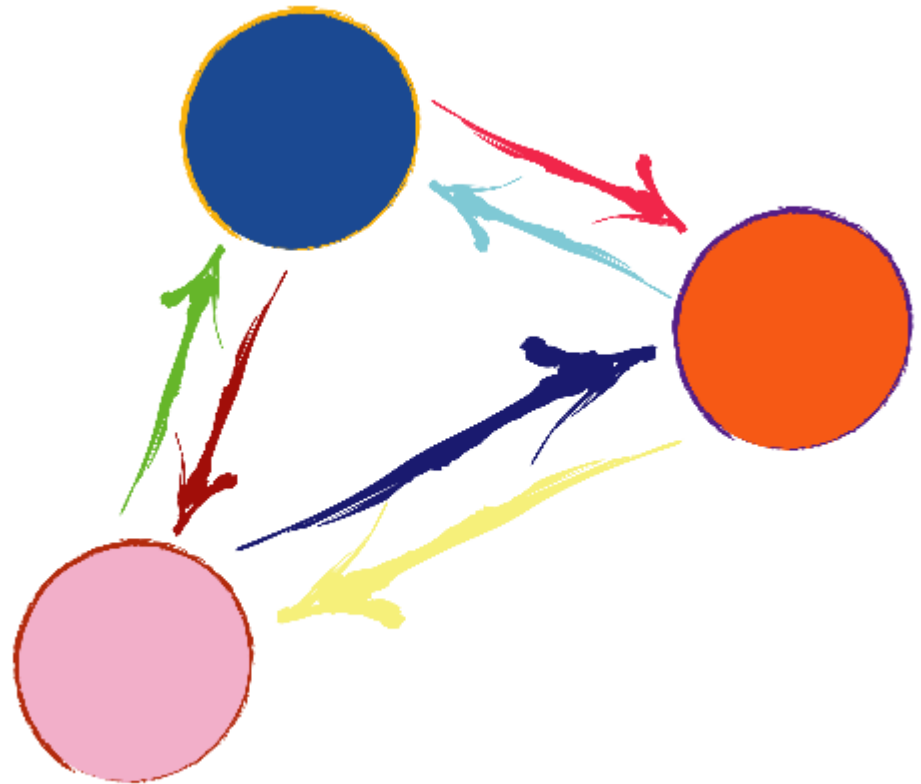


DNA Forum Interaction at EB 106

29 May 2020





Aim of the presentation

- The aim of the presentation is to:
 - Convey the key messages from DNA on the current state of the CDM in their countries, reflecting both strengths of the system as well as areas for improvement;
 - deliver suggestions to the Board on what they could do to address the concerns/suggestions of the DNAs, including areas for further discussion at the Global Forum;
 - receive feedback from the Board.



DNA inputs to EB 106

Following were the guiding questions for the survey:

- a) General situation of the CDM in your country** – what worked well in the CDM and what could have been improved in the CDM?
- b) Untapped potential in your country** – what project type has mitigation potential that is untapped and CDM could support unlocking those mitigation potential?
- c) DNA efforts for participation in the CDM** – what efforts has been made by DNAs for participation in the CDM (some areas may be, but not limited to: assessing and approving potential CDM projects, submitting proposed standardized baseline, local stakeholder consultation, Sustainable Development Tool, financing CDM projects, participation in DNA Forum Meetings and Regional Climate Weeks to build capacity, accessing support from the UNFCCC regional collaboration centers)?
- d) Topics for the Global DNA Forum Meeting 2020.**
- e) Any other suggestions/concerns** related to CDM you would like to deliver to the CDM Executive Board.



General situation of the CDM in the country (1/2)

CDM – what worked well

- **Green investment:** the CDM has provided a source of foreign investment into new, clean technologies, which have both reduced emissions and contributed towards host countries' sustainable development goals;
- **Government action:** the implementation of the CDM has stimulated greater involvement of governments, narrowly within the CDM, but also more broadly. For instance: national policy (Kenya), national strategy (Pakistan), national registry (Guatemala), policy guidelines/handbooks (Fiji, Morocco, Rwanda), documentary checklist (Philippines), study on “Legacy of the CDM” (Brazil);
- **Stakeholder interest:** the CDM spurred greater stakeholder awareness of, and interest in, mitigation projects.



