

Agenda item 4.1

Paragraph 51.(b) of the annotated agenda

Standard for the development of eligibility criteria for the inclusion of a project activity as a CPA under the PoA

CDM EB 63

Quito, Ecuador, 25 – 29 September, 2011



Draft standard for EC: Background/Mandate

- a) CMP.6 requested the Board to reassess its existing regulations related to PoAs in order to further clarify the application of existing rules regarding the definition of eligibility criteria for the inclusion of CPA in a PoA;
- b) EB 60 requested the secretariat to prepare draft standard for the development of eligibility criteria for the inclusion of CPAs;
- A call for public input on PoA (18 Feb - 18 Mar 2011);
 - Stakeholders' workshop on PoA (7-8 May 2011);
 - Second stakeholders' workshop (24-26 August 2011).
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Draft standard for eligibility criteria: Requirements

- CME shall have competencies to ensure each CPA meets all requirements and eligibility criteria:
 - With the establishment and implementation of a management system;
 - Para 9: CMEs shall engage a DOE to validate the management system;
 - Para 10: CPAs shall be included in the PoA on the basis that the DOE has confirmed the eligibility of CPAs, where applicable undertaking sample-based checks in accordance with the “Standard for Sampling and Surveys for CDM Project Activities
 - CMEs and DOEs share the responsibility for the inclusion of CPAs in a PoA. DOE’s responsibility and accountability is confined to the tasks indicated in para 9 and 10 .
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Draft standard for eligibility criteria: Requirements – cont.

EC shall cover:

- (a) Geographical boundary of CPA;
- (b) Conditions that avoid double counting of ER;
- (c) Specifications of technology/measure, level and type of service, performance specifications, testing/certifications;
- (d) Conditions to check the start date of the CPA;
- (e) Compliance with requirements of applied methodology/ies;
- (f) Conditions that ensure that CPAs meet the requirements pertaining to demonstration of additionality;
- (g) Where applicable, target group and distribution mechanisms;



Draft standard for eligibility criteria: Requirements – cont.

- (g) Where applicable, conditions to demonstrate that each CPA of the PoA is sufficiently standardised to qualify to apply statistical sampling requirements for a homogeneous PoA;
- (j) Where applicable, the conditions that ensure that the independent subsystems within each of the CPA and CPA in aggregate meet the small-scale or micro-scale threshold criteria (please refer to the latest approved version of the “Guidelines for demonstrating additionality of microscale project activities” and the latest approved version of the “General Guidelines to SSC CDM methodologies”) and remain within those thresholds throughout the crediting period of the CPA;
- (k) Where applicable, requirements for the debundling check
 - Details on when eligibility criteria is to be updated or not required to be updated is provided



stakeholder comments

- Micro scale thresholds is to be applied to each subsystem in a CPA, not to the CPA in aggregate, interpretation in the standard may de facto exclude PoAs from micro scale additionality rules
- Sharing of responsibility between CME and DOE for CPA inclusion is not reflected in PCP (erroneous inclusion procedures) and VVS, apportioning of liability should be reflected in significant deficiency standard
- Should the CME management system be verified against ISO 9001 standards?



Draft standard for EC: decisions/guidance by the Board

The Board may wish to consider the draft standard for EC as well as the propositions made by the secretariat to address the issues raised by stakeholders.

The Board may further request the secretariat to resubmit a revised version of the draft standard for its consideration later this week.

