


REGULATORY REQUIREMENTS: A SOLID FOUNDATION?



Overview

- How it all started
 - Procedure for PoAs
 - Steps in Registration of PoA
 - So where are the issues
 - Solutions?
- 

How it all started

COP/MOP 1, Decision 7 Para 20

20. Decides that a local/regional/national policy or standard cannot be considered as a clean development mechanism project activity, but that project activities under a programme of activities can be registered as a single clean development mechanism project activity provided that approved baseline and monitoring methodologies are used that, inter alia, define the appropriate boundary, avoid double-counting and account for leakage, ensuring that the emission reductions are real, measurable and verifiable, and additional to any that would occur in the absence of the project activity

(1st Meeting of the Conference of Parties as Meeting of Parties, 2005)

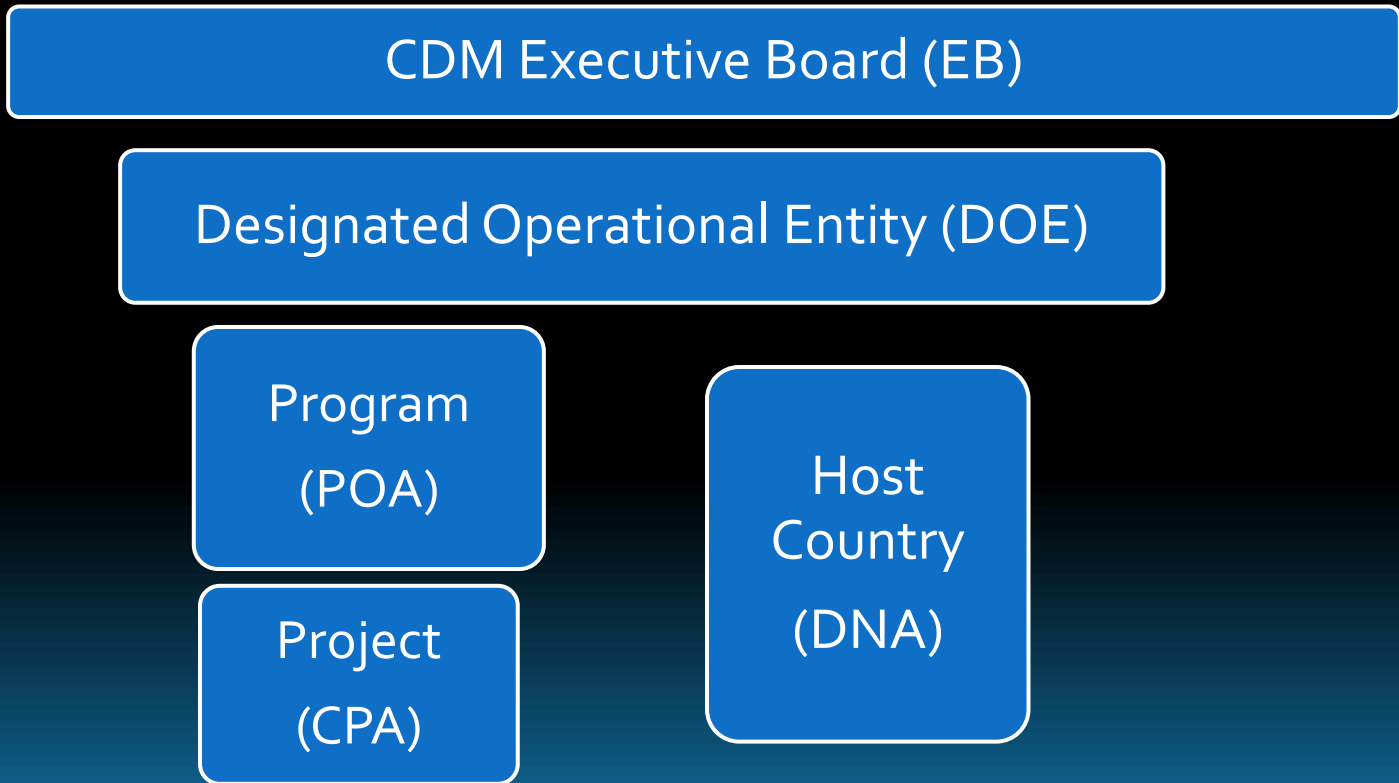
Definitions

PoA Definition, EB 32, Annex 38 Para 1

