



Designated Operational Entities
& Independent Entities Association

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H.E. Ambassador Laurence Tubiana
H.E. Minister Delegate Hakima El Haite

By email
secretariat@unfccc.int

Subject **INVITATION FOR SUBMISSIONS ON THE ROAD MAP FOR GLOBAL CLIMATE ACTION**

The D.I.A. welcomes the opportunity to respond to the message by the high-level champions inviting submissions on the road map for global climate action. The D.I.A. strongly supports the continued efforts of the international community and the high-level champions in particular to enhance and expand global climate action.

In our capacity as the voice of engaged Designated Operational Entities and Independent Entities we would like to direct the attention to issues of special relevance for our member organisations which can refer to more than a decade of direct involvement in validation and verification of activities registered under the CDM or JI. The following provides our view on the issues presented by your invitation.

We trust that our views expressed are helpful to continue and further expand your valuable activities. We are looking forward to further contributing on this matter.

Kind regards,

Werner Betzenbichler
General Manager

Rainer Winter
President

The Designated Operational Entities and Independent Entities Association (D.I.A.) is registered as an association in Geneva, Switzerland, creating a collective voice to represent the interests of companies auditing greenhouse gas (GHG) emission reduction projects in international carbon markets. The purpose of D.I.A. is to be an independent, not-for-profit organization dedicated to the development and establishment of effective processes and criteria for, and related to, the determination, validation and verification of emission reduction and sequestration projects and to represent the members at relevant bodies that administer the various GHG programmes that accept UNFCCC accredited bodies to carry out determination and validation or verification services.

1) The current situation:

The sense of urgency that led to the Paris Agreement and sustained the work on workstream 2 (pre-2020 ambition) throughout the whole of 2015 must be sustained. The high-level champions need to make sure that we do “more, faster and now” on enhanced pre-2020 action. Pre-2020 action is a key element for the implementation and success of the Paris Agreement, equally for adaptation, mitigation and means of implementation. Notably, there is a need to quick-start implementation with a sense of urgency and ambition; create an interface with the real world and solutions, particularly the involvement of non-Party stakeholders; and maintain the political momentum.

Is this general presentation an accurate description of the current state of play? If not, what can we do more?

We appreciate your understanding regarding support for any pre-2020 ambition and would like to direct your attention to two belonging aspects below which could be integrated in your work program.

- With the Paris Agreement set to kick-in in 2020, the DIA wishes as one of the pre-2020 action a recognition of the Certified Emission Reductions (CERs) achieved under the Kyoto Protocol (2013-2020), i.e. their acceptance under the to-be-developed modalities and procedures of the Paris Agreement coming to effect from 2020. Furthermore, it is recommended to have an early decision by CMP on the creation of a transfer regime for project activities under the CDM that might deemed being eligible to be recognized as action under any article of the Paris Agreement. Such a process might foster pre-2020 action which could seek CDM registration in the meantime. It would also deliver an excellent tool to preserve the established working infrastructure at UNFCCC secretariat and at our member organisations until implementation of the Paris Agreement becomes effective.
- As important new streams of work evolve from the negotiations, it is essential to have good coordination between local, regional and UNFCCC activities in order to maximize impact and support countries in raising their ambition. The Paris Agreement asks key UNFCCC bodies dedicated to providing financial, technological and adaptation support to engage directly in the Technical Examination Process focused on raising pre-2020 ambition. They are to provide updates on their progress to better understand their role in supporting the policies, practices and actions identified during the technical meetings. While obviously many UNFCCC bodies are involved, the perceived progress is rather small or communication on this is missing. Therefore, the D.I.A. recommends to set a special focus on the communication of pre-2020 actions by these bodies especially with regard to create more engagement by the private sector.

In brief our recommendations are as follows:

- ✓ Enhanced pre-2020 action to include recognition of CERs accrued in the Kyoto Protocol period (2013-2020);
- ✓ Setting up of a communication of pre-2020 actions;

2) The role of the high-level champions:

As champions of global climate action, we believe that we need to be an interface between action on the ground and the UNFCCC negotiation process, between non-Party stakeholders and Parties. We intend to track implementation of existing initiatives to demonstrate credibility, promote best practices and enhance delivery. We will also support new initiatives focusing on adaptation, with a view to broadening the country coverage and including more initiatives coming from developing country Parties and non-Party stakeholders.

Is this an accurate description of the role the high-level climate champions should play with regard to the mobilization of non-state actors? Is there anything else they should do, or are there things mentioned here that they should not do?

In retrospect, the success story of the Clean Development Mechanism (CDM) was based essentially on well-operating DOEs. Both aspects, the bottom-up start of the CDM and related criticisms, emerged from unprecedented level of transparency in handling project documents. It is considered as an essential asset that – while implementing activities in more than hundred countries – oversight and efficient control has been enabled by a single accreditation scheme under the governance of UNFCCC. When referring to the tracking of a variety of initiatives and action it is necessary to keep in mind that MRV results are only comparable if a global standard is applicable.

We consider it as one of the tasks of the high-level climate champions to remind actors on this principle.

✓ We support the development of a global standard on MRV and a single accreditation framework scheme under the governance of the UNFCCC.

3) Transparency and tracking:

We need to help non-Party stakeholders achieve the recognition they seek. At the same time, we owe it to the integrity of the UNFCCC process to make sure that these initiatives and coalitions achieve the targets they set for themselves; that these targets are truly consistent with the long-term goals of the Paris Agreement; and that the participants in initiatives and coalitions are actually doing what it takes to achieve the commitments they made. Therefore we intend to work on improving transparency of action and tracking of implementation to demonstrate the credibility of their work.

