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# Bolivia

## Report 2003 and Work Plan 2004

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## **1. Background/Introduction**

### **THE KYOTO PROTOCOL**

The Kyoto Protocol is the legal instrument adopted by the Conference of Parties (COP) of the United Nations Framework Convention on Climate Change (UNFCCC), that establishes quantified commitments for countries included in Annex I of the Convention (specially developed countries), with the purpose to reduce and limit the emissions of greenhouse gases (GHG).

The commitments adopted by the countries included in Annex I, which are listed in Annex B of the Kyoto Protocol (KP), represent a 5.2 % aggregated reduction of the GHG emissions of 1990 for the period between 2008 and 2012. Moreover, to support countries in Annex I to successfully comply with their commitments, the KP establishes flexible mechanisms such as the Clean Development Mechanism (CDM), which allows the implementation of projects among countries in Annex I and those not included in Annex I.

### **THE CLEAN DEVELOPMENT MECHANISM (CDM)**

The CDM, through specific projects, aims to obtain certified emissions reductions (CER) and, eventually, carbon sequestration units for the compliance of the quantified commitments by countries in Annex I. Article 12 of the KP, defines the CDM as a mechanism that has the purpose of assisting countries not included in Annex I to achieve its sustainable development, and contribute with the ultimate objective of the Convention, as well as to assist the Parties included in Annex I to fulfill their quantified commitments for limitation and reduction of emissions, as defined in article 3 of the KP.

Within the CDM framework, countries not included in Annex I ("Non-Annex I Countries") can benefit from projects that result in "certified emissions reductions" (CER), whereas Annex I countries can use the CER of these projects to contribute in the commitment of "part of their quantified commitments for limitation and reduction of emissions". The CDM is subject to the authority and guidance of the COP and to the supervision of an Executive Board. The reduction of emissions achieved in every project is validated and/or certified by operational entities designated by the Conference of the Parties (COP) of the Convention, on the basis of:

- a) The voluntary participation of every Party involved.
- b) Real, measurable and long-term benefits in the mitigation of climate change.
- c) Reductions of emissions, which are additional to the ones that would have happened in the absence of the certified project activity (condition also known as additionality).

### **NATIONAL FRAMEWORK FOR THE PARTICIPATION IN THE CDM**

#### **The National Clean Development Office**

In the context of the requirements of the Convention to participate in CDM, the National Government of Bolivia designated the Viceministry for Natural Resources and the Environment as the Designated National Authority (DNA) for the CDM. Moreover, by Administrative Resolution No. 20/02, the National Clean Development Office (CDO) was created as the operative instance of the DNA, in coordination with the National Program on Climate Change.

The NCDO started its operations on September 2002, to act as an agency for promotion in the market for carbon emissions reductions, in relation with the Kyoto Protocol.

### **CHARACTERISTICS OF THE CDM MARKET**

One of the most important market characteristics is its capacity to assign present values to futures. After taking into account the inherent risks, a market establishes a price for a title, based on the expectations on the capacity of this title to generate future revenues.

Markets are composed of investors and speculators. Speculation takes place considering the value of the titles in consideration, and this provides liquidity and risk takers in a way that, in a well-regulated market, contributes to the efficiency in the market. This futures trade activity occurs in every market and it is also developing in the carbon market.

The CDM will reach its major potential (in reduction of emissions and in increase of capital flow for sustainable development) if the principal institutional investors recognize the potential value of activities in CDM, and in the resources that generate emissions reductions.

If the investment basis for this projects is extended beyond the governments and direct emitters, then, mechanisms to capture the present and future value of the CER are needed, as a transparent market would do by exchanging these values in a simple way. In the beginning, the CER are most likely to be directly exchanged between sellers and buyers; nevertheless, a secondary market can emerge in the future.

In comparison with the cost of domestic actions in Annex I countries, there is a big incentive to participate in the CDM, because of the potential to reduce abatement costs through this Mechanism. Besides, there are low cost options in developing countries and opportunities of innovation trough the growing emerging markets.

### **THE CDM POTENTIAL IN BOLIVIA**

It has been established that Bolivia has potentials for CDM activities in the following sectors:

- Substitution of energy technologies with high emissions by others with fewer emissions.
- Efficiency in residential lighting.
- Increase in residential use of natural gas.
- Rural electrification with renewable energies.
- Use of solar energy for water heating.

In the forestry sector there are great potentials in afforestation and reforestation activities. In the future, trough CDM or other alternative schemes for emissions trading, there might be some opportunities for the development of the country with credits generated in sustainable forest management activities, assisted forest regeneration, alternatives to migratory agriculture, strengthening of protected areas and agro-forestry systems.

