Ministerial Decision No.(20/2016)

Issuing the Regulations for the Management of Climate Affairs

Based on Royal Decree No. (119/94) regarding the Approval of the Accession of the Sultanate of Oman to Various International Conventions,

And Royal Decree No. (114/2001) issuing the Law on Conservation of the Environment and Prevention of Pollution,

And the Ratification of the Kyoto Protocol linked to the United Nations Framework Convention on Climate Change (UNFCCC) by Royal Decree No. (107/2004),

And Royal Decree No.(18/2008) Specifying the Responsibilities of Ministry of Environment and Climate Affairs and Approving its Organizational Structure,

And the Regulations for the Management of Climate Affairs issued by Ministerial Decision No. (18/2012),

And the Regulations for the Approval of Clean Development Mechanism Projects under the Kyoto Protocol issued by Ministerial Decision No.(30/2010),

And the approval of the Ministry of Finance,

And in accordance with exigencies of the public interest,

it has been decided

Article One: The provisions of the attached Regulations for the Management of Climate Affairs shall come into effect.

Article Two: The Regulations for the Management of Climate Affairs issued by Ministerial Decision No.(18/2012) and all that contravenes the attached Regulations or contradict with its provisions shall be cancelled.

Article Three: The ongoing projects shall make adjustments to their status in line with the provisions of this Regulations within three (3) years from the effective date of this Regulations.

Article Four: This decision shall be published in the Official Gazette and shall be effective from the date following the date of its publication.

Mohammed Bin Salim Bin Said Al Toobi

Minister of Environment and Climate Affairs

Issued on: 20 Jumada al-Thani 1437 AH

Corresponding to: 29 March 2016

The Regulations for the Management of Climate Affairs

Chapter One

Definitions and General Provisions

Article (1): In the application of the provisions of this Regulations, the following words and expressions shall have the meaning assigned to each of them unless the context otherwise requires.

1- **Ministry**: Ministry of Environment and Climate Affairs
2- **The Directorate**: The Directorate General of Climate Affairs
3- **Climate Affairs Chapter**: a chapter in the Environmental Impact Assessment Study contains climate affairs data and information.
4- **The Climate System**: a totality of the atmosphere, hydrosphere, biosphere, geosphere, and their interactions.
5- **Climate Change**: a change of climate which is attributed directly or indirectly to human activity that alerts the climate system as well as natural climate variability over comparable time periods such as tide rise, coast erosion, and frequent drastic climate conditions.
6- **Mitigation**: policies and measures that aim at the reduction of greenhouse gases including the improvement of energy production and consumption, increasing the use of low carbon technologies and renewable energy, reusing carbon in industries, and increasing sinks.
7- **Adaptation**: policies and measures that aim at reducing the risk of climate change, increasing the capacity and resilience of the community and the ecosystem in handling risks and adverse effects of climate change.
8- **Convention**: the United Nations Framework Convention on Climate Change adopted on 9 May 1992 in New York.
9- **Protocol**: The Kyoto Protocol linked to the Convention and adopted by the third Conference of the Parties to the Convention in Kyoto, Japan on 11 December 1997.
10- **Greenhouse Gases (GHG)**: gaseous constituent of the atmosphere, both natural and anthropogenic, that absorb and emit the infrared radiation, and that are included in Annex (A) of this Regulations.
11- **Emissions**: the release of greenhouse gases from stationary and mobile sources resulting from fuel combustion processes, industrial operations, chemical interactions, leak and other operations.

12- **Baseline**: the quantitative standard by which emissions of establishment and activities that are subject to obtaining a climate affairs license are measured.

13- **Owner**: Any natural or juristic person owning a project, installation or an area of work or being responsible for management or operation of the same.

14- **Area of Work**: a terrestrial, coastal or a float site in ports or in Exclusive Economic Zone of the Sultanate where one or more sources exist.

