

Position Paper

Creating an enabling environment for mitigation activities – the PD-Forum position

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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 (GHG) mitigation activities worldwide. Our members work on a global scale and evaluate opportunities to deploy climate financing and carbon market instruments to accelerate investments for GHG mitigation, climate resilience and sustainable development. With this position paper, we aim at supporting parties, delegates and NGOs in creating an enabling environment for mitigation activities. Written from the perspective of practitioners, the PD Forum offers workable, pragmatic and practical solutions developed by member companies and individuals have the knowledge and experience to develop mitigation projects.

We commend the significant progress that was achieved during COP24 in Poland, giving hope for a successful finalisation of the rulebook at the next COP in Chile. We are glad to see that many of our suggestions and comments have been considered in the Katowice text. Nevertheless, we want to re-enforce some of our comments to make sure a well-designed and governed framework, allowing for increased ambition while securing the highest environmental integrity, will finally be agreed.

Our main comments can be summarized as follows:

- Allow the use of CDM and JI methodologies in the new Art. 6.4 mechanism
- Allow the use of the existing CDM accreditation standard
- No limitations should be placed on the use of the Art. 6.4 mechanism
- No additional financial burden besides the share of proceeds for administrative expenses should be placed on project developers

Reference SBSTA 50	PD Forum proposed text / action
III. Supervisory Body A. rules of procedure	PD Forum regrets to read that the participation of civil society in the supervisory body is not mandatory anymore. <i>Rationale: External knowledge and experience would have avoided mistakes and would have allowed lessons to be learned from past mechanisms.</i>
III. B. 26 a (iv) The mechanism registry	We continue to emphasize the urgency of a registry and suggest not to prescribe a specific design at this stage. <i>Rationale: Prescriptions at this stage could create unnecessary barriers at</i>

	<i>the stage of implementation.</i>
V. A. Activity design 31 d (iv)	We support the retention of this clause (“Be consistent with provisions that ensure that processes for the mechanism assist Parties to respect, promote and consider their respective obligations on human rights”)
V. A. Activity design 31 f	We would like to suggest a minimum crediting period of 7 years. <i>Rationale: to refinance project activities, especially in the energy sector, a certain time period is necessary for a pay back of the investment. Otherwise, many projects will be excluded from the mechanism.</i>
V. A. Activity design 35 i	Delete “economically feasible” <i>Rationale: The term “economically feasible” may be considered to contradict the additionality requirement.</i>
V. E. Registration 41/42	In para 41. the DOE submits the request for registration while in para 42. the activity participants submit the request for registration. The submission should be done by one of the activity participants jointly decided by themselves.
V. H. Issuance 46/47	In para 46. the DOE submits the request for issuance while in para 47. the activity participants submit the request for issuance. The submission should be done by one of the activity participants jointly decided by themselves.
V. J. Voluntary cancellation 55	Add “... and the registry administrator issues a cancellation certificate showing on who’s behalf the cancellation happened.”
VII. delivering overall mitigation in global emissions 60	Overall mitigation is already achieved as the existing methodologies are extremely conservative as suggested in the sub-paragraphs. If the existing methodologies are used there is no additional levy required besides voluntary cancellation by parties resp. project participants. Hence, we urge to delete the sub-paragraph a of this section.
VIII. Avoiding the use of emission reductions by more than one Party	Due to the complexity of double counting we are working on a separate position paper for this issue which we will share in due course.
X. Transition from the Kyoto Protocol to Article 6, paragraph 4 A. Transition of activities under the Kyoto Protocol	We support Option C: Project activities and programmes of activities registered under the clean development mechanism under Article 12 of the Kyoto Protocol may be registered as Article 6, paragraph 4, activities. <i>Rationale: We support the transition of CDM into 6.4 mechanism, including CDM methodologies and DOE accreditation.</i>
B. Transition of joint implementation emission reduction units	ERU should not be used at all. <i>Rationale: the use of ERU was contentious in the past and should not create a burden for the new mechanism</i>
C. Transition of clean development mechanism certified emission reductions	<i>The PD Forum has no strict position on vintages, but we believe that early action should be considered, and not penalized. Each project needs to be considered individually. Many project owners have invested into activities strongly believing that their action will be rewarded. The down-turn of the CDM in 2013 has significantly reduced this faith in international mitigation mechanisms and may hamper future investments if there is no incentive that rebuilds faith and trust of private and public investors.</i>
D. Transition of	78. use of JI and CDM meth should be allowed

methodologies	<i>Rationale: There is no need to re-invent the wheel. Myriads of man years have been spent for the development and improvement of methodologies and tools that have been demonstrated to be fit for purpose. . Hence, a continuous improvement process may be implemented but the basis needs to be the existing meths, tools and standards.</i>
E. Transition of accreditation standards 11b.	We agree and support the use of CDM accreditation. <i>Rationale: finally the CDM and JI accreditation merged and there is no need to create a separate accreditation under the new mechanism. The infrastructure is still existing and proven to work effectively. Hence, to reduce future costs and make use of the existing experience and man power we recommend the use of CDM accreditation.</i>