### **NCDO VISION**

The full implementation and national participation on innovative mechanisms for the mitigation of climate change which, at the same time, support poverty reduction and sustainable development in the country.

### **NCDO MISSION**

Politics and principles sustained by the Clean Development Office, are oriented to:

- Foster sustainable development activities trough the participation in Kyoto market and other voluntary markets.
- Promote the generation, development, implementation, and marketing of CDM projects in Bolivia.
- Incentivate the participation of the country in innovative schemes of joint implementation and trade of GHG emission rights.

## 2. Summary Table of Task and Activities

According to ToRs approved for year 2003:

### **P.1 Consolidation of the National CDM Office**

- A.1.1 Definition of internal norms and rules
- A.1.2 Staffing the CDM Office
- A.1.3 Build up inter institutional links

### **P.2 Analysis of the legal frame for CDM investments**

- A.2.1 Review of norms and regulations adopted by other countries in Latin America
- A.2.2 Analysis of local circumstances and assessment of the adoption of suitable elements from the framework of other countries to Bolivian conditions
- A.2.3 Identification of potential sources of conflict with existing norms and laws that call for local / specific responses and with the political conditions of the country
- A.2.4. Coordination homogenisation and coherence with other laws, especially with regulatory frameworks and norms existing in areas or sectors influenced by or influencing CDM actions
- A.2.5. Adoption of the regulatory statute after a participatory process involving the main stakeholders and socio-political actors on CDM issues, which includes the coordination and harmonisation of proposals and the decision of the appropriate legal for legal norm approving the statute.

### **P.3 Project evaluation and approval mechanisms**

- A.3.1 Identification of a set of indicators and criteria to ensure the congruence of national regulations with the rules established by the CDM Executive Board.
- A.3.2 Analysis of key elements to be consider in relation to national criteria
- A.3.3. Establish national procedures for the evaluation and approval of projects
- A.3.4. Technical consultation
- A.3.5. Issuing of technical standard

### **P.4 Design of guides for projects submission to the Executive Board**

- A4.1. Description of the project
- A4.2. Baseline Methodology
- A4.3. Account of emissions reduction
- A4.4. Contribution to sustainable development
- A4.5. Information of funding sources
- A4.6. Monitoring plan
- A4.7. Stakeholder participation

### **P.5 Establishing of a clearinghouse and information centre**

- A5.1. Latest development of rules and procedures for CDM projects
- A5.2. A roster of institutions and consultants that provide technical assistance on project identification, design, formulation and development
- A5.3. References to institutions and agencies acting as brokers in the transactions of CERs
- A5.4. Accredited operational entities that provided services on validation, verification and certification
- A5.5. Information on CERs markets including potential sellers and buyers, prices, and negotiation conditions
- A5.6. Identification of the available information levels
- A5.7. Design of the preliminary proposal of the IC structure
- A5.8. Design technical consultation and approval

### **P.6 Formulation of a CDM Policy and Strategy**

- A.6.1. Identification of policy definition levels involved
- A.6.2. Identification of problems and barriers
- A.6.2. (bis) Technical validation of problems and barriers
- A.6.3. Setting of objectives and their priorities
- A.6.3. (bis) Technical validation of objectives and priorities
- A.6.4. Quantification of goals and results
- A.6.4. (bis) Technical validation of goals and results

- A.6.5. Identification of agents spheres of action and roles, and their needs of training and capacity building as well as the mechanisms for coordination with such actors
- A.6.6. Definition of boundary conditions including sustainable development objectives criteria and project indicators
- A.6.7. Layout of action plans by objectives and strategies
- A.6.8. Identification of strengths weaknesses opportunities and threats (need of public validations alliances etc)
- A.6.9. Identification and proposal of mechanisms instruments and tools for the implementation of policies in accordance with the objectives and expected results
- A.6.10. Identification and implementation of mechanisms for the auditing monitoring and evaluation of the implemented strategies actions and mechanisms (success indicators)
- A.6.11. Definition of minimum conditions
- A.6.12. Technical validation of minimum conditions

#### **P.7 Technical support to Climate Change negotiations**

- A7.1. Analysis of documents and resolutions issued by the CDM Executive Board, COPs and other instances.
- A7.2. Development of proposals or criteria related to Decisions 15/CP.7 and 17/CP.7, and all work related to modalities and procedures for a clean development mechanisms as defined in Article 12 of the Kyoto Protocol
- A7.3. Elaboration of background documents for submission and negotiation within the UNFCCC process
- A7.4. Participation in negotiation events

