

# Ways to engage in the CDM project cycle

**Eva Filzmoser**

CDM Watch

[www.cdm-watch.org](http://www.cdm-watch.org)

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## Objectives of CDM Watch

Improving the CDM's effectiveness in reducing GHG emissions

- Preventing the generation of carbon credits when emissions are not actually reduced

Improving the social and environmental impacts of CDM projects

- Preventing projects with substantial negative impacts from generating CDM credits

Improving access for those affected by CDM projects and other stakeholders

- Inform about public input opportunities during CDM project approval and CER generation processes

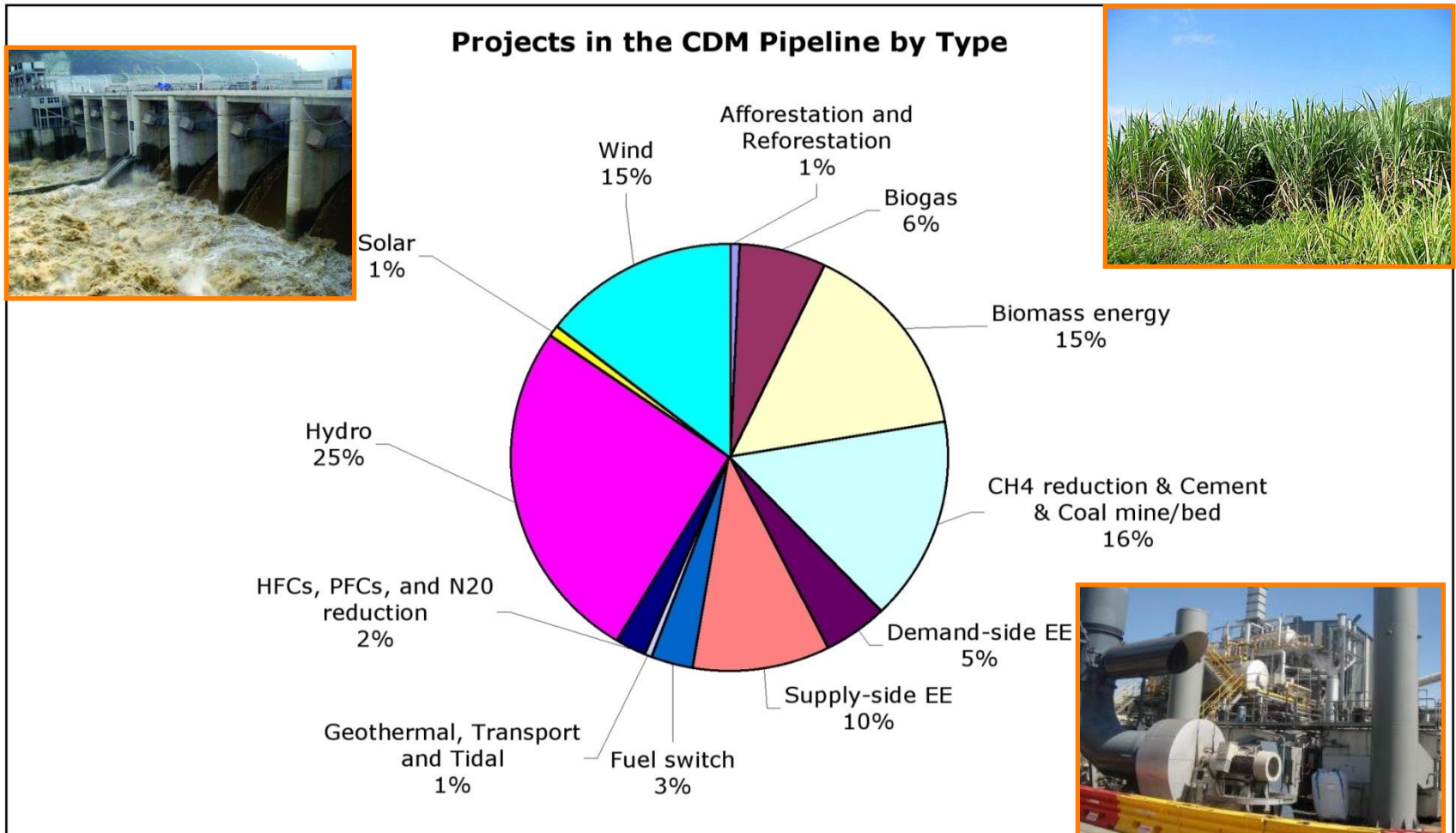
## CDM Watch Activities

Coordinating CDM-watchers and other stakeholder inputs , policy position and analysis on harmful projects

Providing guidance to local stakeholders to influence CDM projects

Advising potential buyers not to purchase CERs from harmful projects

## Current CDM Pipeline: 5513 Projects



## Problems with the Current CDM

### Additionality

- CDM credits must represent real emission reductions that would not have happened without the CDM

### Sustainable development

- Little or no sustainable development benefit
- Host country defines “sustainable development”
- Some projects cause social and environmental damage:

