

# United Nations Framework Convention on Climate Change

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## Clean Development Mechanism

Programmes of Activities (PoAs)  
Lessons learned and future directions

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# CHALLENGES

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- Climate
  - Markets
  - International Cooperation
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- Don't like
  - Not enough
  - Doesn't work
  - but not going away



# FACTS AND FIGURES

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- 3917 Projects
- Over 70 Countries
- 170 billion dollars
- 240 Methodologies
- 40 Accredited Auditors on every continent.

- <http://cdm.unfccc.int/Statistics/index.html>
- <http://cdm.unfccc.int/Statistics/Methodologies/ApprovedMethPieChart.html>



# REFORM

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- Consolidated Rule Book
- Streamlined Procedures
- Programme of Activity Implementation
- Implementation Standardised baselines
- Stakeholder consultation requirements
- Additionality





# POLICY DIALOGUE

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- Authoritative Independent
  - Assessment and Review
  - 11 Member Panel
  - Balance of Constituencies
  - Public Private Civil Society
  - Open and Continuing call for inputs
- <http://www.cdmpolicydialogue.org/>



# PROGRAMMES OF ACTIVITIES

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A PoA is **a voluntary coordinated action** by a private or public entity which coordinates and **implements any policy/measure** or stated goal, via an unlimited number of component project activities (CPAs).



# Take 10 Projects

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10 independent projects

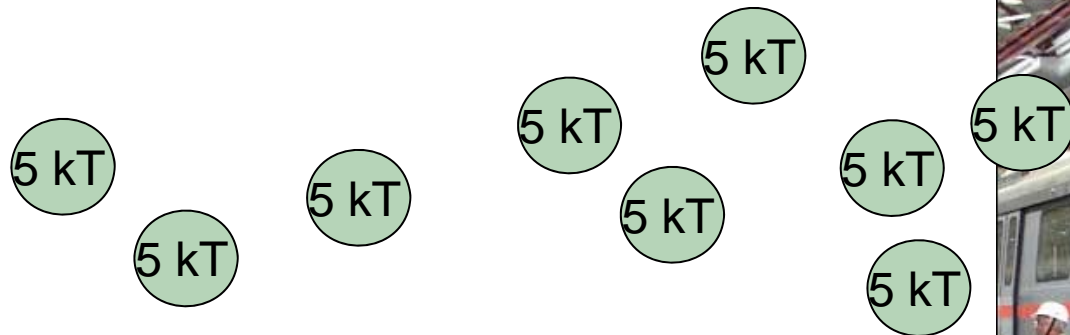
10 independent PPs

10 PDDs developed

10 validations

10 registrations by UNFCCC to get in the CDM

10 verifications each year to generate CERs



# ALTERNATIVELY A PROGRAMME

1 Programme

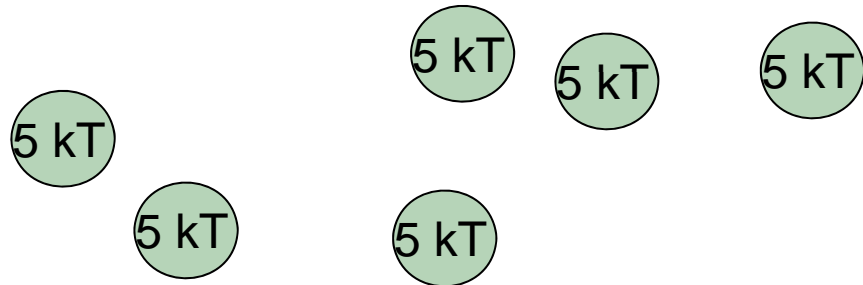
1 Coordinator, unlimited number of participants

Unlimited number of CPAs for 28 years

1 validation to get the PoA with 01 CPA in the CDM

9 validations to get the CPAs in the PoAs

1 verification each year based on sampling





# TENSIONS

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- Programmes Require Institutional Capacity
- Registration as general licence to auditors to include CPA's
- Review or inclusion at option a single board member
- Liability for erroneous inclusion
- Responsibility for eligibility criteria
- Additionality Guidance
- Sampling Guidance



