

**CDM-MP74-A15**

## Information note

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# CDM in urban sectors

Version 01.0



**United Nations**  
Framework Convention on  
Climate Change

## COVER NOTE

### 1. Procedural background

1. The Executive Board (hereinafter referred to as the Board) of the clean development mechanism (CDM) at its ninetieth meeting considered the concept note on “Further development of the CDM in urban sectors” jointly prepared by the CDM Methodologies Panel (MP), Small-Scale Working Group (SSC WG), and the secretariat and requested the MP, in consultation with the SSC WG and the secretariat, to develop guidelines to facilitate the development of CDM projects and programmes in the urban context providing best practice examples in a PoA-DD template, for its consideration at a future meeting. In addition, the Board provided the following guidance on further work on the development of CDM in the urban sectors:
  - (a) Work towards the standardization of parameters for the estimation of emission reductions in the context of improving of the relevant methodologies;
  - (b) Develop innovative methods for demonstrating additionality for urban sectors, provided that it is not already being addressed under existing work streams.
2. Also, at its ninety-fourth meeting, the Board requested the secretariat, the MP, and the SSC WG to explore tiered approaches in methodologies relevant to the urban context, when these methodologies are being revised.

### 2. Purpose

3. The purpose of this document is to provide update of the progress made so far.

### 3. Key issues and proposed solutions

4. Not applicable.

### 4. Impacts

5. Not applicable.

### 5. Subsequent work and timelines

6. The Meth Panel aims to finalise the document in 2018.

### 6. Recommendations to the Board

7. The Board may wish to take note of the progress made and provide any guidance to the MP and the secretariat.

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## 1. Introduction

8. The Executive Board (hereinafter referred to as the Board) of the clean development mechanism (CDM) at its ninetieth meeting considered the concept note on “Further development of the CDM in urban sectors” jointly prepared by the CDM Methodologies Panel (MP), Small-Scale Working Group (SSC WG), and the secretariat and requested the MP, in consultation with the SSC WG and the secretariat, to develop guidelines to facilitate the development of CDM projects and programmes in the urban context providing best practice examples in a PoA-DD template, for its consideration at a future meeting. In addition, the Board provided the following guidance on further work on the development of CDM in the urban sectors:
  - (a) Work towards the standardization of parameters for the estimation of emission reductions in the context of improving of the relevant methodologies;
  - (b) Develop innovative methods for demonstrating additionality for urban sectors, provided that it is not already being addressed under existing work streams.
9. Also, at its ninety-fourth meeting, the Board requested the secretariat, the MP, and the SSC WG to explore tiered approaches in methodologies relevant to the urban context, when these methodologies are being revised.

## 2. Status of the work

### 2.1. The guidelines

10. The MP considered the outline for the draft guidelines at MP 73 as follows:
  - (a) Definitions;
  - (b) CDM methodologies applicable to city-based mitigation programmes;
  - (c) Double counting and interactive effects;
  - (d) Innovative approaches for additionality demonstration;
  - (e) Standardization of parameters;
  - (f) Appendix: ‘Best Practice Examples in a PoA-DD Template’.
11. A call for public input was open from 28 July to 11 August 2017 and returned no inputs [https://cdm.unfccc.int/public\\_inputs/2017/2707\\_02/index.html](https://cdm.unfccc.int/public_inputs/2017/2707_02/index.html). At MP74, the MP discussed outstanding issues related to additionality and standardization of parameters and agreed to continue work on the document.

### 2.2. Best practice examples in a PoA-DD template

12. The MP considered initiatives related to climate action in the urban context, such as International Council for Local Environmental Initiatives (ICLEI), The C40 Cities Climate Leadership Group, and the Covenant of Mayors for Climate and Energy, which bring together city authorities committed to reducing GHG emissions on their territory. At MP 73 it was agreed to develop best practice examples in a PoA-DD template. Among the

initiatives considered the 'Yerevan City Sustainable Energy Action Plan' [http://www.covenantofmayors.eu/about/signatories\\_en.html?city\\_id=7678&seap](http://www.covenantofmayors.eu/about/signatories_en.html?city_id=7678&seap) (SEAP) included a comprehensive set of measures i.e. SEAP encompasses measures in most of the sectors relevant to urban context, such as transport, buildings, energy generation, and waste management. Therefore, MP agreed to base the PoA-DD on SEAP.