### Effectiveness

- Inefficiency: some emission reductions can be achieved cheaper in other ways
- Ineffective: CDM revenues too low and too unpredictable to support emissions reductions in developing countries

## Problems with the Current CDM

### Perverse incentives

- Postpones climate friendly policies
- Increase of production of the chemical HCFC-22 in order to produce more waste gas (HFC23) for more CDM credits
- Supports cheapest, least best solutions (ex. “clean coal”) rather than better solutions (ex. solar)

### Equity

- Increases future costs of developing countries' own reductions
- A levy on CDM revenue for adaptation fund => developing countries pay for their own adaptation
- Lack of safeguards for stakeholder consultations

### Ecological Limits to Offsetting

- To stay below 2°C, we need *both* a 25-40% reduction in industrialized countries *and* real reductions from developing countries
- Offsets take us farther away from our goals

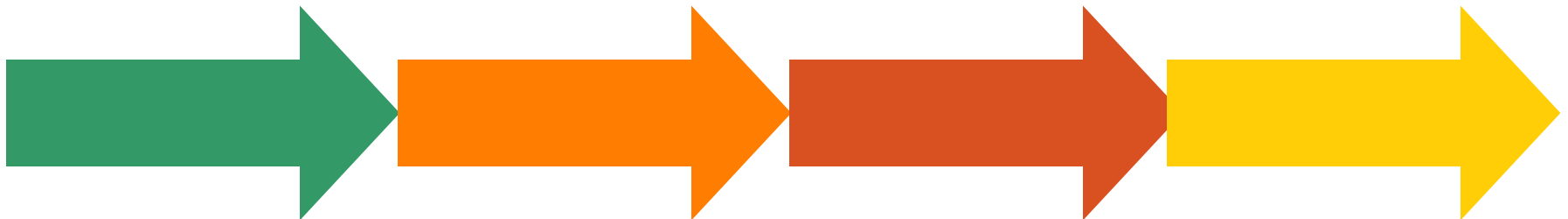
## Total number of projects: 5513 (1476 in India)

- **At validation: 2581**
  - Request for registration: 109
  - Request for review: 40
  - Correction requested: 114
  - Under review: 17
- **Total in the process of registration 280**
  - Withdrawn 40
  - Rejected by EB 126
  - Rejected by DOEs 613
  - Registered, no issuance of CERs 1288
  - Registered, CER issued 585
- **Total registered 1873 (463 in India)**