# CHEQUERED HISTORY?

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- 2005 UNFCCC Mandate for PoAs
- 2007: Procedure adopted on 22 June 2007 (EB32)
- 2009: Two new procedures adopted and one revised (EB49):
  - Procedure for Registration of PoA and Issuance of CERs for PoA (revised);
  - Procedure for Review of Erroneous Inclusion of CPA; and
  - Procedure for Application of multiple methodologies.
- 2010: PoA procedures were further revised with additional clarifications.
- 2011: POA standard adopted



# ACHIEVEMENT TO DATE

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- More than 230 PoAs under validation;
- Total of 17 PoAs registered and additional 9 requesting registration;
- More than 1100 CPAs already included to the registered PoAs; and
- BUT 1 request for issuance submitted.
- 70% in Africa
  
- <http://cdm.unfccc.int/ProgrammeOfActivities/registered.html>
- <http://cdm.unfccc.int/ProgrammeOfActivities/Validation/index.html>



# Update 2011– Regulatory Framework

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## ***CMP Mandate (para 4 of decision 3/CMP.6.): Revise PoA Framework***

- EB 59 (Feb 2011): Launched a call for public inputs on PoA
- EB 60 (April 2011):
  1. Clarifications on PoA were provided ([Annex 26](#))
  2. Priorities on PoA reform was decided by the Board ([Annex 27](#))
- EB 61 (June 2011):
  1. Revised the Procedure on Erroneous Inclusion ([Annex 22](#))
- 1<sup>st</sup> PoA Workshop: 7-8 May 2011 & 2<sup>nd</sup>: 24-26 August 2011
- New PoA Standards..... [Approved \(EB 65, Nov 2011\)](#)
  - Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for PoAs
  - Standard for sampling and surveys for CDM project activities and PoAs





# Update 2011 – Regulatory Framework

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## **Clarifications made at EB60:**

### **a) Additionality**

- Prior consideration of CDM do not apply to the PoAs;
- No CPA will commence prior to start of validation of PoA;
- Full additionality assessment not required for CPA - a confirmation of additionality for CPAs through the eligibility criteria; and
- Micro-scale guidelines extended to PoAs.

### **b) DNA and LoA Issues**

- Boundary of a programme can be amended post-registration to include an additional Host Party if:
  - (i) Existing registered PoA-DD revised to reflect changes – eligibility criteria;
  - (ii) DOE confirms that the established baseline is applicable to the extended program boundary; and
  - (iii) DNA of new host party issues LoA and authorization for the CME.



# Update – Regulatory Framework

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## ***Clarifications made at EB60:***

### **c) Applicability of the existing CDM rules**

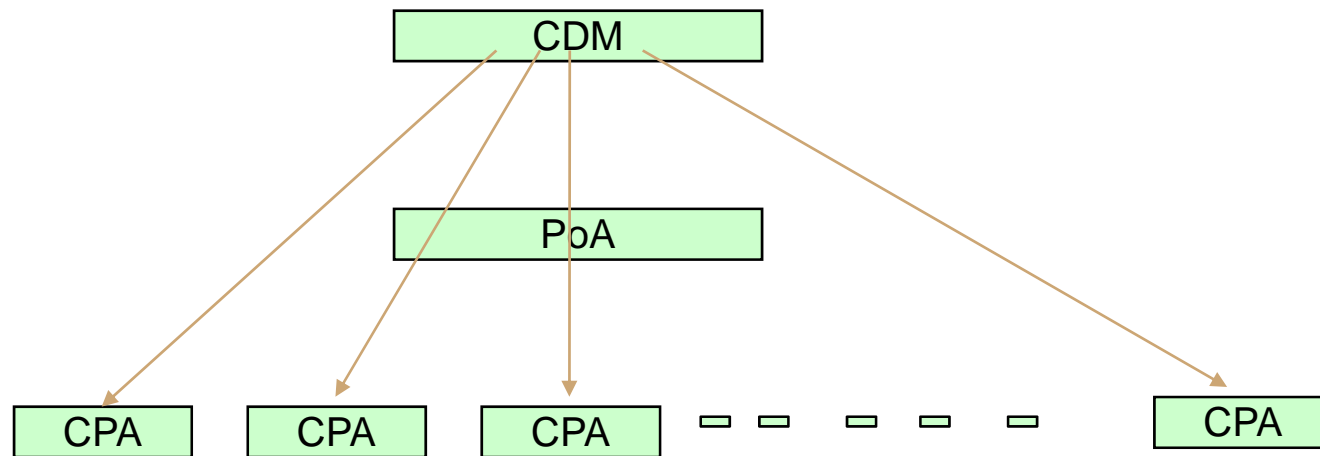
- Clarifies which existing CDM rules apply to PoAs.
- Clarifies that following Procedures also applicable for PoAs:
  - Revision of monitoring plans;
  - Deviations from approved methodology; and
  - Deviations submitted prior to request for issuance.
- Procedures for Changes to project design do not apply to PoA pending further revisions.



