

Reliability

Innovation



Innovation



Reliability



Expertise



Expertise

# Managing Crediting Mechanisms

**CCXG Seminar**

20 Sep 2011

- ▶ CDM-like mechanism, but
  - Broad sectoral coverage and
  - Net global reduction in emissions
  - → “CDM+”

- ▶ For use:
  - In UNFCCC system
  - To comply with national/regional targets
- ▶ Central UNFCCC registry = “credit supermarket” for:
  - ▶ Countries with commitments
  - ▶ National or regional ETSs

- ▶ Maximum flexibility... → Similar to JI Track 1
- ▶ ... but not necessarily in a capped environment

- ▶ No “return spring”, except reputation risk
- ▶ Good auditor  
+ bad verification standard  
= bad result

- ▶ For use:
  - In UNFCCC system???
  - To comply with national/regional targets
- ▶ Central UNFCCC database = toolbox for:
  - ▶ Countries with commitments
  - ▶ National or regional ETSS

**Main sources  
of demand?**

- ▶ Rules and procedures
  - Environmental quality test
  - Principles for calculating baseline and business-as-usual
  - Monitoring standards
- ▶ Auditing/Verification
  - UNFCCC control over accreditation process of verification agencies
  - Country-led mechanisms mandated to use UNFCCC-accredited agencies
- ▶ Issuance and Information disclosure
  - Issuance of credits by participating countries.
  - Central UNFCCC database

- ▶ Similar to JI Track 2
  - Country-led mechanism
  - UNFCCC oversight

- ▶ Rules and procedures under JI Track 2
  - Guidance on Criteria for Baseline Setting and Monitoring
- ▶ Auditing/Verification under JI Track 2
  - JI accreditation process
  - Country-led mechanisms mandated to use UNFCCC-accredited agencies
- ▶ Issuance and Information disclosure under JI Track 2
  - Issuance of credits by participating countries.

- ▶ For use:
  - In UNFCCC system
  - To comply with national/regional targets
- ▶ **Central UNFCCC database = supermarket and toolbox for:**
  - ▶ Countries with commitments
  - ▶ National or regional ETSs

- ▶ Role for the UNFCCC process in coordinating non-KP crediting mechanisms?
  - Rules and procedures
  - Auditing/verification
  - Issuance and information disclosure
  
- ▶ Minimum requirements and standards to be developed and agreed multilaterally? What can be standardised and what cannot?
  - Principles for calculating baseline and business-as-usual
  - Monitoring standards
  - Environmental quality test
  
- ▶ Usefulness of the CDM DOE system or of ISO standards?
  - A way to guarantee the quality of verifiers → Accreditation scheme
  - A way to ensure environmental integrity of non-UNFCCC mechanisms → Depends on the verification standard to be used by verifiers

## Proposals of the Joint Implementation Supervisory Committee to CMP7: **towards “JI Track 1.5” / CRD B.**

- ▶ One track for JI
  - To ensure international oversight: transparent and consistent measurement, reporting and verification of the achieved emission reductions or removals.
- ▶ Mandatory minimum quality criteria, in particular for MRV
- ▶ Non-mandatory “best practice” guidelines
  - Aligns JI activities across all host Parties
  - Allows for some variations to be implemented (e.g. preferences for specific activity types or the stringency of additionality requirements).
- ▶ Focus of the new governing body
  - (...) Accrediting verifiers and supervision of their performance;
  - Overseeing the conformity of the implementation of JI with the mandatory standards and procedures and requiring the rectification of any cases of non-conformity; (...)

# Thank you for your attention

Innovation  
Expertise  
Reliability



- ▶ Benoît Leguet
- ▶ Managing Director, Head of Research
- ▶ benoit.leguet@cdcclimat.com
  
- ▶ Further reading:
- ▶ Recommendations on options for building on the approach embodied in Joint Implementation  
[http://ji.unfccc.int/Sup\\_Committee/Meetings/026/Reports/Annex4.pdf](http://ji.unfccc.int/Sup_Committee/Meetings/026/Reports/Annex4.pdf)