



**GERMANY AND THE EUROPEAN COMMISSION ON
BEHALF OF THE EUROPEAN UNION AND ITS
MEMBER STATES**

18 September 2020



Chair, Vice Chair and Members of the CDM Executive Board
UNFCCC Secretariat
Martin-Luther-King-Strasse 8
D 53153 Bonn
Germany

**Germany and the European Commission on behalf of the European Union
and its Member States:**

**CDM registration and issuance of CERs related to mitigation activities be-
yond 2020**

Berlin, 18 Sept 2020

Dear Mr. Diagne, Mr. Kassi and Honourable Members of the CDM Execu-
tive Board,

We understand the Board will consider the implications of the postpone-
ment of the Glasgow COP/CMP for its activities, and in particular, the ab-
sence of guidance on activities and emission reductions post-2020.

We, like many others, were disappointed that Parties were not able in Ma-
drid to agree on the guidance necessary to ensure a smooth transition
from the CDM to the Article 6.4 mechanism. And due to the postponement
of COP 26 we will be unable to mark the end of the second commitment
period of the Kyoto Protocol with the agreement of the Article 6 rulebook
at COP26 this year.

In this context, we believe it is important to re-confirm our view (most re-
cently expressed in written submissions on behalf of the EU; by **Malta and**



the European Commission 21/03/2017¹ and Estonia and the European Commission 6/10/2017²) that the legal mandate of the CDM will expire at the end of 2020 and the second commitment period. In the absence of a third commitment period under the Kyoto Protocol post-2020, there is no legal basis for a registration of activities after 31 December 2020 or for the renewal of crediting periods that start after 31 December, nor for the issuance of CERs with respect to emission reductions or removals achieved after 31 December 2020.

The CDM may, of course, pursuant to its mandate under the KP, continue to process requests, and continue to issue CERs with respect to emission reductions occurring in the second commitment period (2013-2020) until the end of the true-up period. We can see no good reason to process requests in relation to post-2020 activities until further guidance is provided by the CMP next year.

By adopting and ratifying the Paris Agreement, Parties have agreed that cooperation involving the transfer of mitigation outcomes from 31 December 2020 onward is subject to Paris requirements consistent with guidance to be adopted under that Agreement, and the Paris Agreement provides for a Mechanism where these activities can be registered and emission reductions issued.

While some of the rules remain to be agreed, several outstanding issues of importance, not addressed by the KP or the CDM, are under active discussion, including transition arrangements for CDM projects and credits, as well as the application of accounting requirements and mitigation objectives to crediting under Article 6 post 2020. We believe that any registration or issuance under the CDM post 2020 would be prejudicial to these discussions, and to the implementation of any final agreement.

¹ https://www4.unfccc.int/sites/SubmissionsStaging/Documents/783_317_131345685428746919-MT-03-21-EU%20SBSTA%2012a%20b%20and%20c%20EU%20Submission%20Article%206.pdf

² https://www4.unfccc.int/sites/SubmissionsStaging/Documents/783_344_131517552905177783-EE-06-10-SBSTA%2010%20a-b-c_EU%20Submission%20on%20Art%206.pdf

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We recognize that the failure to conclude Article 6 decisions in Madrid, and the postponement of the COP to 2021 may have created some uncertainty for CDM projects and participants. It is important to note nonetheless, that no provisions on transition were agreed in Paris – and none have been agreed under the KP or under the Paris Agreement to date. The CDM Board should not, in the absence of guidance, unilaterally address this issue. It is the Parties to the Kyoto Protocol and the Paris Agreement that resolve the issue of transition, amongst other issues, through agreement of a comprehensive set of rules and decisions in Glasgow next year.

We trust that these considerations will be reflected upon in the upcoming meetings of the CDM EB.

Kind regards

Nicole Wilke

A handwritten signature in black ink, appearing to read 'Nicole Wilke'.

Head of Delegation Germany
Chair of the European Council
Working Party on International
Environment Issues – Climate Change

Jacob Werksman

A handwritten signature in black ink, appearing to read 'Jacob Werksman'.

Head of Delegation of the
European Union