

CDM Programme of Activities PoA: *what a CDM PoA is, how it works ?*



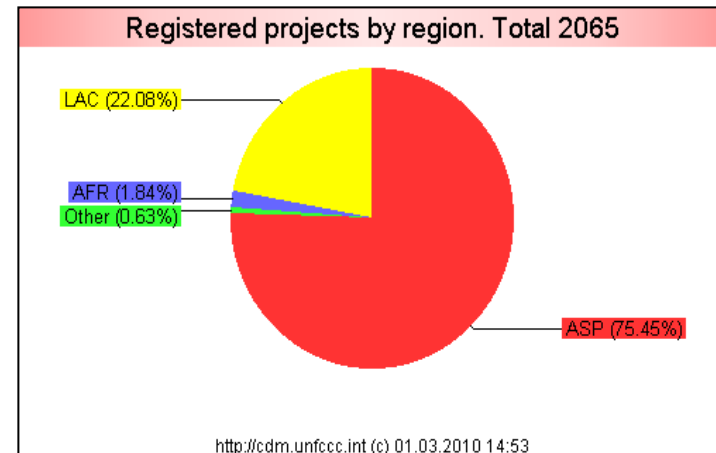
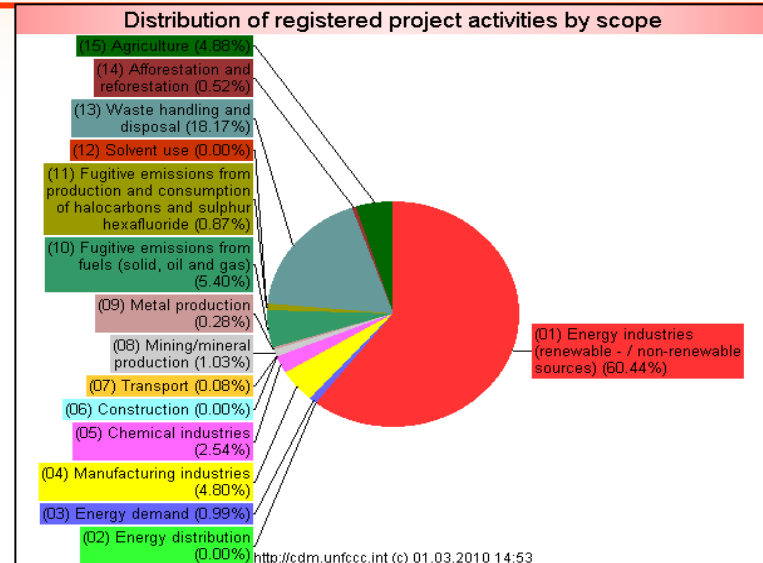
**Second All Africa Carbon Forum, March 03, 2010
Nairobi, Kenya**



THE WORLD BANK

What a CDM PoA is?

- Traditional CDM: project-based approach (parameters define precisely and in advance)
- Emission reductions achieved
 - from single project activities
 - in single locations
 - in certain sectors
 - in advanced countries

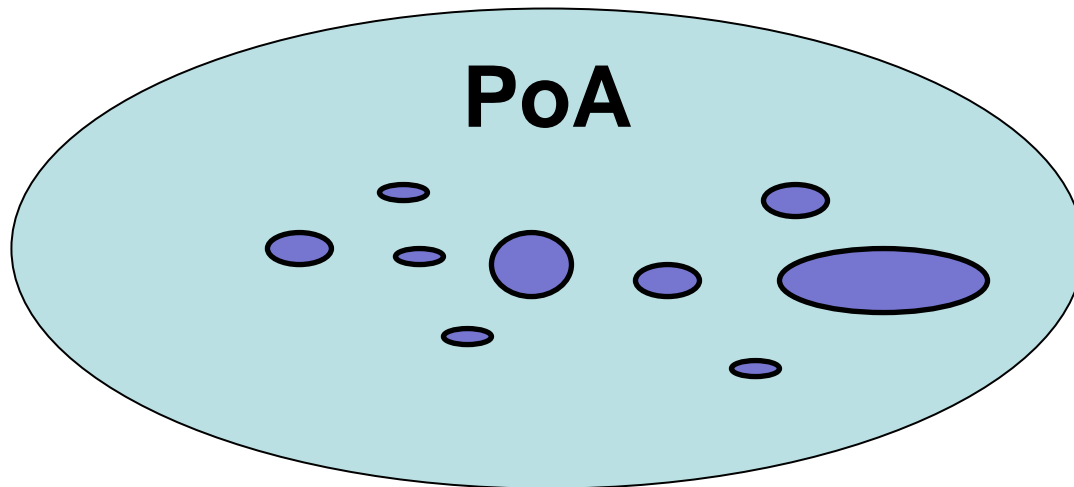


CDM not equipped to support investment programs and policies & measures → Need for scaling up

What a CDM PoA is?

