

# CDM Post 2012

# Milestones

**COP13 2007, Bali Action Plan:** Negotiating a comprehensive framework for enhanced action on climate change.

**COP15 2009, Copenhagen Accords:** Political declaration laying the foundation to tackle CC through a new post 2012 regime: a number of institutional mechanisms were established, incl. Green Climate Fund, but no agreement on a Second Commitment Period of the Kyoto Protocol.

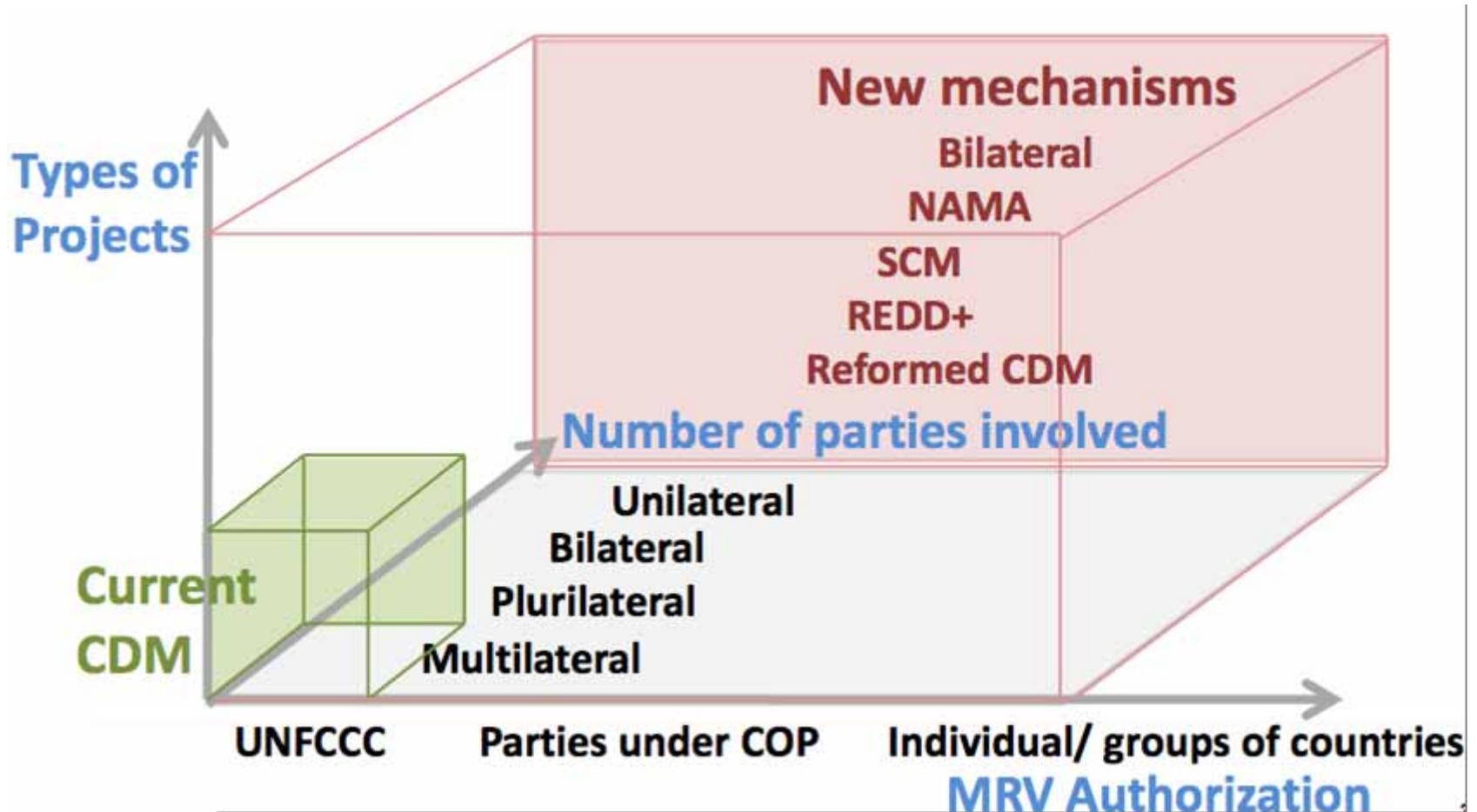
**COP17 2011, Durban Platform:** A road map towards a protocol, another legal instrument or an agreed outcome with legal force under the UNFCCC; operationalization of the post 2012 institutional mechanism, incl. Green Climate Fund; Second Commitment Period

