

# The Clean Development Mechanism

CDM Workshop

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[Eva.filzmoser@cdm-watch.org](mailto:Eva.filzmoser@cdm-watch.org)



About CDM Watch

Environmental integrity of the CDM

The CDM in Numbers

The CDM and the European Union

Changes on the Horizon

Your Role !

Improving access for those affected by CDM projects and other stakeholders

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

Improving the CDM's effectiveness in reducing GHG emissions

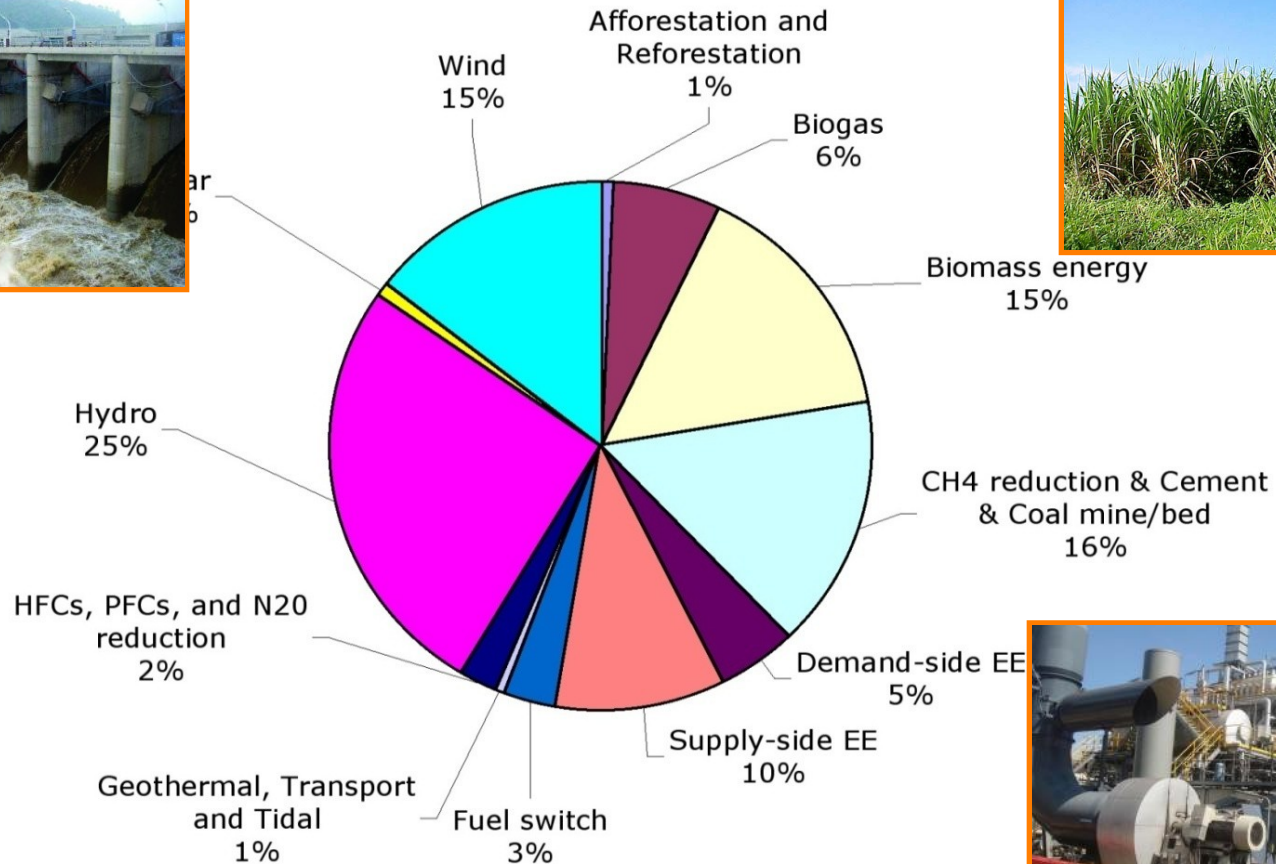
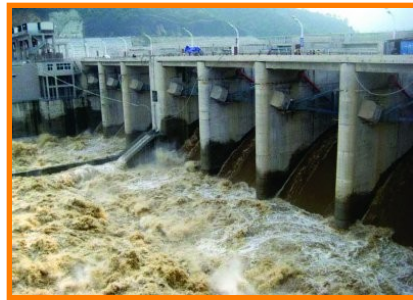
- Preventing the generation of carbon credits when emissions are not actually reduced

Improving the social and environmental impacts of CDM projects

- Preventing projects with substantial negative impacts from generating CDM credits

## Today: More than 5000 Projects in the pipeline

**Projects in the CDM Pipeline by Type**



# Our Concerns About Environmentally Integrity of the CDM



# Additionality

CDM credits must represent real emission reductions that **would not have happened** without the CDM - a non-additional project allowed in the CDM **INCREASES** global emissions



## Perverse Incentives

The CDM should not cause **increase of production of the chemical HCFC-22** in order to produce more waste gas (HFC23) for more CDM credits



# Carbon Leakage

The CDM should not cause a **shift of production** from industrialised countries to CDM host countries (i.e. projects N2O destruction projects)





# Sustainable development

Projects must **promote** sustainable development and must not cause social and environmental **damage**