Program of Activities (PoA) has been introduced to address some of these limitations and help developing countries promote sustainable technologies

Possibility to register → **CDM PoA**: One programme + unlimited number of CDM project activities



GHG mitigation activities that are dispersed over a geographic region and period of time

Definition of PoA

PoA Definition, EB 32, Annex 38 Para 1

A Program 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 programs*), which leads to GHG emission reductions or increase net 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*;

→ **Program of Activities (PoA):** Framework to facilitate the implementation of a policy, measure or goal

→ **CDM Project Activity (CPA):** Project Activity that actually generates CER Individually unique and identifiable with a clear, defined boundary

How this works?

One coordinating agency

- Implements policy/program or goal
- Institutional, financial and methodological framework

Program
of
Activities
(PoAs)



- Project Activity generates CERs
- Unique and identifiable with a defined boundary

CPA = One activity,
Many locations

Possible PoA combinations

Many Locations,
One Technology

Solar Home System



One Location,
One Technology

Thermal Insulation
in a Building



One Location,
Many Technologies

Efficiency measures in
a factory (process heat,
lighting, cogeneration)



Many Locations,
Many Technologies

Combination of
Renewable energy
technologies



Types of Carbon Projects

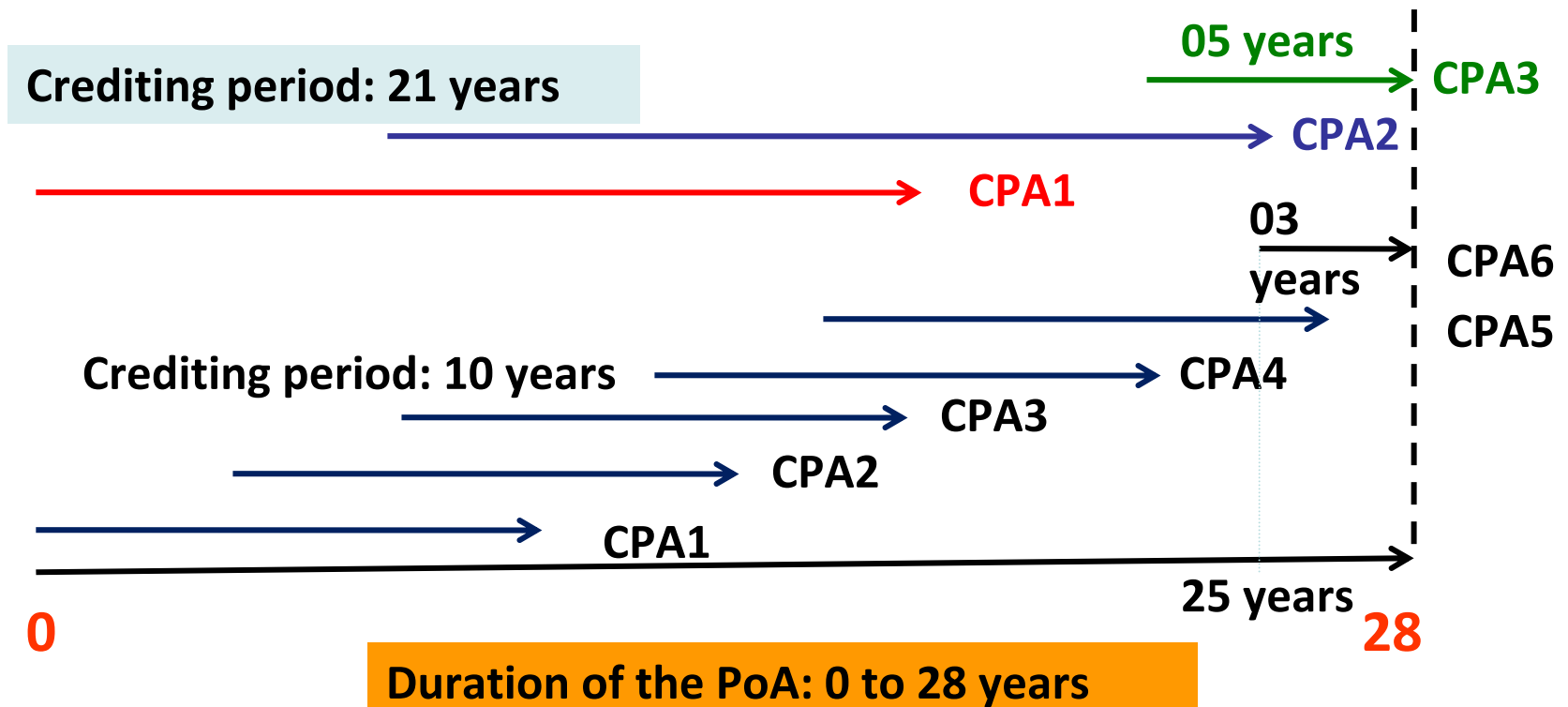


Single Project	Bundle of Projects	Program
Single location	Many locations	Many locations, across countries
Single project owner (e.g., 1 hydro plant)	Many project owners (e.g., 10 hydro plant)	Many project owners
1 project only	A number of activities submitted as 1 project (e.g., 10 hydro plants)	A number of activities submitted over the duration of a program
A single crediting period (e.g., 7/10y)	Single crediting period for all activities (7/10y)	Each project has own crediting period
Project owner is known	All project owners are known	At least one project owner is known, rest included as they join

Crediting period for PoA



- The **crediting period** of a *CPA* will be either a **maximum of seven years** which may be renewed at most two times or a **maximum of 10 years** with no option of renewal
- However, the **duration of crediting period of any CPA shall be limited to the end date of the PoA**



Why is CDM PoA so exciting?