A programme of activities (PoA) is a voluntary coordinated action by a private or public entity which coordinates and implements any policy/measure or stated goal (i.e. incentive schemes and voluntary programmes), which leads to anthropogenic GHG emission reductions or net anthropogenic greenhouse gas removals by sinks that are additional to any that would occur in the absence of the PoA, via an unlimited number of CPAs

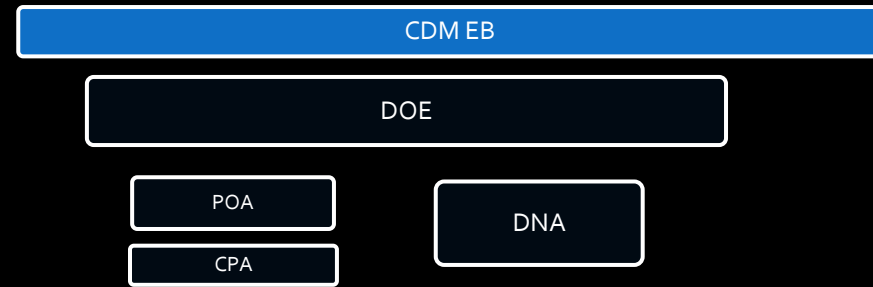
(32nd meeting of the CDM Executive Board, June 2006)

Procedures for PoA



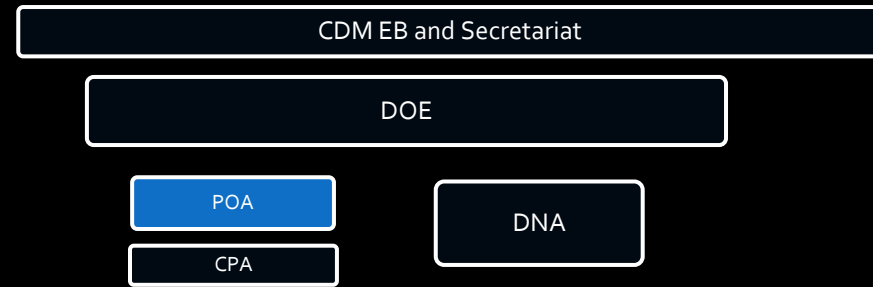
Key Roles

CDM EB



- Provide policy and regulatory guidance (Secretariat)
- Approve use of methodology (Methodology Panel and Small-scale and Afforestation-Reforestation Working group)
- Accredite DOE (Accreditation panel)
- Approve registration of projects and issuance of Certified Emission Reductions (CER) (Secretariat)

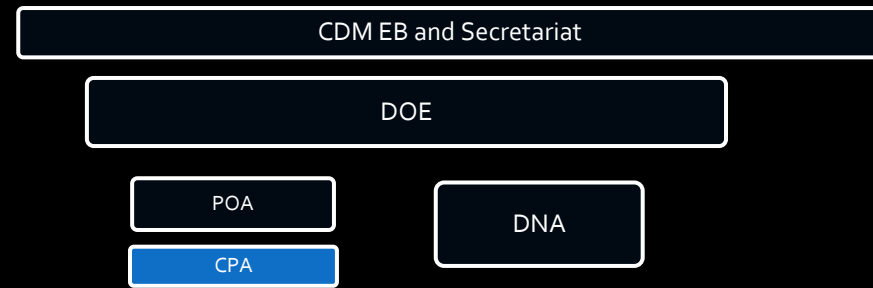
Key Roles PoA Entity



PoA Entity = Coordinating/Managing Entity

- Develop the Program concept
 - Technology
 - Location
 - Potential CPAs
- Prepare the management framework
- Ensure validation & registration of PoA and all subsequent CPAs
- Implement and manage the Program
- Ensure verification, issuance and transfer of CERs
(as focal point)