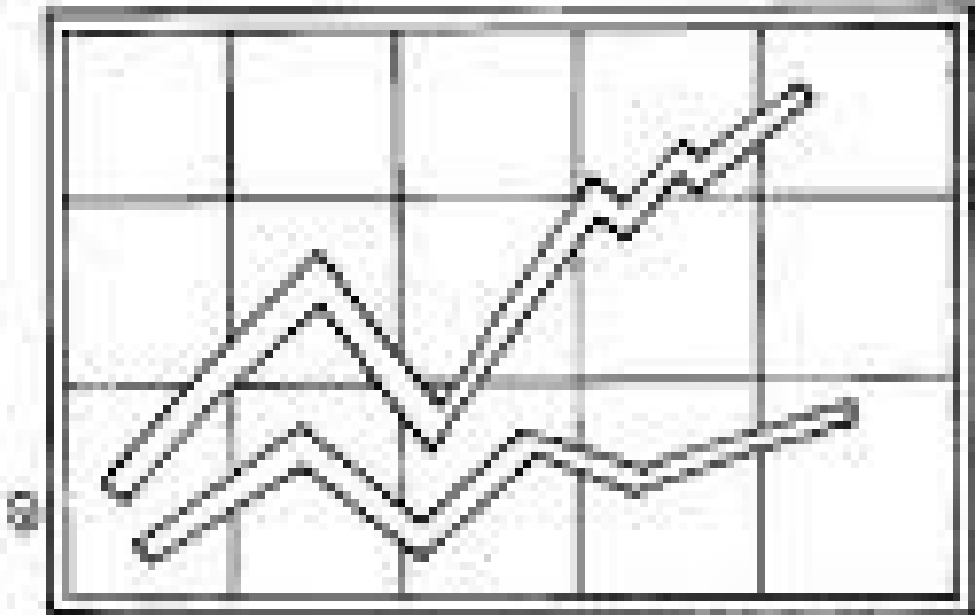


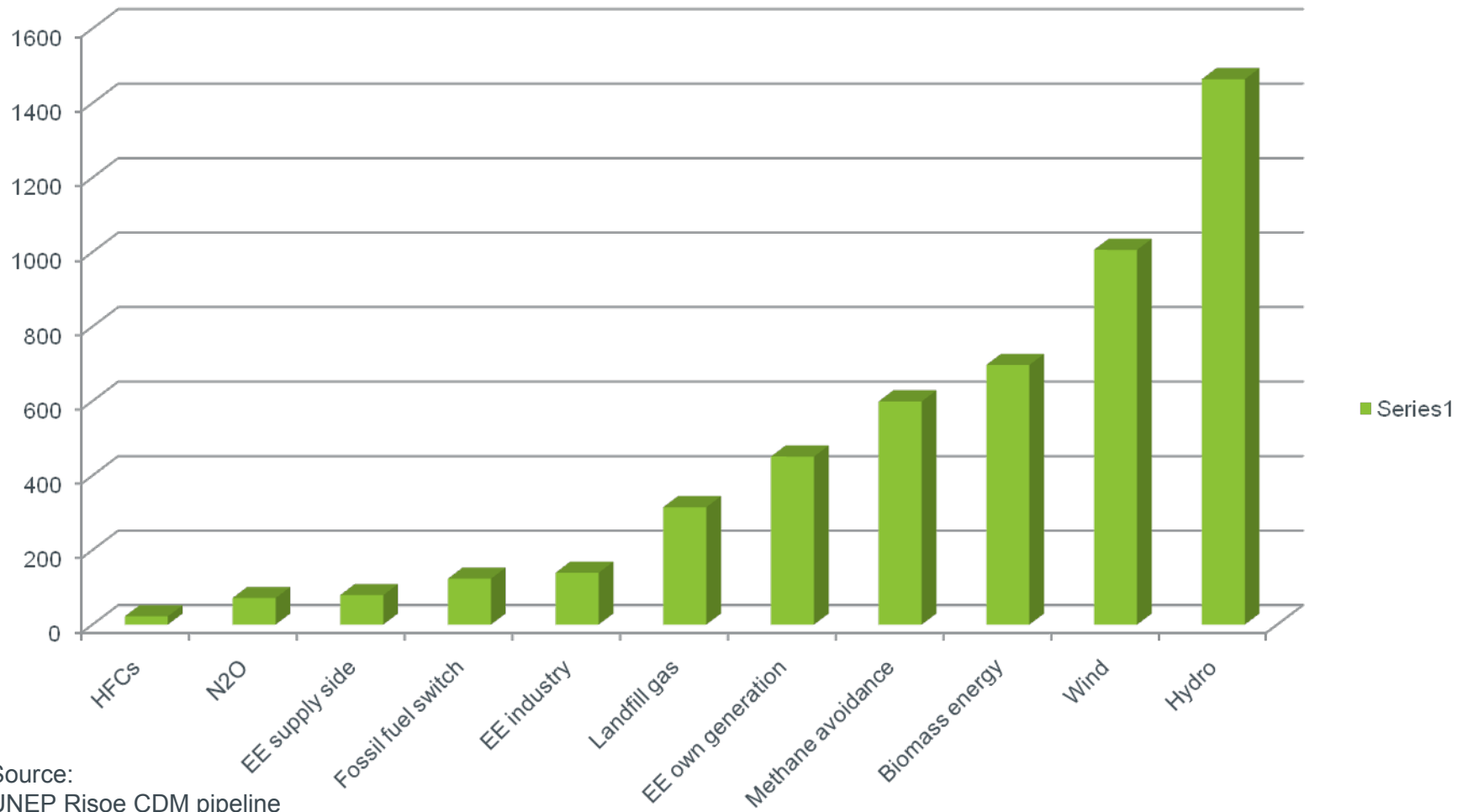
# Effectiveness

The CDM should not cover emission reductions that can be achieved better outside the carbon market  
**and should direct investment to where it is needed**

