



Hamburgisches
WeltWirtschafts
Institut

COP12 Side Event

Nov. 16, 2006, Nairobi

CDM: can cheap reductions and development go hand in hand?

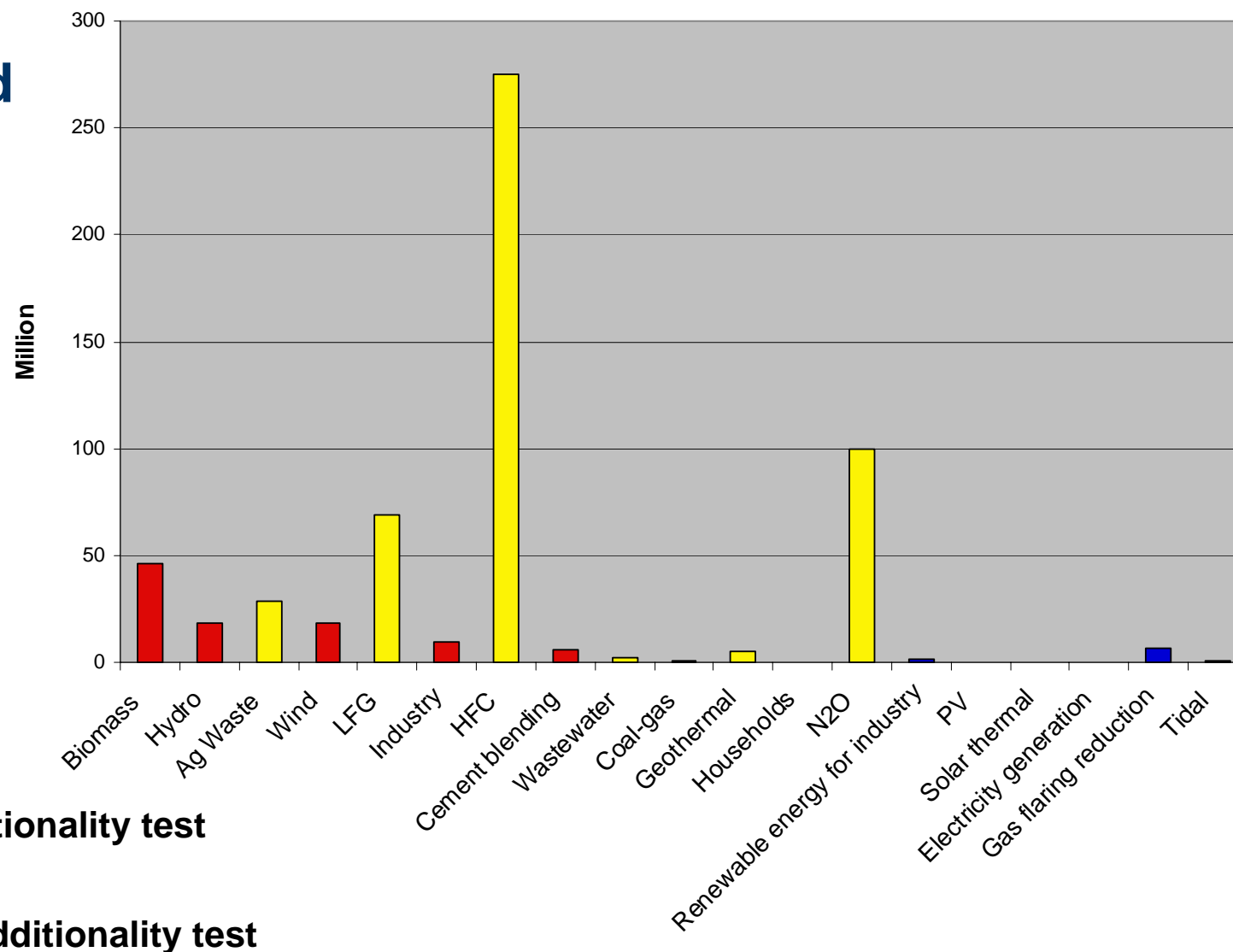
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Dual objectives of the CDM

