

**CDM-EB95-AA-A01**

## Concept note

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# Increasing the voluntary cancellation of certified emission reductions

Version 01.0

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## 1. Procedural background

1. At its ninety-third meeting (EB 93), the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) considered a concept note on increasing the voluntary cancellation of certified emission reductions (CERs). The Board requested the secretariat to reach out to companies and organizations that could be relevant for the voluntary cancellation of CERs, and the use of the voluntary cancellation platform, with a view to confirming their interest in cooperation and the technical requirements. The Board further requested the secretariat to prepare an updated concept note for its consideration at a future meeting, incorporating feedback received from the companies and organizations, and guidance received from the Board at this meeting.
2. This work relates to the activity “Increasing voluntary cancellation of CERs” under goal 2 of the CDM business plan: “Nurture policies to broaden demand for, and participation in, the CDM”, with a resource allocation as referred to in table 5 of the CDM management plan 2017 (EB92, annex 1).

## 2. Purpose

3. The purpose of this concept note is to provide an update on the progress of activities undertaken towards increasing the voluntary cancellation of CERs and to seek further guidance from the Board regarding a proposal for a social media campaign, which was discussed but not concluded at previous Board meetings.

## 3. Key issues and proposed solutions

4. The CDM Management Plan for 2017 states that the second goal of the CDM business plan, which is “Nurture policies to broaden demand for, and participation in, the CDM”, will be implemented through activities aimed at increasing the voluntary cancellation of CERs and the increased recognition and use of the CDM as a tool for evaluating and recognizing the impact of mitigation activities. It further specifies that “Specific focus areas include:
  - (a) Continued operation and improvement of the voluntary cancellation platform (VC platform);
  - (b) Promotion of the VC platform to suppliers to ensure a high and diversified supply of CERs on the VC platform;
  - (c) Cooperation with international business and sector organizations;
  - (d) Cooperation with the UN system and other international organizations;
  - (e) Online media and web presence;
  - (f) Development and implementation of a strategy and outreach plan to enhance the use of the VC platform among consumers and individuals;
  - (g) Cooperation with international financial institutions to promote the use of CDM as a tool in support of results-based financing, green bonds, etc.; and
  - (h) Providing information and analysis regarding how the CDM may support policy implementation, including closing the pre-2020 ambition gap.”

5. This note refers to points (a) to (f) in paragraph 4 above, while items (g) and (h) will be reported on separately at the ninety-fifth meeting of the Board.

### **3.1. Voluntary Cancellation Platform**

6. Between 1 January and 1 June 2017, a total of 62,027 CERs were cancelled in 288 individual transactions in the Voluntary Cancellation Platform at an average price of USD 2.10. A total of 1.4 million CERs are now available from 49 projects in the Platform, which offers the cancellation of CERs at prices between USD 0.41 and 5.00.
7. In the same period, a total of 4.6 million CERs were voluntarily cancelled directly in the CDM Registry. Of these, 1.46 million CERs were converted to Korean Offset Credits and 247,000 CERs cancelled for transfer to verified Carbon Standard (VCS) credits. The remaining portion, some 2.9 million CERs, were cancelled with the aim of achieving climate neutrality, mainly in the private sector. This represents an increase of more than 600 per cent since the same period in 2016. Information about CERs cancelled in national registries is not available since the registries do not share such information.
8. It can be observed that while the effort to promote and encourage the voluntary cancellation of CERs towards achieving climate neutrality has made good progress, the level of use of the Voluntary Cancellation Platform is still unsatisfactory. The Board concluded at its ninety-third meeting that further activities are warranted both to improve the user friendliness and functionalities of the Voluntary Cancellation Platform itself and to further attract visitors directly to the Platform through continued outreach and promotion.
9. The Board, at its ninety-third meeting, approved a proposal on how to improve the user friendliness of the Voluntary Cancellation Platform. This work is now being implemented, with the new features of the Voluntary Cancellation Platform expected to be launched in early 2018.
10. In May 2017, the first integration partner Carbon Trade Exchange started to promote the voluntary cancellation of CERs in the Voluntary Cancellation Platform through its own online system and outreach channels, as approved by the Board at EB 91.