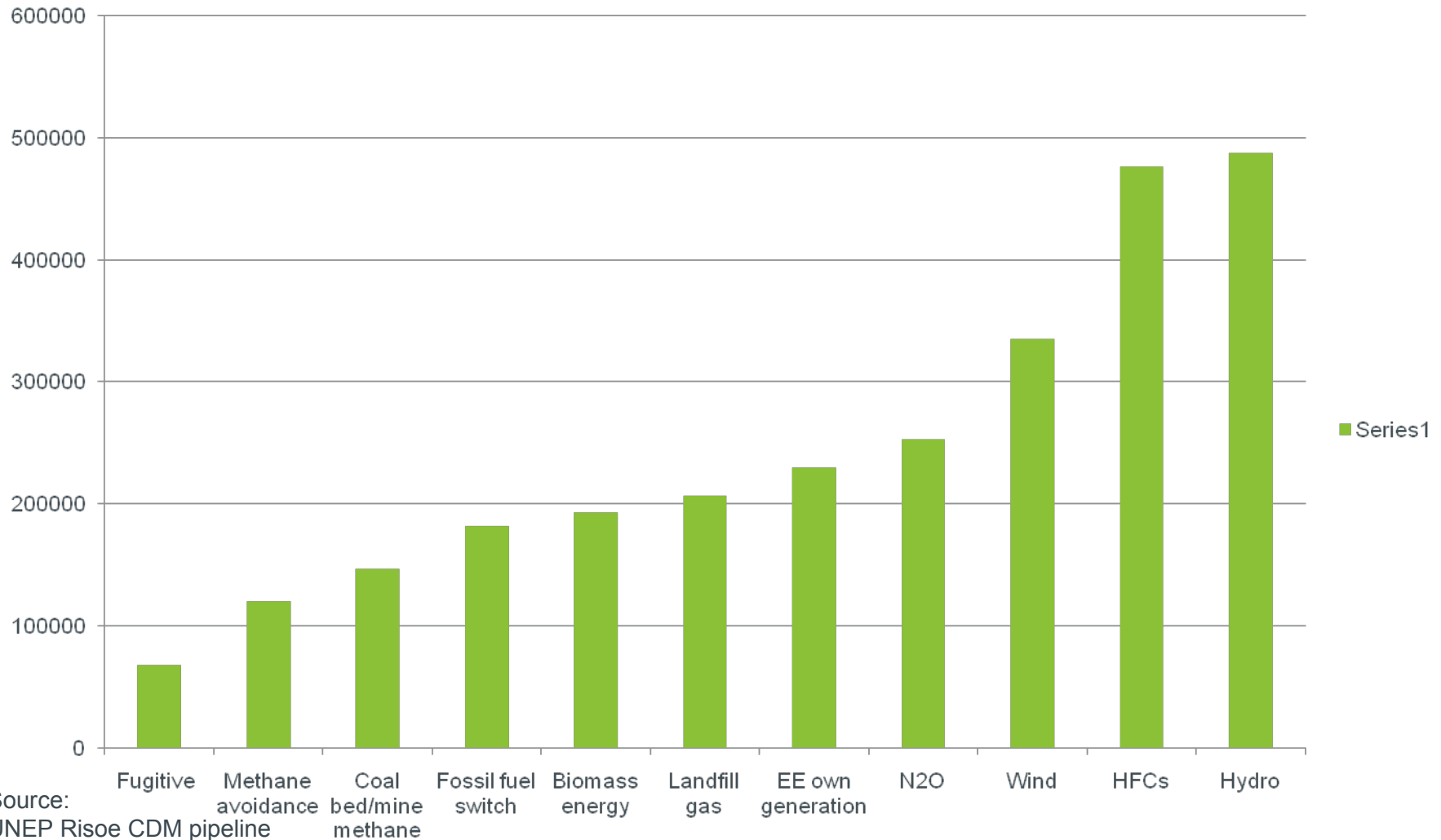


## Facts & Figures about the CDM

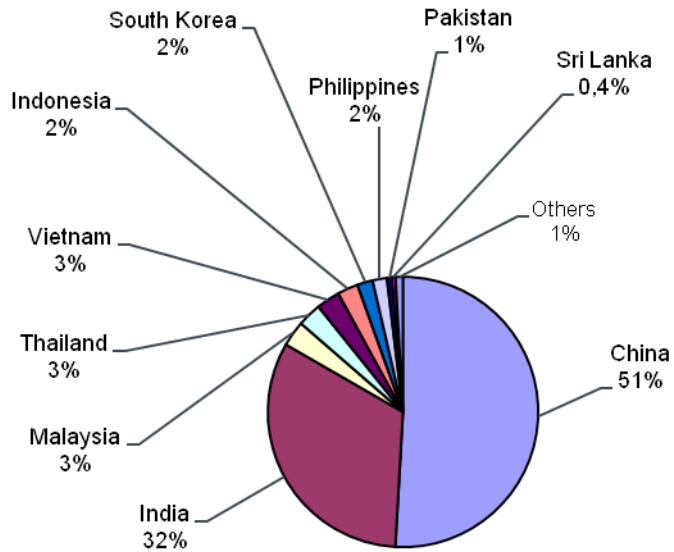




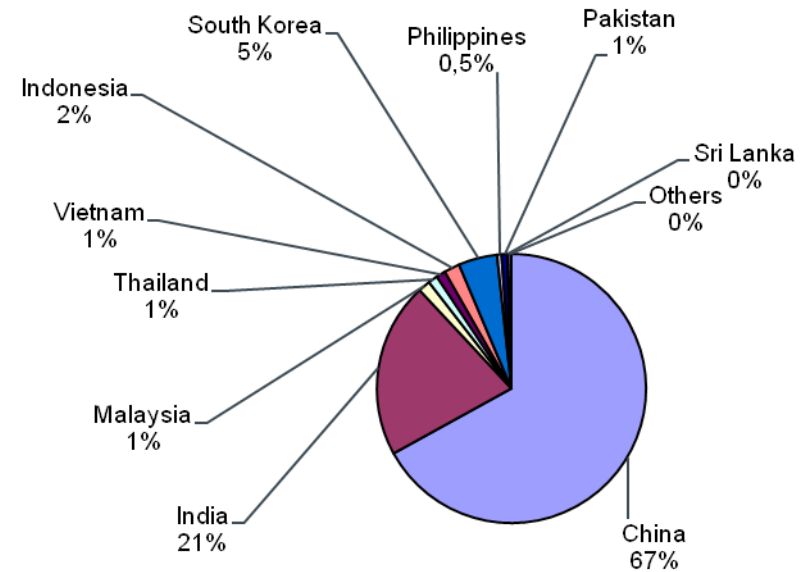
