

# Role of CDM in the implementation of the mitigation targets and MRV system for avoiding double counting

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# Outline

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**Role of CDM in implementation of mitigation targets**

**Aim of the MRV**

**Scope of evolving MRV requirements**

**Challenges of MRV – Macro level**

**Challenges of MRV- Technical level**

**Embedding CDM MRV elements to NMM and others**

**Leverage CDM MRV to FIT NMM and others**

**Double counting and how CDM could over come it.**



# Role of CDM in implementation of the Mitigation targets

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- Enable nations to meet their mitigation targets in a flexible and cost-effective manner at the lowest cost/greatest certainty
- Increase the cost effectiveness of mitigation activities and also facilitate the adoption of more ambitious mitigation targets.
- Enable many developing countries to better understand their own potential to mitigate emissions in nationally appropriate ways.
- Combat climate change by creating a global culture for action and by mobilizing the private sector through markets, incentivized action on ground.
- Existing pipeline of CDM activities may be ideally placed for scaling up mitigation action quickly and effectively.
- Create space for international progress by demonstrating willingness to act, and by creating cooperative action that helps more action grow



# Role of CDM in implementation of the Mitigation targets

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- Measure emissions, tally reductions and transparently report those emission reductions, all essential tasks to ensure real reductions and real progress on climate change.
- Potential use of CDM by aviation and maritime companies to commit to emission reductions in their operations, including through the immediate voluntary cancellation of CERs in pre 2020 period
- Development agencies and multilateral development banks to use the CDM, or its elements, to verify the mitigation impact of the climate action they support.
- Global carbon markets link developed and developing countries, collaboration among private sector in providing them with joint incentives to tackle climate change.
- Domestic uses of the CDM, allowing the creation of national demand for CERs from projects implemented internally, for instance allowing their utilization under a carbon tax



# Role of CDM in implementation of the Mitigation targets

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- Reduce costs and promote ambitious climate action around the world better than just about any other international climate policy developed so far.
- PA allows the flexibility and through voluntary cancellation, the CDM as proved that emission reductions are generated beyond the compliance needs i.e. not only those with mitigation targets under the Kyoto Protocol. Results based financing , green securities etc.
- CDM has made to date has been helping nations and stakeholders gain valuable experience with innovative climate solutions through hands-on practical action
- CDM helps in facilitating the widespread adoption of best practices and uniform technical standards, as well as by promoting appropriate international links across carbon markets worldwide , and thus preserving environmental integrity.



# Role of CDM in implementation of the Mitigation targets

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- CDM encourages the increased development of projects with high co-benefits
- CDM plays a role to mobilise considerable amounts of finance from both the international and domestic private sector.
- CDM illustrated how public financing could be used in such a manner that it enables and leverages further private investment.
- CDM can serve as an important means to raise mitigation ambition by providing additional finance, supporting technology transfer.
- The insurance provided by an internationally recognised entity is of large value when investors are otherwise exposed to sovereign risk.
- Real, measurable and additional to any that would occur in the absence of the certified project activity ; permanence ; robust baselines (no hot air)
- International supervision or guidance or certification and accounting provides over all mitigation.
- Future of the existing CDM activities is under discussions (Units, Assets, infrastructure)