### **3.2. Cooperation with international business and sector organizations**

11. In the first half of 2017, the secretariat reached out to a number of companies and organizations using three approaches:
- (a) Direct outreach to companies: To date, 510 companies and organizations have been directly sent invitations to take climate action by measuring, reducing and offsetting with CERs their climate footprint. Of these companies, 45 have responded positively, 60 have declined and the remaining are still considering their position or have not yet responded.
  - (b) Outreach through intermediaries, such as the Airports Council International, the International Post Corporation and the International Union of Railways: The most successful example is Airports Council International, which proactively promotes climate neutrality to airports with an objective of achieving at least 100 climate neutral airports by 2030. By 1 June 2017, Athens International Airport, Gatwick Airport, Lyon–Saint Exupéry Airport and Chhatrapati Shivaji International Airport in Mumbai achieved climate neutral status. In addition, several prominent companies and organizations in the sports and fashion sectors have signalled interest in closer

collaboration to enable their sectors to address their climate footprints at the sector level, including through the use of CERs. The secretariat is currently exploring the potential to support such initiatives and the potential impact they may have on the voluntary cancellation of CERs.

- (c) Discussions with online companies selling travel tickets and accommodation: Following discussions at EB 93, the secretariat has now approached some 20 on-line booking companies to explore the potential and technical feasibility for them to offer the cancellation of CERs to with the aim of making the travel/hotel nights sold climate-neutral. Discussions are ongoing and the results, including recommendation for further efforts, if any, will be presented to the Board at a later meeting.

### **3.3. Cooperation with the United Nations system and other international organizations**

12. The secretariat continues to support the efforts of the United Nations system towards achieving climate neutrality. In 2016, the total climate footprint for 66 reporting United Nations organizations was slightly above 2 million tonnes of carbon dioxide equivalent (CO<sub>2</sub> eq). A total of 32 United Nations organizations achieved climate neutral status for their 2015 emissions, including through the purchase and cancellation of CERs, most of which were purchased and cancelled through the Adaptation Fund. Across the United Nations, offsetting amounted to 32 per cent of the total reported greenhouse gas emissions for 2015, or 650,000 CERs cancelled.
13. As a joint effort with other United Nations organizations, the secretariat is currently supporting the development of an online green events tool that will allow meeting organizers inside and outside the United Nations system to minimize the negative environmental impact (e.g. waste, energy use, etc.), as well as the climate footprint of meetings. The tool will also help calculate the remaining climate footprint and direct the users to cancel the corresponding amount of CERs in the Voluntary Cancellation Platform. The online green events tool is estimated to be ready in 2018. As a part of this effort, the secretariat has initiated an outreach campaign along with other United Nations organizations towards other international organizations that have meetings with large climate footprints.
14. Preparations for the twenty-third session of the Conference of the Parties (COP 23) in Bonn, Germany, are also underway. The COP is being organized as a climate neutral COP based on the measure-reduce-offset principle. Awareness and the promotion of climate neutrality will also be integrated into the organization of COP 23, for example the Government of Germany is taking the lead in arranging for the cancellations of CERs with support from the secretariat.
15. To further promote the voluntary cancellation of CERs, the Executive Secretary of the United Nations Framework Convention on Climate Change (UNFCCC) is using CERs to give a year's equivalent of neutrality (based on the average climate footprint of a private citizen of their country) to high-level officials with whom she meets. This provides a worthwhile opportunity to explain and promote at senior-most levels how the CDM can be used to close the pre-2020 gap.

### **3.4. Online media, web presence and enhancing the use of the Voluntary Cancellation Platform among consumers and individuals**

16. Online media and web presence currently refers to the Voluntary Cancellation Platform and the Climate Neutral Now websites, as well as information and links that are also promoted through the CDM webpage and through the media and press releases (see the CDM-MAP mid-year report, presented at this meeting, for details). As mentioned in paragraph 9 above, the Voluntary Cancellation Platform will soon be upgraded to improve its user-friendliness. While the Voluntary Cancellation Platform is a separate website, we are attracting visitors to the Platform through other websites. Therefore, the integration of the Voluntary Cancellation Platform in the Climate Neutral Now website and other UNFCCC websites will also be enhanced at the same time to improve visual appeal and consistency and reduce the number of clicks required to cancel a CER.
17. The secretariat is also collaborating with the Citizens Climate Pledge, a Finland-based non-governmental organization that is conducting outreach campaigns towards the general public to encourage climate action and climate neutrality at the personal (citizen) levels. Currently, the Citizens Climate Pledge directs visitors to their website to go to the Voluntary Cancellation Platform to offset their remaining emissions. The secretariat is supporting the Citizens Climate Pledge in adapting and expanding this model to other countries as well.

