




F-CDM-RtB

 CDM: FORM FOR SUBMISSION OF “LETTER TO THE BOARD” (Version 01.1) <i>(To be used only by the Project Participants and other Stakeholders for submitting Letter to the Board as per Modalities and Procedures for Direct Communication with Stakeholders)</i>	
Name of the stakeholder ¹ submitting this form (individual/organisation):	United Nations Development Programme
Address and Contact details of the individual submitting this Letter:	Address: 304 E. 45 th Street, FF Building New York, New York 10017 Telephone number: +1-212-906-6199 E-mail Address: marcel.alers@undp.org
Title/Subject (give a short title or specify the subject of your submission)	Inputs on CDM Policy Dialogue
Please mention whether the Submitter of the Form is:	<input type="checkbox"/> Project participant <input type="checkbox"/> Other Stakeholder, please specify
Specify whether you want the Letter to be treated as confidential ² :	<input type="checkbox"/> To be treated as confidential <input type="checkbox"/> To be publicly available (UNFCCC CDM web site)
Purpose of the Letter to the Board: Please use the space below to describe the purpose for submitting Letter to the Board. (Please tick only one of the four types in each submission)	
<input type="checkbox"/> Type I: <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 2px;"><input type="checkbox"/> Request Clarification</div> <div style="border: 1px solid black; padding: 2px;"><input type="checkbox"/> Revision of Existing Rules</div> </div> <input type="checkbox"/> Standards. Please specify reference <input type="checkbox"/> Procedures. Please specify reference <input type="checkbox"/> Guidance. Please specify reference <input type="checkbox"/> Forms. Please specify reference <input type="checkbox"/> Others. Please specify reference	
<input type="checkbox"/> Type II: Request for Introduction of New Rules <input type="checkbox"/> Type III: Provision of Information and Suggestions on Policy Issues	
Please use the space below to describe in detail the issue that needs to be clarified/ revised or on which the response is requested from the Board as highlighted above. In doing this please describe the exact reference source including the version (if any).	
Members of the CDM Executive Board, Members of the Panel for CDM Policy Dialogue, UNDP appreciates the formation of the Policy Dialogue Panel to assist in reformulating and positioning the	

¹ Note that DNAs and DOEs shall not use this form to submit letter to the Board.

² Note that the Board may decide to make this Letter and the Response publicly available



CDM in the post-2012 environment.

It is widely acknowledged that the CDM has successfully delivered a significant amount of emission reductions and has been a key financial instrument in stimulating mitigation activities in developing countries. UNDP commends the UNFCCC on these important achievements.

UNDP itself has extensive experience under the CDM, where UNDP has for a number of years provided hands-on technical assistance to developing countries to develop first-of-a-kind CDM projects. Based on this experience, UNDP has previously provided input into operational and process aspects of the CDM, and such operational matters will not be addressed in this particular submission.

UNDP's inputs here focus on three suggested policy measures which can contribute to scaling-up the CDM to bring about market-transformative mitigation outcomes. Engaging the private sector and catalyzing private sector investment must be central to this endeavor. UNDP believes that, looking ahead, such scaling-up of the CDM is the key opportunity for the CDM. This can build on the momentum and lessons learned from the CDM in the last decade, and will be key to ensuring the CDM remains a relevant and effective instrument in an increasingly complex and fragmented climate finance architecture.

To this end, UNDP recommends the Panel explore the following three policy areas:

- (1) Automatic additionality
- (2) Aligning the CDM with emerging climate finance frameworks
- (3) Opportunities in renewables and energy efficiency

(1) **Automatic additionality.** While environmental integrity must always be upheld, and the application of automatic additionality should be evaluated on a case-by-case basis, automatic additionality for suitable technologies could lead to significantly increased implementation of project activities. Automatic additionality has the benefit of (i) increased predictability of the CDM process, (ii) reduced transaction costs for carbon project developers and (iii) increased accessibility of carbon finance for private sector investment.

(2) **Aligning the CDM with emerging climate finance frameworks.** The climate finance architecture is increasingly oriented to transformative solutions at scale, for instance through sectoral approaches and the Green Climate Fund. At the same time, it may take time to establish the operational details of these new modalities. UNDP recommends that the Panel explore ways in which the CDM can be aligned, and even used as a stepping stone, to these emerging frameworks. For example, an interesting area for exploration is how the CDM PoA modality can be utilized as a quantification approach for NAMAs.

(3) **Opportunities in energy efficiency and renewables.** Many recent studies, including the UN Advisory Group on Energy and Climate Change, continue to highlight the gains that can be made in energy efficiency and renewables. It is critical that energy inefficient, high-carbon infrastructure is not locked in. Renewable energy technologies can now increase access to energy for communities in remote, dispersed rural areas. Energy efficient and renewable energy measures are often well suited to the automatic additionality approach set out above.

UNDP encourages the Panel to consider the role of the above three mutually reinforcing policy recommendations in developing innovative solutions to effectively position the CDM post-2012.

UNDP stands ready to assist the Panel and the Policy Dialogue in the months ahead.

Sincerely,

Marcel Alers



Principal Technical Advisor Climate Change Mitigation, Manager MDG Carbon Facility	
Please use the space below to any mention any suggestions or information that you want to provide to the Board. In doing this please describe the exact reference source including the version (if any).	
[replace this bracket with text, the field will expand automatically with size of text]	
If necessary, list attached files containing relevant information (if any)	<ul style="list-style-type: none"> [replace this bracket with text, the field will expand automatically with size of text]
Section below to be filled in by UNFCCC secretariat	
Date when the form was received at UNFCCC secretariat	

History of document

Version	Date	Nature of revision
01.1	09 August 2011	Editorial revision.
01	04 August 2011	Initial publication date.
Decision Class: Regulatory Document Type: Form Business Function: Governance		