

Agenda item 3 e
Paragraph 65 of the annotated agenda

Summary for the call for inputs on PoA

CDM EB 60

Bangkok, Thailand, 11-15 April 2011



Background- Work on PoAs

CMP Mandate (paragraph 4 of decision 3/CMP.6.)

Requests Executive Board to reassess its existing regulations related to PoA in order to:

- (a) Further clarify the application of existing rules:
- demonstration of additionality to PoA
 - definition of eligibility criteria for the CPA inclusion in a PoA
- (b) Simplify the application of PoA to activities :
- Applying multiple methods and technologies
 - Possible city-wide programmes

Background- Work on PoAs

Call for public inputs on Programme of Activities (PoA)

- Executive Board, at its 59th meeting, agreed to launch a call for public inputs on programme of activities (PoA) from 18 February 2011 until 18 March 2011, to seek comments on issues associated with the development and scaling-up of PoAs as a CDM project activity and its difficulties. In addition to expressing views regarding the implementation of paragraph 4 of decision 3/CMP.6, the Board specially seeks for inputs, in the above context, on the following:
 - (a) What are the possible alternative concepts for a PoA?
 - (b) What are the barriers in the current rules?
 - (c) What are the rules that are not existing or are missing and should be there?

- A total of 19 inputs were received.

