Stocktaking of negotiation process on CDM regulations – A perspective for Paris

Fatima-Zahra Taibi, UNFCCC secretariat Latin American and Caribbean Regional Workshop on Carbon Finance (7 – 8 September 2015) Santiago de Chile, Chile



UNFCCC Secretariat

Sustainable Development Mechanism Programme

Negotiations on CDM

 Review of the CDM modalities and procedures (Nov 2013 ~)



• Annual guidance on the CDM





Review of the CDM modalities and procedures – process to date





- Diverging views
 - **Minimum change** is necessary to reflect only the current regulations and practices of the CDM Executive Board
 - **Simplification and streamlining** is necessary in particular to facilitate the uptake of the CDM in underrepresented regions/countries
 - **Fundamental reform** is necessary to include issues such as "net mitigation" objective, to strengthen environmental integrity (additionality, etc.) or sustainable development contribution aspects
- SBI 42 (June 2015, Bonn)
 - Parties agreed to start discussing on the introduction of new sections on PoAs and DNAs → Constructive discussions took place, but no conclusion could be reached at the end.
- Perspectives for Paris
 - The expected 2015 agreement in Paris may have an implication on the fate of the CDM and market mechanisms in general



Annual guidance on the CDM – Decisions

 Historically used as means to amend CDM rules, which are under the jurisdiction of the CMP (higher than not EB)

• Decisions at CMP 10 (Lima)

- Allow <u>validation of monitoring plan</u> at any time up to the first request for issuance
- For <u>multi-country PoAs</u>, a request by a Party for review of a request for issuance affects only the CPAs in that Party
- Consider implications on the <u>necessity of PDD</u> when proposing revision to a methodology
- Continue the work on <u>simplification and streamlining methodologies</u>



Annual guidance on the CDM – Requests to the Board

• Requests the Board at CMP 10

- Explore additional cost-effective approaches to demonstrating the eligibility of land to qualify for A/R project activities
- Analyse options to allow <u>simplified registration</u> for project activities and PoAs that qualify as automatically additional (registration with template + validation at 1st issuance)
- Analyse implications on <u>allow the same DOE to perform both</u> <u>validation and verification</u> of the same project activity or PoA for all scales
- Develop and digitize <u>methodology-specific DD forms</u>



- Requests the Board at CMP 10 (cont.)
 - Streamline provisions on PoAs with a view to achieving consistency in a consolidated set of rules
 - Consider adjusting the <u>rules on PoAs</u> (application of microscale thresholds at unit level, simplified validation/registration for microscale and automatically additional activities)
 - Explore and analyse options to improve <u>accreditation</u> of operational entities in regions underrepresented in the CDM



Thank You



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