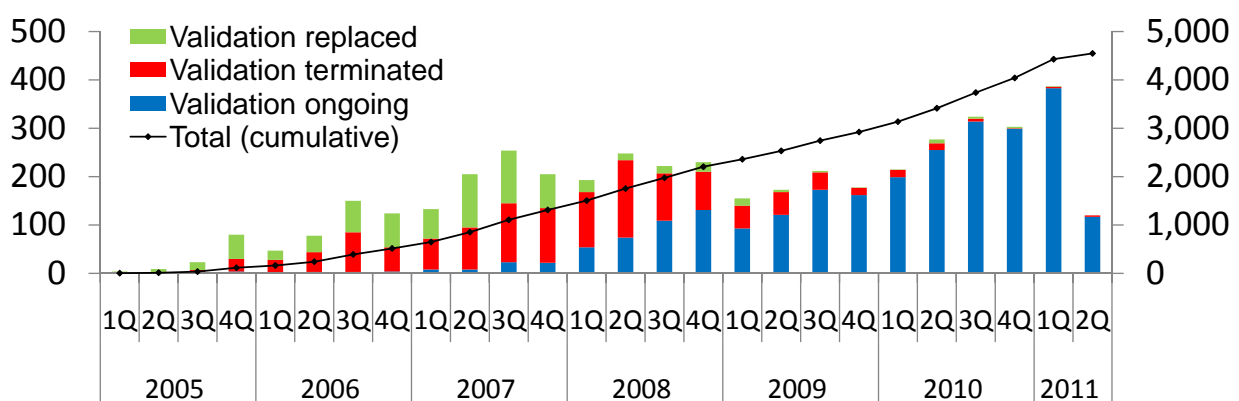
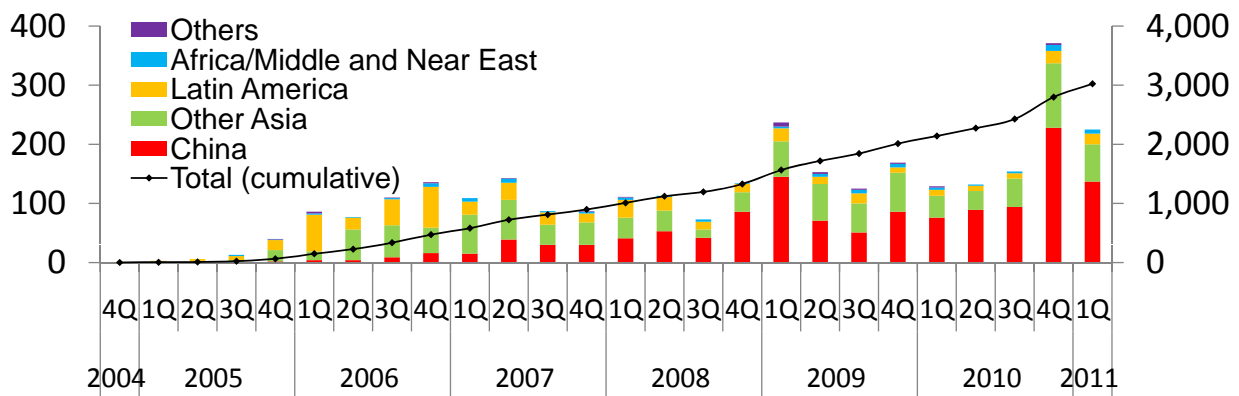


