



15 April 2016

CDM Executive Board  
UNFCCC  
Martin-Luther-King-Straße 8  
53175 Bonn, Germany

## **Response to CDM Call for Input on Options for using the CDM as a tool for other uses**

As an accredited UNFCCC Observer organization and close follower of the UN carbon market, the International Emissions Trading Association (IETA) recognizes the vital role the CDM should play in fostering the transformative paradigm shift required to build lasting low carbon and climate resilient communities in developing regions. We therefore welcome this opportunity to explore options for using the CDM as a tool for other climate mitigation uses.

### **The CDM and the Green Climate Fund**

To avoid re-inventing indicators, criteria and methodologies that already exist, IETA has previously encouraged the Green Climate Fund Secretariat and Investment Committee to build-on the UNFCCC's CDM and other emission reduction programs over the coming years. We believe that valuable standards, tools and methodologies – borne from the CDM and still evolving today across both UN and non-UN emission reduction programs – should not be ignored as the GCF becomes operational and investment framework decisions, criteria and indicators are considered and compared.

IETA believes that numerous lessons and tools from experience with the UNFCCC's Clean Development Mechanism (CDM), in particular, should be drawn from to inform the UN GCF's investment framework efforts. These priority lessons touch on: results-based project methodologies and frameworks; monitoring, reporting and verification (MRV) procedures; host country involvement; and registration processes.

IETA believes that the GCF has a unique opportunity to inherit the CDM's already-existing approaches and methodologies. The same can be said for a number of other existing and continually-evolving emission reduction programs across both voluntary and compliance results-based emission reduction programs, such as the Verified Carbon Standard (VCS), Gold Standard (GS), Climate Action Reserve (CAR), and the American Carbon Registry (ACR). Drawing from these existing and internationally-accepted emission reduction programs – rather than re-inventing criteria, indicators and

methodologies – will result in both cost and time savings for the GCF. This will also avoid duplicative efforts related to supporting, tracking, and attempting to scale private capital into mitigation activities, while also complementing these systems and tools as climate finance is effectively scaled, mobilized, channeled and tracked.

We strongly encourage the CDM Executive Board to echo our call for the Green Climate Fund to leverage the rools and resources of the CDM. We believe it as an excellent opportunity for the CDM to be applied as a results-based finance tool vis a vis the GCF.

IETA recognizes that in order to build lasting business-friendly low-carbon investment environments requires bold, creative, and concentrated participation from private sector players across all regions and sectors of the economy. IETA is committed to leveraging its broad network and international multi-sectoral membership base to help meet these challenges head-on. We also stand ready and willing to lend support to the CDM Executive Board and the GCF's Secretariat, Board and various Committees/Panels to help inform future Fund-related Investment Framework work and beyond. We look forward to future discussions and opportunities to lend input to collaboration between the CDM and the GCF's design and operationalization. If you have any questions or further information requests, please contact IETA's International Policy Director, Jeff Swartz at [swartz@ieta.org](mailto:swartz@ieta.org) (+32 2 230 1160).

Sincerely,



Dirk Forrister  
IETA President and CEO

### **About IETA**

*IETA is a non-profit international business organisation that promotes the establishment of a functional global framework for trading in greenhouse gas emission reductions. We seek to develop an emissions trading regime that results in real and verifiable greenhouse gas emission reductions, while balancing economic efficiency with environmental integrity. To achieve these goals, an emissions market requires scarcity, and long-term clarity and predictability of the rules, including the emission reduction target.*

*Established in 1999, IETA is the leading voice of the business community on the subject of carbon markets. IETA's members comprise more than 130 companies from across the carbon trading spectrum, and who are active in jurisdictions where carbon pricing policies are in place, being implemented or considered. IETA's members include global leaders in the oil, electricity, cement, aluminium, chemical, paper, technology, data verification, broking, trading, legal, finance, and consulting industries.*