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Concept note

PoA regulations for multi-country PoAs

Version 01.0



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1. Procedural background

1. In decision 3/CMP.9, paragraph 19, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol requested the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) to further improve and streamline the regulations for programmes of activities (PoAs), including those for PoAs with more than one host Party.
2. The Board at its seventy-seventh meeting approved the workplan for 2014, where it agreed to consider a concept note for improved PoA regulations including for multi-country PoAs at its seventy-eighth meeting.
3. Decision 2/CMP.3 in paragraph 3 welcomed the approval by the Board of the guidelines and procedures related to PoAs (EB 32 report, annexes 38 and 39) that included provisions for multi-country PoAs, thus heralding the development of multi-country PoAs. PoAs are now developed to cover more than one country on many occasions. Of the 247 registered PoAs, over 20 are multi-country PoAs <<http://cdm.unfccc.int/>>.

2. Purpose

4. The purpose of this document is to seek guidance from the Board on options to undertake further work to find solutions to issues related to provisions for PoAs with more than one host Party.

3. Key issues and proposed solutions

3.1. Description of the main issue and analysis

5. While the scope for improving and streamlining the regulations for single-country and multi-country PoAs is nearly identical in many areas and being addressed through separate Board mandates, there are a small number of issues unique to multi-country PoAs as discussed below.
6. A PoA can be registered with more than one host Party to begin with or a PoA can initially be registered with one host Party but, during its operation, can be expanded to additional host Parties.
7. Paragraph 173 of the CDM project standard (PS) requires that the coordinating/managing entity (CME) shall obtain a letter of approval from the designated national authority (DNA) of each Party involved in the proposed CDM PoA at the time of request for registration of the PoA.
8. Paragraph 174 of the PS states that a new host Party (or Parties) may be added after the registration of the PoA and that in this case, the CME shall request approval by the Board of the addition, following the post-registration change process as defined in the CDM project cycle procedure (PCP). Paragraph 139 (d) of the PCP states that the request for approval of changes shall contain letters of approval from the DNAs of the additionally included host Parties in the CDM PoA.

9. Paragraph 144 of the PS¹ requires the CME to provide only one specific-case component project activity design document (CPA-DD) for each generic CPA-DD. Paragraph 133 of the PCP² requires the CME to provide a revised PoA-DD and a generic CPA-DD when the boundary of a PoA is expanded to include additional host Parties. Thus when a PoA is implemented in different host Parties but the implemented technology/measure is the same, paragraph 144 of the PS and paragraph 133 of the PCP may be interpreted to imply that only one specific-case CPA-DD is required for registering the PoA or for expanding the boundary as described in paragraph 8.
10. On the other hand, the DNAs of host Parties have generally required the CME to provide at least one specific-case CPA-DD from the host Party even for the situations described in paragraph 9.
11. See table 1, “Comparison of content of PoA documentation”, in the appendix.
12. Some stakeholders perceive that the DNA requirements indicated in paragraph 10 above are over and above the requirements specified by regulatory documents related to PoAs and lead to delays and higher transaction costs for multi-country PoAs. The preparation of a specific-case CPA-DD requires precise information such as geographic coverage of the CPAs, specifications of technology/measure, end-users and their locations, survey and sampling methods, the collection of which may take significant time. Thus, CMEs and other stakeholders, recognizing the potential of multi-country PoAs to reduce transaction costs and to facilitate capacity-building for mitigation activities in the region, have called for further simplification of the regulations pertaining to multi-country PoAs.
13. DNAs have indicated that it is desirable to amend the PoA rules to require at least one specific-case CPA-DD per host country. The letter of approval/authorization by the host Party is a “confirmation that the CDM project activity or PoA assists it in achieving sustainable development (SD)” (Glossary of CDM terms version 07.0) among others. The DNA requirements above may have been to enable a better assessment of SD aspects of the PoA. Moreover a vast majority of the registered PoAs specify that local stakeholder consultations are undertaken at the CPA level (See table 2, “Local

¹ 144. Also as part of the proposed CDM PoA, the coordinating/managing entity shall define specific CPAs under the PoA as follows:

- (a) For PoAs applying the same technology/measure under the same methodology across all CPAs, only one specific-case CPA-DD shall be provided;
- (b) For PoAs applying more than one technology/measure or more than one methodology, the coordinating/managing entity shall complete one specific-case CPA-DD for each generic CPA-DD. In cases where not all specific-case CPA-DDs to cover all generic CPA-DDs can be provided at the time of the publication of the PoA-DD for global stakeholder consultation, at least one specific-case CPA-DD corresponding to any of the generic CPA-DDs shall be provided at the time of the publication of the PoA-DD for global stakeholder consultation. In this case, one specific-case CPA-DD shall be provided for each of the remaining generic CPA-DDs at the time of request for registration of the PoA or after the registration of the PoA. In the latter case, the specific-case CPA-DD shall be provided for approval by the Board in accordance with the post registration change process as defined in section 6.2 of the Project cycle procedure.

