

Agenda item 2.2

Paragraph 4 of the annotated agenda

Online Platform for Voluntary Cancellation

CDM EB 85

Bonn, Germany, 20 to 24 July 2015



Procedural background

1. At EB 81 the Board agreed on the development of an online platform for voluntary cancellation of certified emission reductions (CERs) and requested the secretariat to proceed with its procurement and development.
2. The Board also requested that the developed platform be presented to the Board before it is made publicly available.
3. At its eighty-third meeting, the Board took note of an oral update on the development of the online platform for voluntary cancellation of CERs, including a planned prototype demonstration at its eighty-fifth meeting.



Purpose

This presentation consist of three parts:

Part 1: Overview of the design elements and functionalities of the platform, including those agreed at EB81

Part 2: Live presentation of the platform

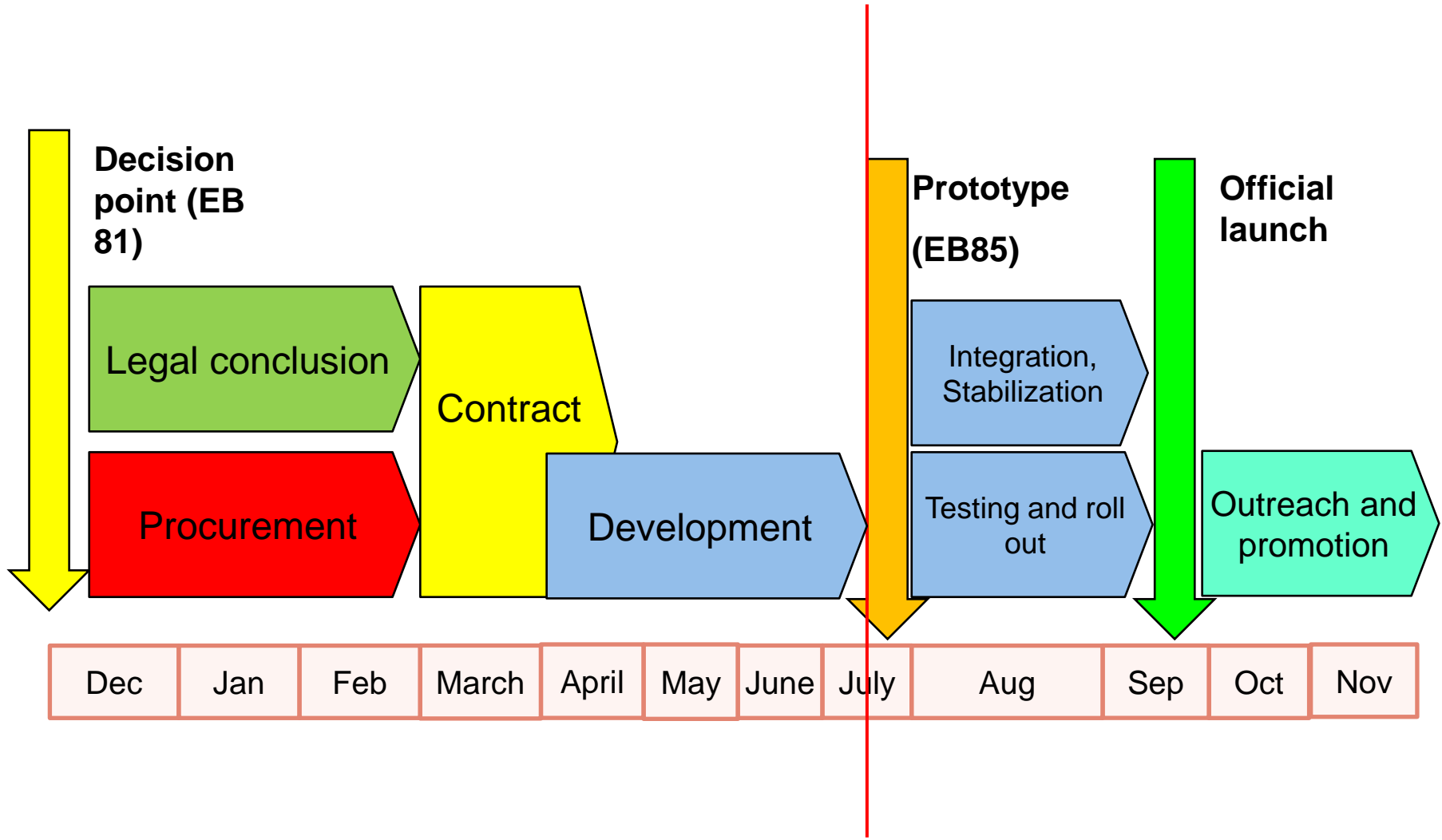
Part 3: Presentation of activities to promote the use of the platform