General situation of the CDM in the country (2/2)

CDM – what could have been improved

- **Capacity building:** many DNAs noted the need for greater capacity building support, both for the DNA and also for project implementation in their countries. One suggested the possible benefit of creating regional CDM Expert Groups, to help share relevant knowledge.
- **Official processes:** a number of DNAs noted the scope for improvements in the formal processes of the CDM, for example in the registration of new projects. Methodological simplifications might also be made, especially for large-scale projects. One DNA commented on experiencing linguistic challenges.
- **Costs:** some DNAs expressed concern at the high transactional costs associated with operating a CDM project – DOE fees were highlighted by one in particular.
- **CER Prices:** many DNAs noted the adverse impact low CER prices had in stimulating interest and investment in the CDM.
- **Role of the DNA:** one DNA felt that there was insufficient communication on the part of the UNFCCC and CDM with them. Another questioned the possibility for DNAs to assume a more technical – as opposed to simply administrative – function.

Sectors where CDM could support more



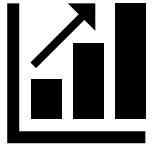
Sectors

- Afforestation and reforestation;
- Transport;
- Waste;
- Renewable energy;
- Energy efficiency (industrial, domestic and transport);
- Smaller off-grid and household-based mitigation actions.

Issues to address

- Complexity of the methodological aspects;
- Capacity for development of CDM projects.

Current DNA efforts for participation in the CDM



- **Meeting participation:** COPs and SBSTAs on CDM matters; DNA Forums; Regional Climate Weeks, including hosting them.
- **RCCs:** Working with the RCCs on standardized baselines, the Collaborative Instruments for Ambitious Climate Action initiative, and available CDM financing facilities.
- **Ongoing CDM work:** Assisting project developers on technical aspects and in the registration process; Receiving prior consideration communications; Assessing and approving potential CDM projects by issuing authorization letters; Monitoring CDM projects and programmes in the country using the SD Tool; Responding to requests from the teams of the CDM secretariat.
- **Engaging locally:** Attendance at the local consultations of CDM project proponents and others stakeholders; Public and private sector awareness raising for the submission of ecologically and economically profitable projects that support sustainable and resilient development.



Proposed topics for the global DNA Forum meeting 2020

- **Future of the CDM:** what is the future of the CDM after 2020?
- **Links with Article 6:**
 - How will the CDM transition into the new Article 6 mechanism?
 - What role will there be for DNAs under Article 6?
 - How can the experience of the CDM be reflected in the MPGs for the 6.4 mechanism?
- **Capacity building:** how more support can be given to DNAs, including by strengthening the link with the CDM and building regulatory institutional expertise?
- **Strengthening the CDM market:** including possible links with the GCF.



Suggestion to the Board

- **Future of the CDM:** for the CDM Executive Board to provide clarity to the DNAs on the operation of the CDM post-2020 to the stakeholders, considering that there will now be no CMP meeting in 2020. This should include:
 - Should DNAs issue LOAs for new activities post-2020?
 - Will project activity registrations post-2020 and issuance of CERs based on mitigation achieved post-2020, continue?
 - What are the implications for the work of the Board?
- **Transition to Article 6:** ensure equitable transition of CDM methodologies, activities and CERs under the Paris Agreement.
- **Process improvements:** accelerating the CDM project cycle, including registration/review; make the methodologies accessible and simple; reduce the transaction costs.
- **CERs:** find a way to stabilize the CER price.



Global DNA Forum Meeting 2019 participants in Bonn

Thank you!

David Hynes (United Kingdom of Great Britain and Northern Ireland) and Kudakwashe Manyanga (Zimbabwe)
Global DNA Forum Co-chairs

Annex: list of survey respondents

- Brazil,
- Côte d'Ivoire,
- Democratic Republic of the Congo,
- Dominican Republic,
- Ethiopia,
- European Union,
- Fiji,
- Guatemala,
- Guinea-Conakry,
- Kenya,
- Mongolia,
- Morocco,
- Myanmar,
- Pakistan,
- Philippines,
- Rwanda,
- Somalia,
- Switzerland.