#### **P.8 Pipeline of projects**

- A8.1. Revision and updating of the projects identified by the NSS-WB Study
- A8.2. Identification of new options
- A8.3. Definition of sectors to be considered as priority areas, in relation to both their contribution to domestic objectives and their competitiveness in the international market
- A8.4. Organisation of national workshops to inform and train potential national projects developers in the identification of planned and/or existing mitigation projects as eligible and feasible CDM projects
- A8.5. Analysis of the redefinition of planned and/or existing mitigation projects as eligible and feasible CDM projects
- A8.6. Identify potential financial sources for developing CDM project proposals
- A8.7. Organisation of promotional workshops to put in contact potential project developers and interested investors or financial entities

#### **P.9 Capacity Development and Training Activities**

- A9.1. On the job training
- A9.2. Training workshops
- A9.3. National workshops
- A9.4. Project regional workshops
- A9.5. Regional workshops and seminars

## Part 1: Annual Report 2003

### 3. Activities carried out throughout 2003, including Identified Barriers for the implementation of activities

Activities carried out according to that were expected in the Work Plan for the project implementation first year. In the Table were also identified/emerging barriers and opportunities that also constitutes elements to manage for continuing/beginning during 2004.

Expected Activity according to 2003 ToR's	Level of execution – fulfilment and references	Continuity – opportunities / barriers
<b>P1: Consolidation of the National CDM Office</b>		
A1.1. Definition of internal norms and rules	Advanced. Basic Definition (handbook of functions)	It requires DNA's approval
A1.2. Staffing the CDM Office	At present working.	
A1.3. Build up inter institutional links	Network advanced	It requires systemic consolidation
<b>P2: Analysis of the legal frame for CDM Investments</b>		
A2.1 Review of norms and regulations adopted by other countries in Latin America	Finished	It represents the base for create the legal regulation in the country.
A2.2. Analysis of local circumstances and assessment of the adoption of suitable elements from the framework of other countries to Guatemala conditions.	In process	
A2.3. Identification of potential sources of conflict with existing norms and laws that call for local specific responses and with the political conditions of the country	In process	It depends of social-political conditions of country.
A2.4. Coordination, homogenisation and coherence with other laws especially with regulatory frameworks and norms existing in areas or sectors influenced by or influencing	It has been included like documents 's phases of norms and regulations analysis adopted by countries of Latin America and the Caribbean about environmental services and GEI 's commerce, and also like analysis of regional legislation elements applicable to Bolivian regulation area.	There are common elements between both documents. It permits a better interpretation and analysis.

Expected Activity according to 2003 ToR's	Level of execution – fulfilment and references	Continuity – opportunities / barriers
CDM actions.		
A2.5. Adoption of the regulatory statute after a participatory process involving the main stakeholders and socio-political actors on CDM issues, which includes the coordination and harmonisation of proposals and the decision of the appropriate legal for legal norm approving the statute.	In process.	It needs adjustments.
<b>P.3. Project evaluation and approval mechanisms</b>		
A3.1. Identification of a set of indicators and criteria to ensure the congruence of national regulations with the rules established by the CDM Executive Board	Initial period advanced and presented to adequate authority.	Adjustments programmed for 2004.
A3.2. Analysis of key elements to be consider in relation to national criteria	Completed	
A3.3. Establish national procedures for the evaluation and approval of projects	Completed	Procedures for testing. Adjustments of Evaluate Commission.
A3.4. Technical consultation	Advanced	
A3.5. Issuing of technical standard	Advanced	Testing and implementation.
<b>P.4. Design of guides for projects submissions to the Executive Board</b>		
A4.1. Description of the project	Programmed for next year.	There was only presented procedures for making the Guidelines for the Presentation of Clean Development Mechanism Projects in Bolivia
A4.2. Baseline methodology	Programmed for next year.	The first barrier was the need to count with a period of time more extensive.
A4.3. Account of emission reductions	Programmed for next year.	The first barrier was the need to count with a period of time more extensive.