² 134. “.....the coordinating/managing entity shall update the eligibility criteria for inclusion of CPAs in the PoA to reflect the change, and include them in new versions of PoA-DD and generic CPA-DD, to be validated by the DOE and approved by the Board.....”.

stakeholder consultation in registered multi-country PoAs” in the appendix) and therefore specific information on inputs from local stakeholders may only be available in a specific-case CPA-DD.

14. Paragraph 144 of the PS considers the technology/measures and methodologies applied besides emission reduction estimation methods in specifying the requirements for specific case CPA-DDs. Although these factors would normally distinguish one CPA from the other, often geographic boundaries, especially when they span multiple countries, may also play a role to render some CPAs unique. For example, consider the case of the same type of cookstoves or efficient lights being planned for distribution under a multi-country PoA for residential applications. In this case, the methodology applied and the emission reduction estimation methods may be the same; however, there may be significant differences among the countries with regard to the transport/communication infrastructure, population density, cooking habits and local perceptions on efficient technology and the stability of the grid. As a result, different methods for sampling and survey, distribution and service mechanisms as well as stakeholder capacity development may be necessary. Therefore, it may be desirable that these issues are covered in separate specific-case CPA-DDs applicable to the country to facilitate the validation and registration functions besides the work of the DNAs. Anchoring such a requirement in the regulatory documents related to PoAs may not necessarily create a new requirement for documentation but may indicate that some specific-case CPA-DDs will be required earlier; on the other hand, it may also clarify upfront that specific CPA-DDs per country will be required in all cases.
15. Over the last few years the Board has introduced flexibility in the requirements in the regulations for multi-country and multi-technology PoAs, e.g. inclusion of additional specific-case CPA-DDs for specific technologies through post-registration change procedures, expanding the boundary of the PoA to cover additional host countries. To respond to requests of the CMEs and other stakeholders to further refine the requirements, the Board may wish to consider further work on the definition of a technology/measure in a PoA that influences the number of generic CPA-DDs and specific CPA-DDs that are required. Stakeholders perceive that the current requirements use a conservative and narrow definition of a technology/measure thereby requiring a number of CPA-DD documents. Similarly the provisions for post-registration changes for PoAs and CPAs may be considered by the Board for improvements. These issues are presented for the consideration of the Board through separate concept notes as they are relevant to all PoAs and not only for multi-country PoAs (see the concept note on further work on methodologies, tools and standards).

3.2. Proposed solutions

16. The Board may wish to consider specifying in the PCP that the CME should provide a specific-case CPA-DD for each host Party during the registration of the PoA or during expansion of the boundary of the PoA to add additional host Parties, even when the technologies/measures being implemented by the CPAs of the PoA are the same.

4. Impacts

17. Further improvement and streamlining of the PoA regulations for more than one host Party would provide more clarity and transparency to all stakeholders. It may also

facilitate the work of the DNA and ensure higher level of assurance for environmental integrity of emission reduction estimates of the PoA.

5. Proposed work and timelines

18. Based on the feedback from the Board on the above issue, the secretariat will conduct further work on changes to the requirements in the PCP and other related documents.
19. The draft revised documents will be presented to the Board for its consideration at a future meeting. The revision will take into account the timeline of other major changes to the documents which are under the Board's consideration.

6. Recommendations to the Board

20. The Board may wish to provide guidance to the secretariat on the proposal to require that the CME should provide a specific-case CPA-DD for each host Party during the registration of the PoA or during expansion of the boundary of the PoA to add additional host Parties, and further request the secretariat to prepare draft revisions to regulatory documents for consideration at a future meeting of the Board.

