

Agenda item 3 f

Paragraph 43 of the annotated agenda, Annex 6

IMPLICATIONS OF THE END OF THE FIRST COMMITMENT PERIOD FOR THE ISSUANCE OF CERS

CDM EB 62

Marrakesh, Morocco, 11-15 July 2011



- Kyoto Protocol require units for emission reductions or removals which occur during the first commitment period (CP.1), to be clearly distinguishable from units occur beyond the CP.1
- At EB60 the Board requested the secretariat to outline options for issuance of CERs impacted by the end of CP.1, taking into account different aspects (project types, transaction costs, availability of resources, carbon market)
- Pending further deliberations, the Board also advised that PP should try, to the extent possible, to plan the end date of their monitoring periods in order to coincide with the end of the CP.1
- Outside of the scope of analysis: issues related to the issuance of CERs for the period after 31 December 2012 (identifier, GWP to be used)

Analysis on different end dates of monitoring periods

1. Submissions covering monitoring periods which end on 31 December 2012:
 - No special treatment would be required
 - Possible peaks on verification services and submission of issuance requests in certain parts of 2013
2. Submissions covering monitoring periods that “straddle” by beginning before 31 December 2012 and ending anytime thereafter due to:
 - Transaction costs, or
 - Not possible to monitor some parameters at all points or timing of monitoring impacts CER calculations, e.g. projects operate under campaign, projects applying caps

The emission reductions or removals achieved as at 31 December 2012 should be calculated and reported separately from those achieved post 2012

Proposed option

- Where apportionment cannot be reliably based on monitoring results for the project, a **pro-rata approach** shall be used:
 - a) To overall emission reductions: CERs achieved in a monitoring period would be allocated proportionally to the duration of the period up to 31 December 2012 and the period from 1 January 2013 onwards
 - b) In cases where annual caps being applied in the calculation of emission reductions: the annual caps should be pro-rated to the period before and after 31 December 2012. In cases where further apportionment is required, the total emission reductions may be pro-rated.
- Benefits of the approach:
 - Avoid the need for complex changes in monitoring determination of ERs
 - Avoid additional transaction costs due to requirements of changing monitoring cycle and additional verification services
 - Reduce possible peaks in verification services and issuance submissions in 2013

Expected from the Board

- The Board may wish to clarify that:
 - a) Project participants may choose to adjust monitoring periods to coincide with the end of the first commitment period;
 - b) For request for issuance with straddling monitoring periods, a pro-rata approach shall be used when apportionment cannot be reliably based on monitoring results for the project.
- The Board may wish to request the secretariat to ensure that appropriate actions are taken to address potential technical implications from handling requests for issuance for straddling monitoring periods.