United Nations Framework Convention on Climate Change

Update on the CDM (CMP 16, EB 113-114)

LAC CDM DNA Regional Forum

Santo Domingo, the Dominican Republic, 18 to 19 July 2022



CMP 16 (Glasgow, Nov 2021)



General, methodologies

- 1. Designates the operational entities as accredited by the Board
- 2. Requests the Board to continue to review the **methodological approaches** to calculating emission reductions achieved by project activities that result in the reduced use of non-renewable biomass in households

Functioning of the CDM beyond CP2 (CDM process)

- No registration, renewal of crediting period and issuance of CERs relating to emission reductions occurring after 31 December 2020 (i.e. post-2020 cases) under the CDM
- 2. Deregistration from the CDM once transitioned to the 6.4 mechanism



Functioning of the CDM beyond CP2 (SBI/SBSTA work)

- 3. Conclusion of consideration of items referred to SBI or SBSTA:
 - a) Review of the CDM modalities and procedures (SBI)
 - b) Procedures, mechanisms and institutional arrangements for appeals against decisions of the Board (SBI)
 - c) Land use, land-use change and forestry under Article 3, paragraphs 3-4 (SBSTA)
 - d) Implications of the inclusion of reforestation of lands with forest in exhaustion as A/R CDM project activities (SBSTA)
- 4. Requests SBI to consider measures to implement para 75(b) of CMA decision on Article 6.4 (transfer of eligible CERs to the 6.4 mechanism registry)



Functioning of the CDM beyond CP2 (6.4 mechanism)

- 5. Requests the Board to cooperate with the 6.4 Supervisory Body upon its request to facilitate the expedited implementation of the Article 6.4 mechanism
- 6. Requests the Board to make available hard and soft infrastructure under the CDM to the 6.4 Supervisory Body to facilitate the expedited implementation of the Article 6.4 mechanism



Functioning of the CDM beyond CP2 (temporary measures)

- 7. Continue the <u>temporary measures</u> adopted by the Board for post-2020 cases with a view for them to transition to the Article 6.4 mechanism later if eligible for transition until the transition process becomes operational
- 8. Retain the provisional status accorded to the requests under the temporary measures, acknowledging that they may transition to the Article 6.4 mechanism if they meet the conditions for transition
- 9. Reject the requests with the provisional status under the temporary measures that subsequently have not transitioned to the Article 6.4 mechanism



Financial resources

- Allocate remaining balance of the CDM Loan Scheme and any interest accrued to the Trust Fund for Supplementary Activities for capacity-building to enhance regional climate action
- 2. Transfer of financial resources from the CDM Trust Fund:
 - a) USD 30M to the Trust Fund for Supplementary Activities for the work of the 6.4 Supervisory Body for expedited implementation of the 6.4 mechanism
 - b) USD 10M to the Trust Fund for Supplementary Activities for the work of the 6.4 Supervisory Body for capacity-building in applying the 6.4 mechanism through RCCs and transition of CDM activities to the 6.4 mechanism
 - c) USD 20M to the Adaptation Fund



Financial resources

- 3. Invites the CMA to allocate USD 30M from the 6.4 mechanism fund to the Adaptation Fund after the 6.4 mechanism becomes self-financing
- 4. Requests SBI to review the status of CDM Trust Fund and develop recommendations to CMP 18 (Nov 2023)



EB 113-114 (Mar, June 2022)



EB 113 outcome

- 1. Agreed on the EB business and management plan 2022-2023
- 2. Agreed on EB and panels workplans for 2022
- 3. Revised the clarification on the temporary measures for requests for post-2020 cases → reflect the CMP 16 outcome
- 4. Adopted an amendment to the validation and verification standards (VVS-PA, VVS-PoA) → introduced a guidance on remote inspection as an alternative means to on-site inspection
- 5. Revised the accreditation procedure → minor improvement of the accreditation process
- 6. Adopted a number of new and revised methodologies and tools



EB 114 outcome

- Issued a clarification on post-registration change to delay the start date of the crediting period
- 2. Considered future activities of the EB and agreed to:
 - Revise CDM regulations to reflect the process for transitioning of CDM activities to the 6.4 mechanism, once the CMA adopts transition rules
 - Develop public information on a high-level overview of CDM methodologies
 - Send a letter to the 6.4 Supervisory Body offering for cooperation for the expedited implementation of the 6.4 mechanism
- 3. Clarified the conditions and process for DOEs requesting remote inspection as an alternative means to on-site inspection
- Agreed on the message to be included in the annual report to the CMP