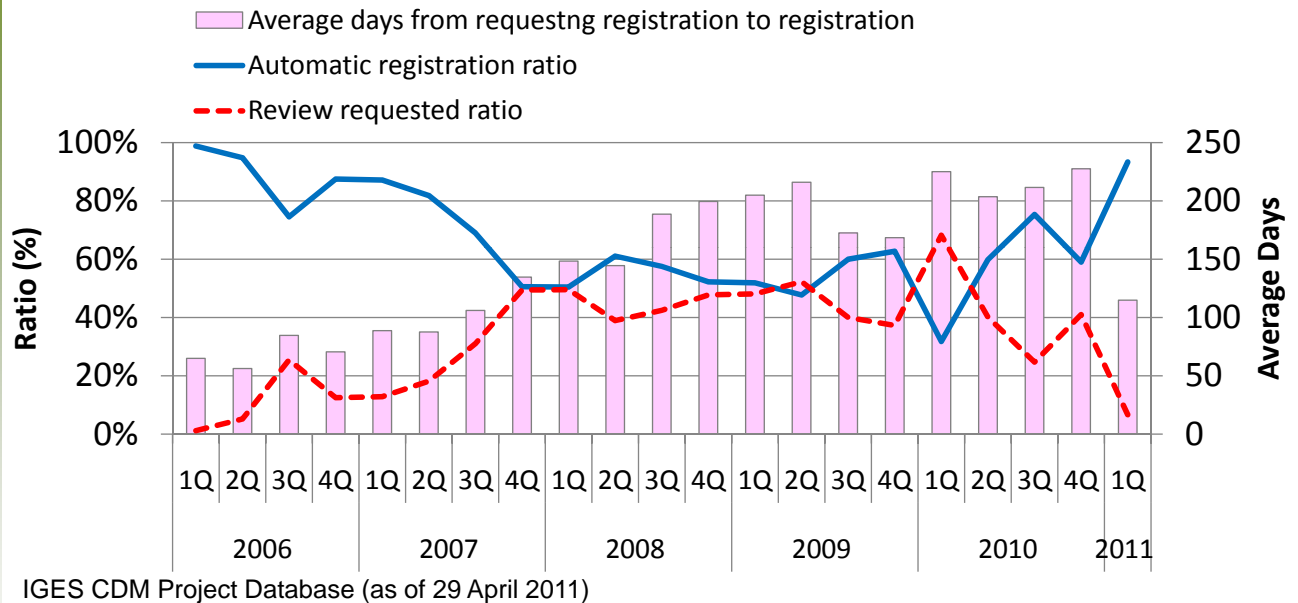
Future perspective of CER issuance in the prolonged CDM

Kentaro TAKAHASHI
Market Mechanism Group
Institute for Global Environmental Strategies

Registration and Validation status



Improvement of registration process



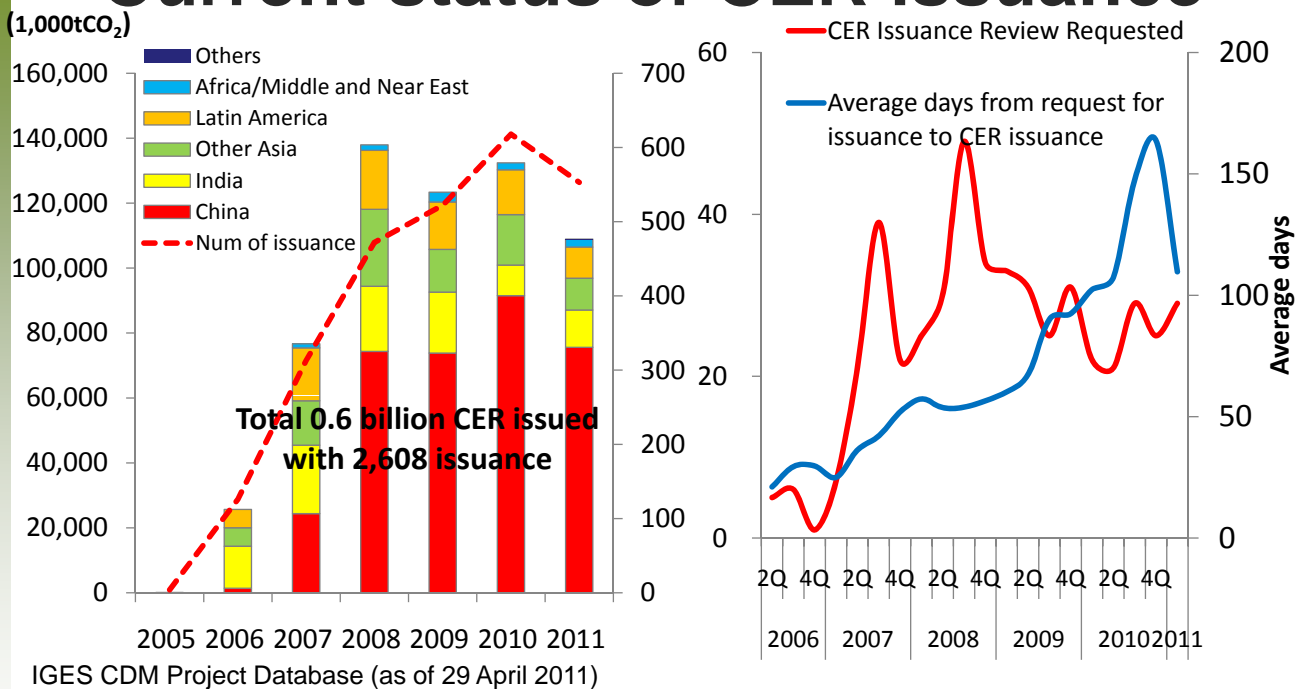
Ave. 220 days in 2010 → Ave. 115 days in 2011

