Efforts to nurture demand for CDM and CERs

SIXTEENTH MEETING OF THE
GLOBAL CDM DESIGNATED NATIONAL
AUTHORITIES FORUM



Bonn, 13-14 November 2014

Niclas Svenningsen, UNFCCC



Key messages

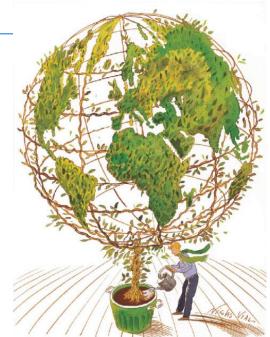


- Recognize that CDM is not a static concept but can and need to respond to the changing context.
- Understand that CDM is more than an offset instrument, and has significant potential to facilitate implementation of the 2015 agreement.
- Accept that carbon markets are underpinned by political decisions.
- Rest assured that the CDM Board and Secretariat has a progressive and proactive approach to guiding CDM into the future.



What is CDM?

- The usual story: 7500+ projects, 250+ PoAs, 200+ methodologies, 128 countries, 1.5 billion CO2eqv avoided, 150+ billion USD invested etc.
- Behind the scenes: Global capacity building, support to national market policies, closer networks of stakeholders & governments, net mitigation, co-benefits etc.



- <u>But also challenges:</u> Aspects of sustainable development, additionality of certain project types, time consuming process, understanding offsetting, political (short-term) market regulations etc.
- And political aspects: CDM in 2015 agreement? Ambition? What will happen with current supply-demand imbalance?
- → Snapshot quite negative. Outlook positive, but not business-as-usual!



Needs of 2015 agreement

- Ambition, ambition, ambition!!!
- Flexibility in mitigation policies to achieve NDCs.
- CDM is one of several options, but the only option fully operational.
- CDM currently under KP. Need to translate into post-2015 agreement.
- Translation requires rethinking some CDM fundamentals, such as how and where offsets are accounted for.
- Same requirement for ANY mechanism.



CDM beyond offsetting

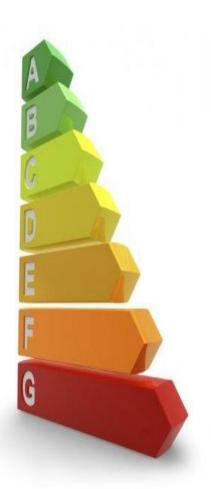


- CDM as NMM
- CDM for Results Based Financing
- CDM for ETS linking
- CDM as climate finance tool
- CDM in support of net mitigation
- CDM in support of domestic climate policies
- CDM as sustainable development and adaptation tool.



What CDM EB & UNFCCC are doing

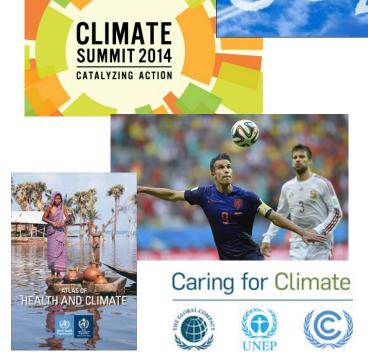
- Shift in how to approach future of CDM.
- Strong commitment to support existing projects
- Continued improvements but need for less tweaking and more rethinking of big issues.
- Direct support to parties recognize and emphasize need to resolve market mechanisms issues.
- Not self-serving but recognition of
 - A) wider objective of convention,
 - B) long-term trust in UNFCCC supported mechanisms, and
 - C) commitment to maintain viability of CDM for projects and stakeholders.





What CDM EB & UNFCCC are doing

- One of two goals in CDM BP: Nurture policies to broaden demand for, and participation in, the CDM.
- Implemented through:
 - Upgraded communications effort
 - Collaboration with other UN bodies
 - Targeted outreach to champions, sectors, organizations, events...
 - Facilitation of identification and voluntary cancellation of CERs.
 - Linked to larger UNFCCC Climate Neutrality messaging.









Thank you!