15- **License**: a written approval issued by the Directorate including the permission to the owner to complete the operation procedures of the project, establishment, or the area of work as per the specified conditions and controls allowed to control greenhouse gases emissions and eliminate of the adverse effects of climate change.

16- **Production**: extraction and transformation of organic or non-organic raw materials by mechanical and chemical processes into industrial materials, and the re-use of primary industrial materials by mechanical or chemical processes to produce another industrial material with the exemption of packaging, cutting, and welding of primary industrial materials.

17- **Clean Development Mechanism**: one of the Flexible Mechanism defined in Article 12 of the Protocol designed to assist parties included in Annex I to meet their commitments by implementing project in developing countries that reduce emissions, and to achieve sustainable development.

Article 2: Without prejudice to the Regulations for the Approval of Clean development Mechanism Projects under the Kyoto Protocol mentioned above, the provisions of this Regulations shall be applied to projects included in Annex (B) attached to this Regulations.

Article 3: This Directorate of Climate Affairs shall carry out the following tasks:

1. Prepare and implement the regulations and decisions related to the management of climate change adaptation and mitigation of its impacts, reduction of greenhouse gases emissions, and the protection of ozone layer.
2. Set up the selection criteria of consultancy companies qualified for the development of Climate Affairs Chapter.
3. Set up models and guidelines for development of Climate Affairs Chapter, as well as license application forms.
4. Issue the license.

5. Assess environmental impacts studies and areas of work, and set up climate affairs requirements appropriate for each project.
6. Carry out field visits to examine the site proposed for the project, and define the appropriate requirements.
7. Develop emissions measurement methods and tools, and samples of periodic reports to be provided by the establishments.
8. Establish and operate the networks and systems for monitoring and control of emissions and climate affairs.
9. Conduct surveys of greenhouse gases emissions as per the requirements of the Convention.
10. Contribute to the development of climate affairs mitigation plans in line with the Sultanate's comprehensive development plans and policies.
11. Conduct feasibility study for the development of techniques for climate change adaptation and mitigation of its impacts.
12. Participate in the preparation of studies on energy efficiency and renewable energy projects for the reduction of emissions.
13. Conduct emissions reduction measures in line with national conditions.
14. Prepare and review models of future climate prediction and projections, and review their impacts on the Sultanate.
15. Prepare research and studies on assessment of impacts and risks resulting from climate changes.
16. Update the list of project included in annex 2 attached to this Regulations each two years or as required.
17. Follow up the implementation of license requirements for the ongoing projects, and issue records of evidence for offending projects and establishments.
18. Inspect projects and establishments to ensure their commitments to implement the requirement of Climate Affairs License.
19. Provide advice, guidance, technical support and capacity building, as possible, to improve the management of climate affairs in projects and establishments.
20. Collect and keep data of the projects and establishments subject to the provisions of this Regulations in a database relative to the same.

Article (4): The environmental consultancy companies that develop climate affairs chapter or any reports or procedures related to the implementation of this Regulations shall register with the Directorate General of Environmental Affairs as per the registration requirements and procedures applicable in the Ministry.

Chapter Two

Licensing Procedures

Article (5): The owner of any project, establishment, or area of work classified with the projects and establishments contained in annex (B) attached to this Regulations shall obtain the license as per the provisions of this Regulations.

Article (6): The application for a license shall be submitted to the Directorate on the form prepared for this purpose with the following documents attached:

1- The initial approval of the project issued by the Directorate General of Environmental Affairs, and other approvals required for each project.
2- An initial report on the amount of greenhouse gases emissions according to the details contained in greenhouse gases scopes indicated in Annex(C) attached to this Regulations.

Article (7): The Directorate shall check the application for license, and issue its decision within thirty (30) days of the applicant fulfillment of required documents. In case no decision is issued within this period, the application shall be deemed rejected.

Article (8): The licensee shall, after the acceptance of license application, pay the fees indicated in Annex (D) attached to this Regulations.