# PoA Standards - Additionality

## Requirements:

- Emission reductions achieved by a PoA are additional if it is established that none of the implemented CPA would have occurred in the absence of the CDM.
- Full additionality assessment not required for CPA but shall be assessed as per eligibility criteria defined in the PoA-DD.



# POA Standards - Additionality

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## How to establish additionality

- It shall be demonstrated in the PoA-DD that compliance with the eligibility criteria ensure compliance with the relevant guideline/tool:
  - For micro-scale projects as CPA - eligibility criteria shall be derived on the “Guidelines for demonstrating additionality of micro-scale project activities”.
  - For small scale projects as CPA - eligibility criteria shall be derived on the Attachment A of Appendix B of the “Simplified modalities and procedures for small-scale CDM project activities”.
  - For large scale projects as CPA - eligibility criteria shall be derived on “Additionality tool” and/or requirements in the applied methodologies.
- The CME shall document the compliance with the eligibility criteria in each of the CPA design documents (CPA-DDs).
- For PoAs involving combinations of technologies/measures and/or methodologies, the eligibility criteria relative to each of them shall be proposed to demonstrate additionality.





# PoA Standards - Eligibility criteria

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## Requirements for the development of eligibility criteria:

- The CME shall:
  - Develop eligibility criteria for inclusion of CPA under the PoA;
  - Include these criteria in the PoA design documents; and
  - Demonstrate their usability to assess the inclusion of CPAs in the generic CDM-CPA-DD.
- The validating DOE shall determine whether the eligibility criteria are sufficiently objective and comprehensive for inclusion of CPAs in PoA.
- The CMEs shall develop and implement a management system to ensure that each CPA meets eligibility criteria before inclusion in the registered PoA.
- In the case of PoAs involving combinations of technologies/measures and/or methodologies, distinct eligibility criteria shall be proposed per combination applied.



# PoA Standards - Eligibility criteria

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## Requirements for updating/revising eligibility criteria:

- The eligibility criteria shall be updated:
  - If the version of methodology/ies applied by the PoA is revised or replaced, subsequent to being placed on hold;
  - If the boundary of the PoA is amended post-registration to expand the geographic coverage or to include an additional host Party/ies; and
  - At the renewal of the crediting period of a PoA.
- If any significant problem is identified, the revision of eligibility criteria of a registered PoA may be initiated by the Board at any time during the lifetime of the PoA.
- In all cases, the updated/revised eligibility criteria shall be approved by the Board.



# PoA Standards - Multiple CDM methodologies

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## Application of multiple CDM methodologies

### *Small-scale methodologies*

- Allows application of any combination of small-scale methodologies, provided cross effects are addressed. Where cross effects do exist, CME shall seek prior approval:
  - request for deviation (from methodologies);
  - clarification request - treated under fast track (response within 4 weeks) where possible.
  
- Combinations of methodologies already approved (General guidelines to SSC CDM methodologies) can be applied without assessment of cross effects.



# PoA Standards - Multiple CDM methodologies

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## Application of multiple CDM methodologies

### *Large scale methodologies*

- For PoAs applying large scale CDM methodologies, only combinations explicitly permitted in the methodologies can be applied without pre-approval;
- Otherwise, clarification shall be sought by following the request for clarification to the Meth Panel. Same procedure also applies to situation when multiple SSC and LS are combined.





# PoA Standards - Sampling

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## Standard for sampling and surveys

- Provides approaches for sampling & Surveys of measurement parameters.
- Sampling Requirements for PoAs (Section IV) - Allows a single sampling plan covering a group of CPAs:
  - Populations of all CPAs are combined and a single survey is undertaken to collect data; and
  - PoAs applying large scale meth not eligible pending further analysis.



THANKYOU

