

**VIEWS OF BRAZIL ON THE IMPLEMENTATION OF ALL THE ELEMENTS OF
DECISION 1/CP.17, MATTERS RELATED TO PARAGRAPHS 7 AND 8
(WORKSTREAM 2), ON THE WORK OF THE AD HOC WORKING GROUP ON
THE DURBAN PLATFORM FOR ENHANCED ACTION**

Enhancing ambition through CDM credits voluntary cancellation

1. The Government of Brazil welcomes the opportunity to submit views regarding the implementation of all the elements of decision 1/CP.17, matters related to paragraphs 7 and 8, in the context of the work of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (“workstream 2”).¹
2. In the view of the Brazilian government, the promotion of voluntary cancellation of certified emission reduction credits (CERs) arising from projects under the Clean Development Mechanism of the Kyoto Protocol (CDM) offers a great potential for increasing short-term ambition, in particular through enhanced engagement of the civil society and the private sector in CDM activities.
3. The voluntary cancellation of CERs was confirmed through the adoption of the “Procedure for Implementing Voluntary Cancellation in the CDM Registry”, by the CDM Executive Board, during its 69th session, in September 2012.² Such decision provides that “project participants may request cancellation of CERs available to them in the pending account or in holding accounts in the CDM registry as a voluntary action on their own behalf or on behalf of third parties.”
4. The option of voluntary cancellation of CERs by project participants opens the possibility of governments, the civil society, the private sector, and even individuals, to purchase CDM credits and further request their cancellation in order to compensate their own carbon footprint, in the context of voluntary initiatives. During the United Nations Conference on Sustainable Development (Rio+20), held in Rio de Janeiro, in June 2012, participants were offered the opportunity to donate CERs, voluntarily and individually, in order to compensate emissions generated by their displacement to participate of the Conference.
5. Stimulating the voluntary cancellation of CDM credits would greatly increase demand for CERs, while resulting in fully verified emissions reductions from CDM activities approved by its Executive Board. Not only would this stimulate the trade of CERs already issued, but would also foster new CDM projects to be undertaken. This would, in addition, provide a valuable offsetting tool for allowing the engagement of governments, the private sector, individuals and other stakeholders worldwide in the fight against climate change, in an easy and effective manner, unrestrictive of their nationality.

¹ Decision 1/CP.17 (Establishment of an Ad Hoc Working Group on the Durban Platform for enhanced action), paragraph 2.

² Available at: < http://cdm.unfccc.int/filestorage/1/8/extfile-20130710141803808-Iss_proc11.pdf/Iss_proc11.pdf?t=bmZ8bXNiNnV1fDAhKY3kAUH8xqcN0SVtIT2G>.

6. The use of the CDM directly by the private sector and by individuals offers a series of advantages. CDM:

- has a global scope;
- promotes sustainable development;
- counts with sound rules and institutions of recognized environmental integrity, including its Executive Board;
- has a voluntary nature;
- is a simple and efficient offsetting mechanism already in operation;
- is based on multilaterally-agreed rules;
- provides a worldwide network of consultants and experts that could assist governments, the private sector, organizations and individuals to easily use the Mechanism.

7. The voluntary cancellation of CDM credits could also serve as an effective offsetting mechanism in the international civil aviation and maritime sectors to complement technical and operational measures undertaken by the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO) for the reduction of emissions from international bunker fuels.

8. With a view to enhancing mitigation ambition, Brazil believes that the Conference of the Parties and the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol should promote public awareness regarding the possibility of the use of the voluntary cancellation of CERs by individuals, organizations, governments, event planners, corporations and governments worldwide seeking to offset their emissions or to reduce their carbon footprint. Brazil invites the ADP to consider the draft decision annexed to this submission, with a view to its adoption by COP-19/CMP-9.

ANNEX I

DRAFT COP DECISION ON ENHANCING AMBITION THROUGH CDM CREDITS VOLUNTARY CANCELLATION

The Conference of the Parties,

Recalling decisions 1/CP.17 and 2/CP.18,

Recognizing that fulfilling the ultimate objective of the Convention will require strengthening the multilateral, rules-based regime under the Convention,

Acknowledging the work of the Ad Hoc Working Group on the Durban Platform for Enhanced Action on the workplan on enhancing mitigation ambition to identify and to explore options for a range of actions that can close the ambition gap with a view to ensuring the highest possible mitigation efforts by all Parties;

Recalling the provisions of Articles 3 and 12 of the Kyoto Protocol;

Welcoming the success of the Clean Development Mechanism of the Kyoto Protocol (CDM) with regard to its contribution to the achievement of the ultimate objective of the Convention;

Stressing the need to ensure the continued success of the CDM with regard to its contribution to the achievement of the ultimate objective of the Convention;

Welcoming further the adoption of the “Procedure for Implementing Voluntary Cancellation in the CDM Registry” by the CDM Executive Board, during its 69th session;

Stressing the need to raise public awareness regarding the possibility of the use of the voluntary cancellation of CERs by individuals, organizations, governments, event planners and corporations worldwide seeking to offset their emissions or to reduce their carbon footprint in a verified manner of recognized environmental integrity and in accordance with multilaterally-agreed rules;