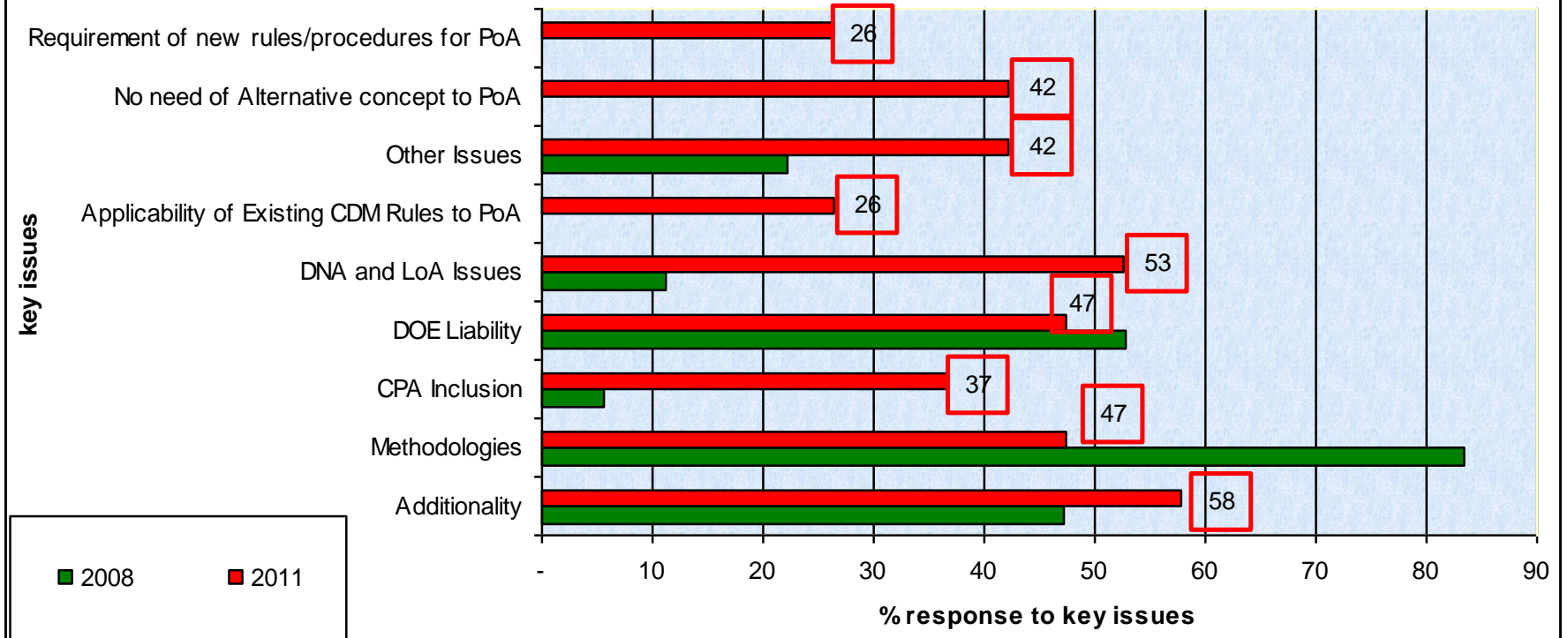
Overview of Main Comments/Issues raised

- Comments are rather critical, with most commentators showing willingness to scale-up the existing concept rather than develop a new alternative concept.
- Most of the comments are related to the issues on additionality, DoE liability, eligibility criteria for CPA Inclusion, DNA and LoA, approval for application of multiple methodologies.
- Some of the comments are related to the issues on requirement of new rules and procedures on PoA such as extension of micro scale additionality to PoAs, sampling guidance, post registration changes to PoAs
- Other comments are related to the issues on frequency of issuance requests, allowing same DOEs work on CPA inclusion as well as verification and registration fee calculation for multi-country PoAs (e.g. LDCs)
- Other comments are related to the infrastructure and management issues on lack of IT processes and single dedicated contact person for PoAs.
- Some comments are related to lack of capacity development on PoAs particularly to CMEs and CPA implementers
- Some comments are off-scope such as extension of PoA framework to NAMAs

Call for Inputs (I)

Feedback and Prioritize POA Issues

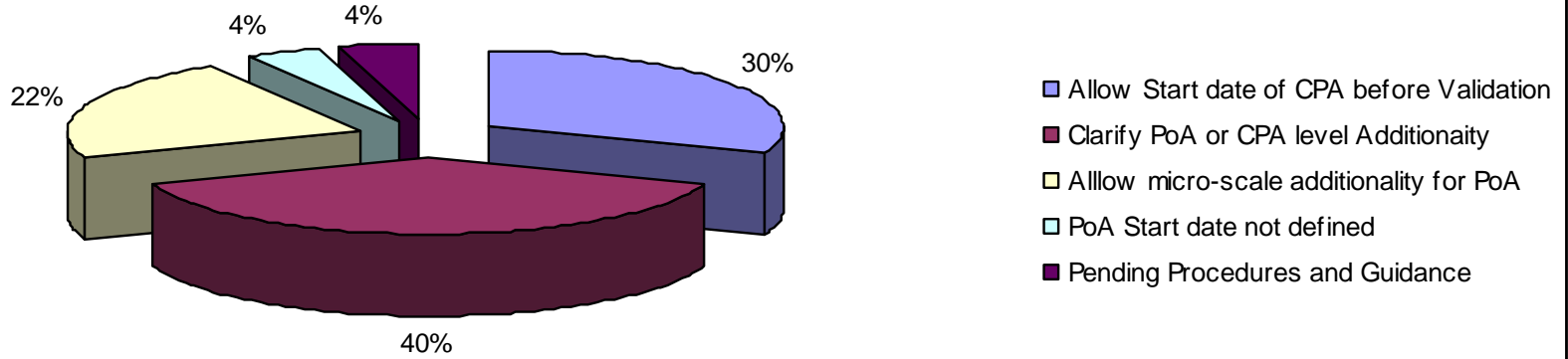
ANALYSIS OF PUBLIC INPUTS - PoA



Call for Inputs (II)

