

DRAFT TEXT
on
SBI 45 agenda item 7 (a)
Review of the modalities and procedures of the clean development mechanism
Version 1 of 9 November 2016 at 17:00 hrs

Draft provisions on programmes of activities and roles of designated national authorities to supplement the CDM modalities and procedures

A. Clean development mechanism programmes of activities

9. A programme of activities is a framework for voluntary actions taken by a private or public entity through multiple activities (referred to as component project activities in the context of a programme of activities).¹

10. Component project activities under a programme of activities shall each apply approved baseline and monitoring methodologies, that, inter alia, define an appropriate boundary, [avoid double counting] and account for leakage, in order to ensure that the emission reductions or net anthropogenic removals are real, measurable and verifiable and additional to any that would occur in the absence of the programme of activities.²

11. A programme of activities may be hosted by more than one Party, whereas a component project activity may only be hosted by one Party.³

12. A programme of activities shall be coordinated by a coordinating/managing entity. The coordinating/managing entity shall be authorized for the coordination by all host Parties involved in the programme of activities. The coordinating/managing entity shall be responsible for establishing, implementing and providing a description of the operational and managerial arrangements for the implementation of the programme of activities.⁴

13. An unlimited number of component project activities may be included in a programme of activities after its registration, over the duration of the programme of activities.⁵

14. The coordinating/managing entity shall develop a set of eligibility criteria, in accordance with the minimum criteria elaborated by the CDM Executive Board, for the inclusion of component project activities in a programme of activities.⁶

15. A component project activity may be excluded from a programme of activities by the CDM Executive Board if found to be erroneously included, or be excluded voluntarily by the coordinating/managing entity.⁷

16. A programme of activities shall have a duration of seven years, renewable at most three times, or in the case of an afforestation and reforestation programme of activities a duration of 20 years, renewable at most twice. A programme of activities shall be renewed

¹ Based on decision 7/CMP.1, paragraph 20; see also the glossary of CDM terms at <http://cdm.unfccc.int/Reference/Guidclarif/glos_CDM.pdf>.

² Based on decision 7/CMP.1, paragraph 20.

³ Based on the CDM project standard, paragraphs 290(a) and 293 (all standards available at <<http://cdm.unfccc.int/Reference/Standards/index.html>>) and the CDM project cycle procedure, paragraph 150(a) (all procedures available at <<http://cdm.unfccc.int/Reference/Procedures/index.html>>).

⁴ Based on the CDM project standard, paragraph 210.

⁵ Based on the glossary of CDM terms.

⁶ Based on the CDM standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programmes of activities, chapter 4.2.1; the CDM project standard, paragraph 214; the CDM validation and verification standard, paragraphs 184, 276 and 273; and the CDM project cycle procedure, paragraph 128.

⁷ Based on the CDM project cycle procedure, chapters 6.1.2 and 6.2.

SBI 45

agenda item 7 (a)

Review of the modalities and procedures of the clean development mechanism

by updating the eligibility criteria for the inclusion of component project activities, applying the valid version of the baseline and monitoring methodology at the time of renewal and confirming that the original baseline is still valid or has been updated taking into account new data, where applicable.⁸

17. A component project activity shall have a crediting period selected from the following alternative approaches, except as set out in paragraph 19 below:⁹

(a) A maximum of seven years, renewable at most twice;

(b) A maximum of 10 years, with no option of renewal.

18. A component project activity under an afforestation and reforestation programme of activities shall have a crediting period of a maximum of 20 years, which may be renewed at most twice, or a maximum of 30 years with no option of renewal.¹⁰

19. The crediting period of a component project activity shall not exceed the duration of the programme of activities that it is included in.¹¹

19bis [Specificity of PoAs referred to in decisions 6/CMP.11 and 4/CMP.10]

19ter [Concept of microscale]

B. Designated national authorities

20. Parties participating in the CDM shall appoint a designated national authority for the CDM.

21. Where a Party wishes to approve a CDM project activity or programme of activities, the designated national authority of that Party shall:

(a) Issue a written letter of approval for the a CDM project activity or programme of activities, confirming that:¹²

(i) The Party is a Party to the Kyoto Protocol;

(ii) Participation in the CDM project activity or programme of activities is voluntary;

(iii) Where it is the host Party, that the CDM project activity or programme of activities assists the host Party in achieving sustainable development;

(b) Authorize the participation of private and/or public entities in CDM project activities and programmes of activities, in accordance with decision 3/CMP.1, annex, paragraph 33;

(c) Authorize the coordination of programmes of activities by coordinating/managing entities.¹³

22. A Party that authorizes private and/or public entities to participate in project activities or programmes of activities related to Article 12 shall remain responsible for the fulfilment of its obligations under the Kyoto Protocol and shall ensure that such

⁸ Based on the CDM project standard, paragraphs 223 and 227.

⁹ Based on the CDM project standard, paragraph 68.

¹⁰ Based on the CDM project standard, paragraph 145.

¹¹ Based on the CDM project standard, paragraph 228(d).

¹² Based on decision 3/CMP.1, annex, paragraph 40(a).

¹³ Based on decision 3/CMP.1, annex, paragraph 33, as applied to programmes of activities.

SBI 45
agenda item 7 (a)

Review of the modalities and procedures of the clean development mechanism

participation is consistent with the annex to decision 3/CMP.1, annex II to decision 4/CMP.1, the annex to decision 5/CMP.1 and the annex to decision 6/CMP.1, as appropriate.

