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## Subsidiary Body for Implementation

Thirty-ninth session

Warsaw, 11–16 November 2013

Agenda item 7(a)

**Matters relating to the mechanisms under the Kyoto Protocol**

**Review of the modalities and procedures of the clean development mechanism**

### **Review of the modalities and procedures of the clean development mechanism**

#### **Draft conclusions proposed by the Chair**

1. In accordance with decision 5/CMP.8, the Subsidiary Body for Implementation (SBI) initiated its consideration of possible changes to the modalities and procedures for the clean development mechanism (CDM).
2. The discussions of the SBI were informed by views submitted by Parties and admitted observer organizations,<sup>1</sup> the recommendations of the Executive Board of the CDM on the matter<sup>2</sup> and the outcome of the discussions that took place at the workshop on possible changes to the modalities and procedures for the CDM, which was held on 8 and 9 June 2013 in Bonn, Germany.<sup>3</sup>
3. The SBI identified a consolidated but non-exhaustive list of suggested changes to the modalities and procedures for the CDM, which is contained in a note prepared by the co-chairs of this agenda item (SBI 39, agenda item 7 (a)) under their own responsibility.<sup>4</sup>
4. The SBI recommended the elements of a draft decision text on the modalities and procedures for the CDM contained in the annex for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its ninth session.
5. The SBI agreed on the need to continue its work on this matter at SBI 40 (June 2014), taking into account the consolidated list referred to in paragraph 3 above.

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<sup>1</sup> FCCC/SBI/2013/MISC.1 and Add.1.

<sup>2</sup> FCCC/SBI/2013/INF.1.

<sup>3</sup> The report on the workshop is contained in document FCCC/SBI/2013/INF.6.

<sup>4</sup> <link to the UNFCCC website to be included>.

## Annex

### **Review of the modalities and procedures of the clean development mechanism**

#### **Elements of a draft decision text**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

1. *Requests* the secretariat, drawing on the discussions that took place at the thirty-ninth session of the Subsidiary Body for Implementation, to prepare a technical paper, by 19 March 2014, on the following issues relating to possible changes to the modalities and procedures for the clean development mechanism,<sup>5</sup> including their implications, for consideration by the Subsidiary Body for Implementation at its fortieth session (June 2014):

(a) The membership and composition of the Executive Board of the clean development mechanism, including similarities to and differences from other intergovernmental bodies within the UNFCCC process;

(b) The liability of designated operational entities to compensate for the issuance of certified emission reductions resulting from significant deficiencies in validation, verification and certification reports;

(c) Provisions for programmes of activities;

(d) Length of the crediting period;

(e) Requirements for the demonstration of additionality;

(f) The further elaboration of the role of designated national authorities of Parties included in Annex I to the Convention and Parties not included in Annex I to the Convention;

(g) The simplification and streamlining of the project cycle for certain project categories;

2. *Invites* Parties and admitted observer organizations to submit to the secretariat, by 30 April 2014, their views, to be posted on the UNFCCC website, on suggested changes to the modalities and procedures for the clean development mechanism, taking into account the implications elaborated in the technical paper referred to in paragraph 1 above;

3. *Requests* the Subsidiary Body for Implementation to continue its relevant considerations at its fortieth session and its forty-first session (December 2014), with a view to recommending a draft decision containing draft revised modalities and procedures for the clean development mechanism for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its tenth session (December 2014);

4. *Requests* that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

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<sup>5</sup> Contained in decision 3/CMP.1, annex, decision 4/CMP.1, annex II, decision 5/CMP.1, annex, and decision 6/CMP.1, annex.