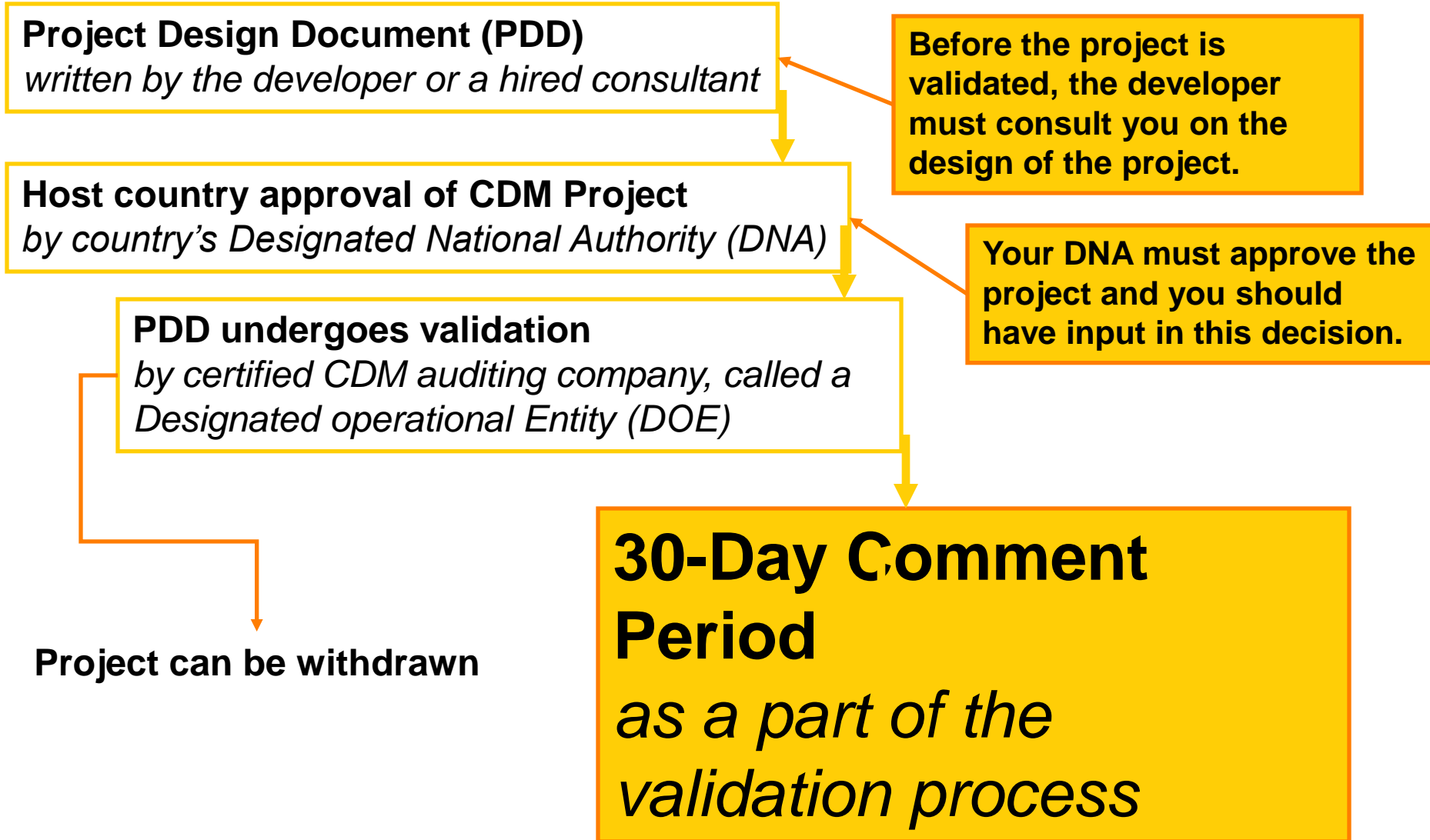
# Understanding the CDM Project Lifecycle