Source:  
UNEP Risoe CDM pipeline

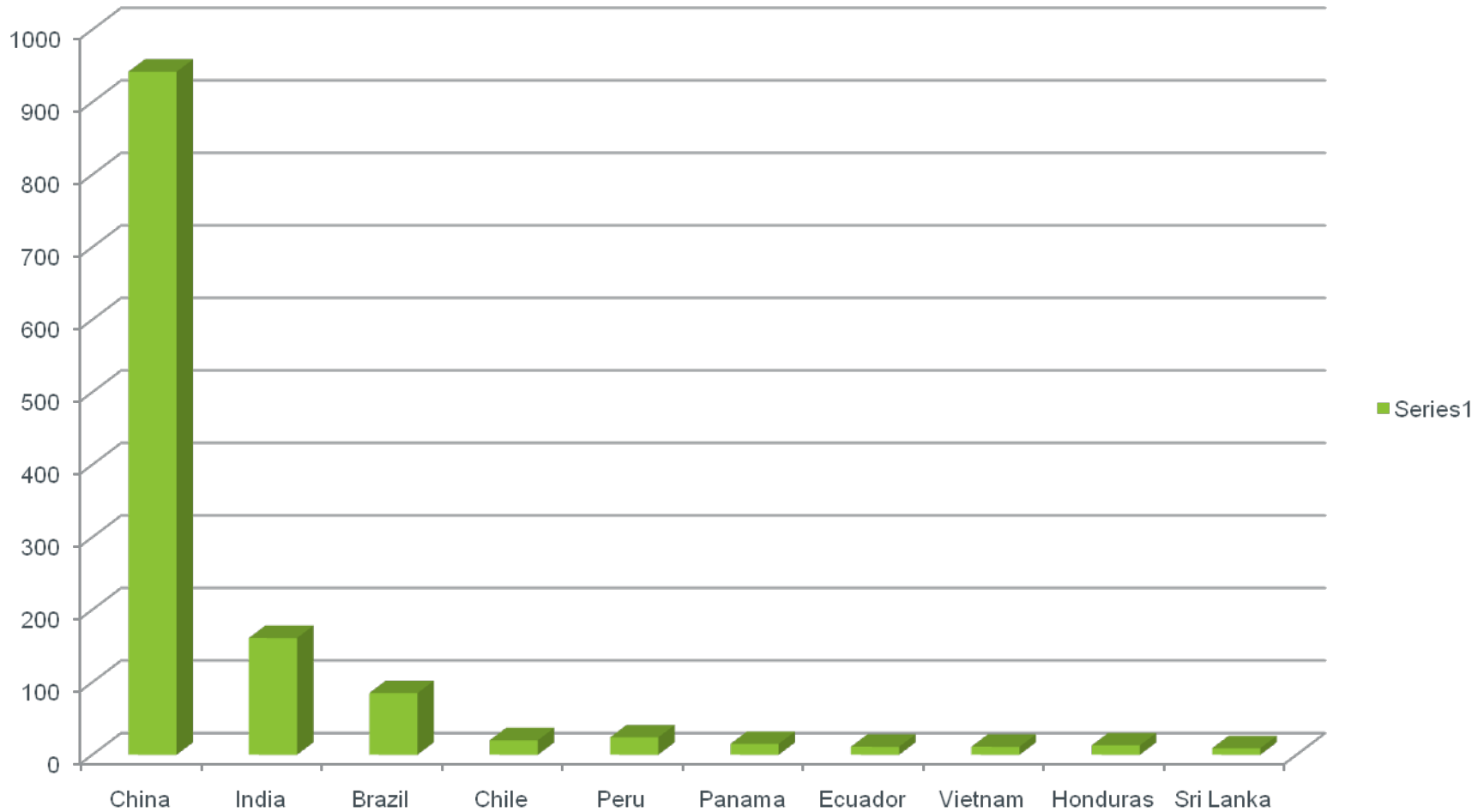


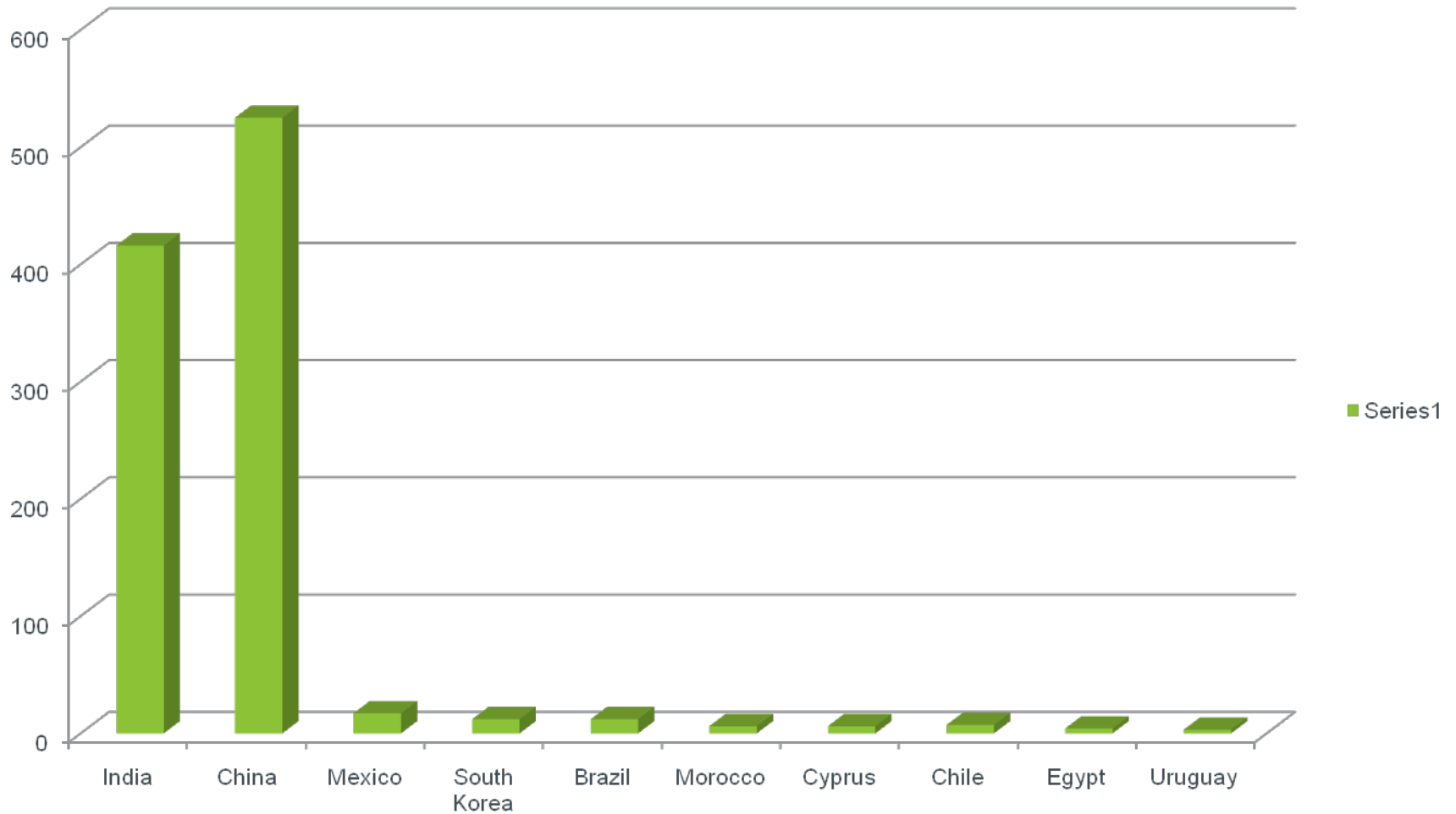
Number of CDM projects in Asia by country