Automatic registration ratio 93% in 2011

➤ Change of review process at EB54 and revised procedure at EB60 have contributed to reduce the time until registration.

3

Current status of CER issuance



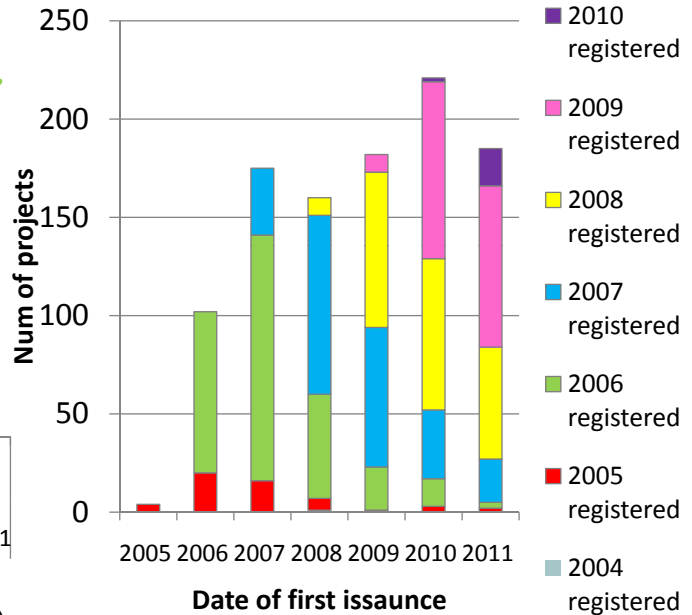
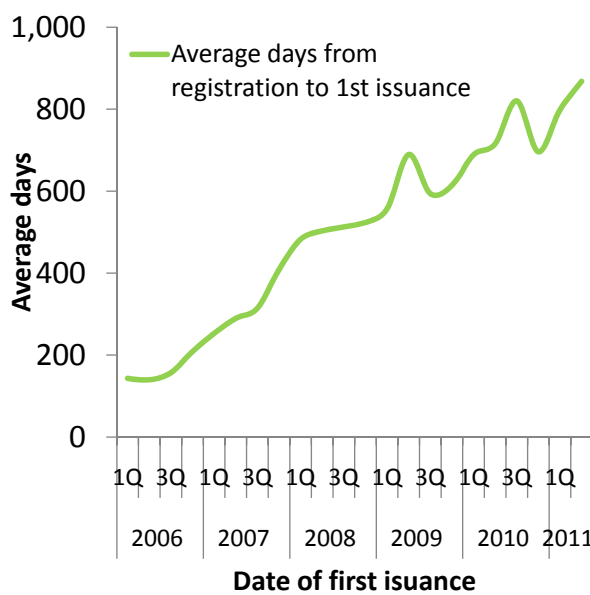
Ave. 164 days in 4Q of 2010 → Ave. 110 days in 2011

➤ CER issuance has been increased in 2011.

➤ Num of CER issuance reviews have been decreased.

4

Long days until the first issuance



IGES CDM Project Database (as of 29 April 2011)