The **Purpose** of the presentation is for the Board to:

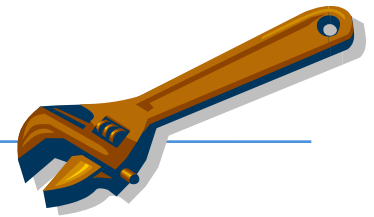
1. Consider the design features and functionalities
2. Take note of the developments made on the platform, and
3. Approve the launch of the online platform, as this is the last meeting before the scheduled launch date



2015 timeline



Part 1 / Key requirements



- ❖ Making CERs available for voluntary cancellation (VC) easily visible and searchable; ✓
- ❖ Implementing a simple process to pay for the VC of those CERs; ✓
- ❖ For each purchase of VC an attestation will be issued and published; ✓
- ❖ No brokerage fee charged to users; ✓
- ❖ Only CERs located in the CDM registry will be offered; ✓
- ❖ Neutral design, not promoting particular CDM projects/programme of activities (PoAs) or CERs. ✓



Part 1 / General features – 1 (of 2)



- a) UNFCCC operates the platform
 - b) UNFCCC branding;
 - c) Only PayPal or credit card fees (both methods possible).The platform does not save users' financial information;
 - d) Supports accounts for sellers (mandatory) and for users (optional);
 - e) Maintains a detailed log of all purchase transactions;
 - f) Integrates with the CDM registry to support quantity availability, instructions for voluntary cancellation and issuance of attestations;
 - g) As a risk reduction measure limits apply to:
 - Transactions per day (500) – above this will be queued to next day
 - Value per transaction (US\$ 5.000)
 - Volume per transaction (500.000 CERs)
- These limits can be changed on a needs basis



Part 1 / General features – 2 (of 2)



- h) Accessible through the main internet browsers (Chrome, Internet Explorer, Firefox and Safari);
- i) Accessible from desktop and mobile devices;
- j) Initial version will be available in English. Possibility to add other languages;
- k) **Availability**: 24 hours a day, seven days a week. The CDM registry, as a back-end system, is available during normal working hours. The users of the platform will not directly experience the performance of the back-end system (the CDM registry) and will receive confirmations upon completing orders. The transactions in the CDM registry will be executed during working hours, followed by the attestations of cancellation;
- l) Potential automation of back-end processes pending lessons learned
- m) Service-desk support during secretariat working hours.



Part 1 / Capabilities to sell

- a) Sellers' accounts – on request.
- b) Offers of CERs available in the CDM registry – can be modified as needed;
- c) Set price for the CER offers.
- d) The sellers are solely responsible for tax obligations as applicable in their respective jurisdictions. The system allows sellers to indicate tax rate to be included in his/her proof of sale document.
- e) Provide information about projects' Sustainable Development benefits;
- f) Receive proceeds through PayPal and credit cards
- g) Receive notification when a transaction involving their CERs is completed;
- h) View transaction history;
- i) Update contact details and password.



Part 1 / Capabilities to purchase – 1



- a) CERs are searchable through filters and key words:
 - Project type;
 - Project name and number;
 - Country hosting the project;
 - Sustainable development co-benefits;
 - Commitment period;
 - Unit price.
- b) Purchase as a registered or as a guest user;
- c) Pay through PayPal or credit card. Separate transactions have to be processed for orders from different sellers;
- d) Purchase the cancellation of all or part of the CERs available in a particular offer from a seller;
- e) Check and modify as needed the purchase in the shopping cart;



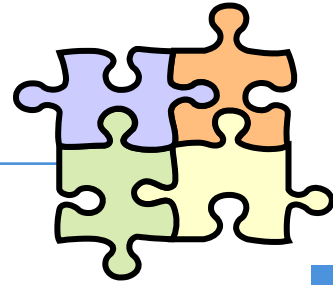
Part 1 / Capabilities to purchase - 2



- f) Indicate the reason for the cancellation by selecting a standardized reason or include free text. This will be reproduced on the attestation;
- g) Receive confirmation when the payment transaction is completed;
- h) Receive an attestation of voluntary cancelation of CERs when the CDM registry transaction is completed (in addition to the purchase confirmation) - normally within one working day. Unexpectedly high number of purchases within the same day may have an impact on the timeline.
- i) Transaction history for registered users;
- j) Registered users can update contact details and passwords.