Appendix. Characteristics of multi-country PoAs

1. The following table compares PoA documentation.

Table 1 Comparison of content of PoA documentation

	PoA-DD (Part I of PoA DD)	Generic CPA-DD (Part II of PoA-DD)	Specific CPA-DD
Project description	General description of PoA framework including range of technology/measures aimed for coverage	General description of a CPA framework	Precise description of project including specifications of technology/measure
Boundary	Boundary of PoA and list of Parties (see also table 2)	N/A	Specific geographic references/coordinates
Baseline, emission reduction estimation and monitoring	Methodology references and description of management system, detailed information on sampling if the sampling is at PoA level.	Baseline and monitoring for a generic project	Baseline and monitoring including detailed information on sampling and survey and ex ante estimation of emission reductions
Additionality	Description of eligibility criteria	Demonstration of eligibility for a generic CPA	Compliance demonstration with eligibility criteria
Duration and crediting period	Duration of PoA	N/A	Duration and crediting period of a specific CPA
Environmental impact analysis	Either at PoA level or CPA level	N/A	Either at PoA level or CPA level
Local stakeholder consultation	Either at PoA level or CPA level	N/A	Either at PoA level or CPA level

2. The following table shows a list of registered multi-country PoAs and provides information on whether environmental impact analysis and local stakeholder consultation have been conducted at PoA level or CPA level.

Table 2: Local stakeholder consultation in registered multi-country PoAs

	Ref	Title	Host Parties	Environmental Impact Analysis	Local Stakeholder Consultation
1	7398	Standard Bank Energy Efficient Commercial Lighting Programme of Activities	South Africa Kenya Botswana	PoA (but per host country)	CPA

2	9672	Paradigm Sub Saharan Africa Cook Stove Programme	Ethiopia Rwanda	PoA (but per host country)	PoA (but per host country)
3	9666	Promoting Efficient Stove Dissemination and Use in West Africa.	Togo Burkina Faso Ghana Mali Senegal	CPA	CPA
4	7885	Southern African Solar Thermal Energy (SASTE) programme	South Africa Lesotho Botswana Mozambique Namibia Swaziland	CPA	CPA
5	9007	Distribution of Improved Cook Stoves in Sub-Saharan Africa	Senegal Ghana Nigeria	CPA	PoA (but per host country)
6	7274	Tepeu Wind Programme of Activities	Nicaragua Peru	CPA	CPA
7	9497	Southern African Solar LED Programme	South Africa Namibia Zambia	CPA	CPA
8	9299	Renewable Energy Programme of Activities in Middle East and North Africa	Saudi Arabia Oman Egypt	CPA	CPA
9	9218	UpEnergy Open Access Improved Cookstoves Program in Latin America	Mexico El Salvador Nicaragua	PoA (but per host country)	CPA
10	8239	African Clean Energy Switch – Biogas (ACES-Biogas)	Kenya Uganda Rwanda Ethiopia	CPA	CPA
11	8950	Guacamaya Small Scale Hydropower Programme of Activities	Honduras Nicaragua Costa Rica	CPA	CPA
12	8696	Côte d'Ivoire and Cameroon Efficient Cookstoves Program	Côte d'Ivoire Cameroon	PoA (but per host country)	CPA
13	8777	East Africa Renewable Energy Programme (EA-REP)	Kenya Rwanda	CPA	CPA
14	8637	Green Light for Africa	Kenya Zimbabwe	CPA	CPA
15	5342	African Improved Cooking Stoves Programme of Activities	Ghana Nigeria	CPA	CPA
16	5341	Improved Cooking Stoves Programme of Activities in Africa	Kenya South Africa	CPA	CPA

17	7359	PoA for the Reduction of emission from non-renewable fuel from cooking at household level	Madagascar Ethiopia Kenya Malawi Mozambique Nigeria Uganda Zambia Chad Dominican Republic Côte d'Ivoire Liberia Rwanda Sierra Leone Namibia Zimbabwe Ghana South Africa	CPA	CPA
18	5962	International water purification programme	Ethiopia El Salvador Chile Egypt Kenya Gambia Madagascar Nicaragua Mexico South Africa Uganda Viet Nam Iran (Islamic Republic of)	CPA	CPA
19	7883	Hydro Alliance Programme of Activities	Guatemala El Salvador	CPA	CPA
20	7847	Programme for Grid Connected Renewable Energy in the Mediterranean Region	Egypt Lebanon Morocco Tunisia	CPA	CPA
21	7522	Standard Bank Renewable Energy Programme	Ghana Kenya Mauritius	CPA	CPA
22	7014	Improved Cook Stoves for East Africa (ICSEA)	Uganda Kenya Burundi Rwanda	CPA	CPA
23	6110	Barefoot Power Lighting Programme	Kenya Uganda	CPA	CPA

Document information

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