy conversion installations and production plants to renewable energy sources or from energy sources with high carbon content to energy sources with lower carbon content, especially in existing district heating systems;
- Construction (or retrofitting) of generating plants operated with renewable energy sources (especially wind power plants, biogas or biomass combined heat and power plants as well as hydroelectric power plants);
- Projects whose purpose is the avoidance or (energy) recovery of landfill gas; ,
- Waste management measures which contribute to the avoidance of greenhouse gas emissions, especially through energy recovery from waste, if possible with waste heat utilisation;
- Energy efficiency projects: projects serving the reduction of end-user energy consumption in residential buildings, public and private office buildings as well as industrial applications and processes (including waste heat potentials).

Only Emission Reductions of **greenhouse gases named in Annex A** of the Kyoto Protocol are suitable for Emission Reductions generation under a CDM project; these are:

- Carbon dioxide (CO<sub>2</sub>)
- Methane (CH<sub>4</sub>)
- Nitrous oxide (N<sub>2</sub>O)

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<sup>3</sup> A detailed description on how to apply for funding of such immaterial services within the Austrian JI/CDM Programme is provided at [www.ji-cdm-austria.at](http://www.ji-cdm-austria.at).

- Partially halogenated hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Sulphur hexafluoride (SF<sub>6</sub>)

## 2.1 Conditions for Participation

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.

Generally, applicants may be natural or legal persons or groupings of such persons (**consortia**<sup>4</sup>). In case that the applicant is not the investor/owner of the project at the same time, the commitment of the project investor/owner to the applicant's entitlement to emission reductions should be evidenced by a signed **Letter of Confirmation**<sup>5</sup> (see *Appendix 3*).

Should the legal entity that will own the project not yet exist (e.g. a Special Purpose Company) at the time of submitting the Expression of Interest, 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.

In case that a third party (e.g. Consultant) is acting on behalf of the Applicant in this Call for EoI and all forthcoming activities there under, a signed **Letter of Authorisation**<sup>6</sup> should be provided.

## 2.2 Project related criteria

The capability of the provided project to generate Emission Reductions within the Austrian JI/CDM Programme should be demonstrated by providing:

- a) PIN or (for elaborated projects if available) PDD (see *Appendix 4*);
- b) the Letter of No Objection (LoNO) (if available)

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<sup>4</sup> A consortium may be a permanent, legally established grouping or a grouping which has been constituted for a specific tender procedure. All members of a consortium (ie the leader and all other partners) are jointly and severally liable to the Contracting Authority.

<sup>5</sup> An example of Letter of Confirmation is provided under Appendix 3.

<sup>6</sup> The Letter of Authorisation should specify the third party's scope of authority in attending to Applicant's interest. It should be issued by the Applicant.

KPC assesses the project according to the following criteria (in regard to the relevant Kyoto Protocol provisions and the Austrian regulations):

- CDM projects can only be carried out in host countries which meet the following requirements:
  1. Is a Non-Annex I Party to the UNFCCC;
  2. Has ratified the Kyoto Protocol<sup>7</sup>.
  3. Has designated a national authority (DNA)<sup>8</sup> for CDM;
  4. Is willing to voluntarily participate in a CDM project activity.
  
- Nuclear projects are generally excluded from the Austrian JI/CDM Programme.
- Projects must comply with the host country legislation, as well as with any criteria and requirements that the host country may have established for CDM-projects and must at least apply the technological standards of the host country.
- The technical description of the project has to state in detail and provide evidence
  - that the project is capable to generate Emission Reductions which can be used for fulfilling the Austrian commitment under the Kyoto Protocol;
  - that the estimation of the baseline and the potential Emission Reductions are based on realistic assumptions.

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<sup>7</sup> If the Host country has not yet ratified the Kyoto-Protocol, the EoI could still be submitted. However, the Kyoto Protocol ratification of the Host Country is a prerequisite for concluding an Emissions Reduction Purchase Agreement.

<sup>8</sup> If the DNA does not yet exist, the EoI could still be submitted. However, the existence of the DNA is a prerequisite for concluding an Emissions Reduction Purchase Agreement.

## 2.3 Contents of the Expression of Interest

Generally, all Expressions of Interest should contain the following items as provided in the below table.