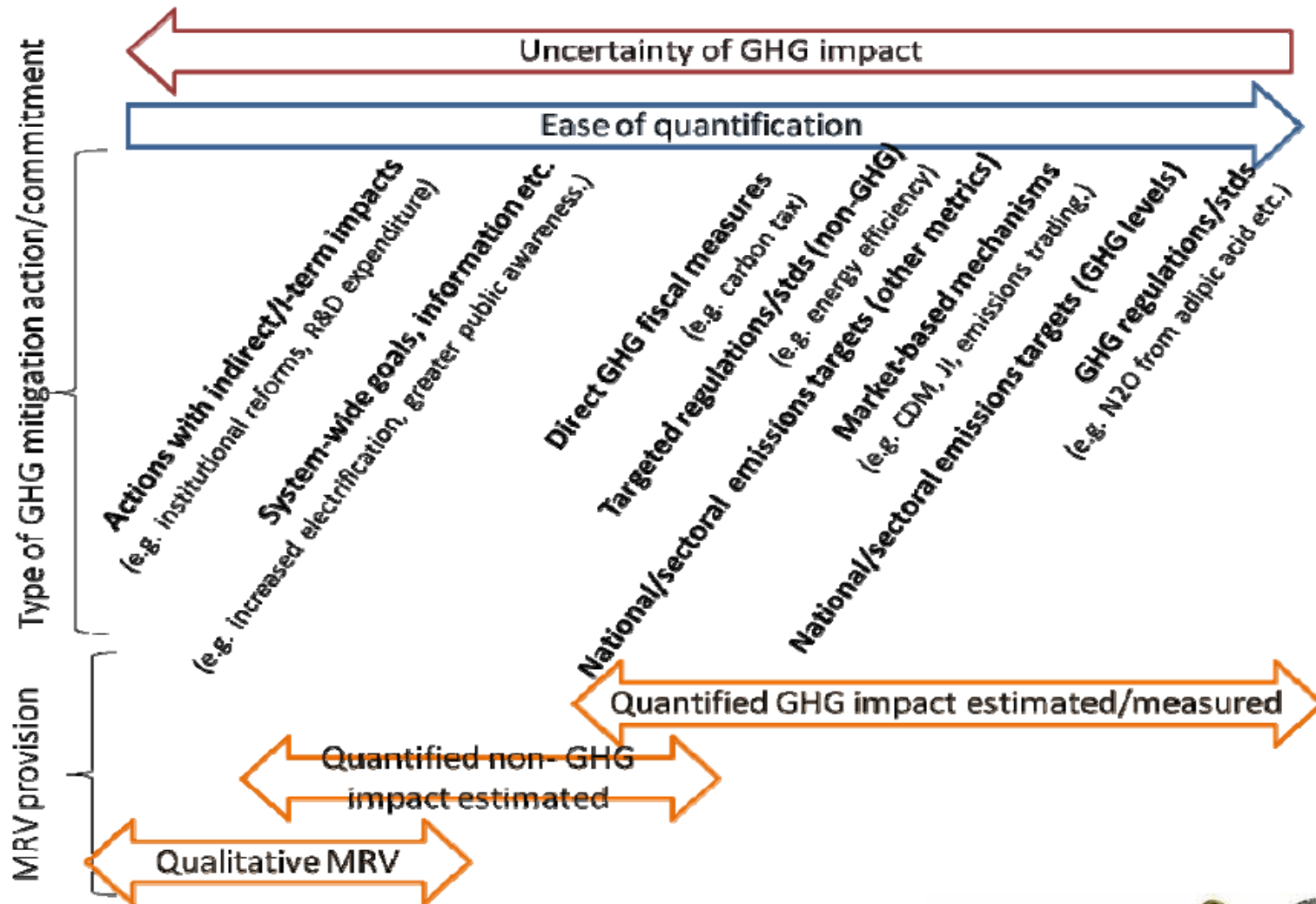
## Aims of MRV

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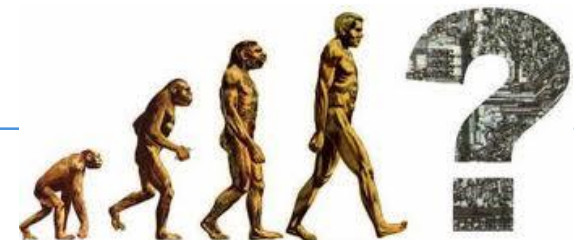
- Generating a more timely and comprehensive picture of global/national or sectoral GHG emissions trends.
- Collecting qualitative or quantitative information on what GHG mitigation actions different countries are taking, e.g. in order to provide international recognition for these actions;
- Quantifying the GHG impact of such actions (i.e. calculating the difference between performance and baseline);
- Identifying promising areas for future GHG mitigation action;
- Building trust, by providing for an MRV system that will confirm that what is actually happening in terms of GHG mitigation actions (and/or support) reflects the actions/commitments that different countries have agreed to.
- Developing a baseline helps highlight mitigation potential (of sector). Would allow for a more comprehensive picture of sectoral emissions trends.
- A robust MRV program is critical to inform policy development and for all types of market instruments