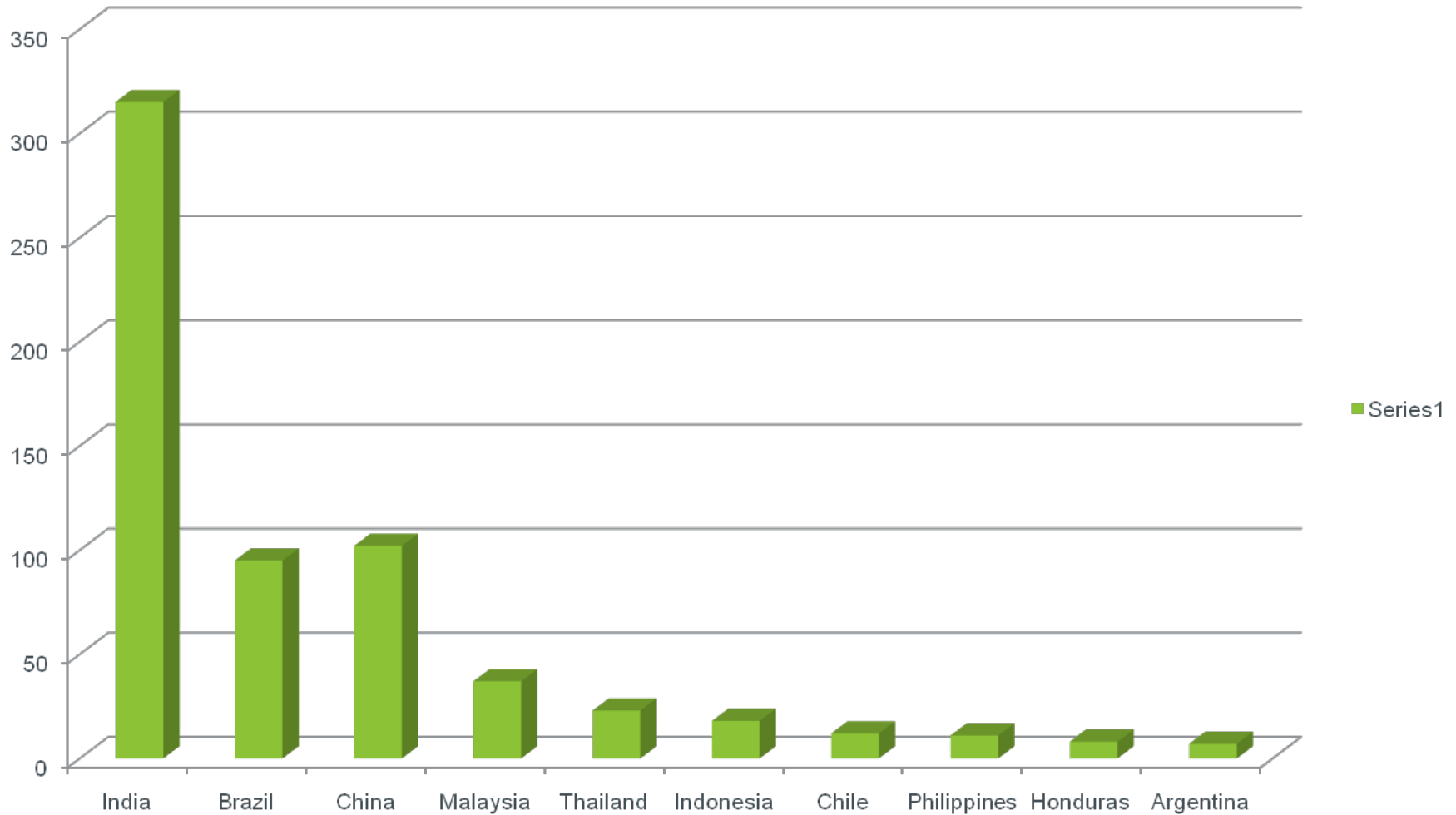
Volume of CERs until 2012 in Asia by country