No.	Item	Form
1.	<b>Cover letter</b>	see <b>Appendix 1</b>
2.	<b>Letter of No Objection (LoNO)</b> (if available)	see <b>Appendix 2</b>
3.	<b>Letter of Confirmation</b> (if applicable)	see <b>Appendix 3</b>
6.	<b>Letter of Authorisation</b> (if applicable)	<b>signed Statement</b>
13.	<b>Project Idea Note (PIN) or Project Design Document (PDD)</b>	see <b>Appendix 4</b>
14.	<b>Further Documents</b> as applicable	

Other relevant documents may have to be provided by the Applicant on request of KPC. The project should be submitted **adopting the standard forms** as provided in this call for projects (Appendix 1 to 4).

## 2.4 Evaluation of the Expression of Interest

All submitted projects will be checked for their completeness as specified under 2.3. The submitted documents will be evaluated in regard to the stated evidence as outlined under 2.2. KPC will evaluate the received project within a maximum of 30 working-days (from receipt of the complete documentation) and notify the applicant thereof.

## 3 General Conditions

### 3.1 Contract Specification

**Date of Publication:**

Publication issued on 30 June 2011.

**Contracting Authority**

**KPC** (Kommunalkredit Public Consulting GmbH)  
in its own name but for the account of the Austrian Federal Ministry of Agriculture,  
Forestry, Environment and Water Management.  
Austrian JI/CDM Programme  
Tuerkenstrasse 9  
A-1092 Vienna  
Austria

All communications **concerning this call for projects** should be directed to KPC in written form in English

- to the address stated above,
- or via e-mail to [kyoto@kommunalkredit.at](mailto:kyoto@kommunalkredit.at),
- or via fax under +43/1/31631-104.

KPC is available for all **general information** regarding the Austrian JI/CDM Programme. The contact details can be found on the Programme's web-site

[www.ji-cdm-austria.at](http://www.ji-cdm-austria.at).

**Nature of contract:**

Service Contract & Supply Contract

CPV: 24111210-0, Carbon dioxide, 40000000-2, Electricity, gas, nuclear energy and fuels, steam, hot water and other sources of energy, 90315200-0, Environmental improvement services

Purchase of Emission Reductions generated from CDM projects.

**Legal basis of the Austrian JI /CDM Programme:**

- the Kyoto Protocol and Marrakech Accords (Documents available under <http://unfccc.int/resource/docs/cop7/13a02.pdf>)
- the Austrian Umweltförderungsgesetz (UFG - Environmental Support Act BGBl.Nr.185/1993 in the version BGBl.I Nr. 24/2007) (Document available under <http://www.ji-cdm-austria.at/blueline/upload/umweltfoerderungidf23520072.pdf> , German only)
- "Guidelines to the Austrian JI/CDM Programme", (Document available under <http://www.ji-cdm-austria.at/blueline/upload/guidelineaustrijicdmprogramme23102007engl2.pdf> )

## 3.2 Submission of Expression of Interest

### Closure for receipt of applications

Projects under this call may be submitted until 12.00 Central European Time 30 **June 2012**.

Any application received after this deadline will not be considered under this call.

Applications under this call for projects may be submitted any time until the date as specified. Subsequently, selected applicants will be invited to negotiations.

Once this call is closed, it is intended to issue a further call under the Austrian JI/CDM Programme for purchasing Emission Reductions generated by Clean Development Mechanism (CDM) projects.

### How applications may be submitted

**1) One signed original hardcopy** of the project documents must be submitted exclusively to the specified addresses either by recorded delivery (official postal service) or hand delivery (including courier services).

**2) An electronic version** should be submitted complementarily via email to [kyoto@kommunalkredit.at](mailto:kyoto@kommunalkredit.at).

In case the hardcopy and the electronic version of the documentation differ, the hardcopy version is taken into account.

Postal address:

Kommunalkredit Public Consulting GmbH  
Austrian JI/CDM Programme  
Tuerkenstrasse 9  
1092 Vienna  
Austria

In accordance with the Austrian Environmental Support Act § 42 (3) Applicants do also have the possibility to submit their project to **Austria Wirtschaftsservice GmbH (AWS)** or **Oesterreichische Kontrollbank AG (OeKB)** if they apply at the same time for a state guarantee for the appendant project.

Postal address:

Oesterreichische Kontrollbank Aktiengesellschaft OeKB  
Strauchgasse 1-3  
1011 Wien  
Austria

or

Austria Wirtschaftsservice Gesellschaft mbH  
Ungargasse 37  
1030 Wien  
Austria

The application should be submitted in a sealed envelope with the contract title and the publication reference clearly marked on the envelope. Contract title and publication reference should always be mentioned in all subsequent correspondence with KPC.