Article (9): The license is issued for two (2) years, and it can be renewed for one more year or similar periods with the same procedures and conditions, provided that the application for the renewal shall be submitted within thirty (30) days prior to the expiration date of the license.

Chapter Three

The Commitments of the Licensee

Article (10): the licensee shall submit an annual report on greenhouse gases emissions by the 28th of February the following year as per the report models prepared by the Directorate.

Article (11): Those who have been given the license after the 30th of September shall be exempted from report submission for that year, provided that the report shall be submitted the next year on the date provided in Article (10) of this Regulations.

Article (12): Licensee shall save the data and information related to the implementation of the requirements contained in the license in specific records created for this purpose, and present them, if requested, to the Ministry's inspectors.

Article (13): **Licensee shall take the necessary mitigation measures, particularly the following:**

1- Use high-efficient, less energy consuming and low GHG emissions technologies during the design and operation of project or establishment. These practices and technologies shall be included in the periodic reports provided to the Directorate.

2- Provide to the Directorate a plan for greening of project's or establishment's area in a way that ensures the appropriate selection of trees and plants suitable to the local environment conditions and that help to increase absorption areas of greenhouse gases from the atmosphere.

3-Use renewable energy sources according to their technical and financial feasibility, and use projects of clean development mechanism and similar mechanisms under the convention and the protocol.

4-Use appropriate technical options to reduce power consumption when designing buildings that consume more than 2.500 megawatt / h of electricity per year.

Article (14): **Licensee shall take necessary adaptation measures particularly the following:**

1- Take into account the predictable negative effects of climate change on project site or establishment or area of work, and take all necessary adaptation measures and precautions to protect equipment, technologies, raw materials and others from those effects.

2- Take appropriate measures to reduce the impact of rising temperatures on the project, establishment and workers, and apply water use efficiency requirements during drought and water scarcity periods.

3- Include the appropriate adaptation measures in the climate affairs chapter and update it every 5 years.

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Chapter 4

Administrative Violations and Penalties

Article (15): An administrative fine shall be imposed on the licensee according to the following table for each month or part thereof in case of license non-renewal or delayed delivery of the reports set forth in Article (10) of this Regulations provided that the fine shall not exceed the value of the license fees issued for the project or establishment.

	Sector	Baseline	Fine
1	**Energy and Industry**	**More than million tons of CO_2 equivalent per year**	100 OMR
		500,000- 1000,000 tons of CO_2 equivalent per year	50 OMR
		2000-500,000 tons of CO_2 equivalent per year	30 OMR
2	**Dumping Sites, sewage disposal sites**		20 OMR
	Food industry and refrigeration		
	Livestock and poultry barns		

Article (16): An administrative fine shall be imposed as per the following table:

	Sector	Baseline	Fine
1	power and Industry	More than million tons of CO_2 per year	500 OMR
		500,000- 1000,000 tons of CO equivalent per year	200 OMR
		2000-500,000 tons of CO_2 equivalent per year	100 OMR
2	Dumping sites , sewage disposal sites		50 OMR
	Food industry and refrigeration		
	Livestock and poultry barns		

Article (17): Without prejudice to any severer penalty stipulated in the Law on Conservation of the Environment and Prevention of Pollution or any other law, any offender to the provisions of this Regulations shall be fined as follow:

A- Five thousands Omani Riyal (5000 R.O.) for establishments and projects contained in item "First" of Annex B attached to this Regulations.

B- Three thousands Omani Riyal (3000 R.O.) for establishments and projects contained in item "Second", "Third" and "Fourth" of Annex B attached to this Regulations.