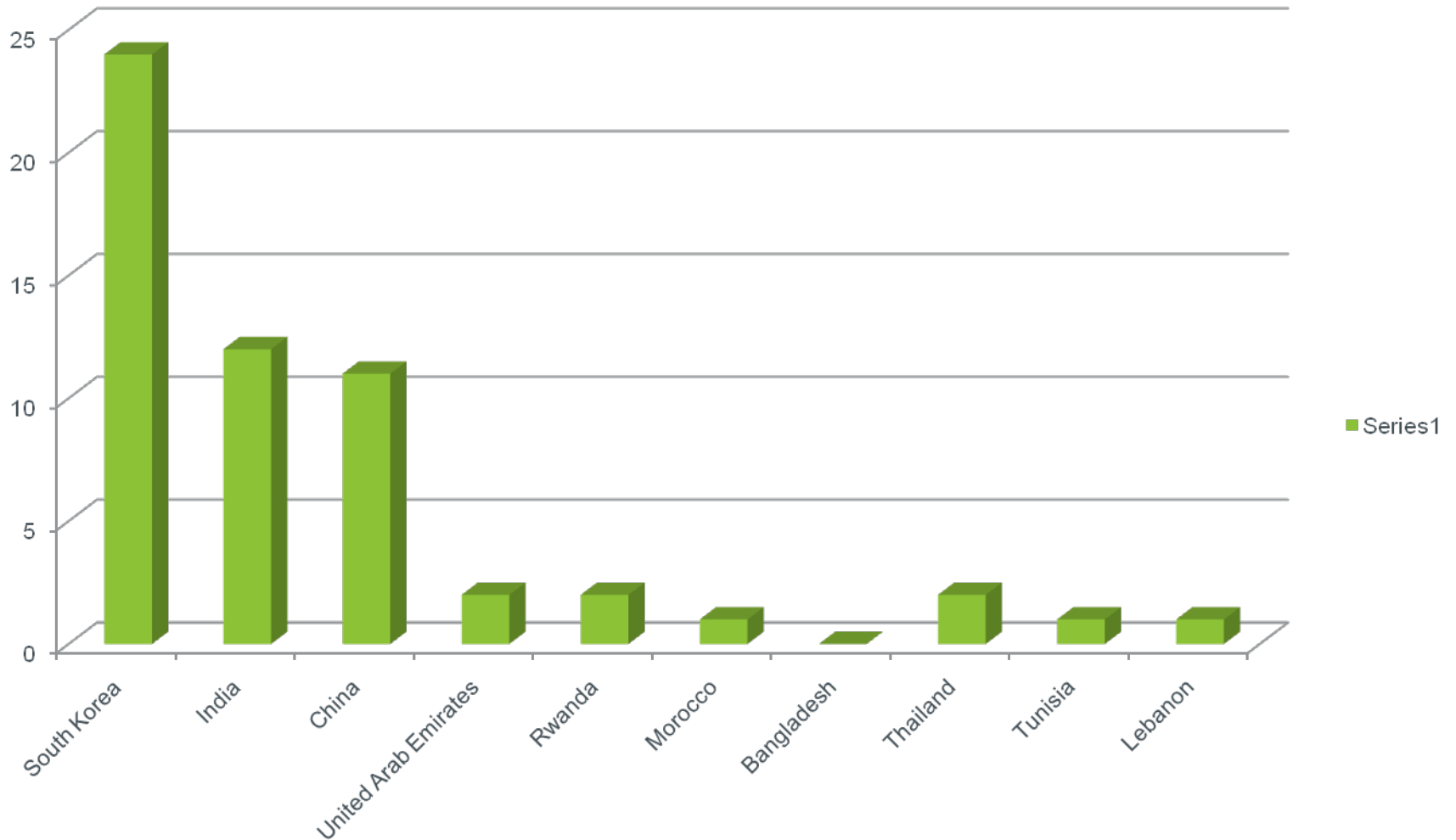




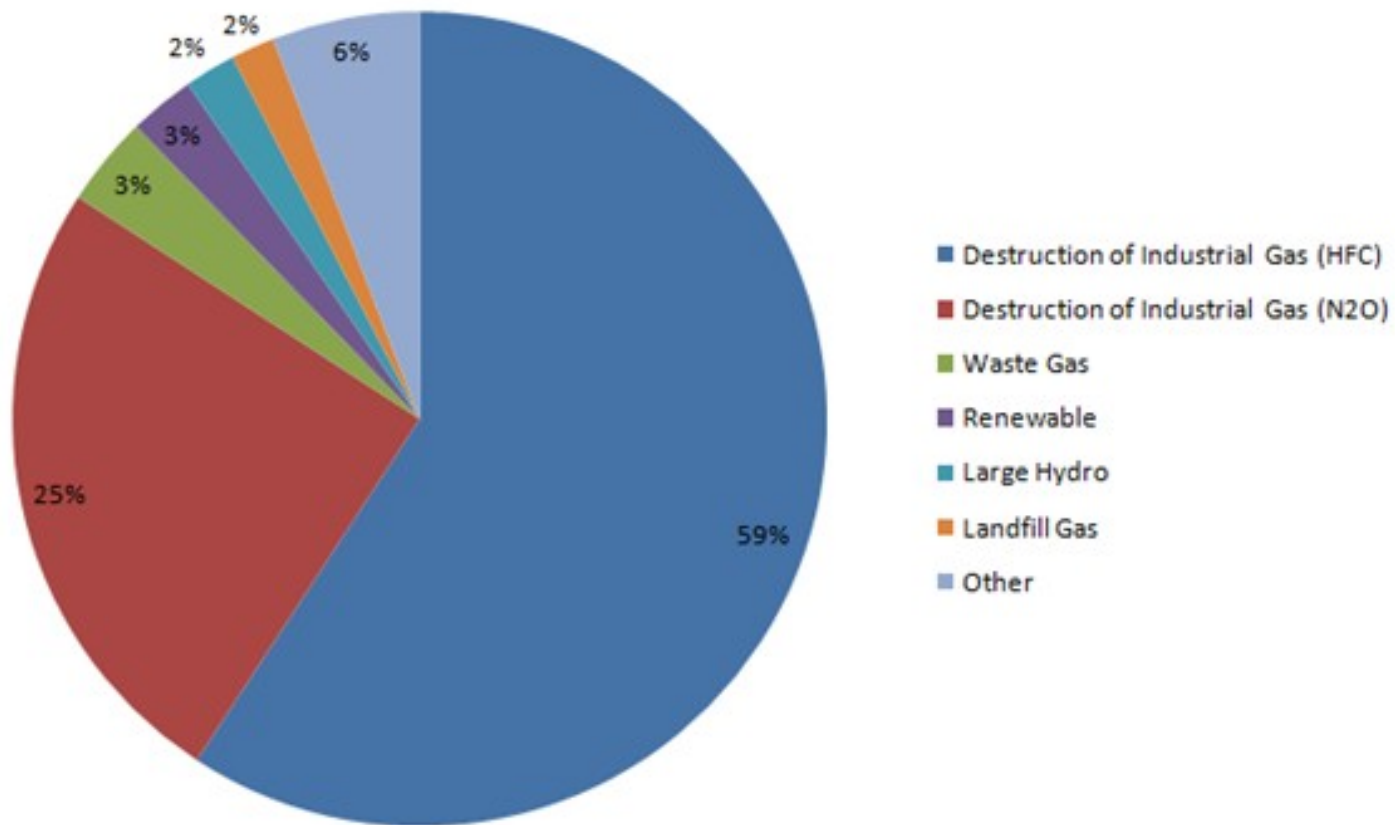




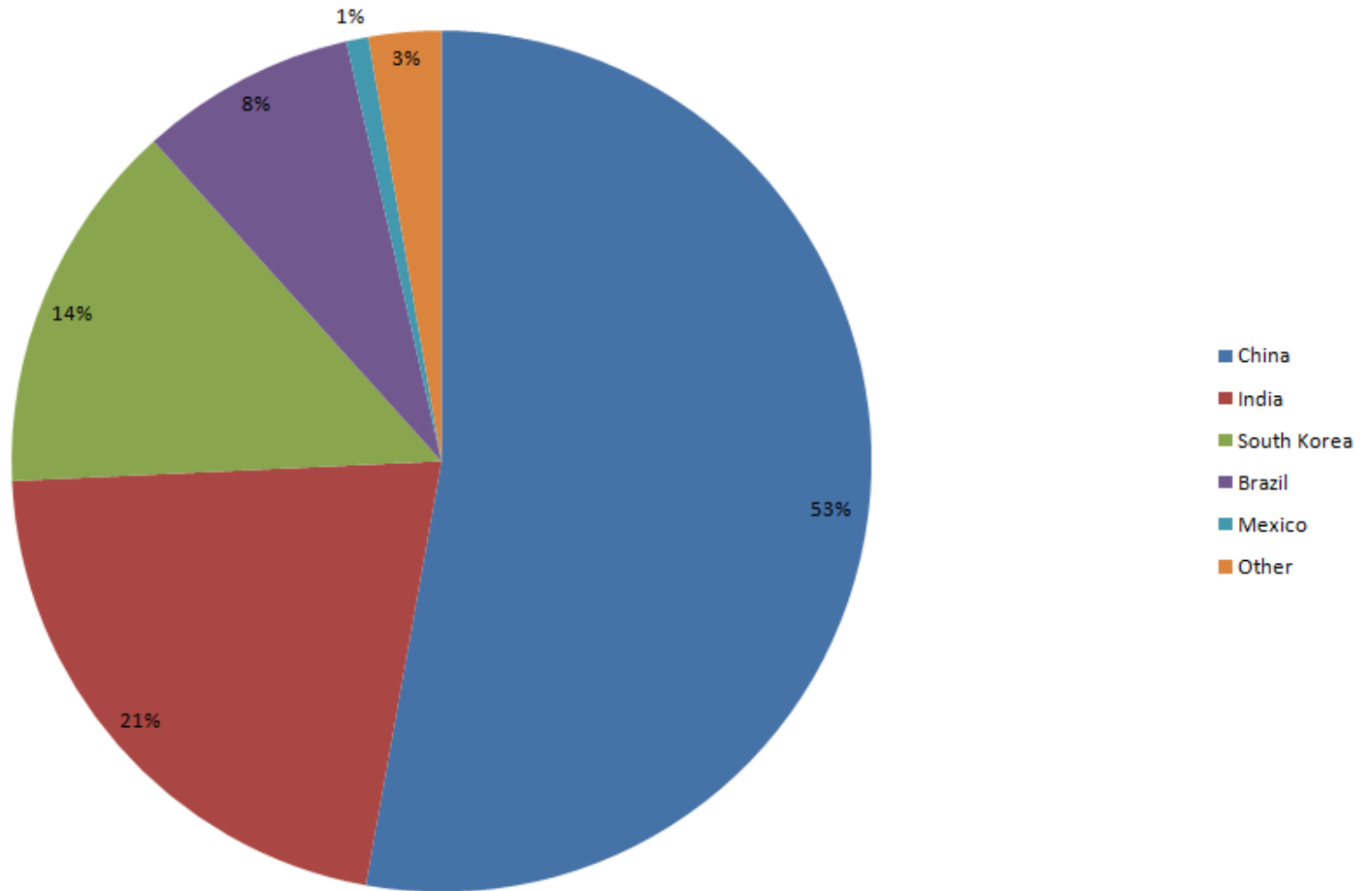




**% CERs from Sectoral Scope**



Host countries 2009

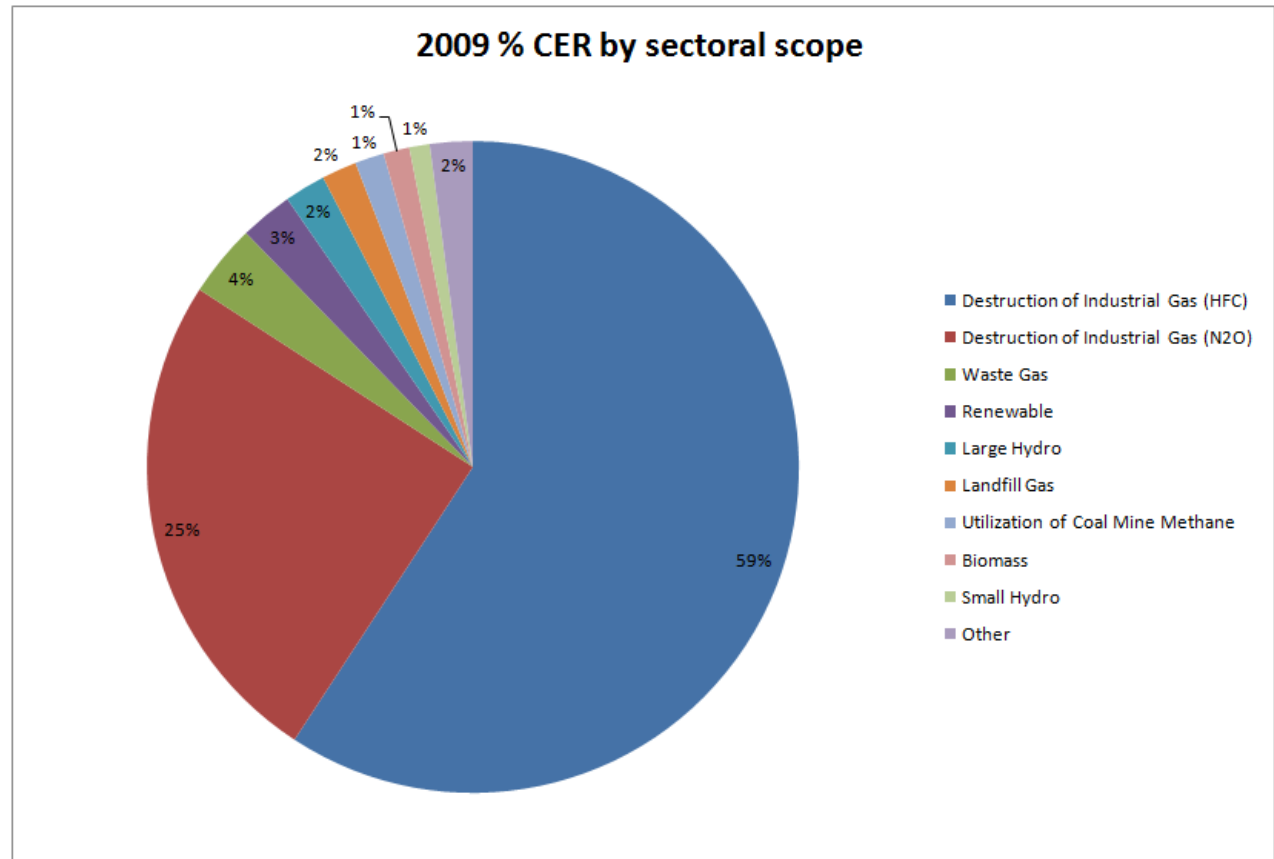




## Why Chinese CDM Projects are important for the the European Union

- The EU has committed to 20% GHG reduction by 2020
- ~50% can be achieved by using international offsets
- In 2009 some 78 million CERs were used for compliance in the ETS (€861m)
- China hosts more than half of all CDM projects
- 60% of all CERs surrendered originate from HFC project

# Carbon credits in the EU ETS



Source:  
<http://www.sandbag.org.uk/>



- The EU is currently discussing “quality restrictions” for international offsets from industrial gases (HFC-23 & N<sub>2</sub>O)
