## United Nations Framework Convention on Climate Change

# Outcome of Break-out 8 Future market expectations

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Redefine the role of the CDM to move it under the convention;

## Simplify the CDM: project cycle and validation and verification

- Make it less bureaucratic,
- Increase efficiency without decreasing credibility
- Simpler process for micro/automatic additional projects
- Use more standardized approaches and default values;
- Reduce transaction costs-Digitizing in modular approach
- Use templates for validations that can be checked by the secretariat (without using the DOE);
- Clarify Stakeholder consultation rules;
- Have more flexibility while preserving environmental integrity;
- Determination of additionality at the national level;
- PoAs:
- Reflect PoA concept in the M&P;
- Allowing validation without submission of a case specific CPA;
- Allow issuance of CERs at the CPA level;



# Question 2: How the CDM could be reformed or improved to enable it to play its potential role of combating climate change both pre and post 2020?

## Role of DOEs:

- Replace DOEs with National entities;
- Have same DOE do validation and verification;
- Limit the timeframe for validation and verification by DOEs;
- Expand the scope of materiality;

#### Role of DNAs:

- DNAs to monitor SD benefits
- DNA to follow-up on the implementation of the project;
- Provide guidance on the content of LoAs;
- DNAs to be associated with stakeholders consultations and validation;
- Reflect the actual roles of DNAs in the CDM M&Ps;
- Institutionalize the DNAs in the host countries and link them with new institutions serving new instruments.
- EB
- Reform the governance of the mechanism (EB membership, competence, transparency, duration fo the term etc...)



### **Enhance the CDM**

- Grant a minimum price of a CER;
- Put price on SD benefits;
  - a) Increase the scope/sectors-Energy efficiency, Transport, Forestation
  - b) Increase the demand for CERs- for e.g. Group CERs by source- branding of CERS
  - c) Make CDM project risks independent of host country- Insurance /fund to cover host country risks to increase attractiveness of CDM project activity
  - d) Enhance CDM to make it relevant/ link with NAMAs, RBF, INDCs, NMMs
  - e) Move towards scaling up CDM
  - f) Reform/ rebrand CDM -but quickly
  - g) Conservative assumptions should NOT be confused with net mitigation
  - h) Revitalize CDM to revive abandoned CDM projects / make existing abandoned CDM projects relevant to new reforms/NMMs etc

