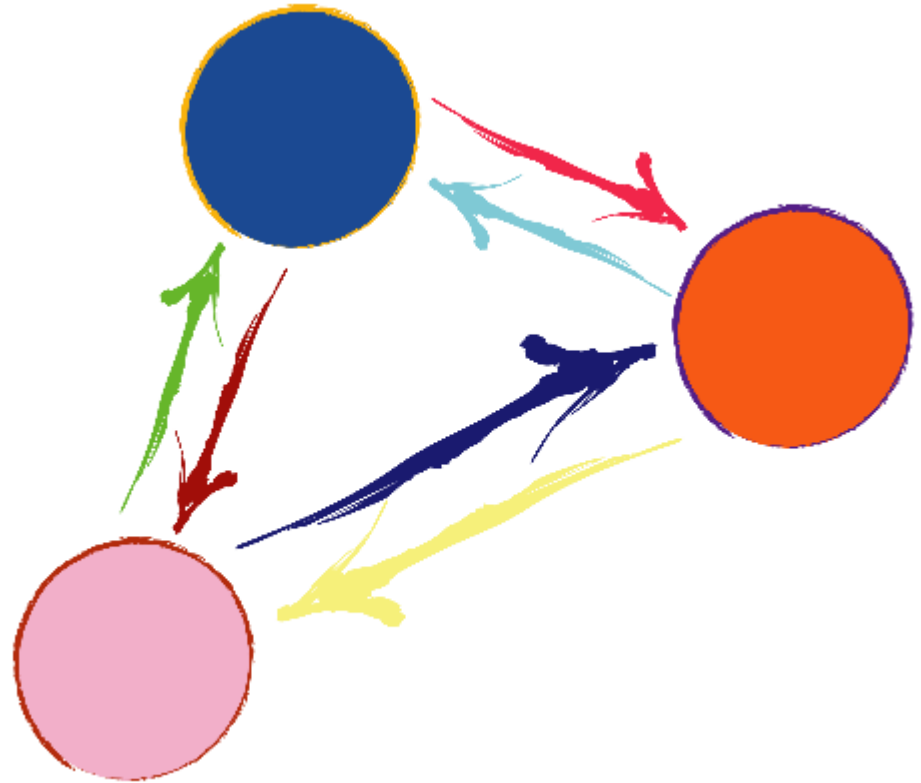


# DNA Forum Interaction at EB 96

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20 September 2017  
Bonn, Germany





## Aim of the presentation

- The aim of the presentation is to:
  - give a good picture on how the DNAs see the current situation of the CDM, the envisaged roles of the DNAs in the post-Paris world and the future of the market mechanisms;
  - deliver suggestions to the Board on what work they could do to address the concerns/suggestions of the DNAs;
  - present Co-chairs' takeaway from the global DNA Forum meeting 2017;
  - receive feedback from the Board.



## DNA inputs to EB 96 at a glance (1/9)

These recently received DNA inputs (a total of 18 inputs received) were a result of the call for input which was open from 27 July to 25 August 2017:<sup>1</sup>

### **Current activities of the DNAs:**

- Support and promote CDM project activities and PoAs;
- Develop GCF projects;
- Position the MRV contribution of the CDM as part of the implementation of the NDCs.

### **Promotion of SD-Tool:**

- Limited promotional activities due to the low level of awareness about SD-Tool among DNAs.

<sup>1</sup> Inputs under topics in ***bold italics*** are requested by the CDM EB.



## DNA inputs to EB 96 at a glance (2/9)

### **Examples of DNA efforts in linking the CDM with climate finance:**

- Introduction of VAT discount for new emission reduction technology and carbon tax (CERs to be used to comply with the regulation instead of paying the carbon tax);
- Promotion of inclusion of CDM projects in the NDC process, although private sector is reluctant to invest in CDM projects due to the low CER price;
- Promotion of climate finance and supporting generation of new ideas;
- Supporting NAMAs, LEDS;
- DNAs are advocating for CDM projects in the pipeline to be considered for GCF funding; some applying for Readiness Funds to help foster CDM activities;
- One Annex I country is the largest donor to the Carbon Initiative for Development (Ci-Dev). Ci-Dev is also developing standardized methodologies suitable for LDCs.



## DNA inputs to EB 96 at a glance (3/9)

### ***The CDM in the future - link to Art. 6.4 of the Paris Agreement and NDCs:***

- A more flexible and cost-effective CDM could be accommodated in Art. 6.4, any credit generating mechanism should be part of Art. 6.4 mechanism. There should be a governing body under the UN that will accredit non-UN mechanisms to be part of Art. 6.4;
- Carbon markets, including the CDM, should be used to comply with NDCs;
- One non-Annex I country sees the CDM in the future under Art. 6.8 of the PA (non-market based approaches);
- Participation of more proponents (public and private) are expected under Art. 6;
- Transfer of CDM methodologies/tools/infrastructure to the new mechanism expected.

→ In general, DNAs would like to know, as soon as possible, what will the future of CDM be after 2020 and what the options/possibilities are.