Agenda item 4.1

Paragraph 51 (a) of the annotated agenda

Standard for Demonstration of Additionality of a PoA

CDM EB 63

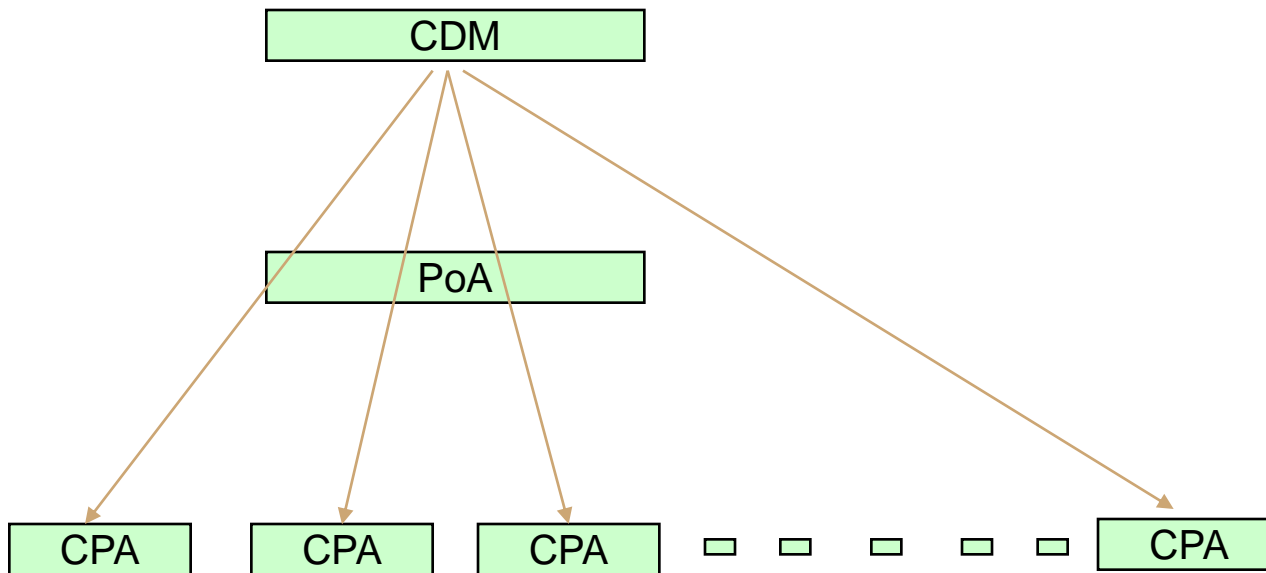
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DRAFT standard for demonstration of additionality of a programme of activities

Category I approaches

- Applicable to PoAs where CPAs are mainly triggered by CDM



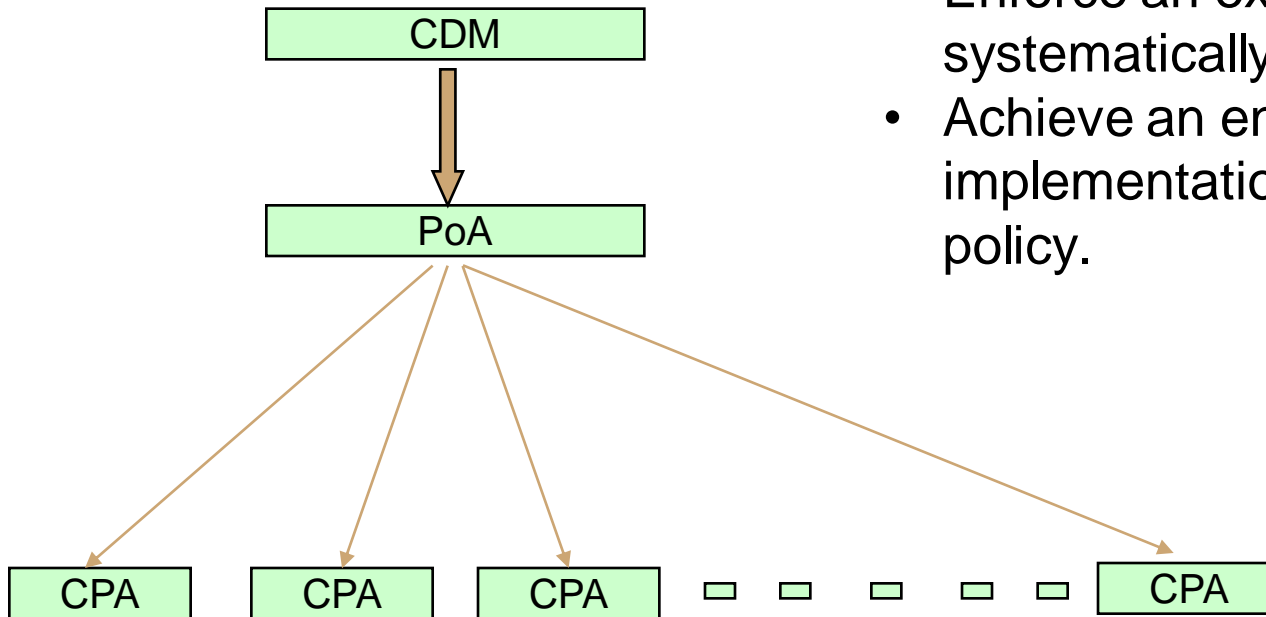
- Standardized additionality check
- Project based assessment