### Application format and documents to be provided

Generally, the project should be submitted using the standard forms as provided under this call for projects (Appendices 1 to 4).

However, documents analogous to those provided under this call for projects may be accepted as an exception. (In case the provided documents as regards content differ from those provided under this call for projects, KPC may reject such documents). All supporting documents requested (e.g. trade register, balance sheet,..) should be supplied in the form of originals or photocopies. Where such documents are in a language other than the language of this call for projects, a faithful translation into English should be attached.

Projects may be excluded from the tender proceedings, if the applicant respectively project documentation does not comply with any of the requirements as provided in this call for projects.

KPC may request any additional information/ evidence concerning the submitted application within reasonable time.

### Number of applications

There is **no restriction on the number of applications** submitted by a single applicant. One single project documentation should only refer to one specific project or to a bundle of projects (preferably of equal project category within the same country).

### Number of candidates to be invited to negotiation

**No limitation.** All applicants and their appendant projects, that meet the criteria as set out in this call for projects may be invited to enter into negotiation with KPC.

### Operational language

All written communication under this call for projects must be in **English**.

## 3.3 Obligations

### Reimbursement for expenses related to the submission of project

Applicants will not get reimbursed for the submitted project documentation or any expenses in relation to the submission under this call.

### Ownership of Proposals

KPC retains the ownership in all project documentation received under this tender procedure. Consequently, Applicants have no right to have their project documentation returned to them.

### Sufficiency of Information

If the provided information is insufficient for evaluation KPC may request any additional information concerning the submitted Proposal within reasonable time.

KPC may also request to carry out a site visit and/or a clarification meeting within reasonable time in order to clarify any open questions.

The Applicant shall cooperate with KPC, the Republic of Austria, the Host Country, the Supervisory Committee and/or any entity involved in the process of Validation, Monitoring or Verification of the project and the Emission Reductions including, without limitation, execute and deliver all documents and statements and provide all information and data for such purpose upon reasonable request of KPC.

### **Information on Support or Guarantees**

According to § 40 of the Austrian Environmental Support Act (Umweltförderungsgesetz) the Applicant has to inform KPC if the Applicant has applied for or has been granted any support or guarantee for the CDM project by any national or international institution.

### **Right to Cancel or Interrupt Tender or Amend**

KPC reserves the right to cancel, interrupt or amend this tender procedure at any time without stating any reasons. KPC does not bind itself to accept any of the proposals.

### **Confidentiality**

KPC and the applicant shall treat as confidential all information obtained as a result of entering of the applicant into this tender procedure, in particular which relates to the Austrian JI/CDM Programme, the submitted proposals and projects, the negotiation procedure or any provisions of the contract being negotiated.

KPC and the applicant shall not disclose any such confidential information to any third party, except in those circumstances where disclosure is required in order to comply with any laws and/ or regulations, including without limitations the rules of the Kyoto Protocol, the Marrakech Accords, any relevant decisions, guidelines, modalities and procedures made pursuant to them and the Directive to the Austrian JI/ CDM Programme.

KPC shall be entitled to transmit all personal data, including without limitation obtained via automated data processing, provided in the offer (including within the PIN and/or the PDD) or obtained in relation to the processing or monitoring of the project to the various federal ministries, authorities and institutions, concerned, the chancellery and the Austrian board of Auditors (Rechnungshof). Furthermore, KPC and/or the Federal Ministry of Agriculture, Forestry, Environment and Water Management shall be entitled to publish any general information any time and the name of an Applicant, the purchase of Emission Reductions and the price payable per unit after signing of a purchase agreement.

### **Liability**

Applicants shall have no claims against KPC for reimbursement of costs or whatsoever damages (including, but not limited to damages resulting from non performance or lost opportunities) in connection with this tender procedure or the fact that no contract is awarded to the respective applicant.

### **Limitation of claims**

Any claim(s) that the proposal does not comply with any applicable laws must be notified by registered mail describing in sufficient detail the (alleged) infringement and the legal provision(s) in issue to KPC within two weeks as of the receipt or download of the EoI by the Applicant or other third party. If KPC rejects such claim(s) by written notice by fax or registered mail, all such claim(s) must be asserted with the competent court or other authority, as the case may be, within two weeks as of the date of receipt of such written notice by KPC. In case any of the before mentioned procedures or deadlines are not complied with by the Applicant or other third party any such claim(s) by such Applicant or other third party shall be null and void and may not be asserted with any court or other authority any more.