- PoAs provide for an institutionalized framework
 - Adaptable to host country situation and sector
 - Certainty regarding cOnditions and procedures
 - Flexible regarding “who” joins a PoA and “when”

- Use of pre-existing, structural relationships
 - Technology supplier, banks, public agencies, NGOs
 - Diverse incentives to join (& reduce emission)
 - Competitive and scalable

Thank you

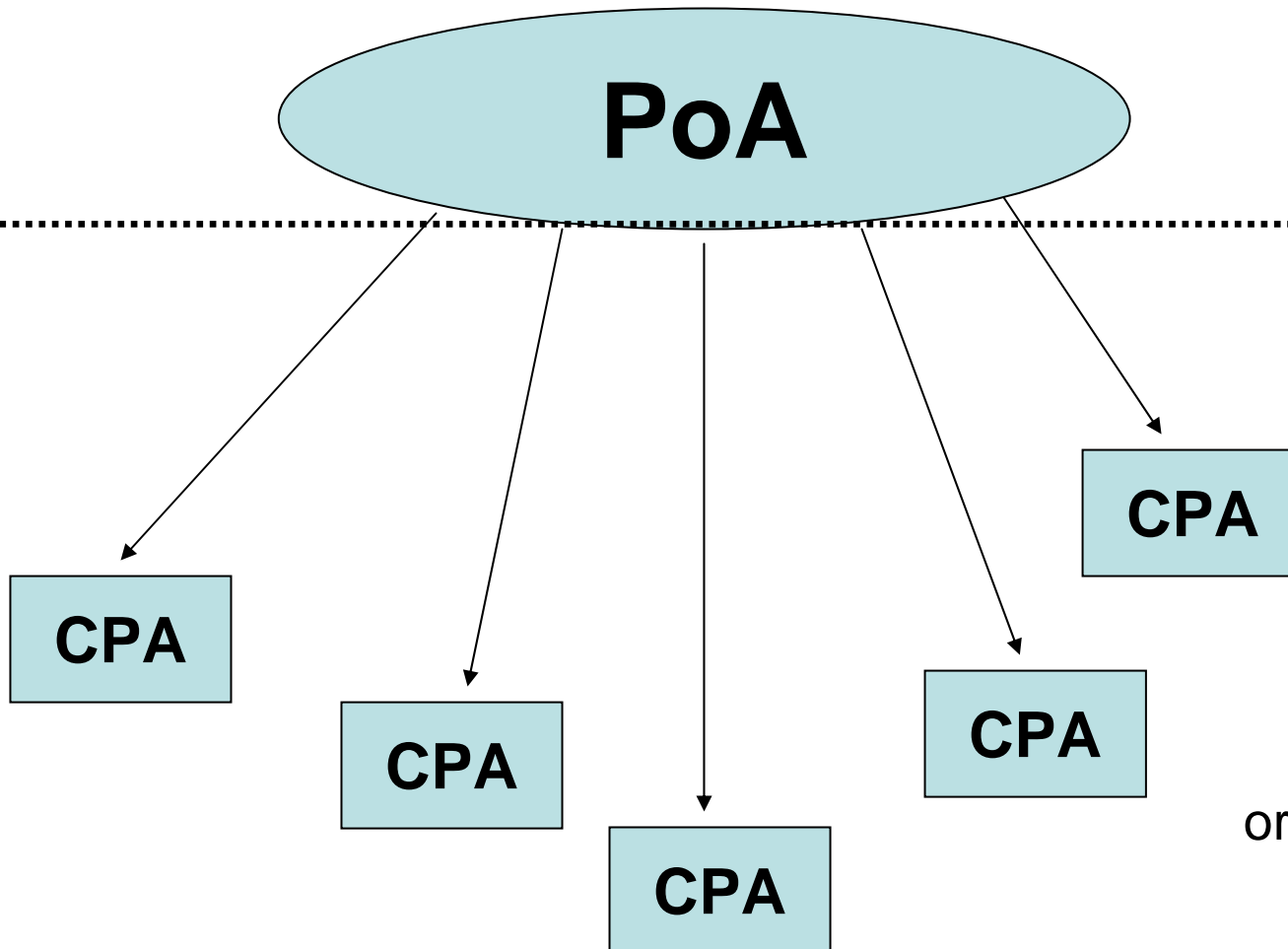
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Likely benefits of PoA

- Enhances representation of **new** sectors
- Helps “more holistically **expand**” the CDM (compared to the current skew towards certain countries and technologies)
- Assist **small and low income countries** to increase their participation in the carbon market
- **Promotes low carbon** path of development by enabling climate friendly policies and measures

How this works

One coordinating agency



Implements any
policy/measure
or stated goal

Achieve
GHG reductions
or removals by sinks