### **3.5. Promotion of personal offsetting through a social media campaign**

18. In order to further enhance the web presence and increase the number of individual visitors to the Voluntary Cancellation Platform, the concept note presented to the Board at its ninety-third meeting contained a proposal to undertake a social media campaign. This was one of the items that the Board requested the secretariat to develop further and present in an updated concept note. The updated proposal is presented below.
19. Over recent years, social media has emerged as the leading marketing and advertising channel in almost all countries. With the proliferation of smartphones and other mobile devices, it is estimated that today more than 2.3 billion people are regular users of social media. Many social media platforms allow advertisers and marketers to reach out to specific segments of the social users with very high precision. This is highly suitable for promoting the voluntary cancellation of CERs, since the groups targeted would have specific features, such as:
  - (a) An above average level of awareness of environmental issues, often combined with education levels above primary school;
  - (b) Residence in countries where the public environmental debate is well established;
  - (c) Belonging to younger generations, which are often more aware about climate change issues and also are far more frequent users of social media;
  - (d) Basic economic security/income above what is required to meet the immediate daily needs.
20. Experience from the secretariat's social media campaigns indicate that a large number of individuals can be reached through social media such as Facebook, LinkedIn and Twitter at a low cost. A recent campaign (December 2016) promoting awareness of climate action

reached 5.5 million people, resulting in more than 160,000 clicks (i.e. the person reading the ad clicked on it). This corresponded to an average cost of USD 0.08 per click.

21. Launching a successful social media campaign requires careful design. This includes the selection of target groups, appropriate content and attractive visual messaging, and dedicated 'landing pages'<sup>1</sup> on the Voluntary Cancellation Platform, where visitors can directly cancel their CERs.
22. The CDM Executive Board gave the secretariat a mandate through its CDM Management Plan 2017 to increase the Voluntary Cancellation Platform's online media and web presence and enhance its use among consumers and individuals. With a view to fulfilling this mandate, the secretariat proposes developing a structured social media campaign to be launched concurrently with the deployment of the new version of the Voluntary Cancellation Platform.
23. The campaign shall be prepared so that it can be launched as soon as the new user-friendly version of the Voluntary Cancellation Platform is deployed online. The campaign will include the identification of target groups; development of online materials; creation of dedicated landing pages in the Voluntary Cancellation Platform; testing of messaging and social media ads on a limited scale on different social media platforms; and launch of the campaign on a social media platform, such as Facebook/LinkedIn, supplemented by other social media platforms with a strong outreach potential, such as Twitter. Finally, the campaign would also include monitoring and tracking of results in terms of how many users have been reached, how many have clicked on the links to the landing page/Platform, and how many have completed a voluntary cancellation transaction on the Platform.
24. The campaign would be designed to attract at least 100,000 visitors to the Platform. Assuming that 20 per cent of visitors follow through with the cancellation of at least 10 CERs per person, the result would be 200,000 CERs cancelled.

## **4. Impacts**

25. The proposed activities described in this concept note aim to increase the voluntary cancellation of CERs. While ongoing activities are estimated to result in the voluntary cancellation of at least 5 million CERs by the end of 2017, the social media campaign is estimated to boost the use of the Voluntary Cancellation Platform, with the objective of attracting 100,000 visitors by the conclusion of the social media campaign.

## **5. Subsequent work and timelines**

26. The Board will receive a full update on the implementation and impact of the activities described herein at its first meeting in 2018. Work on the proposed social media campaign would be initiated in Q3 2017 to be ready for launch in Q1 2018, depending on when the

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<sup>1</sup> A landing page is a tailor-made page that links the already existing content of the website (Voluntary Cancellation Platform) with the social media message that sent the visitor to the website. A landing page needs to reflect the rationale for cancelling a CER (social media campaign) with the action to cancel the CER (Voluntary Cancellation Platform). A landing page is typically a temporary custom-built page that does not replace the regular front page of the website, but which adds an additional 'door' into the website.

revision to improve the user-friendliness of the Voluntary Cancellation Platform will be ready.

## 6. Budget and costs

27. The proposed activities can be carried out within the budget contained in the CDM Management Plan 2017 as approved at EB 92.

## 7. Recommendations to the Board

28. The secretariat recommends that the Board approve the proposal for a social media campaign contained in section 3.5 above and take note of other information contained in this note.

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### Document information

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