13. Recognizing the complexity of the building sector, it was further agreed by the MP to focus the PoA-DD template on the mitigation measures applicable for buildings.
14. The outline of the PoA-DD template is in Annex 1.

### **2.3. Standardization of parameters**

15. The secretariat in collaboration with UN Environment held the workshop 'Mitigation in the building sector' from 31 July to 1 August 2017<sup>1</sup>. This opportunity was used to advance the development of standards with a methodological framework for energy efficiency in buildings<sup>2</sup> by exploring the possible use of standardized parameters provided in various MRV and certification tools. One of the certification tools extensively discussed at the workshop was 'Excellence in Design for Greater Efficiencies (EDGE)' by International Finance Corporation (IFC). EDGE is an assessment tool and a certification system. To achieve an EDGE certification, a building must demonstrate a 20 per cent reduction in operational energy consumption, water use and embodied energy of materials compared to baseline case. Under the EDGE tool, baselines are developed based on actual building characteristics (e.g. thermal conductivity of materials), design features, energy and water use patterns, which are further calibrated using sample surveys of representative buildings. Envisaging a possible use under the CDM, the MP and the secretariat consulted the EDGE team to explore ways to integrate elements of the EDGE tool into the CDM framework. MP thanked the EDGE team for the very useful inputs provided to the meeting.
16. To avoid overlaps, the MP agreed to complete the work on standards with a methodological framework for energy efficiency in buildings and to use its outcome for improving the relevant methodologies. At the same time MP will continue exploring the possible use of standardized parameters for other urban sectors.

### **2.4. Innovative methods for demonstrating additionality**

17. The MP and the secretariat are exploring different options of demonstrating additionality for mitigation measures in the urban context, including:
  - (a) Developing a PoA integrating measures that would be automatically additional, e.g. positive list based on established criteria;
  - (b) Benchmark approach at the PoA level based on the total GHG emission per capita in a city;
  - (c) Benchmark approach on the CPA level based on GHG emission/energy intensity per sectoral output. For example kWh/m<sup>2</sup>.yr for buildings, tCO<sub>2</sub>/m<sup>3</sup> of water.

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<sup>1</sup> The external participants to the workshop were sponsored by UN Environment.

<sup>2</sup> At its 85th meeting, the Board approved the development of standards with a methodological framework for two specific project types i.e. energy-efficient appliances for residential/household application (e.g. air conditioners, refrigerators) and energy efficiency in buildings.

### **3. Recommendations to the Board**

18. The Board may wish to take note of the progress made and provide any guidance to the MP and the secretariat.

## Appendix. Proposed outline for the PoA-DD

**Table. Proposed outline for the PoA-DD template**

Item	Proposed approach
Project type	PoA framework
Scale	Small scale
CPA	For transport, energy and waste: 1 measure per CPA 1 methodology per measure For buildings: Multiple measures per CPA Multiple methodologies per CPA
Cross-cutting effects	'Guidelines for the consideration of interactive effects for the application of multiple CDM methodologies for a programme of activities' will be applied to analyze cross-effects between methodologies combined.
Emission reductions	As per the applicable methodologies
Additionality	Automatic additionality, where available. Otherwise, follow tool or methodological approach.
Monitoring	Monitoring Plan included at the first verification
<b>CPA/Measures</b>	
CPA.1. Measures in municipal buildings, including: Energy efficiency measures for building envelope; Installation of efficient heating system and fuel switch; Replacement of incandescent light bulbs with LED; Installation of solar water heaters; Installation of roof top-solar PV panels for captive use; Replacement of an inefficient appliances, e.g. fridges, ovens.	AMS-II.E. Energy efficiency and fuel switching measures for buildings AMS-II.J. Demand-side activities for efficient lighting technologies AMS-I.C. Thermal energy production with or without electricity AMS-I.F Renewable electricity generation for captive use and mini-grid AMS-II.C.: Demand-side energy efficiency activities for specific technologies
CPA.2. Electric vehicles in public transport	AMS-III.S. Introduction of low-emission vehicles/technologies to commercial vehicle fleets
CPA.3. Street lighting	AMS-II.J. Demand-side activities for efficient lighting technologies
CPA.4. Methane capture at MSW landfill	AMS-III.G.: Landfill methane recovery
CPA.5. Methane capture at a wastewater treatment plant	AMS-III.H.: Methane recovery in wastewater treatment

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### Document information

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01.0	11 October 2017	MP 74, Annex 15 To be considered by the Board at EB 97.

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