Feedback and Prioritize POA Issues

ADDITIONALITY



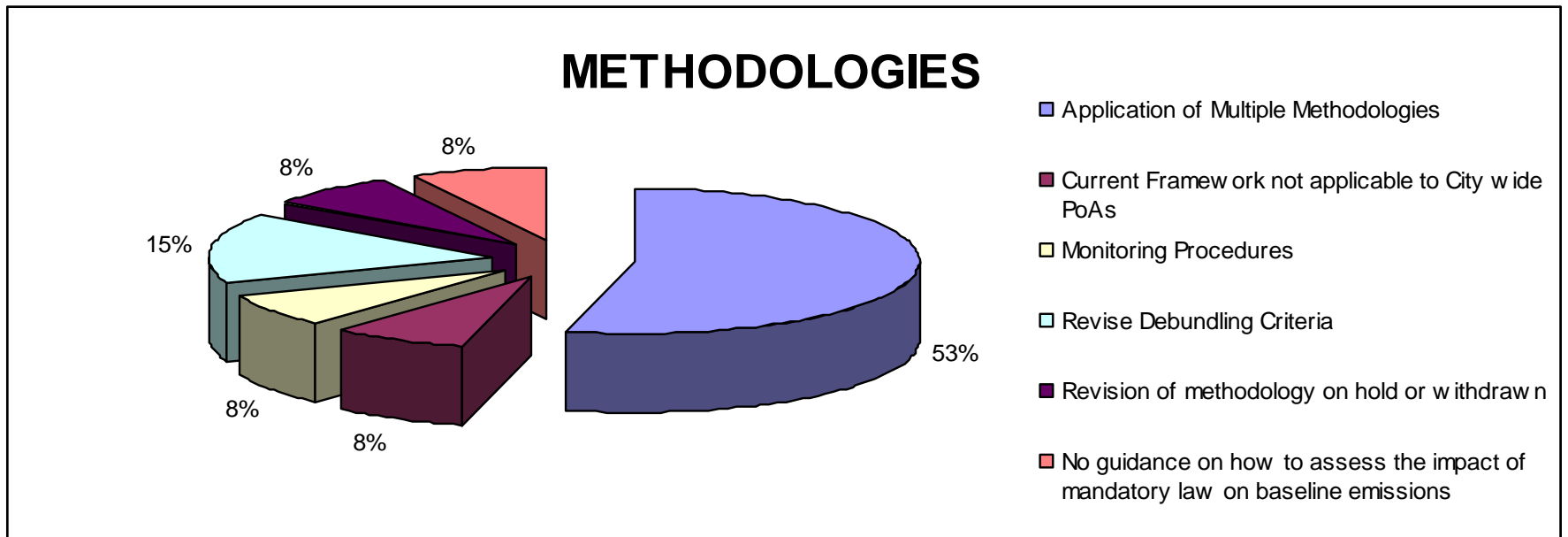
Key issues for the Executive Board

■ **Additionality**

- Demonstrating additionality at the POA level – how should this be conducted? In particular for policy based programmes
- Clarify that prior consideration requirements do NOT apply to programmes
- Clarify that the additionality of CPAs should be assessed according to the eligibility criteria established in the POA-DD
- Clarify that the micro-scale guidelines can be relied on for the purposes of PoA

Call for Inputs (II)

