

PRESS RELEASE: New rules for coal offsetting projects still severely flawed

Bonn, Germany, 7 May. The UN's Clean Development Mechanism (CDM) Executive Board will discuss this week whether to approve revised rules on coal power offsetting projects. NGOs are urging the Board to reject the revision because they do not address crucial technical flaws. The revisions also fail to address the severe harm new coal projects pose to climate goals and the health of local communities ultimately failing to deliver sustainable development.

As calls from civil society to abandon the flawed coal offsetting methodology increased, and evidence mounted that coal power projects in the CDM are severely over-credited, the CDM Executive Board suspended the coal crediting methodology (ACM0013) in late 2011. The Methodologies Panel has now revised the methodology, setting the stage for a crucial Board vote on the future of ACM0013 at its meeting this week. Experts continue to warn that the revisions do not resolve major flaws associated with this project type. They include issues such as the small efficiency gains, the large project emissions, the impact of other variables on plant efficiency, and the lack of data quality are still not sufficiently addressed. Ultimately they are calling for the CDM to abandon the methodology due to these inherent flaws.

Along with technical issues, many broader issues remain: Using CDM finance for large, new and long-lived coal plants directly undermines the 2°C objective. Coal plants are in fact the highest-emitting source of electricity today. Diverting scarce climate finance to support construction of new heavily polluting coal plants undermines the overall objective of limiting dangerous climate change and supporting sustainable development. The 45 coal projects in the CDM pipeline will lock in over 400 million tCO₂ in annual emissions – as much as the annual CO₂ emissions of developed countries such as France, Spain and South Africa. The International Energy Agency has repeatedly warned that the continued development of coal power will make it impossible to hold global warming to safe levels.

“Even if the technical shortcomings could be addressed, coal projects are clearly neither clean nor sustainable,” said Justin Guay from Sierra Club. *“CDM financing only perpetuates the use of the world’s most carbon intensive fossil fuel coal and is simply not justifiable in a carbon constrained world.”*

Currently, 45 coal projects are in the CDM pipeline, located in India (32 projects) and China (13 projects). Six of these projects have already been registered. These projects will therefore not be affected by the revision and will still receive credits based on the significantly flawed old methodology. These six projects alone could generate 89 million credits.

“We urge the CDM Executive Board not to approve a revision of the rules, unless it can be proven beyond doubt that the new revisions are able to address all issues of this project type that currently undermine the goals of mitigation and sustainable development,” comments Anja Kollmuss from CDM Watch.

ENDS.

Additional Information

- Download [CDM Watch comments on ACM0013 revision](http://cdm.unfccc.int/public_inputs/meth/ACM0013/index.html): http://cdm.unfccc.int/public_inputs/meth/ACM0013/index.html
- Download [CDM Watch Policy Brief on Coal](http://www.cdm-watch.org/wordpress/wp-content/uploads/2011/09/Coal-Policy-Brief_low-resolution1.pdf): http://www.cdm-watch.org/wordpress/wp-content/uploads/2011/09/Coal-Policy-Brief_low-resolution1.pdf
- [More information about CDM coal projects](http://www.cdm-watch.org/?page_id=2545): http://www.cdm-watch.org/?page_id=2545

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