



Your Carbon and Sustainability Solution

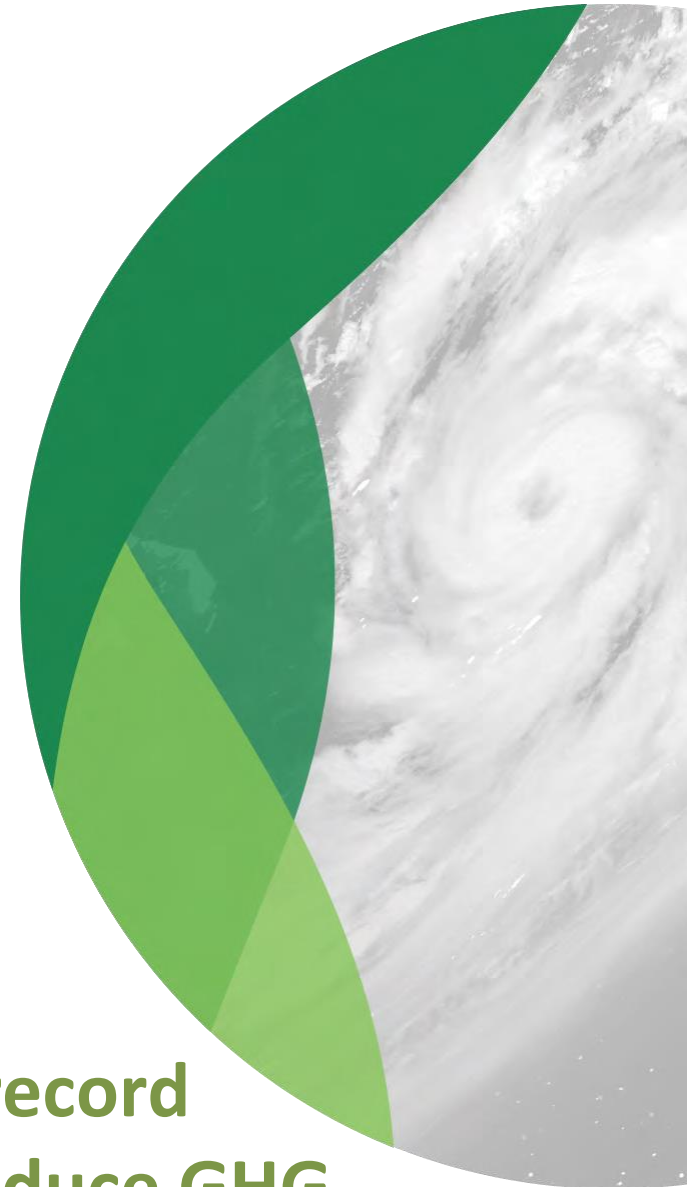
**Lessons from the CDM: A Project
Developer's Perspective**

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The CDM in Numbers

- More than 8,100 projects approved in 111 countries
 - ✓ 450 projects have requested 2nd crediting period
 - ✓ 14 projects have requested 3rd crediting period
- Total investment of more than \$300 billion
- Reductions of <2 billion tCO₂e achieved
- 248 approved methodologies for CO₂ reduction

The CDM has an unmatched track record among instruments for action to reduce GHG



CDM Benefited from Early Support

- World Bank Prototype Carbon Fund
 - ✓ \$180m fund supported by 17 private sector companies and 6 governments.
 - ✓ Enabled early action and learning-by-doing.
- EU ETS 2008-2020
 - ✓ EU Linking Directive enabled compliance entities to use maximum c. 1.6 billion CERs or ERUs to meet EU ETS compliance obligations.
 - ✓ EU leadership and participation was driving force in building CDM:
 - ✓ Of 10,564 total Letters of Approval issued for CDM projects, 6,598 were issued by EU member states.
 - ✓ 384 out of 672 buyers of CDM credits were based in EU member states.
- Annex I Party demand from Japan, New Zealand, Canada

New Markets, New Opportunities

- CERs are ineligible for compliance use in EU ETS after 2020.
- Voluntary market demand.
- Under Paris, all countries have opportunity to develop projects for mitigation credits, including for Nationally Determined Contributions.
- The future of CDM projects is unknown while new mechanisms under the Paris Agreement are being discussed
- Other countries have allowed offsets as compliance under carbon tax regimes: Colombia, Mexico, South Africa, South Korea
- CORSIA (?)
- China Certified Emission Reductions

New Markets, New Opportunities


Example: Colombia

	2017	2018	2019
Potential Demand (mt)	30m	50m	55m
Carbon Price (COL\$)	\$15.00	\$15.70	\$16.50
Projects	8	52	100+

Source: Direccion de Impuestos y Aduanas Nacionales



Challenges for the CDM

- Since market collapsed, the PPs are not incentivized to operate the Projects under CDM requirements.
 - Remote, administrative processes do not always reflect experience on-the-ground.
 - Costs are high, and lack of market direction can be prohibitive.
 - CDM can inspire any New Mechanism under Paris Agreement as well as mechanisms at national level
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Thank You!



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