Feedback and Prioritize POA Issues



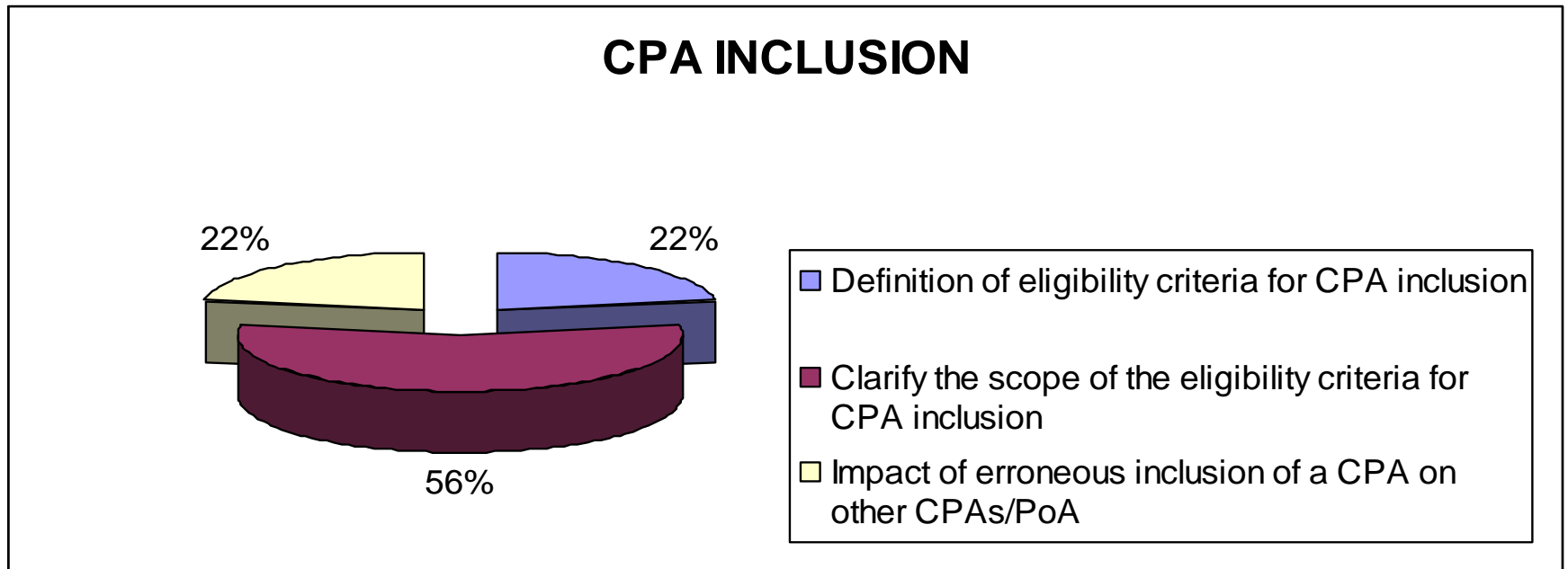
Key issues for the Executive Board

■ **Methodology issues**

- Should approval of multiple methodologies be maintained?
- Should a PoA be impacted by the withdrawal or revision of a methodology?

Call for Inputs (III)

Feedback and Prioritize POA Issues



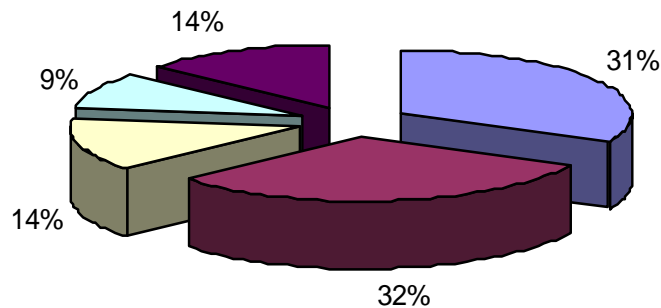
Key issues for the Executive Board

- **CPA inclusion**
 - Should the Board develop a standard to provide guidance on the expectations for eligibility criteria?

Call for Inputs (III)