Key Roles CPA Entity

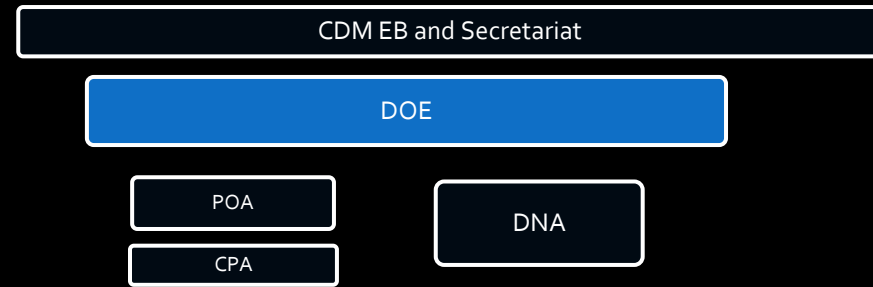


CPA Entity = Project Owner

- Support the PoA by providing complete information
 - Technology
 - Potential Emission Reductions
 - Monitoring data
- Implement and manage the Project
- Support validation & registration of CPA
- Support verification of CERs

Key Roles

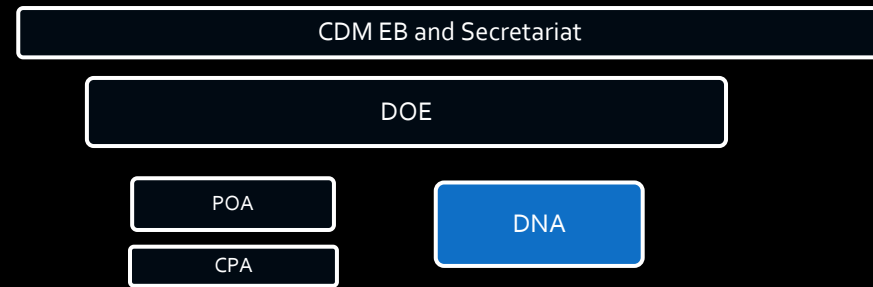
DOE



DOE is considered the extended arm of CDM EB

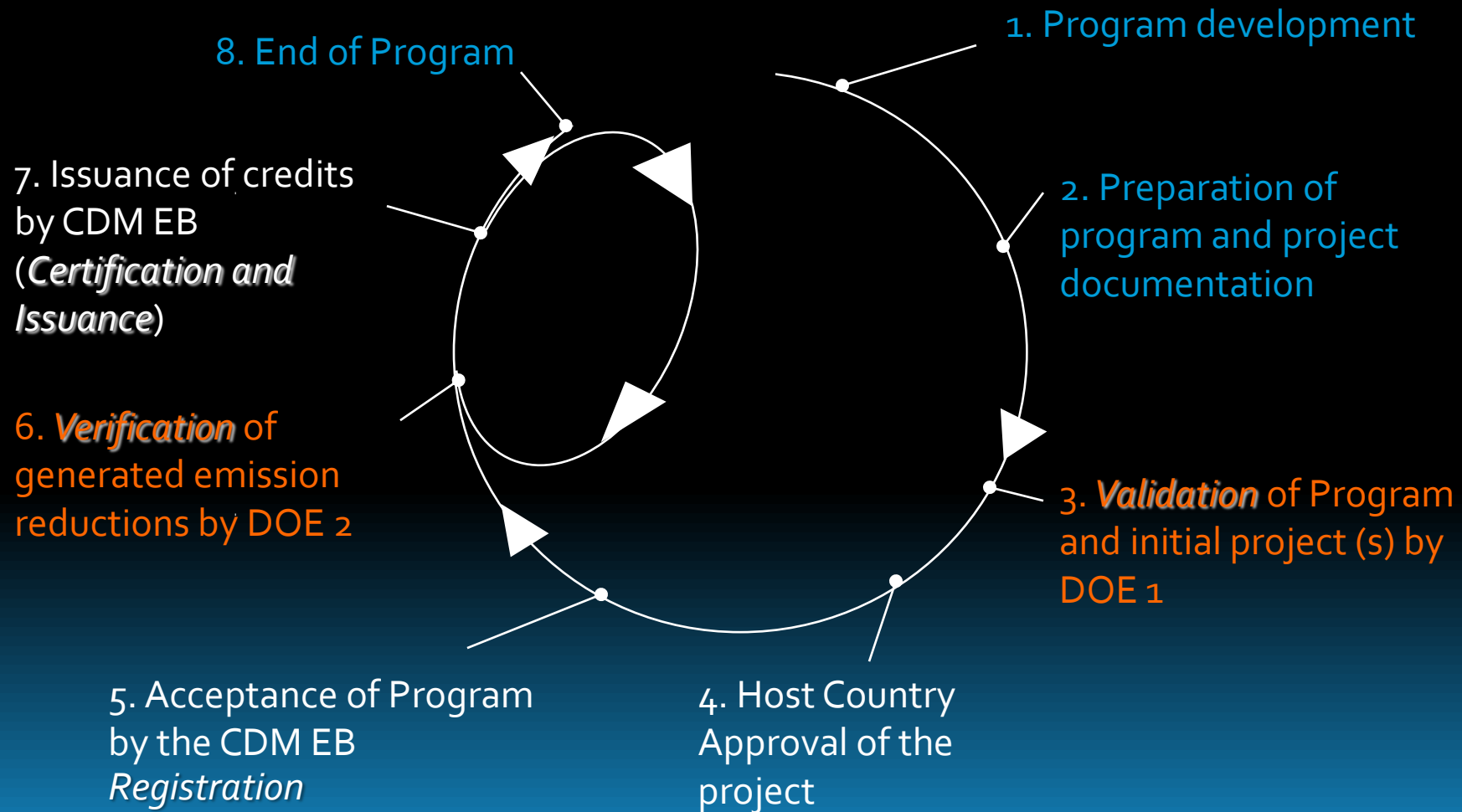
- Validation of the PoA and first CPA
 - Respond to EB queries at registration
- Validation of all subsequent CPAs
 - Automatic registration
 - Respond to EB queries, in case of a review
- Verification and request for issuance of CERs