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Annex(A)

- **Greenhouse Gases:**

	Greenhouse gas
1	Carbon Dioxide (CO)
2	Methane (CH4)
3	Nitrous Oxide (N2O)
4	Hydroflorocarbon Compounds (HFCs)
5	Perflurocarbons (PFCs)
6	Sulphur Hexafluoride (SF6)

Annex B: Establishments and Projects which are Subject to the Procedures for Obtaining a License

- **First: Energy and Industry Sector :**

	Sector	Activity	Baseline
1	**Electricity**	❖ Produce electricity by fossil fuel burning	○ Emission of 2000 metric tons of CO_2 equivalents per year Or ○ Production and consumption of (30)TJ of energy per year
2	**Water desalination**	❖ Desalination by fossil fuel burning	
3	**Oil and natural gas**	❖ Exploration and production of oil and natural gas ❖ Liquefying and exporting natural gas ❖ Transport oil and natural gas through pipes and storage facilities	
4	**Oil refineries**	❖ production of gasoline, kerosene, fuel oil (diesel), lubricants, asphalt (bitumen) and others by oil distillation or re-distillation	

5	**Chemical industries**	❖ **<u>The production of non-fluorinated chemicals such as :</u>** ➢ Adipic acid ➢ Ammonia ➢ Nitric acid ➢ Hydrogen ❖ **<u>Production of petrochemicals such as</u>**: ➢ Acrylonitrile ➢ Carbon Black ➢ Ethylene ➢ Ethylene dichloride ➢ Methanol ➢ Phosphoric Acid ➢ Silicon carbide ➢ Soda ash (Sodium carbonate)	○ Emission of 2000 metric tons of CO_2 equivalents per year Or Production and consumption of (30)TJ of energy per year

		➢ Titanium Dioxide	

	Sector	Activity	Baseline
	Cont/ **Chemical industries**	❖ **Emissions from Combustion such as:** ➢ Pesticides ➢ Fertilizers ➢ Medicines ➢ Other organic and inorganic chemicals	○ Emissions of 2000 metric tons of CO2 equivalent per annum. Or ○ Production or consumption of 30 TJ of energy per annum.
		❖ **Production of fluorinated chemicals such as:** ➢ Perfluorocarbons (PFC) ➢ hydrofluorocarbons (HFC) ➢ sulfur hexafluoride (SF6) ➢ nitrogen trifluoride (NF3) ➢ fluorinated gases. ➢ chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs) ❖ **HFC-23 Disposal**	

	sector	Activity	Baseline
6	**Metals industries**	❖ **Metal production from metal ore or scrap metal by using electrometallurgy methodologies ,etc. such as:** ➢ Primary aluminium. ➢ Alloys and pipes. ➢ Iron and steels. ➢ Lead. ➢ Magnesium. ➢ Zinc. ➢ Copper. ➢ Other metals	○ Two thousand (2000) metric tons of CO_2 equivalent emissions per year. Or ○ Producing or consuming 30 terajoules of energy per year.
7	**Mining industries**	❖ Production of: ➢ Cement. ➢ Glass. ➢ Lime. ➢ Coal. ➢ Other metals.	
8	**Paper industry**	❖ Pulp production	

	Sector	Activity	Baseline
9	**Ozone-depleting and alternative substances industries**	❖ **Production of:** ➢ Foams ➢ Air conditioners and refrigerators ➢ Fire extinguishers ➢ Aerosols	○ 2000 metric tons of CO2 equivalent emissions per year. Or ○ Producing or consuming 30 TJ of energy per year.
10	**Fuel and solvents producing and recycling industries**	❖ **Production and recycling of :** ➢ Lubricants ➢ Wax materials ➢ Solvents	
11	**Other industries**	❖ **Production of:** ➢ Conductors and semiconductors ➢ Plastics ➢ Paints ➢ Biogas ➢ Charcoal	

Second: Industrial waste landfills and wastewater sector

	sector	Activity	Volume/capacity
1	**Industrial waste landfills**	➢ Landfilling industrial waste excluding storage of hazardous, building and construction or inert waste.	○ Accommodate 200000 or more metric tons of industrial waste for the whole operational period, or receive 14000 metric tons of industrial waste per annum.
2	**Household waste landfills**	➢ Household waste	○ Receive 18000 or more metric tons of solid wastes per annum.
3	**Wastewater**	➢ Anaerobic processes for treating non-hazardous industrial wastewater ➢ primary treatment of wastewater ➢ Secondary treatment of wastewater ➢ Tertiary treatment of wastewater ➢ Wastewater sludge treatment	○ Treat 40000 or more cubic meter per day.

