

Position Paper: **Katowice Outcomes & CDM achievements**

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The Project Developer Forum (PD Forum) is a collaborative association and collective voice of companies and practitioners that are developing and financing greenhouse gas emission reduction projects worldwide. Our members work on a global scale and evaluate opportunities to deploy climate financing and carbon market instruments to accelerate investments for greenhouse gas mitigation and sustainable development.

### **(No) Katowice Agreement**

While Parties reached agreement on many issues at COP24 in Katowice regarding the rulebook for the Paris Agreement, the PD Forum is disappointed at the failure to agree the rules for the market mechanisms that are going to be a crucial instrument for Parties to reach the national contributions they have committed to. While initially a lot of progress was made, the final agreement excluded both the rules for the new market mechanisms and information about the continuity and/or transition of the CDM.

The uncertainty that now exists will have a detrimental impact on investments by the private sector in emission reduction projects going forward, and without such investment, emissions will not reduce to the levels needed to avoid catastrophic climate change.

However, the PD Forum acknowledges the positive steps that were made. In particular, discussions suggested that negotiators aim to build substantially on the knowledge and experience from the current markets, which we feel is of vital importance to move as quickly as possible to implementation of new mechanisms..

In addition, the PD Forum is encouraged that businesses (including many PD Forum members) took a decisive step forward, unwilling to wait for the intergovernmental process, and signed the Katowice Declaration on Sound Carbon Accounting<sup>1</sup>.

### **CDM achievements paper**

The PD Forum would like to highlight the transformational role that the CDM has played in efforts to mitigate Greenhouse Gases over the past years.

At the last meeting prior to Katowice, the Executive Board released the last update of the

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<sup>1</sup> [https://www.ieta.org/resources/COP24/Declaration\\_to\\_promote\\_sound\\_carbon\\_accounting\\_final.pdf](https://www.ieta.org/resources/COP24/Declaration_to_promote_sound_carbon_accounting_final.pdf).

Achievements of the Clean Development Mechanism report<sup>2</sup>, which shows just why negotiators look to the CDM for guidance how to develop a new mechanism. Over the past 17 years, since its inception at the Marrakesh meeting, the CDM has had a remarkable impact. More than 8,000 projects and programmes have been registered, actively involving 140 countries, representing more than 300 billion USD investment, and reducing emissions by more than 2 billion tonnes of CO<sub>2</sub>e.

### **The CDM fosters domestic climate actions and helps to finance local projects**

The CDM laid the foundations for further climate action, at a national and international level. There are at least 8 country level ETS schemes and 6 under development, including the world's largest emission trading scheme in China, as well as the South Africa Carbon tax to be launched later this year, which will remove millions of tonnes of greenhouse gases from the atmosphere. Also, as of Nov 2018, around 46 national and 24 subnational jurisdictions are putting a price on carbon which is an indirect result of the carbon markets.

### **The CDM reduced greenhouse gas emissions globally in a large scale**

The CDM also acted as a catalyst for the renewable energy revolution, by supporting early-mover, first-of-a-kind projects, thereby removing barriers and reducing technology costs and leading the way for a flood of further projects, many of which provided people access to clean, renewable electricity for the first time.

### **The CDM was not perfect in the beginning but improved significantly over time**

The CDM has evolved over its lifetime to become a rigorous and robust tool with the potential to mobilize private sector climate finance like no other mechanism till date. While we acknowledge that there were gaps in the implementation and the unequal distribution of benefits, we also have to realize that a mechanism of this proportion will have its problems and these learnings and issues need to be discussed and resolved so as to make it a more robust mechanism moving into the post Paris Agreement scenario. Having said that, there is no denying the merits of the CDM and the sheer magnitude of the positive impacts that it has had, and the global community should not and cannot discard all the expertise and the momentum that the mechanism has created in the fight towards decarbonization and net zero emissions.

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<sup>2</sup> [https://unfccc.int/sites/default/files/resource/UNFCCC\\_CDM\\_report\\_2018.pdf](https://unfccc.int/sites/default/files/resource/UNFCCC_CDM_report_2018.pdf).