DRAFT standard for demonstration of additionality of a programme of activities

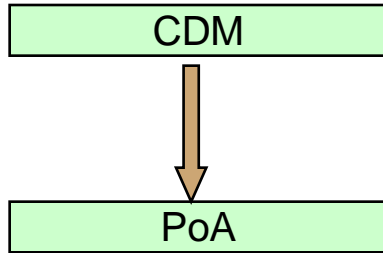
Category II approaches

- Applicable to PoAs to:
 - Implement a new policy; or
 - Enforce an existing policy that is systematically not enforced; or
 - Achieve an enhanced implementation of an existing policy.



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Category II approaches

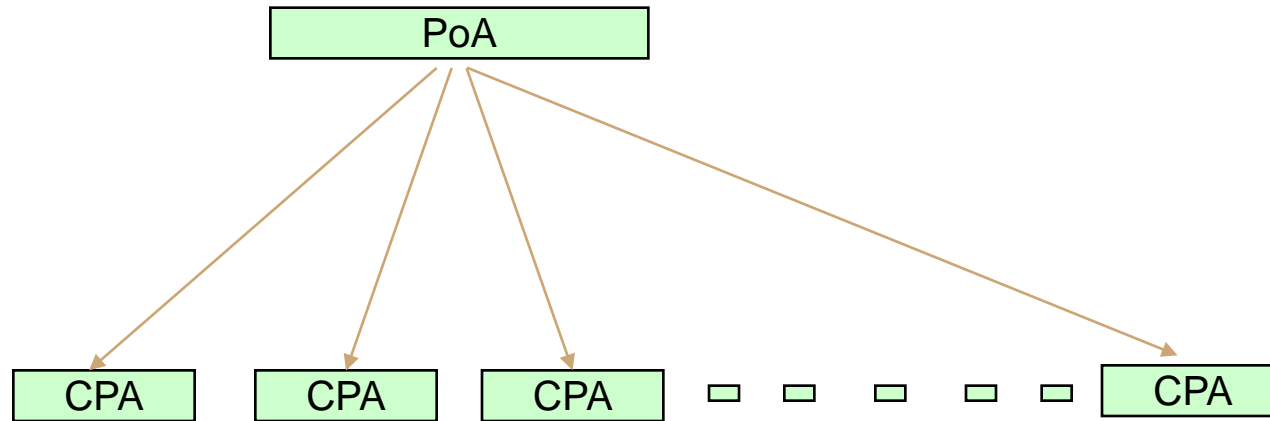


- ❑ IPCC policy assessment
Environmental effectiveness but facing barriers in:
 - Cost effectiveness;
 - Distributional equity;
 - Institutional feasibility;
- ❑ Investment analysis of the PoA
 - Projection of penetration of technologies.



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Category II approaches



- ❑ Eligibility criteria for additionality demonstration
 - In PoA-DD, establish the link between the policy and the CPA and ensure that CPA is not implemented without the policy PoA;
 - In CPA-DD, document the compliance with the EC;
 - Take into account the impact from existing policies on the identification of the baseline scenario.



Stakeholder comments

- Typology distinction between category I and category II should be diluted
- Extended use of microscale additionality rules (i.e. thresholds limits applied to subsystem units) should be integrated
- For Household distributed type of PoAs, CPA addition should be by CME and only verification by DOE
- Phrases ‘POA level, CPA level additionality’ ‘triggered by CDM’, ‘program of action’ are not suitable
- Definitions of Policy is restrictive, IPCC policy assessment methods are not easy to validate
- Best practice examples for type I approaches are not consistent with the standard



Decisions by the Board

The Board may wish to consider the draft standard for additionality demonstration of a PoA as well as the propositions made by the secretariat to address the issues raised by stakeholders.

The Board may further request the secretariat to resubmit a revised version of the draft standard for its consideration later this week.