Expected Activity according to 2003 ToR's	Level of execution – fulfilment and references	Continuity – opportunities / barriers
A4.4. Contribution to sustainable development	Programmed for next year.	The first barrier was the need to count with a period of time more extensive.
A4.5. Information on funding sources	Programmed for next year.	The first barrier was the need to count with more extensive period of time.
A4.6. Monitoring plan	Programmed for next year.	The first barrier was the need to count with more extensive period of time.
A4.7. Stakeholder participation	Programmed for next year.	The first barrier was the need to count with more extensive period of time.
<b>P.5. Establishing of a clearinghouse and information centre</b>		
A5.1. Latest development of rules and procedures for CDM projects	Completed. It was presented the diagram of information system.	They were describes phases of PIN and PDD documents approved, validation and registration, verification and certification.
A5.2. A roster of institutions and consultants that provide technical assistance on project identification, design, formulation and development	Planned. Phases were not been advanced.	The first barrier was the need to count with more extensive period of time, because of the adjustments in phase A5.1
A5.3. References to institutions and agencies acting as brokers in the transaction of CERs	Planned. Phases were not been advanced.	The first barrier was the need to count with more extensive period of time.
A5.4. Accredited operational entities that provided services on validation, verification and certification	Planned. Phases were not been advanced.	The first barrier was the need to count with more extensive period of time.
A5.5. Information on CERs markets including potential sellers and buyers, prices, and negotiation conditions	Planned. Phases were not been advanced.	The first barrier was the need to count with more extensive period of time.
A5.6. Identification of the available information levels	Advanced.	Subjects were defined in information system.
A5.7. Design of the preliminary proposal of the IC structure	Advanced.	Subjects were defined in information system.

Expected Activity according to 2003 ToR's	Level of execution – fulfilment and references	Continuity – opportunities / barriers
A5.8. Design technical consultation and approval	Planned according to previous phases definition.	Planned according to previous phases definition.
<b>P.6. Formulation of a CDM Policy and Strategy</b>		
A6.1. Identification of policy definition levels involved	Finished. Political recommendations were identified.	Consultation phase pending
A6.2. Identification of problems and barriers	Pending. Initial phase has not been started yet.	Planned in diagnosis phase.
A6.2. (bis) Technical validation of problems and barriers	Advanced.	Diagnosis in process until 7/2004.
A6.3. Setting of objectives and their priorities	In process.	Objectives, goal and scopes were defined in general.
A6.3.(bis) Technical validation of objectives and priorities	In process until 7/2004.	In accordance with national regulations, periods of time must be adjustment to validate the diagnosis.
A6.4. Quantification of goals and results	Programmed.	They will be programmed during 2004.
A6.4 (bis) Technical validation of goals and results	Initial phase in process. En proceso inicial.	Development of activities during January, February and March of 2004.
A6.5. Identification of agents, spheres of action and roles, and their needs of training and capacity building as well as the mechanisms for coordination with such actors	Initial advance.	Development of activities during January, February and March of 2004.
A6.6. Definition of boundary conditions including sustainable development objectives criteria and project indicators	In process.	First phase 'II starts since January until July of 2004.
A6.7. Layout of action plans by	Pending. Only was presented the strategic profile during last month of 2003.	Though phase requires more time, some inputs were picked

Expected Activity according to 2003 ToR's objectives and strategies	Level of execution – fulfilment and references	Continuity – opportunities / barriers
A6.8. Identification of strengths, weakness, opportunities and threats (need of public validation alliances, etc.).	Pending. Phase requires more period of time.	up during November of 2003 (MDL Strategic Presentation Workshop). There were some inputs during November of 2003 (National Presentation of MDL Strategic Workshop) .
A6.9. Identification and proposal of mechanisms, instruments and tools for the implementation of policies in accordance with the objectives and expected results	Pending.	Phase requires more period of time, but anyway there were some inputs during November of 2003 (National Presentation of MDL Strategic Workshop).
A6.10. Identification and implementation of mechanisms for the auditing monitoring and evaluation of the implemented strategies actions and mechanisms (success indicators)	Pending.	Phase requires more period of time.
A6.11. Definition of minimum conditions	Pending.	Phase programmed for 2004.
A6.12. Technical validation of minimum conditions	Pending.	Phase programmed for 2004.
<b>P.7. Technical support to Climate Change negotiations</b>		
A7.1. Analysis of documents and resolutions issued by the CDM Executive Board, COPs and other instances	Completed.	Activity always in process.