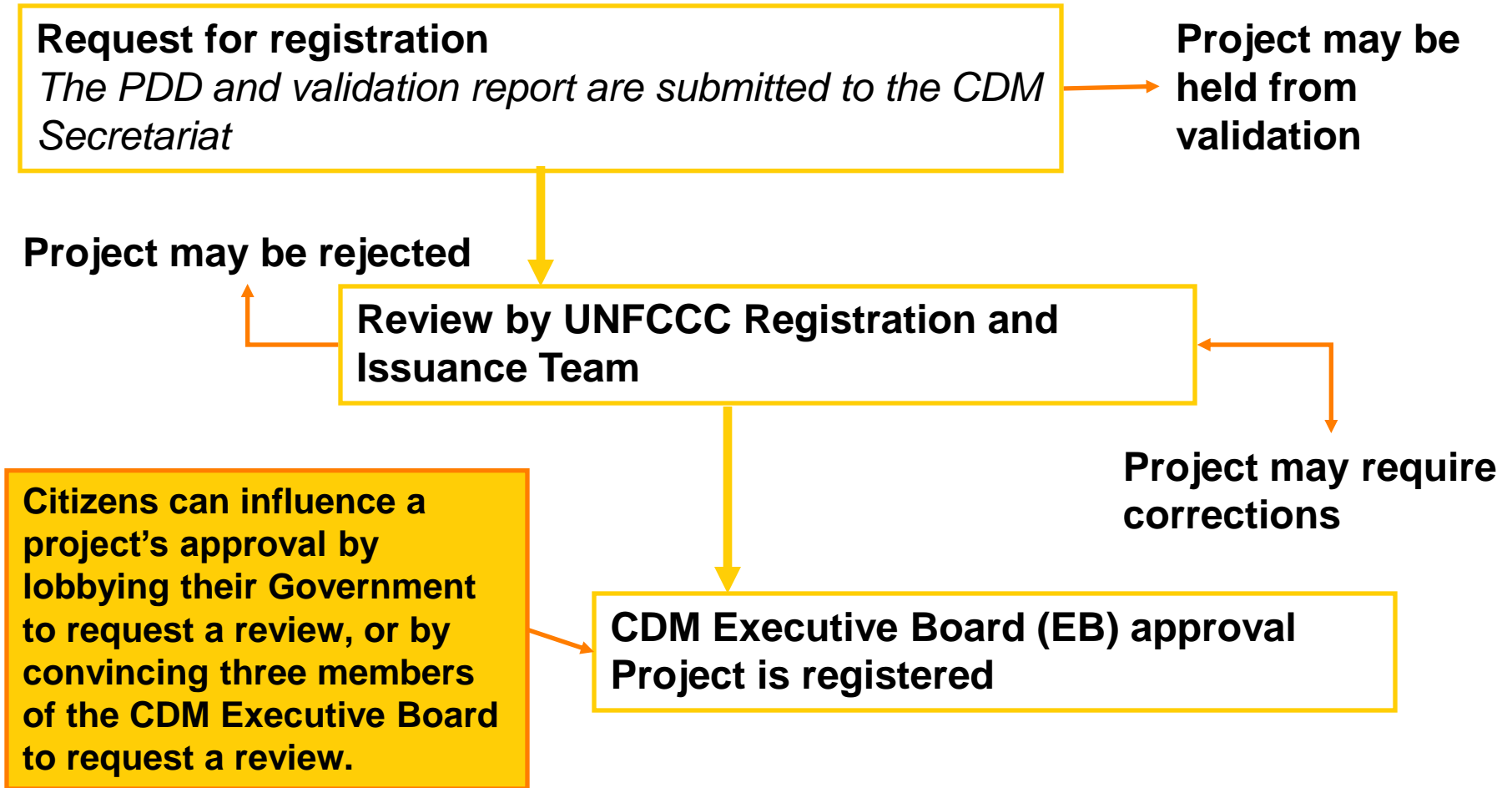
1. Validation
2. Registration
3. Verification & Certification
4. Issuance

**Stakeholder  
Input in  
yellow boxes**









## Monitoring

*The project developer must monitor all the data required by the PDD monitoring plan to calculate the number of credits to be generated by the project*

