

## **Agenda item 4.1.**

Paragraph 20 of the annotated agenda, Annex 8

# Extending the applicability of CDM methodologies for recycling materials that have higher carbon footprint

**CDM EB 99**

Bonn, Germany, 23 to 26 April 2018



## Procedural background

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- EB 98 agreed to consider a concept note on methodologies for recycling materials that have higher carbon footprints and to include in the workplan;
  - ❑ “Development of new methodologies to broaden the applicability of the CDM” under objective 1(c) “Develop simplified and user-friendly standards and procedures that increase efficiency and ensure environmental integrity”.
- MP 75 provided its inputs to the potential modes of work to finalize this product.



## Purpose

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- To receive further direction on the activities to be undertaken under this work item.



## Key issues and proposed solutions

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- Recycling of waste materials can result in net savings of GHG emissions;
  - ❑ “Secondary” products displace the production of “primary” products;
    - ✓ virgin materials → products → use → disposal
      - high levels of waste;
      - new virgin materials;
  - ❑ Waste in many sectors (mining, deforestation, industrial agriculture, manufacturing, transportation, and electricity) represents more than 40 per cent of all greenhouse gas (GHG) emissions;
    - ✓ Potential to significantly reduce emissions from the production of virgin materials and products.



## Key issues and proposed solutions (cont.)

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- Board has developed methodologies addressing material recovery and recycling and alternative materials
  - “AMS-III.AJ: Recovery and recycling of materials from solid wastes”;
  - “AMS-III.BA: Recovery and recycling of materials from E-waste”
  - “AMS-III.BH: Displacement of production of brick and cement by manufacture and installation of gypsum concrete wall panels”;
- Work proposal to develop two new products:
  1. A standard framework to develop methodological approaches related to material recovery, recycling and reuse; or
  2. Expand the list of materials covered in the currently approved CDM methodologies.



## Key issues and proposed solutions (cont.)

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1. Development of a standard framework:
  - Emission Factors (EFs): represent the amount of CO<sub>2</sub> avoided for recycling materials;
    - Approaches proposed for different materials are not consistent;
    - Data sources and type of information available;
  
2. Expand the list of materials covered in the CDM methodologies:
  - Suggested to include two additional materials or products in methodologies AMS-III.AJ and AMS-III.BA based on:
    - The availability of data;
    - GHG emission reduction potential; and
    - Consultation with relevant practitioners;



## Key issues and proposed solutions (cont.)

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- The MP identified that:
  - a) The two options (develop framework and expand the list of materials) are mutually inclusive;
  - b) Other potential areas to develop CDM methodologies:
    - ✓ Collecting regional materials that avoid the emissions associated with transportation over long distances, and importing materials from other regions or countries;
    - ✓ Redistribution of food;
    - ✓ Reuse of textile waste; and
    - ✓ Recycling of polyurethane and batteries.
  - c) Three “Rs” (reduction, recovery and reuse) of material and product, while maintaining the same level of service compared to the baseline.



## Impacts

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- The proposed work will broaden the applicability of CDM to recycling and will reduce the transaction costs by setting the main data and methodological requirements to determine the specific GHG emissions avoided.





## Subsequent work and timelines

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- Based on the guidance provided by the Board, the MP will:
  - a) Develop the draft standards in consultation with recycling industry practitioners at their next respective meetings and will recommend the draft standards for the consideration by the Board in 2019.;
  - b) The two additional materials to the existing methodologies would be undertaken with an aim to complete by 2018;
- Additional resources would be needed to undertake the proposed work as follows:
  - a) 1.5 Person Months (1.5 PM) for including two additional materials in the existing methodology; and
  - b) 4.5 Person Months (4.5 PM) for delivery of framework



## Recommendations to the Board

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- The secretariat recommends that the Board:
  - a) Approve the work identified under paragraph 13 (a) and (b) of the Concept note;
    - Expand the list of materials covered in the currently approved CDM methodologies; and
    - Develop a standard framework to develop methodologies approaches related to material recovery, recycling and reuse).
  
  - b) Provide additional guidance for the work under paragraphs 18 and 20 of the Concept note;
    - Any other potential materials to consider for the development of CDM methodologies;
    - Move from material to product reduction, recovery and reuse, while maintaining the same level of service compared to the baseline



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# Thank You



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