Expected Activity according to 2003 ToR's	Level of execution – fulfilment and references	Continuity – opportunities / barriers
A7.2. Development of proposals or criteria related to Decisions 15/CP.7 and 17/CP.7, and all work related to modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol	Completed.	Constant activities.
A7.3. Elaboration of background documents for submission and negotiation within the UNFCCC process	Advanced.	
A7.4. Participation in negotiation events	Completed.	
<b>P.8. Pipeline of projects</b>		
A8.1. Revision and updating of the projects identified by the NSS-WB Study	Phase must be considered inside the strategic document.	Pipeline of projects has not been considered like independent input.
A8.2. Identification of new options	In process	Constant activity
A8.3. Definition of sectors to be considered as priority areas, in relation to both their contribution to domestic objectives and their competitiveness in the international market	Phase must be considered inside the strategic document.	Pipeline of projects has not been considered like independent input.
A8.4. Organisation of national workshop to inform and train potential national projects developers in the identification and preparation of project proposals	Completed.	Departmental Conferences Workshops were done in almost all country. There were suspended two workshops for social-political problems in Bolivia.

Expected Activity according to 2003 ToR's	Level of execution – fulfilment and references	Continuity – opportunities / barriers
A8.5. Analysis of the redefinition of planned and/or existing mitigation projects as eligible and feasible CDM projects	Advanced.	
A8.6. Identify potential financial sources for developing CDM project proposals	Missing.	Pipeline of projects has not been considered like independent input.
A8.7. Organisation of promotional workshops to put in contact potential project developers and interested investors of financial entities	Completed.	
<b>P.9. Capacity Development and Training Activities</b>		
A9.1. On the job training	Completed.	More activities were planned according to plan 2003-2004.
A9.2. Training workshops	Completed.	
A9.3. National Workshops	Completed.	National Strategic Definition Workshop (Nov. 2003), National Carbon Law Consult Workshop.
A9.4. Project regional workshops	Completed.	Departmental Conferences on Climate Change Workshops and MDL.
A9.5. Regional workshops and seminars	Completed.	Sustainable Development Framework Regional MDL projects Seminary participation. (Bs As Sept. 2003). Scenes and Methods for Analysis Research Regional Course Participation (San Carlos de Bariloche, Jun - 2003).

#### 4. Budget fulfilled

Activity	Assigned 2003	executed 2003	Observations
<b>1. Support to the National Office of CDM</b>	30.000	<i>26879</i>	
Staff (office coordinator)	25.000	19763	
Office Equipment, materials and communications	5.000	7116	
<i>Subtotal</i>	30.000	<i>26879</i>	
<b>2. Legal Frame for CDM investments</b>	5.000	3716	
<b>3. Project Evaluation and approval mechanisms</b>	10.000	0	
4. Design of guides for project submission	0	0	
5. Establishment of a clearinghouse and information centre	2.000	598	
6. Formulation of a CDM policy and strategy	7.500	6359	
7. Technical support to climate change negotiations	7.500	7500	
<b>8. Establishment of a pipeline of CDM projects</b>	0	0	
9. Training and capacity building	20.5000	8247	
9.1. National Workshops	10.000	5792	
9.2. Training Workshops	4.500	4000	
9.3. Regional Training Courses	6.000	0	
Overhead UNDP 3%	2.500	0	
<b>TOTAL</b>	<b>85.000</b>	<b>63090</b>	

## Part 2: Work Plan for 2004

### 5. Foreseen tasks and activities

The following Table shows the activities expected to be carried out during 2004, according to the objectives agreed in the ToR's of the CD4CDM project in Bolivia, and taking into account the continuity of some activities begun during 2003.

Activity included in ToR's for 2004	Description	Requirements
<b>P1: Consolidation of the National CDM Office</b>		
A1.1. Consolidation and adjustment of standards and internal regulations	Advanced.	Activities to be monitoring.
A1.2. Strengthening of CDO operation	ODL working	
A1.3. Consolidation of inter-institutional relations	Network advanced.	Activities in constant process.
<b>P2: Analysis of the legal frame for CDM Investments</b>		
A2.1 Coordination, homogenisation and coherence with the regulatory framework	TFinished.	It represents the basic frame in legal regulation of country.
A2.2. Issuing of the conceptual document for the primary consultation process (lobbying and consensus building stage) with the social agents, and adjustment of the legal text	Pending.	The work about documents presentation started late.
A2.3. Submission to Congress of the legal text, and advise for the formal public consultation	Pending. There has not been presented the legal document to competent authority yet.	There was a first technical consult about legal project, though there is not a formal document validation.
<b>P.3. Project evaluation and approval mechanisms</b>		
A3.1. Formalisation of indicators and criteria for the approval of CDM projects	Advanced.	Interinstitutional Agreement was emitted to ask for Projects Evaluate Commission (PEC).