## Monitoring Report

*written by the developer or a hired consultant;  
developer decides how often*

**When verifying that the project is reducing emissions, the DOE doing the verification may interview you. Tell the DOE if the project is not performing well.**

## Verification & certification of monitoring report

*by the DOE*

## Request for Issuance

*Monitoring and Verification & Certification reports are submitted to the CDM Secretariat*

**Review by the UNFCCC Registration and Issuance Team**

**Stakeholders could have a last chance to influence a project's approval by lobbying their Government to request a review, or by convincing three members of the CDM Executive Board to request a review.**

**CDM Executive Board (EB) approval  
Certified Emissions Reductions (CERs)  
are issued**

## Summary of opportunities for input in the CDM project cycle

During the preparation of a project

- Consultation by developer on the design of the project

Environmental Impact Assessment

- Public commenting period

Host country approval

- Input whether the project contributes to sustainable development

New baseline and/or monitoring methodology

- 15-day public comment period

At validation

- 30-day public comment period.

When requesting registration

- Trigger a request for review

During verification and monitoring period

- Contact with DOE is possible anytime

## Need for more opportunities – LOBBYING

### During the preparation of a project

- OBLIGATORY meeting to be conducted by an independent non-governmental panel
- Report of the panel in public domain

### Host country approval

- NGO representatives must be included in DNA decisions

### Public commenting periods

- Penalties if comments are not taken into account
- Recommendations to be mandatory
- Translations of PDDs into local languages

### Verification

- SECOND official public commenting period
- Involvement of civil society and local governments in the process

### Monitoring

- If project is violating agreed plans it must be disqualified from CDM

## Minimum **TRANSPARENCY** is needed

### Local governments (DNA)

- Dates of receipts of the project applications, agenda notes and minutes of the CDM board meetings
- Clearance letters and reasons when a project is rejected

### Executive Board

- Access to ALL stakeholder meetings
- Minutes of closed meetings
- Alert emails for commenting period