- Credits from these projects will probably not be allowed in the EU from 2013 + restrictions until 2012
- Also credits from other project types will face quality restrictions in the future (i.e. large hydro, coal power etc)
- IMPACT: change in the CDM portfolio + potential policy change away from project based CDM in emerging countries such as China

# The CDM Toolkit

## Opportunities for public engagement in the CDM process

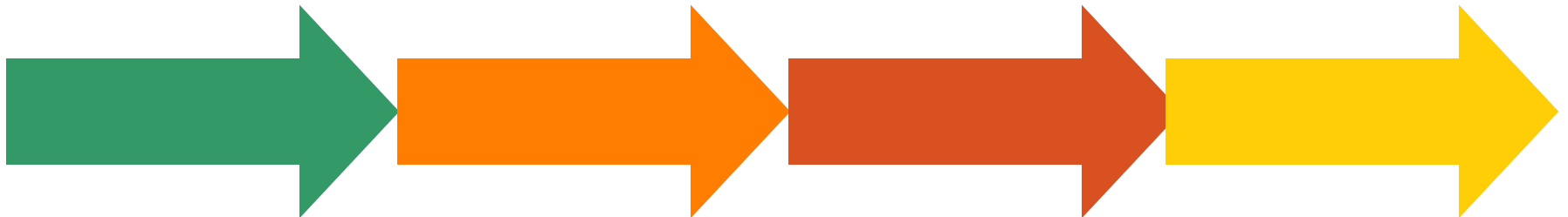




# The CDM Project Lifecycle

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

**Public input  
in yellow  
boxes**



**Project Design Document (PDD)**  
*written by the developer or a hired consultant*

**Before the project is validated, the developer must consult you on the design of the project.**

**Host country approval of CDM Project**  
*by country's Designated National Authority (DNA)*

**Your DNA must approve the project and you should have input in this decision.**

**PDD undergoes validation**  
*by certified CDM auditing company, called a Designated operational Entity (DOE)*

**Project can be withdrawn**

**30-Day Comment Period**  
*as a part of the validation process*

## Request for registration

*The PDD and validation report are submitted to the CDM Secretariat*

**If your comment was ignored you can launch a complaint procedure !!**

**Project may be rejected**

**Review by UNFCCC Registration and Issuance Team**

**Project may require corrections**

**Citizens can 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  
Project is registered**

## 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**

Check out the CDM Toolkit for more details.

Thank You!

