



Issues related to implementing “programmatic CDM”

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Context

- **Several calls to modify working of the CDM**
- **“Further guidance” CDM decision at COP/MOP1 laid out several measures to strengthen the CDM**
- **One of these was that although policies/ standards “cannot be considered” as CDM, “project activities under a programme of activities” (“P-CDM”) can be registered as CDM projects**
- **“Bundles” of large-scale projects also eligible**

Presentation outline

- **Why “programmatic” CDM and bundles?**
- **What is experience with P-CDM?**
- **What is a “programme of activities”?**
- **Does any guidance for “regular” CDM projects need to be modified for “programmatic CDM”?**

Why the interest in P-CDM, bundles?

- **Approx. half of expected CDM credits from very large projects (> 1m CER/y)**
- **Large potential for GHG mitigation in “under-represented” sectors**
- **Eligibility of “bundles” and/or “programmes” can help reduce importance of transaction costs**

Significant CDM experience with “bundles” and “programmes”

- **146 CDM projects registered, of which 26:**
 - ◆ Are in >1 location (up to 5500)
 - ◆ Mitigate GHG in >1 sector
 - ◆ Include >1 project type
- **CDM-specific characteristics vary widely:**
 - ◆ Single/overlapping crediting periods
 - ◆ PP are not always those who implement GHG-mitigation activity
 - ◆ Monitoring provisions vary widely
- **Type of “programme”/bundle also varies widely**

What could “programmatic CDM” look like?

- **“Programmes” is used in many contexts – they vary widely in terms of who, what, where and when**
- **Huge potential for credit generation if all programmes to implement all policies are eligible**
- **P-CDM could potentially also include:**
 - ◆ **Implementing mandatory standard**
 - ◆ **Across >1 country**
 - ◆ **Large-scale activities**

Does implementing P-CDM need rule-changes/new rules?

- **Accounting for national policies/assessing additionality**
- **Other issues:**
 - ◆ **Single/overlapping crediting periods**
 - ◆ **“Unique identification” of location**
 - ◆ ***Ex ante* emission reduction estimates**
- **Methods for many P-CDM activities yet to be developed**
- **May need new/different provisions on how to:**
 - ◆ **Calculate baselines, leakage,**
 - ◆ **Assess boundaries**
 - ◆ **Avoid double-counting**

Conclusions

- **P-CDM and bundling could help:**
 - ◆ **open the door to “under-represented” project types in CDM portfolio**
 - ◆ **reduce transaction costs**
- **Top-down guidance (especially definitions) would be helpful**
- **Some guidance for “regular” CDM may need to be changed for P-CDM**
- **Some new methodologies also needed**