# Key Elements of the Durban Decisions

- The Durban Platform for Enhanced Action. By 2015 a “protocol, legal instrument, or an agreed outcome with legal force” will be defined, to be implemented by 2020.
- The Kyoto Protocol will see a second commitment period from 2013 until either 2017 or 2020.
- Annex 1 Parties participating in the 2<sup>nd</sup> commitment period to submit information on their emissions targets by May 2012 with a decision to adopt them to be taken in December 2012
- NF3 is an additional gas under this 2<sup>nd</sup> period.
- The Green Climate Fund (GCF) will start operations. The GCF will provide long term financing for developing countries- rising to US\$ 100 billion per year by 2020.

- The Adaptation Committee is to start work by defining what information is to be incorporated into National Adaptation Plans.
- Agreement to develop general guidelines for Measurement, reporting and verification (MRV) of domestic actions in developing and developed countries.
- Develop Modalities and Procedures for a New Market Mechanism (NMM)
- Further CDM improvements to increase efficiency, scale and outreach confirmed, using standardized baselines, PoAs, and simplified additionality approaches.
- Carbon capture and storage projects are eligible.
- The materiality standard was completed.

# New Market Mechanisms



# Reformed CDM

Some CDM reforms being discussed are:

- Introduction of standardized baselines and monitoring methodologies.
- Increase use of technology benchmarks for additionality testing.
- Improvement in governance arrangements.
- Revision of decision-making procedures (transparency, due process).
- Expand coverage of CDM through programmatic CDM.

# Nationally Appropriate Mitigations Actions (NAMA)

- NAMA Concept created in the Bali Action Plan (2007)
- **‘Nationally appropriate mitigation actions’** by developing country Parties in the context of sustainable development, **supported** and enabled by technology, financing and capacity building, in a **measurable, reportable and verifiable** manner.”
- NAMAs can basically be
  - Unilateral NAMAs: mitigation actions independently funded and carried out by developing countries

# Nationally Appropriate Mitigations Actions (NAMA)

- Supported NAMAs: climate protection measures in developing countries, supported by technical assistance and/or direct funding for climate protection from Annex I countries of the Kyoto Protocol ("directly" supported NAMAs)
- Credited NAMAs: climate protection measures in developing countries, that generate certified emission reduction credits (credits) to be sold on the international carbon market (e.g. sectoral measures)

# Sectoral Crediting Mechanism

- EU and other parties are advocating SCM.
- Under SCM the crediting baseline will be set tighter than BAU projections to help ensure that credited reductions are truly “additional” and to provide a net environmental gain from its use .
- Expected to scale up the emission reduction efforts in developing countries
- SCM can co-exist with CDM

# Other Initiatives

## **Post 2012 Carbon Funds**

- Multilaterals and Government agencies purchase carbon credits generated in the post Kyoto period.
- By assuming the inherent regulatory risk, the Fund aims to give confidence in the development of a post Kyoto regime while directly supporting environmental projects.

## **Green Climate Fund (GCF)**

- Established at Cancun Conference in Dec 2010.
- Aims to mobilize \$100 billion a year by 2020 to address the mitigation and adaptation needs of developing countries.

# Other Initiatives

## CDM Loan Scheme

At CMP6 in 2010, the CMP established a scheme to provide loans to cover the costs of the development of PDDs, validation, and the first verification of CDM projects in countries who host fewer than 10 registered projects.

The project participants will only be eligible to receive a loan if:

- they have integrity, with no past or current record of judicial process for malpractice, fraud and/or any other activity that gives rise to concerns over their integrity;
- they have sufficient capacity to implement and operate the project activity.

Projects to be funded by the loan scheme must:

- Projects must be in host countries with a maximum of 10 CDM project activities registered with the UNFCCC at the time of application
- Be highly likely to be commissioned and completed with regard to permits, licences, and political risk;
- Project documentation must be developed by an experienced CDM consultant.
- Projects must have a high probability of registration with the UNFCCC and generating at least 7,500 CERs/year for projects in Least Developed Countries (LDCs), and 15,000 CERs/year in non-LDCs
- Meet the eligibility criteria for a CDM project or a CDM programme of activities (-/CMP.6, Annex 3, Appendix I).
- The loan must not “crowd out” other obvious funding for the development costs (like donor funding or funding by an already identified buyer of CERs from the project)

THANK YOU