Feedback and Prioritize POA Issues

DOE LIABILITY



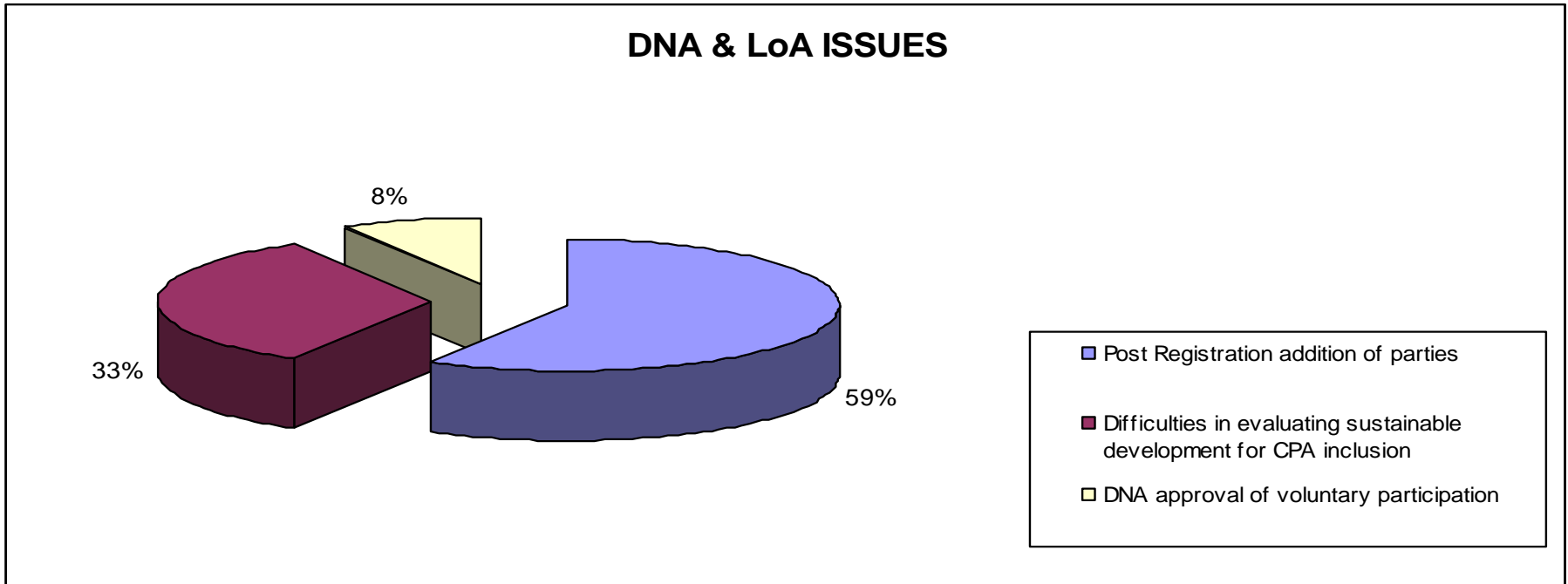
- Unlimited Liability (time, quantity, no fault)
- Revision of existing procedures
- High transaction costs
- Sharing liability between DOE and CME
- Subjective Assessment of Eligibility Criteria

Key issues for the Executive Board

- **Liability**
 - Clarify that in the context of PoA the only additional liability relates to errors in the inclusion of CPAs, for validation/verification errors the normal liability provisions apply. In particular this means that excess issues not identified as a result of correct application of a sampling programme will not lead to liability
 - Clarify whether a site visit is required for CPA inclusion
 - Determine whether liability can be time-limited and/or shared in common with the CME

Call for Inputs (IV)