Key Roles Host Country



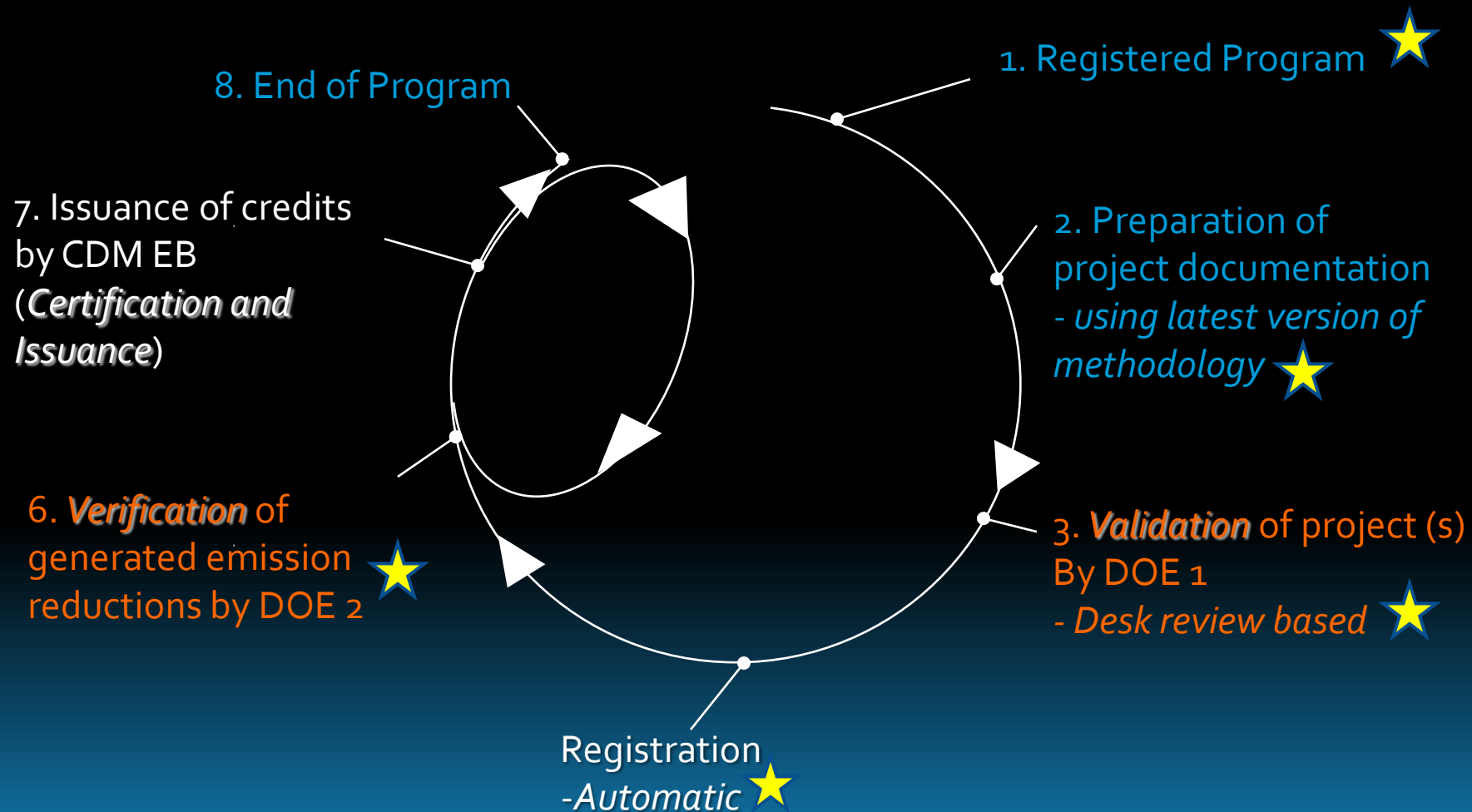
- Provide Letter of Approval/Host Country Approval to the PoA and first CPA
- Maintain a record of subsequent CPAs, as informed by the PoA: Randomly review these CPAs
- ?? Several DNAs are considering a requirement for
 - Future CPAs to also request for approval, or
 - PoA to inform DNA of CPA prior to validation

Steps in Registration of PoA



This includes the 1st CPA and the generic CPA

Registration of future CPAs



So where are the issues?

- **Program design**
- **Methodology**
 - Combination of methodologies allowed, based on specific procedures
 - New CPAs have to use latest version of methodology
 - If methodology put on hold or withdrawn, more CPAs cannot be added
 - Update PoA at renewal of crediting period
- **Additionality**
 - Established for the entire Program
 - Eligibility criteria for inclusion of CPA into a registered PoA to include criteria for demonstration of CPA's additionality

So where are the issues?

■ Validation

- Detailed process for the PoA and initial CPAs
- Subsequent CPAs can be included in the registered PoA based on a desk review (*automatic registration*)
- CPAs can be reviewed, by one member of the EB or at the request of DNA, within one year after the inclusion of CPA or renewal of the crediting period of the CPA, or six months "*after the issuance of CERs for that CPA*", whichever is later
- Liability of an *erroneous inclusion* rests with the DOE

■ Verification

- Request for Verification shall include all CPAs included in the PoA with a crediting period which overlaps with the specified monitoring period. Issuance is based on verification.

Solutions

The regulatory system has been flexible and responsive to the needs of PoA developers. Participants need to continue providing practical insights for continual improvement of systems.

- **Specific request to EB for**
 - Simplifying methodology processes
 - Guidance on defining “eligibility conditions”
 - Clarifying the procedure for review of CPAs
 - Strengthening the support to DOE

Solutions

- **Design of Programs and Business Arrangements**
- **Performance management, monitoring and evaluation**

THANK YOU