

Agenda item 5(a)

Review of the modalities and procedures of the clean development mechanism

Background information on existing PoA regulations

SBI 42

Bonn, Germany, 1 – 11 June 2015



Background information on existing PoA regulations

Definition of PoA

- “A voluntary coordinated action by a private or public entity which coordinates and implements any policy/measure or stated goal (i.e. incentive schemes and voluntary programmes), which leads to anthropogenic GHG emission reductions or net anthropogenic GHG removals by sinks that are additional to any that would occur in the absence of the PoA, via an unlimited number of CPAs.” (CDM glossary)
- “A local/regional/national policy or standard cannot be considered as a clean development mechanism project activity, but that project activities under a programme of activities can be registered as a single clean development mechanism project activity provided that approved baseline and monitoring methodologies are used that, inter alia, define the appropriate boundary, avoid double counting and account for leakage, ensuring that the emission reductions are real, measurable and verifiable, and additional to any that would occur in the absence of the project activity.” (Decision 7/CMP.1, para 20)



Background information on existing PoA regulations

Definition of CPA

- “A single measure, or a set of interrelated measures under a PoA, to reduce GHG emissions by sources or result in net anthropogenic GHG removals by sinks, applied within a designated area defined in the baseline methodology(ies).” (CDM glossary)



Background information on existing PoA regulations

Coordinating/managing entity

- “CME is an entity authorized by all participating host country DNAs involved in a particular PoA and nominated in the MoC statement as the entity that communicates with the Board and the secretariat, including on matters relating to the distribution of CERs, tCERs or ICERs, as applicable.” (CDM glossary)

Possible coverage of multiple project types and scales

- CPAs can have various combinations of technologies/measures and/or approved methodologies that will be implemented in the PoA. (e.g. PS, para 209(b), 215; PoA standard, section 3.3)

Hosting by multiple Parties

- A PoA may be hosted by one or more Parties. Alternatively, a PoA can initially be registered with one host Party and during its operation, be expanded to additional host Parties. (PS, para 209(c), 290)



Background information on existing PoA regulations

Eligibility for inclusion of CPAs

- A CPA may be included in a PoA, subject to demonstrating its conformity with pre-determined eligibility criteria valid at the time of inclusion. (e.g. PS para 214, 318-320; PCP para 128-129)



Background information on existing PoA regulations

Basic requirements for CPA

- Application of valid version of selected methodology(ies) and, where applicable, selected standardized baseline(s) and any tools, standards or guidelines required by the methodology(ies) to CPA. (PS, paras 36-39, 202)
- Defining boundary of CPA and indication of GHG sources within the boundary (PS, paras 40-41)
- Establishment of baseline scenario for CPA (PS, paras 42-48)
- Additionality demonstration to be included in the eligibility criteria for inclusion of CPAs (PS, para 217; PoA standard, paras 7-14)
- Ex ante calculation of emission reductions for CPA (PS, paras 53-54)
- Development of monitoring plan for CPA (PS, para 61)
- Assessment of environmental impacts may be done at the CPA or PoA level (PS, para 231)



Background information on existing PoA regulations

Basic requirements for CPA (cont.)

- Local stakeholder consultation may be done at the CPA or PoA level (PS, para 233)
- A CPA can be hosted by only one Party (PS, para 84)



Background information on existing PoA regulations

Letter of approval (LoA)

- CME obtains an LoA from all Parties involved in the PoA (PS, paras 81-82, 85)
- A Party involved in a PoA may submit a withdrawal letter (LoA withdrawal procedure, paras 11, 26)

Requesting for review of request for registration or issuance

- A Party involved in a PoA may request for review of a request for registration of PoA (PCP, para 90)
- A Party involved in a PoA may request for review of a request for issuance for PoA (PCP, para 237)
- A Party involved in a PoA may request for review of renewal of PoA (PCP, para 304)



Background information on existing PoA regulations

Inclusion and exclusion of CPAs

- Unlimited number of CPAs may be included in a PoA (CDM glossary)
- Inclusion of CPAs is done by a DOE at the time of request for registration of PoA or any time after the registration (e.g. PCP, paras 21(j)(ii), 128-130, 155(c))
- If concluded by the Executive Board as erroneously included, the CPA will be excluded (PCP, paras 135-145)
- CME may voluntarily exclude a CPA (e.g. PCP, paras 146-147)

Monitoring, verification/certification and issuance for PoA

- CPAs may undergo monitoring, verification/certification and issuance of CERs in mutually exclusive batches of CPAs at different timings (PS, para 315; PCP, para 224)



Background information on existing PoA regulations

PoA duration and renewal

- The duration of a non-A/R PoA is 7 years, renewable 3 times (max 28 years) (PS, para 227)
- The duration of a non-A/R PoA is 20 years, renewable 2 times (max 60 years) for A/R PoAs (PS, para 227)
- The renewal requires updating the eligibility criteria for inclusion of CPAs, applying the valid version of methodology and updating baseline (e.g. PS, section 13.9.2, PCP, para 288)

CPA crediting period and renewal

- The crediting period is defined for each CPA individually, selected from the same options of duration and renewal as for project activities (PS, para 228)
- The crediting period of a CPA may not go beyond the possible maximum PoA duration (PS, para 228(d))
- For renewal of crediting period of a CPA, the same process as for inclusion applies (PCP, paras 300–302)



Duration and crediting period – non A/R PoA