### DOEs / project developers

- Tranlations of PDDs in local languages

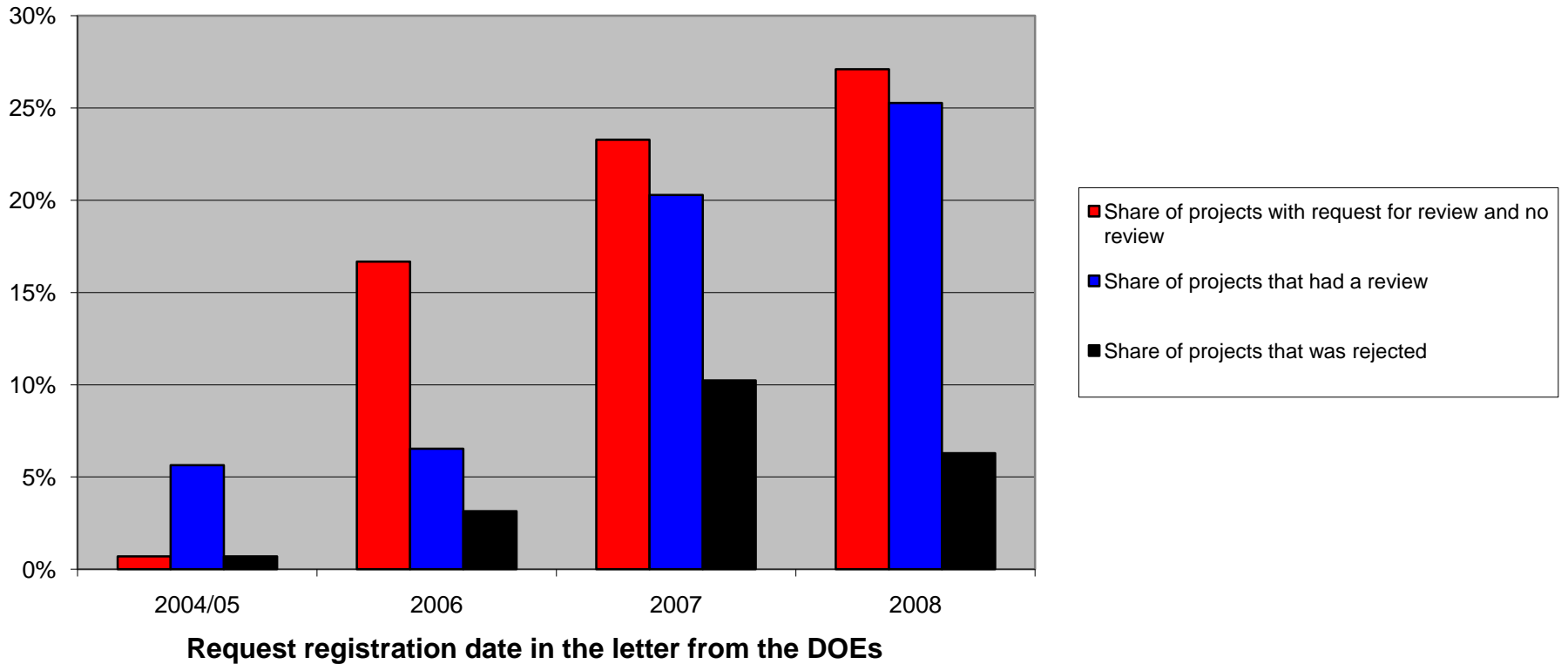
### CER Buyers

- Information about CERs purchased from which project

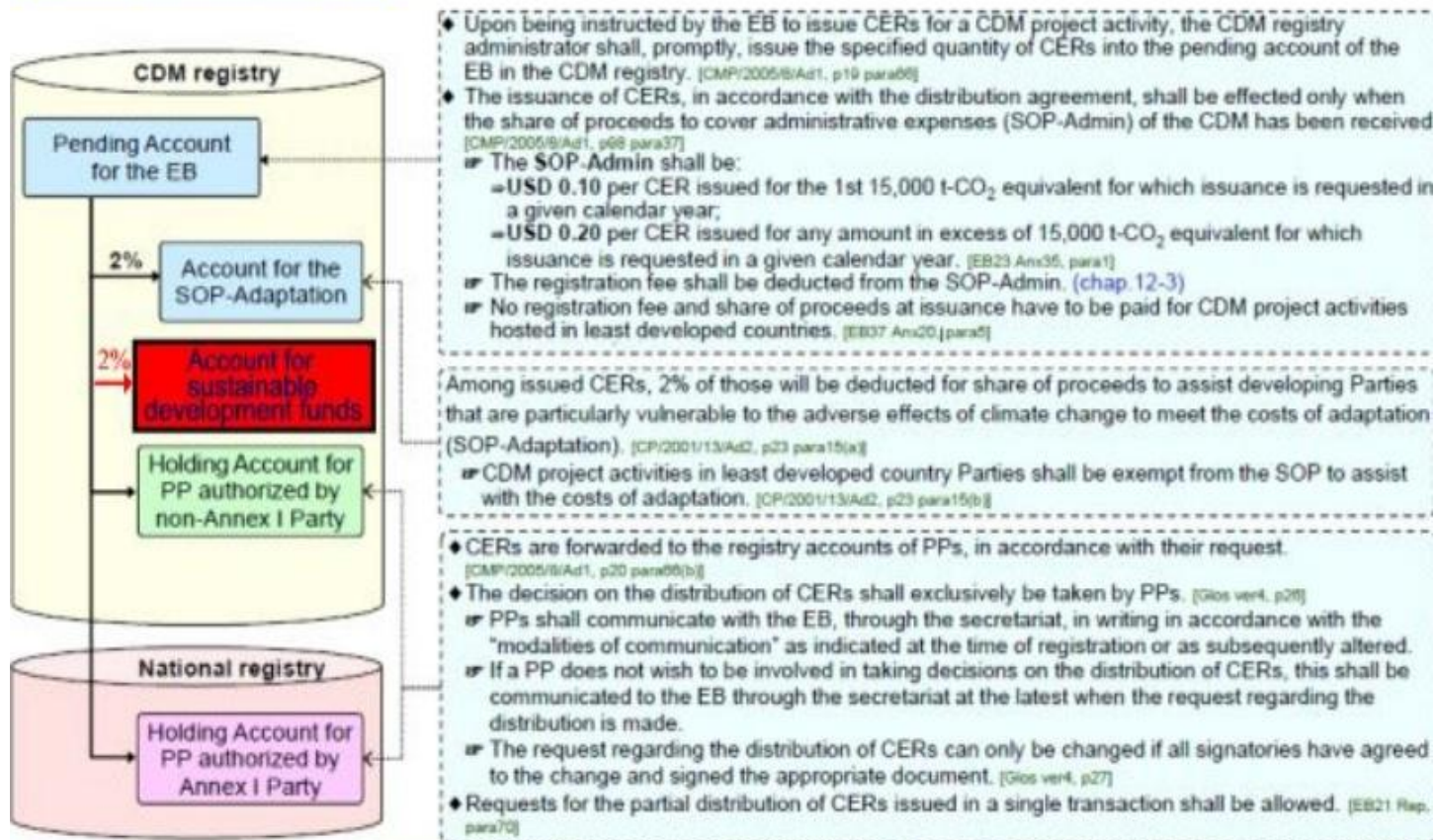
- Contact info for your host country's DNA:  
<http://cdm.unfccc.int/DNA>
- 30-day public comment period on PDDs:  
<http://cdm.unfccc.int/Projects/Validation/index.html>
- 15-day public comment period for experts on new methodologies:  
[https://cdm.unfccc.int/public\\_inputs/index.html](https://cdm.unfccc.int/public_inputs/index.html)
- Procedure for contacting the CDM Executive Board for unsolicited comments:  
[http://cdm.unfccc.int/Reference/Procedures/eb\\_proc01\\_v02.pdf](http://cdm.unfccc.int/Reference/Procedures/eb_proc01_v02.pdf)



### Review history, by year



## 16. Distribution of CERs



**BOX: Temporary accounts for PPs from Annex I Parties (chap.21-1)**  
 The CDM registry is to include temporary accounts for Annex I Parties, and PPs from such Parties, until national registries for such Parties (and international transaction log) and entities are operational, for the purpose of receiving CERs, forwarded to them from the pending account and of transferring such units to accounts in national registries. [CPI/2004/2, p15 para57]

**BOX: Transferring CERs from the CDM registry**  
 The CDM registry is to enable non-Annex I Parties, and entities from non-Annex I Parties, to transfer CERs from their holding accounts in the CDM registry to accounts in national registries. [CPI/2004/2, p15 para68]

## Ask yourself the following questions:

1. Has the CDM authority in your country approved this project?
2. Does the project contribute to sustainable development in your country?
3. Were you consulted about the project before the 30-day comment period?
4. Is the environmental assessment of the project adequate?
5. Is the emissions baseline an accurate estimate of what will happen in the absence of the project being registered as a CDM project?
6. Will this project go ahead anyway if it is not registered as a CDM project? That is, is it additional?

For examples of comment letters, see:

<http://www.internationalrivers.org/en/node/1741>

Thank you for listening!

Contact:

**Eva Maria Filzmoser**

Project Coordinator CDM Watch

NGO Forum Environment & Development

Koblenzer Str. 65

53173 Bonn

E-mail: [eva.filzmoser@cdm-watch.org](mailto:eva.filzmoser@cdm-watch.org)

Web: [www.cdm-watch.org](http://www.cdm-watch.org)