Activity included in ToR's for 2004	Description	Requirements
A3.2. Formulation of the sustainable development verifiers and their validation through technical consultation	Pending.	Phase to adjustments.
A3.3. Development of annotated PIN and PDD versions for the information of local investors	Advanced.	Consultation phase pending.
<b>P.4. Design of guides for projects submissions to the Executive Board</b>		
A4.1. Description of the project	Advanced.	Validation phase pending.
A4.2. Baseline methodology	Advanced.	Validation phase pending.
A4.3. Account of emission reductions	Advanced.	Validation phase pending.
A4.4. Contribution to sustainable development	Advanced.	Validation phase pending.
A4.5. Information on funding sources	Advanced.	Validation phase pending.
A4.6. Monitoring plan	Advanced.	Validation phase pending.
A4.7. Stakeholder participation	Advanced.	Validation phase pending.
A4.8. Gathering and systematisation of the available material for the design of the Technical Guide	Include.	Guidelines only constitute procedures parameters. Must be exclude technical criterions.
A4.9. Design and approval of the Technical Guide structure	Include.	Guidelines only constitute procedures parameters. Must be exclude technical criterions.
A4.10. Development of the TG elements in accordance with the state of the art	Include.	Guidelines only constitute procedures parameters. Must be exclude technical criterions.
A4.11. Arrangement and publication	Include.	Guidelines only constitute procedures parameters. Must be exclude technical criterions.
<b>P.5. Establishing of a clearinghouse and information centre</b>		
A5.1. Latest development of rules and procedures for CDM projects	Finished. Initial version of Information System was presented.	They were describes PIN and PDD phases 's documents, approved, validation and registration, verification and certification.

Activity included in ToR's for 2004	Description	Requirements
A5.2. A roster of institutions and consultants that provide technical assistance on project identification, design, formulation and development	Pending. None phase was advanced.	The first barrier was the need to count with more extensive period of time, because of the adjustments in phase A5.1
A5.3. References to institutions and agencies acting as brokers in the transaction of CERs	Pending. None phase was advanced.	A more extensive period of time was requires.
A5.4. Accredited operational entities that provided services on validation, verification and certification	Pending. None phase was advanced.	A more extensive period of time was requires.
A5.5. Information on CERs markets including potential sellers and buyers, prices, and negotiation conditions	Pending. None phase was advanced.	A more extensive period of time was requires.
A5.6. Technical consultation and approval to the preliminary design of the information centre	Pending.	A previous phase definition was requires.
A5.7. Technical design of the information centre and of the proposal for its further financing	Pending.	A previous phase definition was requires
A5.8. Interface with the CDO website and information uploading	Pending.	A previous phase definition was requires
<b>P.6. Formulation of a CDM Policy and Strategy</b>		
A6.1. Quantification of Strategy goals and results	Finished. Political recommendations were identified.	Consultation phase is requires.
A6.2. Harmonisation with National Planning System (SISPLAN) standards	Pending.	It will be worked in diagnosis phase.
A6.3. Identification of agents, spheres of action and roles, and their needs of training and capacity building as well as the mechanisms for coordination with such actors	Pending.	Diagnosis phase programmed until July of 2004.
A6.4. Definition of boundary conditions including sustainable development objectives criteria and project indicators	Programmed.	Specific definition is requires.

Activity included in ToR's for 2004	Description	Requirements
A6.5. Layout of action plans by objectives and strategies	In process.	Activity programmed until July of 2004.
A6.6. Formulation of National Strategy of CDM & International Emission Trading Instrumental policies	Pending.	Programing according with requests of 2004.
A6.7. Identification of strengths, weakness, opportunities and threats (need of public validation alliances, etc.).	In process.	Initial advance during January, February, March and April of 2004.
A6.8. Social validation	Advaned.	Initial advance during January, February, March and April of 2004.
A6.9. Identification and proposal of mechanisms, instruments and tools for the implementation of policies in accordance with the objectives and expected results	In process.	Initial phase of diagnosis has been advanced.
A6.10. Formulation of the Investment Schedule and Operations Program	Pending.	
A6.11. Identification and implementation of mechanisms for the auditing monitoring and evaluation of the implemented strategies actions and mechanisms (success indicators)	Pending.	Activities programmed during 2004.
<b>P.7. Technical support to Climate Change negotiations</b>		
A7.1. Analysis of documents and resolutions issued by the CDM Executive Board, COPs and other instances	In constant process.	Constant activities.
A7.2. Development of proposals or criteria related to Decisions 15/CP.7 and 17/CP.7, and all work related to modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol	In constant process	Constant activities.