Part 1 / Specific features



- ❖ Sellers have to apply for accounts with the secretariat and undergo authentication process before receiving access rights;
- ❖ Sellers may submit short project description and project picture as part of the seller account application process. Alternatively – default description and picture;
- ❖ More than one seller may be selling units from the same project or PoA, but from different blocks (issuances);
- ❖ Offers from the Adaptation Fund account will be searchable through a special filter;
- ❖ Users will accept terms and conditions for the use of the store;
- ❖ Users will have access to UNFCCC complaints procedure;



Part 2 / On-screen demonstration

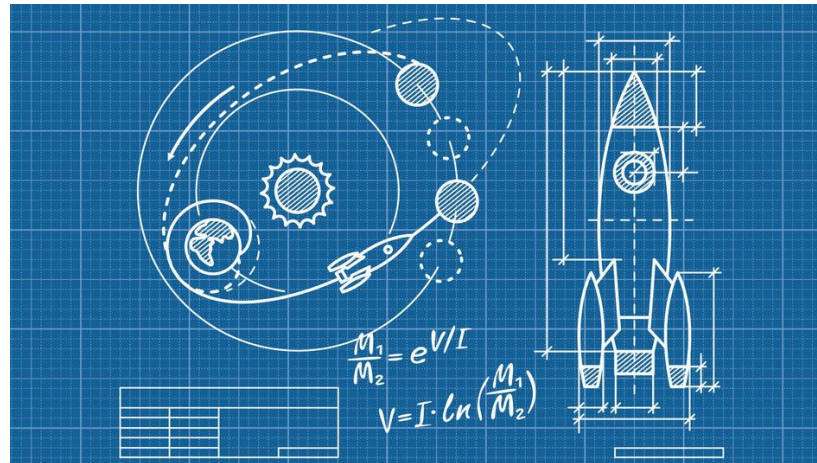


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Part 3 / Launch and promotion of the platform

- The Online Platform for Voluntary Cancellation is part of the wider effort under CDM MAP Goal 2 *“To nurture policies to broaden demand for, and participation in, the CDM.”*
- This presentation focuses only on the official launch of the platform and on other activities promoting the on-line platform specifically.
- Other activities under Goal 2, presented at EB 84, should however also attract support the use of this platform.



Part 3 / Pre-launch demonstration to ICAO

- Following the ICAO Global Aviation Dialogues (GLADs) on options for Market Based Instruments for the aviation sector, practical examples of how offsets can be sourced and cancelled emerged as a priority.
- Demonstration of the platform planned for the ICAO Global Aviation Partnerships on Emissions Reductions (E-GAP) Seminar in Montréal, Canada, 16 to 17 September 2015.
- Seen as a significant opportunity for showcasing the platform as a unique direct access to cancellation of CERs



Part 3 / Launching event



- Launching event on 22 September 2015 in New York.
- Combines the technically earliest possible release date of the platform with high-profile climate related events.
- The release would be a prominent feature of the UNFCCC Climate Neutral Now event during the Climate Week - also in conjunction with the opening of the UN General Assembly.
- Expect top level UN attendance, broad media coverage, and representation from diversity of sectors.
- Include announcements of C neutral COP21, SDG summit, UN system etc.
- Board to be represented by the Chair



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Part 3 / Promotion towards COP21

- Senior delegates invited to offset their footprints with the platform
- Dedicated computer terminals will be set up in the COP21 venue
- Possibility for photo op. with EB members/other participants using the platform at COP21 .
- Coordinated with “Greening COP21” desks by French host
- Supporting communications pre- & during COP 21.
- **EB members are requested** to encourage their senior delegates to offset their climate footprints.