Only 1,029 project issued CER of all registered projects

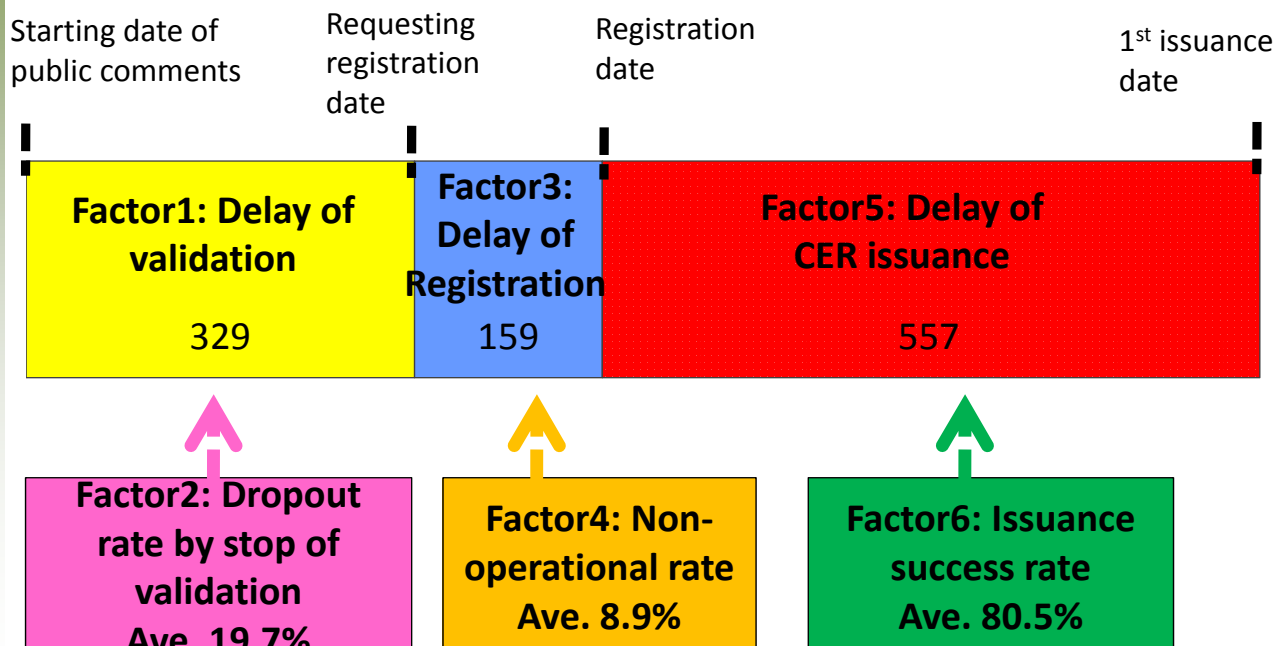
Ave. days 813 days until first issuance in 2011

➤ Prolonged process may stop the operation of projects after their registration (**540 projects stopped** by IGES analysis).