Activity included in ToR's for 2004	Description	Requirements
A7.3. Elaboration of background documents for submission and negotiation within the UNFCCC process	Continuation	
A7.4. Participation in negotiation events	Programmed.	
<b>P.8. Pipeline of projects</b>		
A8.1. Revision and updating of the projects identified by the NSS-WB Study	Include.	Pipeline projects must be considered insider National Strategic treatment.
A8.2. Identification of new options	Advanced.	Until initial phase.
A8.3. Definition of sectors to be considered as priority areas, in relation to both their contribution to domestic objectives and their competitiveness in the international market	Include.	Pipeline projects must be considered insider National Strategic treatment.
A8.4. Organisation of national workshop to inform and train potential national projects developers in the identification and preparation of project proposals	To be programmed.	Activity will be advanced during 2004.
A8.5. Analysis of the redefinition of planned and/or existing mitigation projects as eligible and feasible CDM projects	To be carry out.	Activity programmed for 2004.
A8.6. Identify potential financial sources for developing CDM project proposals	To be carry out.	Activity programmed for 2004.
A8.7. Organisation of promotional workshops to put in contact potential project developers and interested investors of financial entities	To be carry out.	Activity programmed for 2004.
<b>P.9. Capacity Development and Training Activities</b>		
A9.1 On the job training	In advance process. The fist mission of year was carry out in La Paz during February. Participations: Fundación Bariloche, PNCC y ODL.	Activities of 2003 and 2004 were describes through a specific format presented by Fundación Bariloche. Riso and Fundación Bariloche 's participation was also considered.

Activity included in ToR's for 2004	Description	Requirements
A9.2. Training workshops	To be carry out	To be consider during 2004.
A9.3. National Workshops	To be carry out	Two National Workshops for legal framework and National Strategy.
A9.4. Project regional workshops	To be carry out	To be programmed during 2004.
A9.5. Regional workshops and seminars	To be carry out	Projects cycle workshop, Legal framework workshop, Scenes and Base Line 's Methods and Approaches workshop, and Protocol 's Plans and Monitoring workshop will be considered during 2004..

## 6 Expected Schedule

Table 6.1: Expected Schedule for 2004

Main Activities	Months											
	1	2	3	4	5	6	7	8	9	10	11	12
<b>P.1 Consolidation of the National CDM Office</b>												
A1.1. Consolidation and adjustment of standards and internal regulations	■	■	■	■	■	■	■	■				
A1.2. Strengthening of CDO operation	■	■	■	■	■	■	■	■	■	■	■	■
A1.3. Consolidation of inter-institutional relations	■	■	■	■	■	■	■	■	■	■	■	■
<b>P2: Analysis of the legal frame for CDM Investments</b>												
A2.1 Coordination, homogenisation, and coherence with the regulatory framework	■	■	■	■	■							
A2.2. Conceptual document for the primary consultation process				■	■	■						
A2.2. Lobbying stage					■	■	■	■	■	■		
A2.3. Submission to Congress of the legal text, and advise for the formal public consultation.										■		
<b>P.3. Project evaluation and approval mechanisms</b>												
A3.1. Formalisation of Indicators and criteria	■	■	■									
A3.2. Formulation of sustainable development verifiers			■	■	■	■	■	■				
A3.2. Validation of verifiers through technical consultation						■	■	■	■	■		
A3.3. Development of annotated PIN and PDD versions									■	■	■	■
<b>P.4. Design of guides for projects submissions to the Executive Board</b>												
A4.1. Description of the project	■	■	■	■	■	■	■					
A4.2. Baseline methodology												
A4.3. Account of emission reductions												

<sup>1</sup> Simbology: ■ Development of the process ■ Execution of punctual activity ■ Process/ permanent activity/ Monitoring.

Main Activities	Months											
	1	2	3	4	5	6	7	8	9	10	11	12
A4.4. Contribution to sustainable development												
A4.5. Information on funding sources												
A4.6. Monitoring plan												
A4.7. Stakeholder participation												
A4.8. Gathering and systematisation of the available material for the design of the Technical Guide												
A4.9. Design and approval of the Technical Guide structure												
A4.10. Development of the TG elements in accordance with the state of the art												
A4.11. Arrangement and publication												
<b>P.5. Establishing of a clearinghouse and information centre</b>												
A5.0. Technical consultation and approval of the IC preliminary design												
A5.7. IC technical design												
A5.8. Interface with the CDO website												
<b>P.6. Formulation of a CDM Policy and Strategy</b>												
A6.1. Quantification of goals and results												
A6.2. Harmonisation with National Planning System (SISPLAN) standards												
A6.3. Identification of agents, spheres of action and roles, and their needs of training and capacity building as well as the mechanisms for coordination with such actors												
A6.4. Definition of boundary conditions including sustainable development objectives criteria and project indicators												
A6.5. Layout of action plans by objectives and strategies												
A6.6. Formulation of National Strategy of CDM & IET instrumental policies												
A6.7. Identification of strengths, weakness, opportunities and threats (need of public validation alliances, etc.).												
A6.8. Social validation												