# Scope of Evolving MRV



Source : GHG Mitigation Actions (MRV Issues and options); OECD





# Challenges of MRV – Macro level

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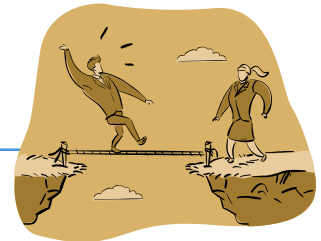
- **Type of actions actions/commitments.**
  1. National emission targets (binding or non-binding)
  2. Other forms of national commitments or actions (e.g. GHG-intensity or energy-intensity targets)
  3. Sectoral emissions targets (binding or non-binding)
  4. CDM and/or other crediting mechanisms
  5. Domestic policies and measures (PAMs) or other non-crediting approaches.
- **What ,how often, who measure, report ,how often and who Verify** (Estimating emission reductions ; Emission levels, Technology deployment; Energy savings etc ; What scale (national, sector, policy, project);
- **Up-front consideration of the MRV provisions for different types**
- **Capacity to Implement and capacity building**
- **Linking national and local MRV**
- **Cost of the MRV systems**



# Challenges of MRV – Technical level

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- **Eligibility** and basis for **accounting**
- **Defining what data to collect**
- Processes for actually **collecting the relevant data**.
  - Who needs to report (i.e. national governments, international institutions)?
  - Where do they report (i.e. through which channels or fora)?
  - How often do they report?
  - What data are reported?
  - Is information publicly available
  - Level of accuracy required
- **Quality assurance and quality control**
- **Reference level** eg: historical emission levels and national circumstances; baselines projecting business-as-usual emissions versus crediting baselines.
- **Non-carbon performance-based MRV**



## Embedding CDM MRV elements to Future

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- Governance Structure
- Accounting Structure (centralized system ,registry & ITL , DOE etc.)
- Methodological standards – Comparable quality and fungible
- Ensure Environmental Integrity
- MRV provision (Program level assessment (poA) / bottom-up and top down approaches)
- Consistency in MRV requirements in most of the programs except verification levels.
- Transparency and Independence.
- QA/QC procedures empowerment of DNA



## Leverage CDM MRV to FIT for future

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- Flexibility in monitoring methods depending on Size and other socio ,techno ,economic parameters
- Strengthening assessment of non-GHG estimation and MRV
- Reduce complexity in MRV procedure.
- Further work on the sector wide approaches.
- Development of more ex-ante (up-stream) standardized approach and reduced ex-post MRV
- Reduce transaction cost (provide further top-down work in assessment of uncertainty ,materiality , reduce monitoring procedures).



## Double counting – How CDM could address the same??

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- Double counting occurs when a single emission reduction or removal, achieved through a mechanism issuing units, is counted more than once towards emissions reductions targets or obligations. (Double registration, Double issuance, Double claiming).
- Set robust standards to enable linking and harmonization particularly in the MRV of ER and the tracking of mitigation outcomes.
- Ensure the comparability among the standards used across market-based mechanisms, both inside and outside the Convention, in order to minimize regulatory inconsistency, to safeguard environmental integrity, and to promote fungibility.
- Establish a common registry function that tracks mitigation outcomes effectively, so as to avoid double counting across different types of market-based mechanisms



**THANK YOU!**  
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