## DNA inputs to EB 96 at a glance (4/9)

### **Possible role of DNAs in the future in the context of Art. 6.4 on mechanism:**

DNA role could be:

- Administrative role regarding national registry, national accountability with the GHG inventories;
- Seek bilateral support in implementing mitigation activities;
- Important actors in mitigation actions and in relation to Art. 6 (to support the implementation of NDCs through CDM);
- Establish national carbon market;
- Implementer of the national climate legislation for the aspects of international carbon markets
- Set up the basis for the implementation of NDC in the context of SD, including mitigation, adaptation, finance, technology transfer and capacity building (market mechanism excluded);
- Some were cautious and mentioned that the role of DNAs is highly dependent on the final form of Art. 6.4.

## DNA inputs to EB 96 at a glance (5/9)



### ***Possible contribution of the CDM EB in achieving the objectives of the PA:***

The EB should:

- Reflect on the perspectives of the CDM beyond 2020 and draw lessons learnt that can be useful for other stakeholders to design the mechanism under Art. 6.4 of the PA;
- Help to ensure that there is a smooth transition between the CDM and the new article 6 mechanism (e.g. through the sharing of lessons learned);
- Continue its work on methodologies development (simple and easy to implement) to allow a standardized way to estimate emission reductions under the PA and ensure transparency and avoid double counting;
- CDM EB to be part of the Art. 6 negotiation by providing inputs and sharing lessons learnt to indicate the role the CDM can play and the contributions of the CDM in the implementation of the Art. 6.4;
- Promote linking CDM with climate finance (access to finance);
- Promote the CDM as a hub for DNAs to share information, project ideas, etc.
- Increase budget for DNA-related training and forums for capacity-building and experience sharing activities.

## DNA inputs to EB 96 at a glance (6/9)



### **Participation of DNAs in CDM capacity-building events:**

- Some DNA participated in capacity-building events while others mentioned difficulties in attending such events (events are not organized in the region (e.g. MENA), not receiving the invitation timely, lack of funding (in case of self funded DNAs), etc.).





## DNA inputs to EB 96 at a glance (7/9)

### **Specific inputs to shape up the future work of the Board:**

#### Related to previous CMP decisions:

#### The EB should:

- Address the concern expressed by the CMP regarding the difficult market situation currently faced by participants in the CDM and the consequent loss of institutional capacity related to the mechanism (Decision 3/CMP.9, paragraph 4);
- Facilitate the simplification and streamlining of methodologies with added new methodologies (Decision 3/CMP.9, paragraph 11);
- Provide technical assistance to DNAs to develop guidelines for consultation with local stakeholders in their countries (Decision 3/CMP.9, paragraph 20);
- Urgently discuss decision 4/CMP.9, paragraph 1, especially regarding parts: (d) The length of the crediting period; and (g) The simplification and streamlining of the project cycle for certain project categories;



## DNA inputs to EB 96 at a glance (8/9)

### **Specific inputs to shape up the future work of the Board (Contd.):**

#### Proposals to further simplify the CDM to be fit for future:

The EB should consider to:

- Allow for the DOE approval of the monitoring plan after project registration;
- Increase the acceptance of small-scale and micro scale project activities;
- Exempt CDM projects using standardized baselines or micro-scale additionality from DOE validation and use a pre-approved registration template;
- Allow use of standardized approaches and positive lists to facilitate the demonstration of additionality;
- Develop focused mechanisms for LDC that can help build up capacity to take benefit from mechanisms and attract private sector investment in mitigation technology.



## DNA inputs to EB 96 at a glance (9/9)

### **Specific inputs to shape up the future work of the Board (Contd.):**

#### CDM EB to provide feedback to Art. 6 negotiations:

- Improve the sharing of information (e.g. how CDM rules are applied in different countries), potentially through an information sharing platform and to have a contact within the UN to ask questions about CDM rules. This will help transparency of processes and sharing of best practice, which will be crucial in designing a bigger, better and more ambitious Mechanism (Art. 6.4);

#### Cross-cutting:

- Increased interactions and synergies between CDM and other mechanisms to avoid double counting of emission reductions;
- Support carbon market (CERs) so that CDM projects are still relevant in the future (e.g. allow the use of CERs by non-annex I Parties for fulfilling any mitigation actions under any future regime).



## Co-chair's take away from the DNA Forum meeting 2017

- Highlighted the continued relevance of CDM in the post-Paris world.
- Thanked the CDM EB for its continued support to the Global Forum.
- Requested the Board to further strengthen its support to local and regional DNA activities, including through strengthened RCCs.
- Called upon the Convention and Protocol Bodies to provide clear guidance, as a matter of urgency, about CDM's continued operation beyond the end of the second commitment period of the Kyoto Protocol.



*Global DNA Forum Meeting 2017, Bonn*

# Co-chair's take away from the DNA Forum meeting 20'

## **Contd.:**

- Elections of the new Co-Chairs and Alternate Members for the DNA Forum Chairing Committee 2018 took place.
- A survey to receive specific feedback from participating DNAs on this year's forum meeting will be launched soon.



Anne Omambia,  
DNA Kenya  
Laurence Mortier,  
DNA Switzerland  
Global DNA Forum  
Co-chairs

Thank you!