

## **Briefing Note provided by the UNFCCC Secretariat to the Board for the Adaptation Fund**

### **Use of Adaptation Fund CERs for UN System climate neutrality**

#### **Background**

The UNFCCC secretariat, as part of its objective to catalyze further action and support to achieve ambitious mitigation and adaptation levels, and following a mandate by the CDM Executive Board, is nurturing demand for the clean development mechanism (CDM) and its certified emission reductions (CERs).

This includes demand for CERs in voluntary and compliance markets, as well as demand for the CDM and its infrastructure, as a ready-made, proven tool to mobilize finance for mitigation and adaptation, and to deliver credible offsets through a robust monitoring, reporting and verification (MRV) system.

As part of this effort, the UNFCCC secretariat is now initiating the Climate Neutral Now initiative, which will target UN organizations, companies, events, governments, and individuals to encourage them to measure and reduce emissions, and to offset the remaining emissions with CERs.

The purpose of this campaign is dual in that it both aims to sensitize the debate about the need to take a long-term approach to reach climate neutrality, and that it seeks to restore demand for CERs, and a healthy demand-supply situation with CERs prices better reflecting real emission reduction costs.

#### **Climate Neutrality in the UN System**

In 2007, the UN Chief Executives Board committed the UN system entities to measure and reduce their emissions, and to consider offsetting the rest with CERs.

Work has progressed since then, through coordination by the Sustainable UN facility, hosted by UNEP in Geneva. However, to date only six UN organizations offset their unavoidable emissions.<sup>1</sup>

The Climate Neutral Now initiative will encourage all UN entities to offset their remaining emissions with CERs, inviting them to become climate neutral by the end of 2015, and latest by 2020. This initiative is to be launched in conjunction with the UN Secretary General's high-level climate summit in New York on 23 September.

It is estimated that UN entities would require between 500,000 and 2 million CERs per year.

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<sup>1</sup> Please refer to the 2013 report "Moving towards a climate neutral UN":  
<http://www.greeningtheblue.org/resources/climate-neutrality>

## Rationale for Adaptation Fund CERs

UN entities are free to choose individually from where they wish to purchase the CERs. However, there are several reasons for using Adaptation Fund (AF) CERs as a first option:

1. The use of AF CERs contributes to both mitigation and adaptation action, which provides additional benefits linked to their use.
2. Several UN entities have mandates that directly relate to adaptation, why it may be easier to link their use with the mandate of the organization.
3. The UNFCCC secretariat has an established CER spot trading agreement with the Adaptation Fund trustee (the World Bank) to purchase AF CERs. Organizations can, through a simple inter-agency agreement, purchase AF CERs through the UNFCCC secretariat. This is a comparatively more direct and more cost effective option than going through the normal procurement process.

The UNFCCC secretariat is therefore encouraging the UN Secretariat and other UN entities to offset their unavoidable emissions through the purchase of AF CERs.

## Next steps

The UN Secretary General has now invited all UN entities to become climate neutral by 2020, and if possible by 2015. This invitation will be reinforced by UNFCCC's Executive Secretary, Christiana Figueres, and UNEP's Executive Director, Achim Steiner.

The UNFCCC secretariat in coordination with the Sustainable UN facility, and the Secretary General's climate change team, will encourage all UN entities to respond positively to this invitation.

The UNFCCC secretariat is giving to any organization that is part of the UN system the option of purchasing AF CERs through its established agreement with the Adaptation Fund trustee (the World Bank), highlighting the double mitigation and adaptation benefit.

However, the decision of what CERs to request to purchase remains with each UN entity, which will make their decision based on their own internal requirements, including guidance by their governing bodies, preference for certain project types or geographical locations related to their mandates, administrative procedures, price or others, as well as on the terms and conditions of purchase established by the AF Board and trustee.

AF CERs would be purchased in accordance with the AF's CER Monetization Guidelines. Purchases would also depend upon the availability of CERs for purchase in the Adaptation Fund's Share of Proceeds account with the CDM.

## Conclusion

The UNFCCC secretariat believes that the promotion of AF CERs for offsetting in the UN system supports the work being done by the Adaptation Fund, and could bring additional attention and recognition.

The UNFCCC secretariat looks forward to support from the AF Board for this endeavor, by expressing support for the initiative, including the Climate Neutral Now initiative, and collaborating by facilitating purchase of CERs from the Fund by UN entities through UNFCCC secretariat as may be needed, and by communicating the future achievements to stakeholders and the general public.