



Stakeholder Communication Form
(Version 01.0)

This form shall be used for any CDM-related communication with the UNFCCC secretariat or the CDM Executive Board. All the questions are mandatory unless otherwise indicated.

The completed form and any supplemental documents shall be submitted electronically to cdm-info@unfccc.int, or via fax to +49-228-815-1999 or via post to: Sustainable Development Mechanism (SDM) Programme, UNFCCC secretariat, P.O. Box 260124, D-53153 Bonn, Germany.

SECTION 1: COMMUNICATION HEADER

Please provide your contact information.

Title: Mr. **First Name:** Carlos **Last Name:** Fuller

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Postal Address: **Phone Number:**
Country: Belize *Include country code (e.g. +49-228-815-1999)*

Stakeholder Type: Other If other:

Please indicate from whom you would like to get an answer.

This communication is addressed to¹: Chair of CDM Executive Board (normal track)

SECTION 2: PROJECT ACTIVITY OR PROGRAMME OF ACTIVITIES (PoA)

If this communication refers to a specific CDM project activity/PoA, please answer questions in this section (otherwise proceed to Section 3).

Project/PoA Ref. Number If applicable, CPA Ref. Number:
5-digit# format 01234 *8-digit# format 0123-4567*

Project Cycle Stage [Choose an item] If other:

If there is no specific CDM Reference Number, please answer the remaining questions in this section (otherwise proceed to Section 3).

Host Country(ies)

Project/PoA Title

Technology Type [Choose an item] If other:

SECTION 3: YOUR COMMUNICATION

Title/Subject Stakeholder input - CDM EB discussions on post-2020 CDM functioning
Maximum 250 characters

Communication Text See attachment.
Include background, details, and conclusion (unlimited length)

Supplemental Documents NA
If applicable, list the title(s) of any attached file(s) or link(s)

This communication may be made public Yes

¹ In accordance with the "Procedure: Direct communication with stakeholders" (version 02.0), stakeholders may address communications either (a) to the secretariat, in order to seek a fast-track technical or operational explanation regarding the implementation of existing CDM rules, or (b) to the CDM Executive Board, in order to communicate to the Board their views on CDM rules and their implementation, or to seek official clarifications of CDM rules.

Document information

<i>Version</i>	<i>Date</i>	<i>Description</i>
01.0	02 March 2015	This form supersedes and replaces the following: <ul style="list-style-type: none">• F-CDM-RtB: <i>Form for submission of Letters to the Board</i> (version 01.2)• F-CDM-RtB-DOE: <i>Form for communication on policy issues initiated by AEs/DOEs</i> (version 01.1)• CDM-RtB-DNA: <i>Form for communication on policy issues initiated by DNAs</i> (version 01.1)

Decision Class: Regulatory

Document Type: Form

Business Function: Governance

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November 20, 2020

CDM Executive Board
UNFCCC Secretariat
P.O. Box 260124
D-53153 Bonn, Germany

Re: Stakeholder input - CDM EB discussions on post-2020 CDM functioning

Dear Chair, Vice-Chair and Members of the CDM EB,

I am writing on behalf of the Alliance of Small Island States (AOSIS) and its 39-member State Parties to the Kyoto Protocol.

AOSIS is aware that the issue of the operation of the CDM post-2020 has been the subject of discussions within the CDM EB, in particular regarding issuance of CERs and registration of CDM project activities. AOSIS is also aware that a range of stakeholder groupings have made their views known. AOSIS avails itself of this opportunity to make its own views known directly to the CDM EB.

In the view of AOSIS, CERs cannot legally be issued for post-2020 emission reductions by the CDM EB, because there is no third commitment period and for the additional and related technical reasons that follow from the absence of a third commitment period (e.g., credit identifiers require a commitment period etc.). This view was expressed during negotiations in June 2019 and again in the context of the Article 6 negotiations in Madrid in December 2019, and is well-known among other Parties.

The CMP has authority over and provides guidance to the CDM. The CDM EB supervises the CDM, but it does so under the guidance and authority of the CMP, and is fully accountable to the CMP, per decision 3/CMP.1. After a period of negotiation spanning many years, the CMP approved a rule set applicable for the Kyoto Protocol's first commitment period. Negotiations over the rule set applicable to the second commitment period also took multiple years. Parties agreed by decision 1/CMP.8, in 2012, that the second commitment period would begin on January 1, 2013 and end on December 31, 2020. No third commitment period has been negotiated or agreed by Kyoto Parties. As a consequence, there are no rules agreed by the Parties applicable for CER issuance other than those addressing CERs valid for the first and second commitment periods, representing emission reductions achieved prior to December 31, 2020.

While it is regrettable that CMP 16 will not meet in November 2020, the absence of this meeting does not impact the rules that are now in place and that have been in place for some time. Under existing rules, agreed by the CMP, CERs cannot be issued post-2020 for emission reductions achieved post-December 2020 for the reasons stated above.



AOSIS observes that in 2015 all Parties participated in the adoption of the Paris Agreement, which establishes a new centralized mechanism that takes into consideration lessons learned from the Kyoto mechanisms. It is now time to put the beneficial elements of this new mechanism into place, including rules that ensure the avoidance of double counting, deliver a share of proceeds for adaptation, deliver an overall mitigation in global emissions and put in place appropriate baseline methodologies.

In its 2019 annual report, the CDM EB recommended that the CMP "provide guidance to the Board on the functioning of the CDM beyond the end of the second commitment period." See FCCC/KP/CMP/2019/3. By decision 2/CMP.15, the CMP recognized this request, expressed appreciation for the work undertaken by the Board over the previous year and, among other things, took note of the report on the present financial situation of the CDM and foreseen budgets for activities through 2023. 2023 coincides with the end of the true up period for the second commitment period - the 100 day period provided to Parties, after the completion of expert reviews of inventory data for the last year of the commitment period (2020), during which eligible Parties may continue to acquire units from the preceding commitment period for purposes of fulfilling their targets. See Decision 27/CMP.1, annex, section XIII.

If specific further guidance is needed, it would be proper for the CDM EB to request this guidance of CMP 16 when it next meets. It would not be helpful for the CDM EB to second guess the intentions of the CMP, potentially sending mixed signals to stakeholders. It is for the CMP, rather than the CDM EB or the Secretariat, to take policy decisions that go beyond the mandate previously approved for the operation of the CDM.

Best wishes,



Carlos Fuller
Lead Climate Change Negotiator
AOSIS