CDM PoAs and inclusion of CPAs

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Outline

1. PoA Concept
2. Regulatory framework and Updates
3. Inclusion of CPAs by CME/DOEs
4. Role of DNA
5. DNA assistance
1. Concept of PoA

A CDM programme of activities (PoA) is:

“Voluntary action by a private or public entity which coordinates and implements any policy/measure or stated goal, which leads to anthropogenic GHG emissions reductions or net GHG removals by sinks that are additional to any that would occur in the absence of the PoA, via an unlimited number of component project activities (CPAs)”

A PoA consists of a series of individual CPAs
## 1. Concept of PoA

### Differences between PoA and other CDM projects

<table>
<thead>
<tr>
<th>Single CDM Project Activity</th>
<th>Programme of Activities</th>
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</thead>
<tbody>
<tr>
<td>Single location</td>
<td>Multiple locations, across countries</td>
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<tr>
<td>Single Host Party (HP)</td>
<td>Possibly multiple Host Parties (HPs)</td>
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<td>1 project at a time</td>
<td>A number of activities (CPAs) submitted over the life-time of the PoA (máx. 28 years)</td>
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<td>One crediting period - can be renewed twice</td>
<td>One PoA Period – can be renewed 3 times. Each CPA has own renewal crediting period</td>
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<tr>
<td>At least one Host Party PP known ex-ante, the rest of PPs can join later</td>
<td>CME and one Host Party known ex-ante, the rest of PPs can join later</td>
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</table>
1. Concept of PoA

Stakeholders involved

PoA CME

DNA

CPA

CPA

CPA

CPA (PPs)

DOE

CME = Coordinating and managing entity
PP = project participant
Regulatory framework and Updates

Key changes to PoA rules

- “First real-case” CPA is no longer required for registration of PoA and subject to the mandatory assessment by the Board/secretariat → Sample basis assessment of all CPA inclusion

- Post-registration changes to CPAs are no longer subject to mandatory assessment by the Board/secretariat → Sample basis assessment

- Inclusion of CPAs → Direct inclusion by the CME possible if the CPAs are deemed automatically additional

- Registration fee for PoAs → Two-tiered fixed fee (USD 10,000 or USD 20,000)

- Re-inclusion of excluded CPAs → Possible under certain conditions, also possible to register them as standalone project activities
Regulatory framework and Updates

Key changes to PoA rules

- Renewal of PoA period → Notification of renewal intention from CME not required. Renewal request by DOE no earlier than 270 days prior to the expiry of the PoA period.

- Renewal of crediting period for CPAs →
  
  • Notification of renewal intention not required, and therefore there is no longer a penalty of "unclaimable period" of CERs for late notification;

  • Renewal request by DOE no earlier than 270 days prior to, but no later than one year after, the expiry of the crediting period, otherwise the renewal is no longer possible for the CPA;

  • The grace period for the submission of renewal request for the included CPAs whose crediting period has expired but has not been renewed (i.e. overdue for renewal) is to be by 31 December 2019.
Inclusion of CPAs by CME/DOEs

- **Inclusion of CPAs by DOE:**
  1) CME forwards the CPA-DD to DOE, having ensured:
     a. it complies with generic CPA-DD in latest registered version of PoA-DD, including eligibility criteria and relevant CDM rules and requirements
  2) DOE after confirmation, includes CPAs in the PoA, assessment on a sample basis.

- **Inclusion of CPAs by CME →** for automatically additional CPAs:
  1) Pre-step: DOE to submit CPA-INC-CME form (at the time of the registration or thorough the PRC process);
  2) CPAs could be automatically included by CME in the PoA, assessment on a sample basis;
  3) DOE at first verification of such CPAs to confirm that they comply with the requirements for inclusion of CPAs in the registered CDM PoA.
Role of DNA

• Approval:
  a) DNA of each Party indicated in the PoA-DD as being involved in the proposed CDM PoA to provide a written letter of approval.
  b) DNA of each Party involved in the proposed CDM PoA to confirm that:
     • The Party is a Party to the Kyoto Protocol;
     • The participation in the PoA is voluntary;
     • In the case of a host Party, the PoA contributes to achieving the sustainable development of the country;
     • The precise title of the PoA in the PoA-DD being submitted for registration (i.e. there shall be no difference between the title in the letter and that in the PoA-DD).
Role of DNA

• Authorization:

  a) The coordinating/managing entity (CME) to be authorized to coordinate the proposed CDM PoA by each host Party involved in the PoA.

  b) Each project participant of the proposed CDM PoA, including the CME if the CME is a project participant as well, to be authorized to participate in the PoA by the Party under which the PP will participate (this Party has to provide approval as well) → secretariat heavily rely on the DNA approval/authorization when adding PPs

→ CPA level approval / authorization not required by the Executive Board.
Role of DNA

• Authorization:
  a) The DNA also issues approval/validation letter in case a PP authorized by the DNA changes its legal name (letter has to include old and new name) → An important aspect with implications, including delays in the process of PP additions.

  b) The DNA informs the secretariat in case the DNA signatories change.
DNA assistance during PoA approval and authorization

• Coordinating/managing entity (CME) not explicitly authorized in LoA to coordinate the proposed CDM PoA by each host Party involved in the PoA - → sometimes name of CME simply referred under “addressed to” or in the body of LoA issued

• Each project participant of the proposed CDM PoA not explicitly authorized in issued LoA to participate in the PoA by at least one Party involved in the letter of approval. In particular, CME, when also a PP, not explicitly authorized as PP.

• Inconsistencies observed in the issued LoA and the precise title of the PoA in the PoA-DD being submitted for registration.

• Delays in getting LoAs.
Post registration changes & DNA assistance

- Changes to the programme boundary to expand the geographical coverage or to include additional host Parties → coordinating/managing entity to obtain a letter of approval from each DNA of the new host Parties.

- Change of coordinating/managing entity post registration of the PoA → the new coordinating/managing entity to obtain a new letter of authorization from each host Party stating the change and confirming the authorization of coordination of the PoA by the new coordinating/managing entity.
Thank you!