

Call for public inputs – Template for inputs	Recommendations for possible changes to the modalities and procedures of the CDM
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Date: January 23, 2013_____

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Issue No.	Issue to be addressed (including need for change)	Proposed change (including proposed text, if applicable)
1	Boosting demand and revising interest in the CDM. Carbon markets are exceptionally weak, due to mitigation pledges that fall far short of what is needed to address the climate problem. The world is on the brink of losing the assistance which carbon markets, and the CDM in particular, can and should provide.	Parties should review the urgency of options provided by the CDM Policy Dialogue in 2012 to improve the demand and interest in the CDM.
2.	Establish a CDM Reserve Facility. A reformed Clean Development Mechanism may fulfill a useful role in the future climate architecture. Lack of demand is however preempting that potential role by destroying the current framework and capacity of the international carbon market. To bridge the current near-term market situation and prepare the ground for a new phase in the international carbon market, this brief proposes the establishment of a CDM Reserve Facility.	Such a Facility will 1) provide a framework for investors to make commitments that contribute towards international or domestic targets which will in turn provide the market time and support to allow the necessary reform and scaling up of the CDM to be implemented, and 2) provide support to retain the capacity that has been built up around the CDM market and maintain the momentum in the development of carbon markets globally, as well as 3) maintain engagement and confidence of the private sector in market-based mechanisms so that large financial flows can be deployed through these channels when more ambitious reduction targets are in place.
3.	Further exploration of the way in which the CDM can leverage greater amounts of finance	Parties should take a look at the particular at the relationship between private flows of finance through the CDM from Annex 1 to non Annex 1, and public flows of finance through either multilateral instruments or bilateral climate finance.
4.	Significant deficiencies. IETA requests that the Parties when taking into consideration various inputs related to a reserve/pool structure understand that one of the most important aspects of a functioning market for the CDM is one single appeals process for all CDM functions.	In analyzing and implementing policies related to significant deficiencies and appeals, we encourage Parties to keep reasonable transaction costs as key considerations in its decision-making and recognize efficiency in such an appeals process. If a reserve/pool were created and the long-term results were such that the costs of a reserve/pool raised transaction costs and fees for participating in the market to an unsustainable level, then the mechanism and the market's function would be significantly weakened. As a consequence, we hope that in analyzing and implementing policies related to significant deficiencies and appeals, Parties will recognize efficiency in such an appeals process and to keep reasonable transaction costs as key considerations in its decision-making.
5.	Accreditation cycles	Revise the CDM accreditation procedure in order to improve the efficiency and effectiveness of the CDM accreditation process whilst not placing unnecessary burden on DOE's.