How do we assess the initiatives? What would be the ideal set of criteria? Who would assess them? What should be the role of the Non-State Actor Zone for Climate Action (NAZCA)?

The quantum of emission reductions expected under the Paris Agreement calls for new mechanisms that are equally credible and transparent. For the international co-operation on mitigation activities, the role of DOEs or the function of independent verification has to be re-defined. Not only markets as we have known so far from the Kyoto mechanisms, but also other ways of cooperation under climate finance or the technology mechanism require a high

degree of reliance and environmental integrity. The voluntary co-operative action under Article 6 of the Paris Agreement (PA) is substantially different from the action under Articles 6 and 12 of Kyoto Protocol (KP). New parameters have to be worked out, which allow defining the additionality and the eligibility of certain emission reduction activities under the new Party constellation of the PA.

Independent verification will remain crucial for emissions markets, but also for assessing the value of ITMOs and for any program which intends to operate on basis of result-based payments. In so far independent verification becomes not only relevant for the PA starting phase, but already today for climate finance and market-related emission reduction activities which experimentally goes beyond CDM.

The members of the D.I.A. have, through validation/verification of project activities and programme of activities for the CDM & JI schemes gathered collective expertise under the Kyoto Protocol that could be put to use while creating the modalities and procedures under the Paris Agreement. The D.I.A. believes that our members can play a greater role under the Paris Agreement which could include:

- Verification of the Nationally Determined Contributions (NDC) made by the Parties under the Paris Agreement
- Verification of mitigation measures instituted by public and private entities authorised by the Parties
- Validation of low greenhouse gas emission development strategies
- Verification of actions for results based payments
- Verification of sustainable development indicators
- Verification of adaptation measures

In order to build the new transparency and tracking framework for the long term, it is necessary to take quick action from now to the entry of force of the Paris Agreement and help climate actors to face the challenge it brings to them: to be more transparent about their climate actions than ever before. Work on this will necessarily start considering the previous collective experience delivered from the current UNFCCC MRV approach and the existing modalities and procedures developed along the years for the flexible mechanisms, including the positive and negative lessons learnt. As already mentioned along the previous issue, we consider it as essential asset to work under a single accreditation scheme established by the UNFCCC.

In order to achieve the highest level of mutual trust and credibility, it is essential for the assessment of the present and future initiatives to:

- develop clear accountability procedures and methodologies, which are applicable globally, to obtain comparable reports on progress and final information;
- implement the necessary flexibility towards developing countries which had never been subject to this level of scrutiny before;
- implement a clear verification system that delivers transparent results to be used by Party and non-Party stakeholders.

We see these aspects also valid for the Non-State Actor Zone for Climate Action (NAZCA) in order to include their efforts in global results. It would be necessary to develop specific methodologies and procedures for accountability, tracking and verification that deliver transparent information about the actual achievement of their commitments. Provisions to avoid double counting would be essential in this scheme in order to ensure the possibility of a common accountability system along with national results.

The fact of simultaneous developments at various regions and economies as well as by various actors put a high risk with regard to the comparability of results and in meeting the objective of generating a transparent and reliable set of actions. Thus it is considered as an issue of high urgency to find common metrics, modalities and procedures in MRV. We hope that the high-level climate champions follow our point of view that these aspects need to be discussed at an early stage and that they will promote activities in that direction.

- ✓ The integrity and the credibility of any emission mitigations claimed by Party or Private entities needs to be safeguarded through the requirement of an independent and accredited verification.

4) High-level event

The high-level climate champions will facilitate, through strengthened high-level engagement in the period 2016–2020, the successful execution of existing efforts and the scaling-up and introduction of new or strengthened voluntary efforts, initiatives and coalitions. The highlevel event at the Conference of the Parties (COP) is now the main annual showcase of climate action.

What do Parties and non-Party stakeholders expect from the high-level event at COP 22? To have a real impact at COP 24 in 2018, the Climate Action Summit showcasing the results of non-state actor initiatives would need to take place sufficiently in advance. Should it be organized in the summer of 2018?

As an organisation committed to contribute to the transparency and robustness of climate actions we expect from the high level event at COP 22 a clear vision on to which extent independent verification of climate actions will form an essential part of future mitigation and adaptation efforts. We expect actions with regard to the above presented aspects, to be listed once again:

- ✓ the instantaneous development of a transition scheme for CDM projects and CERS into the post 2020 markets including pre-2020 activities;
- ✓ the improvement of communication by UNFCCC regarding possible involvement of the private sector;
- ✓ an early start of discussions on the need of a UNFCCC accreditation regarding the assessment of climate action;
- ✓ an awareness raising campaign in the context of MRV requirements under the Paris Agreement.

We very much welcome the intention to carry out the Climate Action Summit well in advance to COP 24. However, we are convinced that a time up to June would be more appropriate in order not to conflict with the usual summer vacation season.

5) The role of the TEMS

We intend to use the tools created by Parties for the enhancement of climate action prior to 2020, such as the technical expert meetings (TEMs). These meetings have a whole new role to play in the dynamic and should be more concrete, focused, and connected to initiatives of the action agenda.

Do you share the belief that the format of the TEMs should evolve in the light of the Global Climate Action Agenda? How could we ensure that the TEMs are more solution-oriented?

We recommend to immediately establish TEMs on MRV under the Paris Agreement, as input on this topic is a must for funding all further measures on a stable basis. It is furthermore recommended to include the issue of accreditation from the early beginning.

The D.I.A. as a registered NGO confirms the willingness to contribute the discussions on the issues presented herein.

- ✓ TEMs on MRV need to be established as essential element to bring about credibility and transparency in the process.