Feedback and Prioritize POA Issues

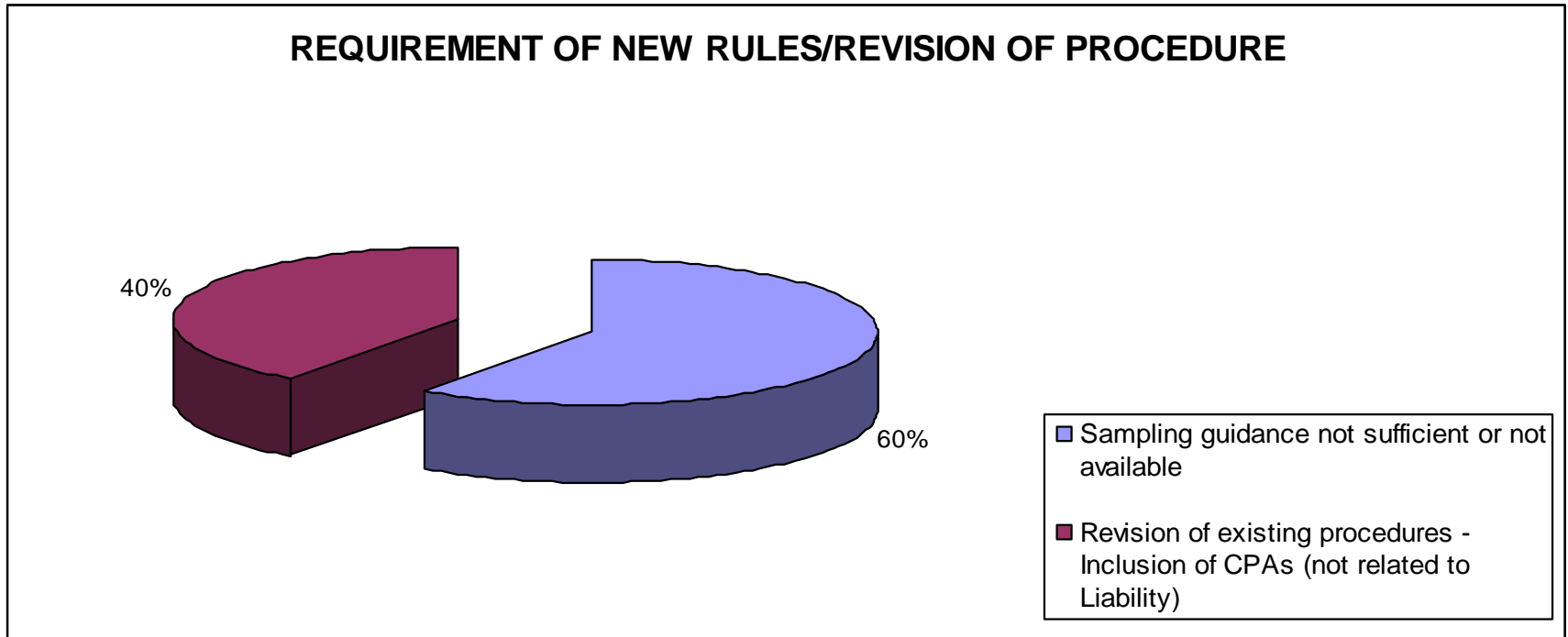


Key issues for the Executive Board

- **DNA role/LoA**
 - Can a Host party be added post-registration?
 - What are the impacts of an LoA being withdrawn?
 - Can DNA's use the request for review of erroneous inclusion to address not compliance with sustainable development?
 - Should DNA's be provided with guidance regarding the assessment of eligibility criteria prior to issuing an LOA?

Call for Inputs (IV)

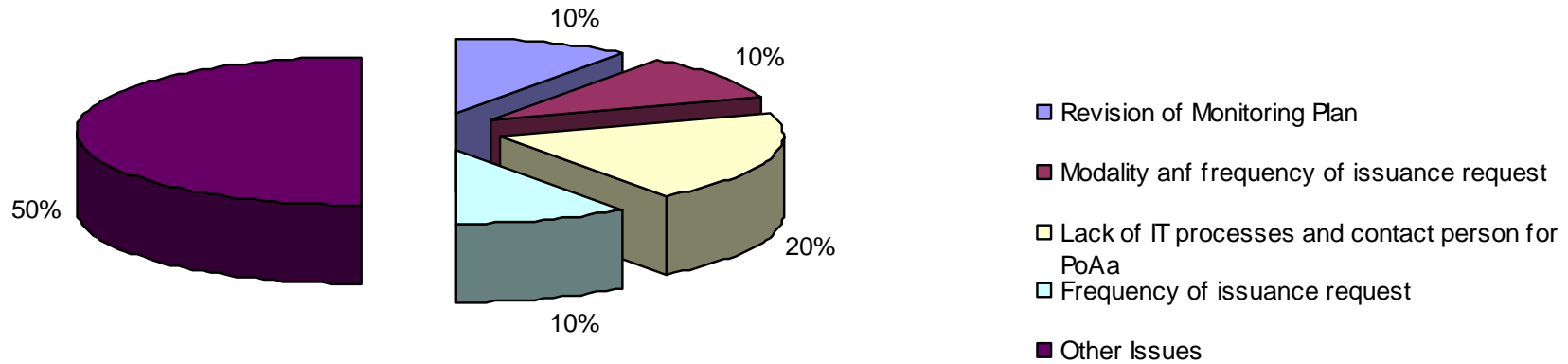
Feedback and Prioritize POA Issues



Call for Inputs (V)

Feedback and Prioritize POA Issues

OTHER ISSUES



Key issues for the Executive Board

■ Other issues

- Clarify the revision or monitoring plan and deviation procedures apply as per normal projects
- Clarify that changes to PDD procedures do NOT apply pending further revisions
- Request secretariat to address POA specific issues in the development of the VVS and project cycle procedures?

Expected from the Board

- **To decide which areas can be clarified at EB 60**
- **To discuss and agree priority issues to be addressed through the 2011 workplan**
- **To provide guidance on potential solutions to the priority issues**