1. *Decides* that the voluntary cancellation of CERs consists a valuable tool to foster the engagement of governments, the civil society and the private sector to voluntarily contribute to enhancing mitigation ambition with a view to closing the ambition gap, while promoting sustainable development;

2. *Requests* the Secretariat to hold a side-event during the 2014 intersessional period and during the 20th session of the Conference of the Parties on opportunities around the use of voluntary cancellation of CERs by individuals, organizations, governments, event planners and corporations worldwide;

3. *Further invites* Parties to promote the use of voluntary cancellation of CERs by individuals, organizations, governments, event planners and corporations worldwide seeking to offset their emissions or to reduce their carbon footprint;
4. *Invites also* organizations within the United Nations system to use the voluntary cancellation of CERs in their implementation of the Climate Neutral UN initiative;
5. *Requests* the Secretariat to undertake actions to promote the voluntary cancellation of CERs and to liaise with other international and regional organizations, including the United Nations Environment Programme;
6. *Decides also* that Annex I Parties, including Parties not eligible to use CERs under the Kyoto Protocol in accordance with Section F of the Annex of Decision 3/CMP.1, may use the voluntary cancellation of CERs to enhance their mitigation ambition, as part of efforts that are supplementary to their quantified economy-wide emissions targets for 2020;
7. *Invites further* non-Annex I Parties to consider to voluntarily cancel CERs from CDM projects in which they participate, as part of their nationally appropriate mitigation actions, or to voluntarily cancel purchased CERs from CDM projects in which other non-Annex I Parties have participated;
8. *Decides also* that the limitation or reduction of emissions of greenhouse gases not controlled by the Montreal Protocol from aviation and marine bunker fuels may also be pursued through the voluntary cancellation of CERs, in addition to any technical and operational measures adopted under the International Civil Aviation Organization and the International Maritime Organization, respectively;
9. *Decides further* that Annex I Parties wishing to voluntary cancel CERs in order to enhance the ambition of their quantified economy-wide emissions targets for 2020 may request the cancellation of CERs available to them in the pending account or in holding accounts in the CDM registry from projects in which they participate. Annex I Parties, in particular Annex I Parties that are not Parties to the Kyoto Protocol, may also purchase CERs from project participants that will request the cancellation of such CERs on their behalf.
10. *Decides* that Annex I Parties shall include information on any voluntary cancellation of CERs on their behalf in their national communications and biennial reports.
11. *Invites* non-Annex I Parties to include information on any voluntary cancellation of CERs on their behalf in their national communications and biennial update reports.

ANNEX II

DRAFT CMP DECISION ON ENHANCING AMBITION THROUGH CDM CREDITS VOLUNTARY CANCELLATION

The Conference of the Parties serving as the Meeting of the Parties of the Kyoto Protocol,

Recalling the provisions of Articles 3 and 12 of the Kyoto Protocol;

Welcoming the success of the Clean Development Mechanism (CDM) with regard to its contribution to the achievement of the ultimate objective of the Convention;

Stressing the need to ensure the continued success of the clean development mechanism with regard to its contribution to the achievement of the ultimate objective of the Convention;

Welcoming further the adoption of the “Procedure for Implementing Voluntary Cancellation in the CDM Registry” by the CDM Executive Board, during its 69th session;

Stressing the need to raise public awareness regarding the possibility of the use of the voluntary cancellation of CERs by individuals, organizations, governments, event planners and corporations worldwide seeking to offset their emissions or to reduce their carbon footprint in a verified manner of recognized environmental integrity and in accordance with multilaterally-agreed rules;

Recalling further Decision 1/CMP.8, which established, in its section III, an ambition mechanism under the Kyoto Protocol with a view to ensuring that quantified emission limitation and reduction commitment of Parties included in Annex I are in line with an aggregate reduction of greenhouse gas emissions not controlled by the Montreal Protocol by Annex I Parties of at least 25 to 40 per cent below 1990 levels by 2020;

1. *Decides* that the voluntary cancellation of CERs consists a valuable tool to foster the engagement of governments, the civil society and the private sector to voluntarily contribute to enhancing mitigation ambition with a view to closing the ambition gap, while promoting sustainable development;

2. *Requests* the Secretariat to hold a side-event during the 2014 intersessional period and during the 10th session of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol on opportunities around the use of voluntary cancellation of CERs by individuals, organizations, governments, event planners and corporations worldwide;

3. *Further invites* Parties to promote the use of voluntary cancellation of CERs by individuals, organizations, governments, event planners and corporations worldwide seeking to offset their emissions or to reduce their carbon footprint;

4. *Invites also* organizations within the United Nations system to use the voluntary cancellation of CERs in their implementation of the Climate Neutral UN initiative;

5. *Requests* the Secretariat to undertake actions to promote the voluntary cancellation of CERs and to liaise with other international and regional organizations, including the United Nations Environment Programme;

6. *Decides further* that Annex I Parties wishing to voluntarily cancel CERs may request the cancellation of CERs available to them in the pending account or in holding accounts in the CDM registry from projects in which they participate. Annex I Parties may also purchase CERs from project participants that will request the cancellation of such CERs on their behalf;

7. *Decides* that Annex I Parties shall include information on any voluntary cancellation of CERs on their behalf in their national communications.