

## Break-out session

# Session: Project cycle and methodologies (1)

**Workshop on the review of CDM modalities and procedures**

Bonn, Germany, 8–9 June 2013



## Project cycle and methodologies

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### ➤ Length of crediting periods

- Current M&P
  - 7 years, renewable twice (= max 21 years) or 10 years, non-renewable (all except for A/R)
  - 20 years, renewable twice (= max 60 years) or 30 years, non-renewable (A/R)
- Inputs
  - Review the provisions taking into account, inter alia, the certainty of investment and additionality
  - Make it shorter or more flexible, related to technologies
  - Determine in respective methodology (in general either 7 or 10 years)
  - Limit to max 10 years for large-scale projects, 7 years, renewable once, for small-scale projects
  - Take into account development of technology and project lifetime
  - Define individually per project type in a conservative manner



## Project cycle and methodologies

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### ➤ Materiality

- Current M&P
  - Does not provide the concept of materiality, but the standard adopted through decision 9/CMP.7
  - Scope is limited to:
    - Project activities (not PoAs)
    - Verifications by DOEs
    - Assessment by the Board/support structure of requests for issuance
- Inputs
  - Incorporate decision 9/CMP.7 in M&P
  - Provide guidance for the application of the concept
  - Apply also to PoAs and data verification in validations
  - Apply to all steps of the CDM, and apply the materiality thresholds also to validations



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### ➤ Stakeholder consultation

- Current M&P
  - Global stakeholder consultation – publication of PDD for commenting for 30 days
  - Local stakeholders consultation – invitation of comments, taking due account of them (no timeframe or channel specified)
- Inputs
  - Improve stakeholder consultation process and validation of comments
  - Allow stakeholders also comment on verifications before submission to the Board
  - Develop clear rules/guidance how to undertake local stakeholder consultation
  - Require DOEs to validate the local stakeholder consultation was carried out in accordance with host Party laws and regulations
  - Respect international human rights (Universal Declaration of Human Rights)



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### ➤ **Communication with the Board**

- Current M&P
  - There is no provision allowing direct communication between the project participants or stakeholders with the Board
- Inputs
  - Introduce the principle of direct communication between stakeholders and the Board/support structure
  - Establish communication channel for case-specific matters before and after registration of CDM project activities
  - Establish a mechanism by which civil society can raise concerns once a project is registered (grievance mechanism)
  - Formalize regular interactions between the DOE forum as well as other stakeholders and the Board in M&P



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### ➤ Sustainable development co-benefits

- Current M&P
  - DOE, in validating a project activity, has to confirm whether it assists the host Party in achieving sustainable development
- Current practice
  - PP describes sustainable development benefits in PDD but content not validated; host Party LoA includes statement that project assists it re SD
- Inputs
  - Make the monitoring, reporting and verification of sustainable development aspects mandatory during the entire project cycle
  - Make the use of sustainable development tool mandatory
  - Establish international sustainable development criteria (that would apply in addition to national criteria)
  - Use of sustainable development tool should remain voluntary, and it should not be monitored and verified at international level
  - Promote the development of projects with high co-benefits



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### ➤ Forestry under the CDM

- Current M&P
  - Credits issued (tCERs, ICERs) have expiration dates
  - Second and subsequent verifications have to take place every 5 years
  - Threshold for small-scale A/R is defined as removals less than 8 kt-CO<sub>2</sub>/year
  - Decision 2/CMP.7 extended A/R M&Ps, including definitions, to the second commitment period.
- Inputs
  - Allow issuance of permanent CERs
  - Allow for flexibility for timing of verifications
  - Consider implications of more cost-effective approaches in monitoring
  - Revise the definition of A/R and threshold for small-scale A/R
  - Move A/R out of the CDM into REDD+