5

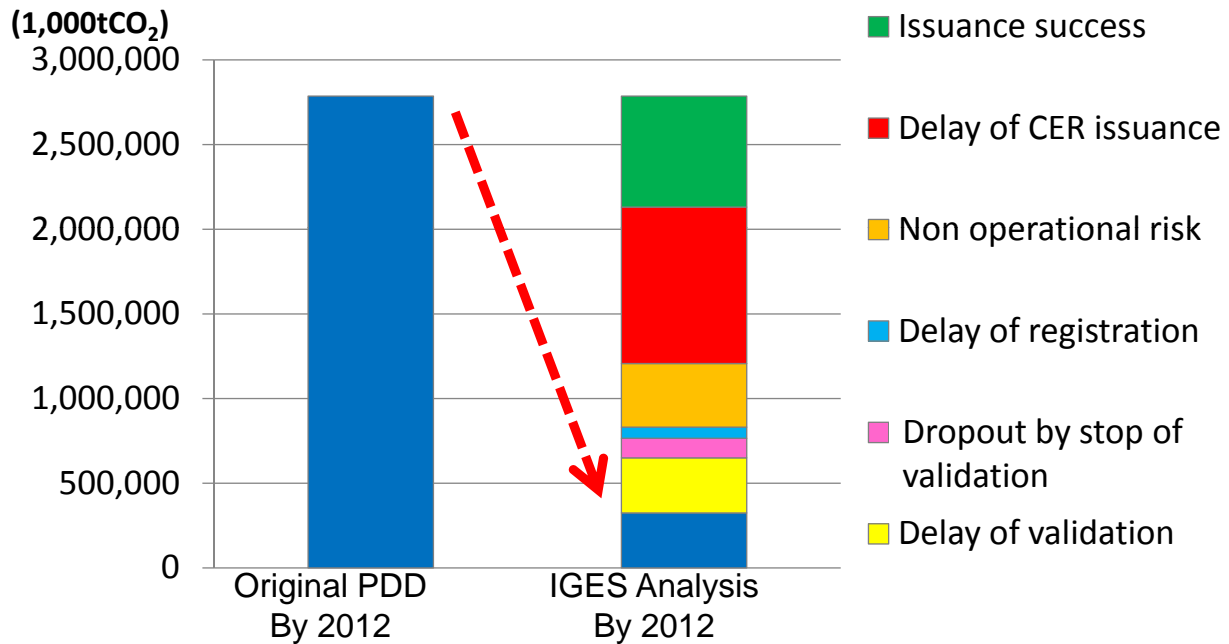
Factors affecting CER issuance

- Yellow box: Average days from public comments to requesting registration (total registered projects)
- Blue box: Average days from requesting registration to registration (total registered projects)
- Red box: Average days from registration to 1st issuance (total registered projects)



6

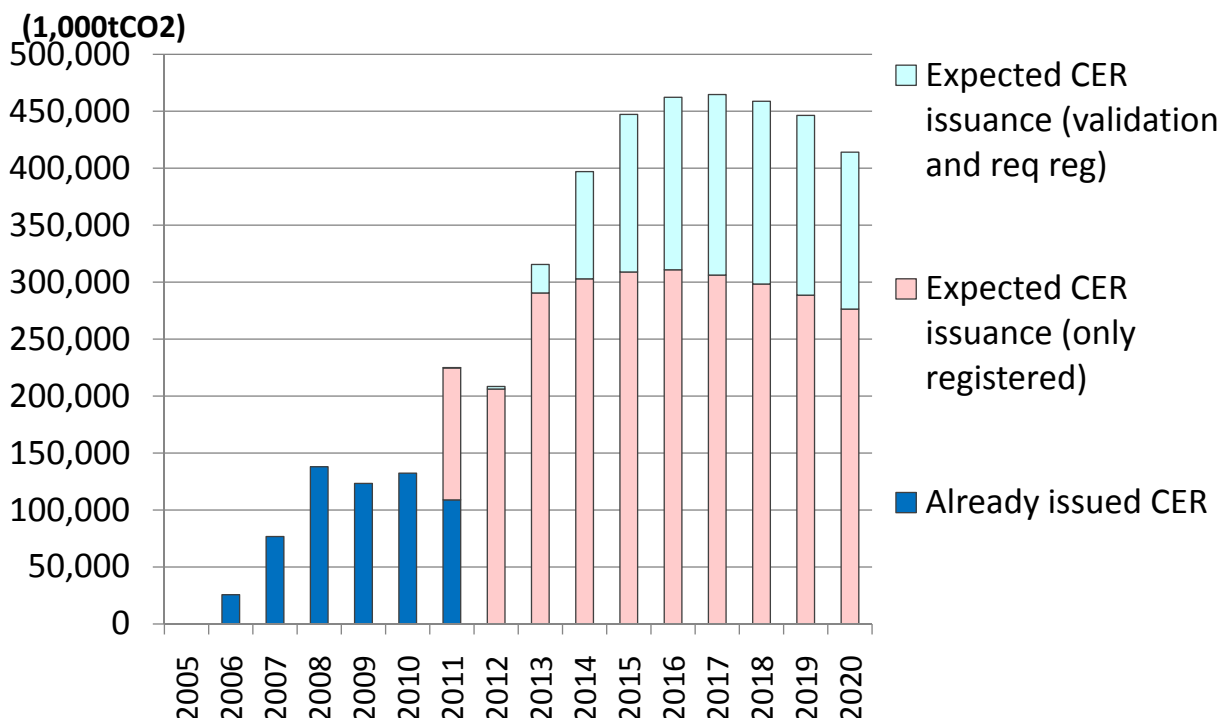
Loss of CER issuance by each factor



- **2.4 billion CER by 2012** will be loss due to 6 empirical factors.
- **Only 0.3 billion CER** will be issued until the end of 2012 from now (total 0.9 billion CER including already issued CER).

7

CER issuance will boom after 2013



- **2.4 billion CERs** between 2013 and 2020 will be issued and can be traded.

8

Summary

- Project participants cannot claim full CERs in the original PDD due to 6 empirical factors in the current CDM.
- More simplified process and procedures should be needed and developed to avoid CER loss in the future CDM.
- It is also needed that financial support and capacity building should be provided to reduce the time and cost in the verification.