### **Governing Law, Jurisdiction**

This call and any claims connected therewith shall be governed and construed in accordance with Austrian law. KPC and the applicants irrevocably submit to the exclusive jurisdiction of the courts having jurisdiction for the first district of Vienna for any dispute arising out of, or in connection with this call.



## Call for projects (4 Appendices)

Vienna, June 2011

## **4 Appendices**

### **4.1 APPENDIX 1, Cover Letter**

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**Call for Expression of Interest for Emission Reductions generated by  
CDM projects under the Austrian JI/CDM Programme  
Publication reference: KPC/CDM/2011/09**

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**Name(s) of legal entity or entities making this application:**

**Nationality:**

**Contact Person**

Name:

Organisation:

Address:

Telephone:

e-mail:

**Name of the Project:**

I, the undersigned, being the authorised signatory of the above Applicant, hereby submit the attached Expression of Interest for evaluation within this Call for Expression of Interest for Emission Reductions generated from CDM projects under the Austrian JI/CDM Programme for the project referred to above.

If our Expression of Interest is selected, we intend to submit a proposal on the basis of the tender dossier of the Austrian JI/CDM Programme.

Name:

Signature:

Date:

## 4.2 APPENDIX 2, Letter of No Objection for CDM Projects

Undersigned, as a legal and authorised representative of *<name Host Country>*

referring to *<name of proposed project activity>*

proposed by *<name of Proposer>* hereafter to be referred to as "Applicant"

1. wishes to refer to the request by the Applicant that Emission Reductions generated by the aforementioned project be considered to be purchased by the Austrian JI/CDM Programme.
2. appreciates that the objective of the Austrian JI/CDM Programme is to purchase Emission Reduction Units (ERUs)/Certified Emission Reductions (CERs) generated by Joint Implementation (JI) and Clean Development Mechanism (CDM) projects that in due are expected to be eligible for the purposes of Article 6/12 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC) in accordance with the Kyoto Protocol and the relevant rules, guidelines and modalities adopted thereunder.
3. declares that
  - a) *<Host Country>* has ratified the Kyoto Protocol or is in the process of doing so.
  - b) *<Host Country>* has taken notice of the CDM project and is aware that the Applicant intends to sell ensuing Emission Reductions to the Republic of Austria.
  - c) *<Host country>* will assess the CDM project to the *<Host Country's>* criteria for CDM projects;
  - d) *<Host country>* will start discussions with the Applicant on the distribution of ensuing CERs.
  - e) *<Host country>* endorses further development of the CDM project in accordance with the Article 12 of the Kyoto Protocol and is committing itself to render such assistance as may be necessary in the future validation, verification, issuance and transfer of the CERs.

In case the results from the assessment and discussion as mentioned above are positive, *<Host Country>* will consider to grant formal approval of the CDM project with the intention to enable the transfer of CERs to the account of Austria.

*<town, country> <date>*

Signed for the Host Country:

Full Name Country:

Name:

Position:

Date:

Signature:

### 4.3 APPENDIX 3, Letter of Confirmation

Undersigned, as a legal and authorised representative of *<name of investor/owner of project>*

referring to *<name of proposed project activity>*

proposed by *<name of Proposer>* hereafter to be referred to as "Applicant"

- 1) wishes to refer to the request by the Applicant that Emission Reductions generated by the aforementioned project be considered to be purchased by the Austrian JI/CDM Programme.
- 2) confirms the *<investor's/owner's>* consent that the Applicant is authorized to sell ensuing Emission Reductions to the Republic of Austria provided that *<Host country>* will grant formal approval to *<name of proposed project activity>*.

*<Town, date>*

*<Signature>*

*<Name>*

*<Position>*

*<name of investor/owner of project>*

## **4.4 APPENDIX 4, Project Idea Note / Project Design Document**

PIN: <http://www.ji-cdm-austria.at/blueline/upload/72.doc>

PDD: [http://cdm.unfccc.int/Reference/PDDs\\_Forms/PDDs/index.html](http://cdm.unfccc.int/Reference/PDDs_Forms/PDDs/index.html)