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Part 3 / Promotion towards COP21

- CDM Executive Board Panel Discussion at COP 21 is proposed to focus on voluntary cancellation of CERs.
- A presentation of the online platform may be packaged into this event
- **Further details to be discussed and agreed by the Board in separate session**



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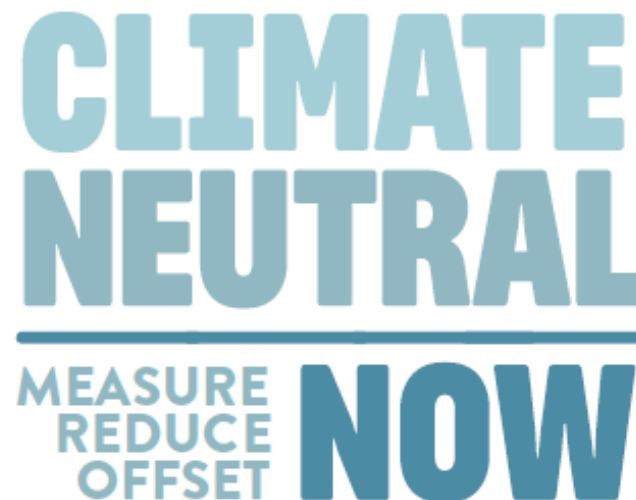


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Part 3 / Promotion before and after COP 21

- ❖ Promotion of on-line platform does not start, and does not stop, at COP 21.
- ❖ Integrated with the Secretariat's Climate Neutral Now initiative
- ❖ Partnering with Global Compact's Caring for Climate (C4C) initiative.
- ❖ Systematic outreach to sectors, companies, cities, events, individuals and organizations with focus on engaging sector organizations and key companies/organizations to champion climate neutrality, including the use of the on-line platform.
- ❖ Aligned with other business and NGO initiatives, such as We Mean Business, Science Based Targets, Groundswell/NAZCA, ICROA etc.
- ❖ Integrated in Secretariat regular messaging and outreach work.



Part 3 / What is in a name?



you named me
WHAT!?

- **The on-line platform for voluntary cancellation of CERs** is not a very “communication friendly” name.
- The general public do not understand what a platform is, what a CER is, or what voluntary cancellation means.
- The name should provide easy association to the function of the platform in common words, but does not need to be exact.
- The Secretariat has been using, as an in-house working name, *The United Nations Climate Credit Store*. When tested in informal communications this name has worked well.
- It is proposed that the name of the platform is changed to **The United Nations Climate Credit Store**.



Impacts

- ❖ The platform will positively impact demand for CERs.
- ❖ Win-win for CDM project participants and for the wider objectives of UNFCCC in that it enables easy and direct access to cancellation of high quality offsets for everybody.
- ❖ Delivery of Platform is within budget approved in MAP 201
- ❖ Costs for operation of the platform beyond 2015 will imply costs for technical hosting and maintenance (beyond 2016), and staff costs for overall maintenance and operation (from 2016 onwards), including service desk, trouble shooting, communications with PPs, etc. This will be included in future MAP discussions.



Paragraph 4: Online platform for voluntary cancellation of CERs



- ❖ **Functionalities for sellers:** Under the provision to use the online platform to provide information about project co-benefits (CDM-EB85-A02, para. 10 (e)), sellers should be encouraged to make use of the voluntary reporting tool to highlight sustainable development co-benefits (SD tool).
- ❖ **Functionalities for buyers:** Additional standards should apply for the list of searchable filters for suitable projects (CDM-EB85-A02, para. 11 (a)). These should include, for example, project size (small and large scale) as well as supplementary quality criteria that ensure high likelihood of sustainable development co-benefits, such as no harm standards.
- ❖ **Feedback and commenting feature:** A review should be included to provide for experience sharing with the online platform as well as a comment section for external stakeholders to enable input on the quality and sustainable development co-benefit assessment for the respective CDM projects.

Recommendations to the Board

- ❑ The Board is invited to take note of the features and status of development of the online platform for voluntary cancellation of CERs.
- ❑ The Board is invited to advice on further activities to promote the use of the platform
- ❑ The Board is invited to consider the proposed name of the platform
- ❑ The Board is invited to approve that the Platform is made publicly available in September 2015.



Thank you!