4	**Waste recycling**	○ Organic waste recycling ○ Industrial waste Recycling	○ Recycle 2000 tons of CO_2 equivalent per annum.

➢ **Thrird: food and refrigeration industries**

	Section	Activity	Baseline
	Food industry	➢ Production of poultry meat products.	○ Consuming 2500 MW/h of power per year.
		➢ Producing and processing milk and dairy products.	
		➢ Packaging of fish products	
		➢ Refreshments	
		➢ Mushroom production.	

	Industrial refrigeration	○ Refrigerated warehouses ○ Ice manufacture	

- **Four: Livestock and poultry barns**

	Sector	Activity	Livestock number /year
	Poultry barns	➢ Rearing poultry for meat or egg production.	○ 1000000 birds per year.
	Livestock barns	➢ Rearing dairy cows.	○ 1000 dairy cattle per year.
		➢ Rearing cattle for meat production.	○ 2000 cattle per year.

Appendix C: Greenhouse Gases Scopes

Scope 1	Scope 2	Scope 3
Includes direct GHG emissions from sources that are owned or controlled by the establishment , occur within the physical boundaries of the project concerned , and generated from: A- **Stationary combustion**: from the combustion of fossil fuels to generate electricity , steam and heat by using equipment in a fixed location such as boilers, burners, heaters, furnaces, dryers and engines. B- **Combustion from transportations**: Fuel combustion in all transportations owned by the establishment such as vehicles, trucks, tractors, buses, trains (railway) and mobile equipment such as bulldozers and cranes. C- **Industrial processes:** Physical and chemical processes other than fuel combustion (e.g. the manufacture of cement, fluorinated gases generated from aluminum smelting process) D- **Fugitive emissions:** Intentional or unintentional release of GHG for the production, processing, transmission, storage, and use of fuels and other substances such as releases of hydrofluorocarbon from use or maintenance of refrigerators, air conditioners, and leakage of methane from natural gas during transport and from farm animals digestion.	Includes indirect GHG emissions from activities occurring within the physical boundaries of the establishment yet generated from sources or facilities owned or controlled by another establishment which includes the following: A- **Purchased electricity**: the total indirect GHG emissions from the generation of electricity which is purchased or used by the establishment. B- **Purchased cooling and heat:** the total indirect GHG emissions generated from cooling and heat purchased or used by the establishment. C- **Purchased steam**: the total indirect GHG emissions associated with generation of steam purchased or used by the establishment.	Indirect GHG emissions which are not included in scope 2: A- **Solid waste**: the total Indirect GHG emissions resulted from burning and degradation of the solid waste of the establishment. B- **Wastewater**: the total Indirect GHG emissions associated with the establishment's wastewater. C- **Additional sources**: the total Indirect GHG emissions from additional sources such as extraction and transport of raw materials or goods which are produced or purchased , or transporting workers by vehicles not owned by the establishment. D- In case Appendix (A), (B) and (C) of scope 3 owned or controlled by the establishment and within the physical boundaries of the project , relevant GHG emissions will be measured under scope 1.

Annex (D): Licenses Fees

	Sector	Baseline	Fee
1	Energy and industry	○ More than million (1000, 000) tons of CO2 equivalent per year.	○ One thousand OMR (1000).
		○ 500,000 -100,000 tons of CO2 equivalent per year.	○ Five hundred OMR (500).
		○ 2000-500,000 tons of CO2 equivalent per year.	○ Two hundred OMR (200).
2	Dumping sites , and wastewater disposal sites		○ One hundred OMR (100).
	Food industries and refrigeration		
	Livestock and poultry barns		