23. A designated national authority may:

(a) Withdraw or suspend a letter of approval issued by it for a CDM project activity or programme of activities;¹⁴

(b) Withdraw its authorization of private and/or public entities to participate in CDM project activities or programmes of activities;¹⁵

(c) Withdraw its authorization of coordinating/managing entities for a programme of activities;¹⁶

(d) Request a review of the following actions with regard to a CDM project activity or programme of activities in which it is a Party involved:

(i) A request for registration;¹⁷

(ii) A request for issuance of certified emission reductions;¹⁸

(iii) Inclusion of a component project activity in a programme of activities;¹⁹

(iv) A request for renewal of the crediting period of a CDM project activity or component project activity;²⁰

(v) A request for renewal of a programme of activities;²¹

(e) Propose to the CDM Executive Board methodological factors and other criteria applicable to CDM project activities and programmes of activities hosted in that Party:²²

(i) Standardized baselines;

(ii) Other methodological factors;

(iii) Sustainable development criteria;

(f) Issue a written no-objection for voluntary deregistration of a CDM project activity.²³

¹⁴ Based on the procedure: process for dealing with letters from designated national authorities that withdraw approval/authorization.

¹⁵ As footnote 16 above.

¹⁶ As footnote 16 above.

¹⁷ Based on decision 3/CMP.1, annex, paragraph 41; and the CDM project cycle procedure, paragraph 90.

¹⁸ Based on decision 3/CMP.1, annex, paragraph 65; and the CDM project cycle procedure, paragraph 237.

¹⁹ Based on the CDM project cycle procedure, paragraph 135.

²⁰ Based on the CDM project cycle procedure, paragraph 304.

²¹ As footnote 22 above.

²² Based on decision 3/CMP.6, paragraph 45; decision 5/CMP.1, annex, paragraph 8(a-c); the procedure: development, revision, clarification and update of standardized baselines, paragraph 10; and the procedure: submission and consideration of microscale renewable energy technologies for automatic additionality, paragraph 7.

²³ Based on the CDM project cycle procedure, paragraph 319.

SBI 45

agenda item 7 (a)

Review of the modalities and procedures of the clean development mechanism

Alternative paragraphs:

21. Where a Party wishes to approve a CDM project activity or programme of activities, the designated national authority of that Party shall:

(a) Issue a written letter of approval for the a CDM project activity or programme of activities, confirming that:²⁴

(i) The Party is a Party to the Kyoto Protocol;

(ii) Participation in the CDM project activity or programme of activities is voluntary;

(iii) Where it is the host Party, that the CDM project activity or programme of activities assists the host Party in achieving sustainable development;

(iv) The letter of approval is valid for the time defined by the start and end dates of validity, and is subject to a referenced set of national laws or procedures, and should include, as a minimum, specific start and end dates and further information on the conditions under which the letter might be withdrawn.

(b) Authorize the participation of private and/or public entities in CDM project activities and programmes of activities, in accordance with decision 3/CMP.1, annex, paragraph 33;

(c) Authorize the coordination of programmes of activities by coordinating/managing entities.²⁵

23. On the basis of a transparent and pre-defined lawful process, a designated national authority may:

(a) Withdraw or suspend a letter of approval issued by it for a CDM project activity or programme of activities;²⁶

(b) Withdraw its authorization of private and/or public entities to participate in CDM project activities or programmes of activities;²⁷

(c) Withdraw its authorization of coordinating/managing entities for a programme of activities;²⁸

(d) Request a review of the following actions with regard to a CDM project activity or programme of activities in which it is a Party involved:

(i) A request for registration;²⁹

(ii) A request for issuance of certified emission reductions;³⁰

(iii) Inclusion of a component project activity in a programme of activities;³¹

²⁴ Based on decision 3/CMP.1, annex, paragraph 40(a).

²⁵ Based on decision 3/CMP.1, annex, paragraph 33, as applied to programmes of activities.

²⁶ Based on the procedure: process for dealing with letters from designated national authorities that withdraw approval/authorization.

²⁷ As footnote 16 above.

²⁸ As footnote 16 above.

²⁹ Based on decision 3/CMP.1, annex, paragraph 41; and the CDM project cycle procedure, paragraph 90.

³⁰ Based on decision 3/CMP.1, annex, paragraph 65; and the CDM project cycle procedure, paragraph 237.

SBI 45
agenda item 7 (a)

Review of the modalities and procedures of the clean development mechanism

- (iv) A request for renewal of the crediting period of a CDM project activity or component project activity;³²
- (v) A request for renewal of a programme of activities;³³
- (e) Propose to the CDM Executive Board methodological factors and other criteria applicable to CDM project activities and programmes of activities hosted in that Party:³⁴
 - (i) Standardized baselines;
 - (ii) Other methodological factors;
 - (iii) Sustainable development criteria;
- (f) Issue a written no-objection for voluntary deregistration of a CDM project activity.³⁵

³¹ Based on the CDM project cycle procedure, paragraph 135.

³² Based on the CDM project cycle procedure, paragraph 304.

³³ As footnote 22 above.

³⁴ Based on decision 3/CMP.6, paragraph 45; decision 5/CMP.1, annex, paragraph 8(a-c); the procedure: development, revision, clarification and update of standardized baselines, paragraph 10; and the procedure: submission and consideration of microscale renewable energy technologies for automatic additionality, paragraph 7.

³⁵ Based on the CDM project cycle procedure, paragraph 319.