Main Activities	Months												
	1	2	3	4	5	6	7	8	9	10	11	12	
A6.9. Identification and proposal of mechanisms, instruments and tools for the implementation of policies in accordance with the objectives and expected results		■	■	■	■	■	■	■	■	■	■	■	■
A6.10. Formulation of the Investment Schedule and Operations Program						■	■						
A6.11. Identification and implementation of mechanisms for the auditing monitoring and evaluation of the implemented strategies actions and mechanisms (success indicators)								■	■	■	■	■	■
<b>P.7. Technical support to Climate Change negotiations</b>													
A7.1. Analysis of documents and resolutions issued by the CDM Executive Board, COPs and other instances	■	■	■	■	■	■	■	■	■	■	■	■	■
A7.2. Development of proposals or criteria related to Decisions 15/CP.7 and 17/CP.7, and all work related to modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol	■	■	■	■	■	■		■	■	■	■	■	
A7.3. Elaboration of background documents for submission and negotiation within the UNFCCC process			■		■	■				■	■		
A7.4. Participation in negotiation events							■					■	■
<b>P.8. Pipeline of projects</b>													
A8.1. Revision and updating of the projects identified by the NSS-WB Study													
A8.2. Identification of new options													
A8.3. Definition of sectors to be considered as priority areas, in relation to both their contribution to domestic objectives and their competitiveness in the international market													
A8.4. Organisation of national workshop to inform and train potential national projects developers in the identification and preparation of project proposals													
A8.5. Analysis of the redefinition of planned and/or existing mitigation projects as eligible and feasible CDM projects													
A8.6. Identify potential financial sources for developing CDM project proposals													
A8.7. Organisation of promotional workshops to put in contact potential project developers and interested investors of financial entities													
<b>P.9. Capacity Development and Training Activities</b>													

Main Activities	Months												
	1	2	3	4	5	6	7	8	9	10	11	12	
A9.1. On the job training (technical support provided by the URC/FB team)													
A9.1.1. Specific support with distance consultation	■	■	■	■	■	■	■	■	■	■	■	■	■
A9.12. Technical support missions					■				■				
A9.2. Training workshops													
A9.3. National Workshops													
A9.4. Project regional workshops													
A9.5. Regional workshops and seminars													

## 7. Expected Budget

The following Table shows the resources allocation of the CD4CDM project for 2004, according to the ToR's of the CD4CDM project in Bolivia and integrating the allocated resources corresponding to 2003 (on going activities).

Table 7.1: Expected Budget for 2004

Activity	Allocated in 2003	Executed in 2003 <sup>2</sup>	Allocated for 2004	Total available	Observations
<b>1. Support to the National Office of CDM</b>	30.000	26879	24.000	27121	
Staff (office coordinator)	25.000	19763	19.000	24237	
Office Equipment, materials and communications	5.000	7116	5.000	2884	
<i>Subtotal</i>	30.000	26879	24.000	27121	
<b>2. Legal Frame for CDM investments</b>	5.000	3716	7.200	8484	
<b>3. Project Evaluation and approval mechanisms</b>	10.000	0	10.000	20000	
4. Design of guides for project submission	0	0	10.000	10000	
5. Establishment of a clearinghouse and information centre	2.000	598	10.000	11402	
6. Formulation of a CDM policy and strategy	7.500	6358	7.500	8642	
7. Technical support to climate change negotiations	7.500	7500	8.000	8000	
<b>8. Establishment of a pipeline of CDM projects</b>	0	0	10.000	10000	
9. Training and capacity building	20.500	8247	20.000	32253	
9.1. National Workshops	10.000	5792	10.000	14208	
9.2. Training Workshops	4.500	4000	5.000	5500	
9.3. Regional Training Courses	6.000	0	5.000	11000	
Overhead UNDP 3%	2.500	0	3.300	5800	
<b>TOTAL</b>	<b>85.000</b>	<b>63096</b>	<b>110.000</b>	<b>131910</b>	