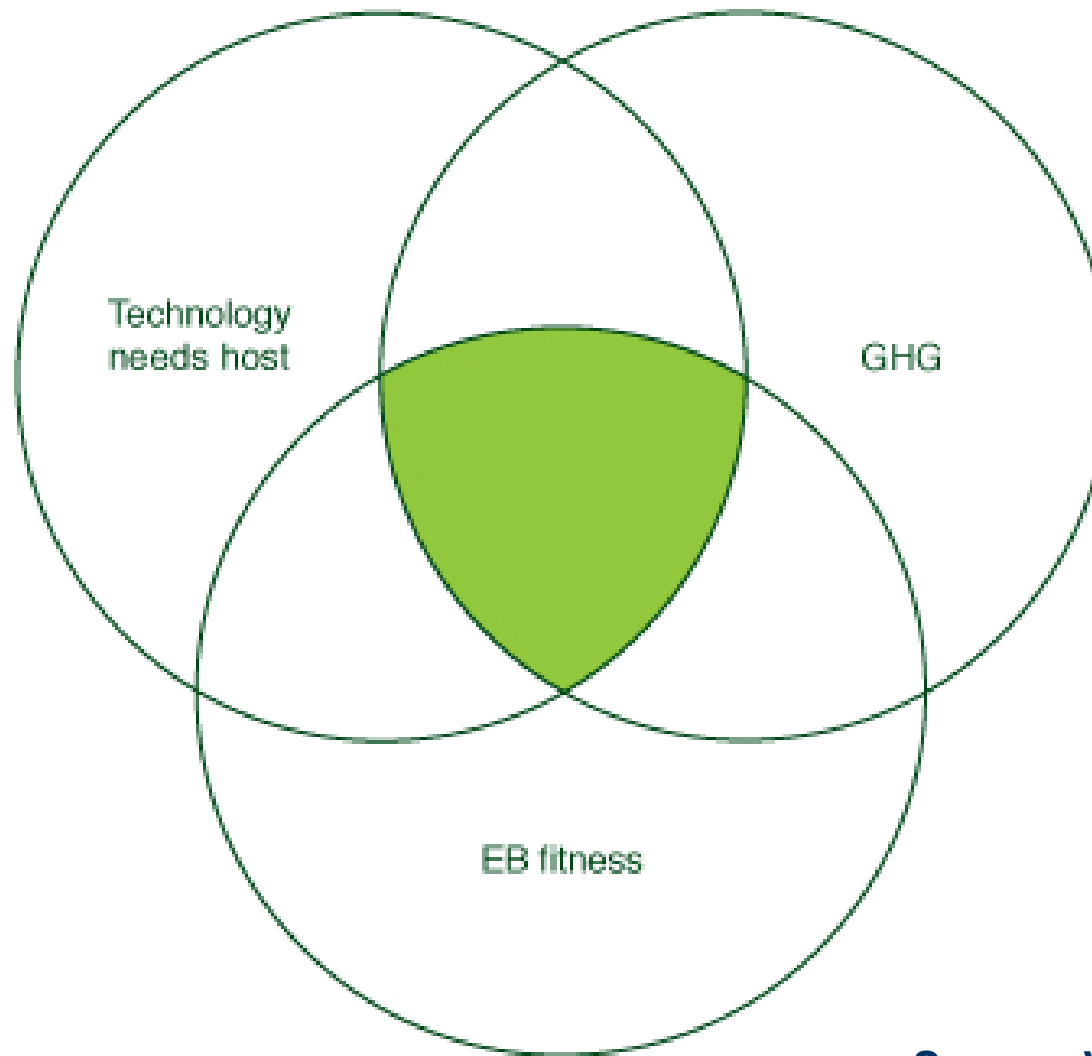
- ☐ **To assist Parties not included in Annex I in achieving sustainable development and in contributing to the ultimate objective of the Convention**
- ☐ **To assist Parties included in Annex I in achieving compliance with their quantified emission limitation and reduction commitments**

CER supply till 2012 (by project type)

Registered projects



Circles of CDM potential



Source: Van der Gaast (2006)

How to promote development in the CDM?

- ☐ Can **DNAs** enforce a contribution of CDM projects to sustainable development in a situation of worldwide competition?
- ☐ Are **project developers** just looking for the quick buck or can they foster a long-term development perspective?
- ☐ Can **technical assistance** help in mobilizing interest groups that can direct the CDM towards development?
- ☐ Can **buyers** engage in credible voluntary commitments to source CERs from projects with high development benefits?
- ☐ Should the **international community** introduce incentives to promote projects from LDCs in the CDM?

Question 1

- ☐ **What should a DNA do to promote sustainable development through the CDM?**
 - ☐ **CER tax (e.g. Chinese DNA)**
 - ☐ **Strict assessment of technology transfer (e.g. Malaysian DNA)**
 - ☐ **Strict sustainable development criteria that are actually implemented (no example so far)**
 - ☐ **Special marketing efforts for projects with higher sustainable development benefits**
 - ☐ **Exemption from administrative fees**

Question 2

- ☐ **How could technical assistance mobilize interest groups in favor of sustainable development?**
 - ☐ **Concentrate capacity building on LDCs (e.g. Nairobi framework)**
 - ☐ **Support NGOs initiatives to scrutinize CDM projects and identify “black sheep” (e.g. CDM watch)**

Question 3

- ☐ **Should private buyers define voluntary commitments to source CERs from projects with higher sustainable development benefits?**
 - ☐ **Country / project type quotas**
 - ☐ **Development surcharge (e.g. CDCF)**

Question 4

- ☐ **Can labeling influence buyers' behavior?**
 - ☐ **Gold Standard**
 - ☐ **CCBA Standard for forestry**

Question 5

- ☐ What can the international community do to promote sustainable development through the CDM?
 - ☐ Mandatory purchase of CERs from projects in LDCs
 - ☐ E.g. Annex-B countries would have to submit x% of their emission budget in forms of CERs sourced from LDCs
 - ☐ Higher adaptation levy for categories with low sustainability
 - ☐ Exemption of projects in LDCs from administration fee
 - ☐ Subsidization of project developers in LDCs?
 - ☐ Use ODA to co-finance CDM projects in LDCs?

Question 6

- ☐ **What outcomes do you expect at this COP to mobilize more sustainable CDM projects?**

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