

# CLEAN DEVELOPMENT MECHANISM FIT FOR THE FUTURE

**CDM Executive Board**

**Question and answer session**

Durban, South Africa, 29 November 2011



***Martin Hession***

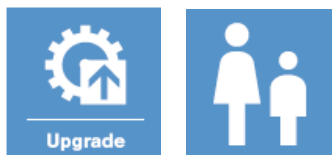
Chair, CDM Executive Board

## CLEAN DEVELOPMENT MECHANISM

- Incentive for **investment** in projects in developing countries
- Assistance in **sustainable development**
- Flexibility in **compliance**, thus **higher ambition**
- Funds for **adaptation**
- **Technology transfer**



## Solar water heaters, insulation, energy efficient lighting



CDM Project 79  
Cape Town, South Africa



## Rapid and reliable bus transport



CDM Project 672  
Bogotá, Colombia



## Household biogas digesters



CDM Project 136  
Gorkha, Nepal



## Micro hydro power, delivering community infrastructure and services



CDM Project 88  
Sayan, Peru



## Sustainable development

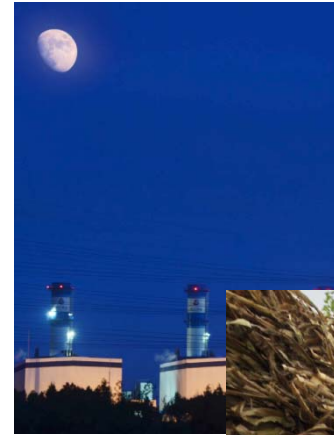
- UNFCCC [study of sustainable development](#) impact, technology transfer, and financial flows.
- Based on analysis of claims in [3,276 CDM project design documents](#) compared with results from a survey of project proponents and results from other published research.

BENEFITS OF THE  
CLEAN DEVELOPMENT  
MECHANISM 2011



## Sustainable development

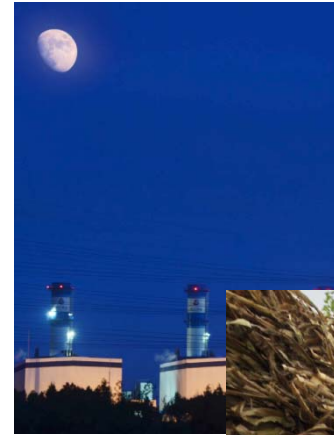
- Investment in CDM projects to mid 2011 over \$140 billion
- Average mitigation cost US\$ 2-10/tonne CO<sub>2</sub> eq.
- Very likely that mitigation exceeds CER issued (project life time exceeds crediting period)





## Sustainable development

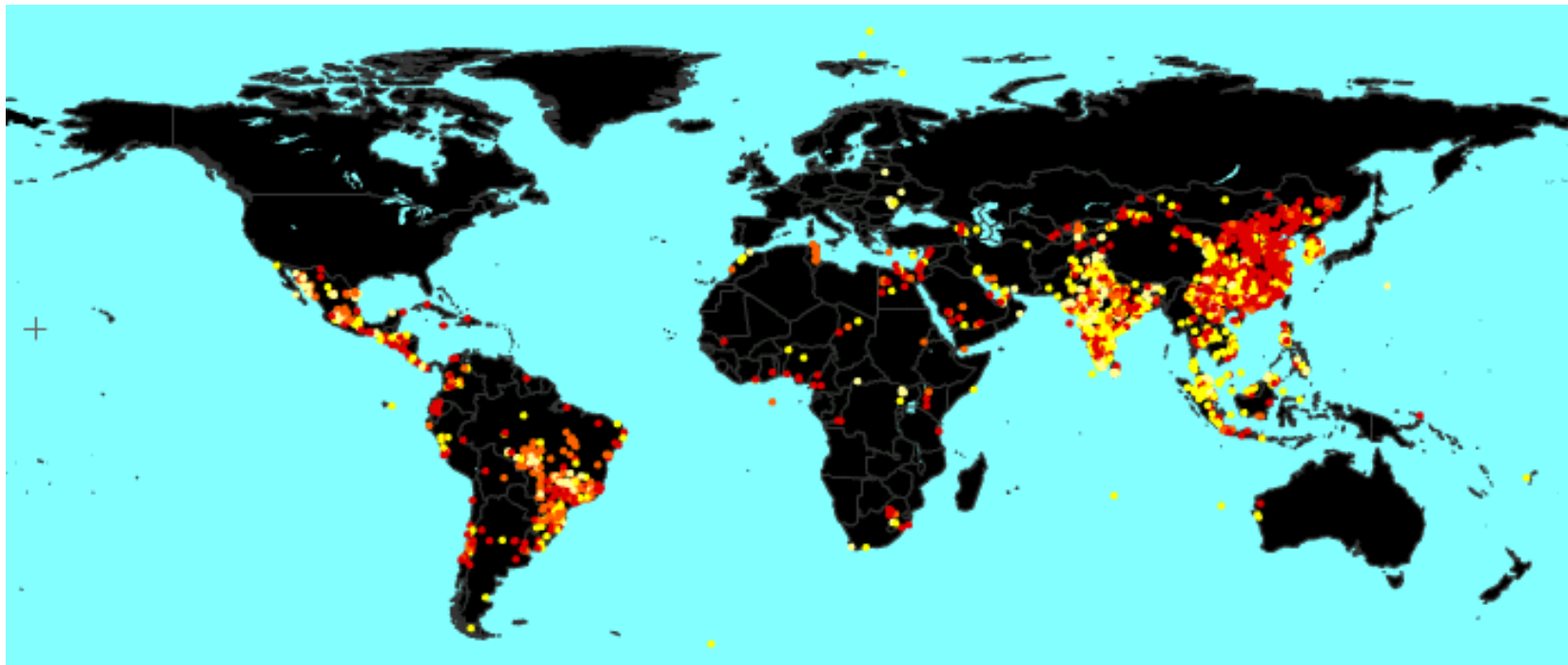
- 80% of PDD **claims correlate** to survey results. Still weak overall correlation
- Lack of SD definition and common indicators impeded **verifying benefits**
- Technology transfer can be identified with **high degree of certainty**, in particular in more advanced developing countries.



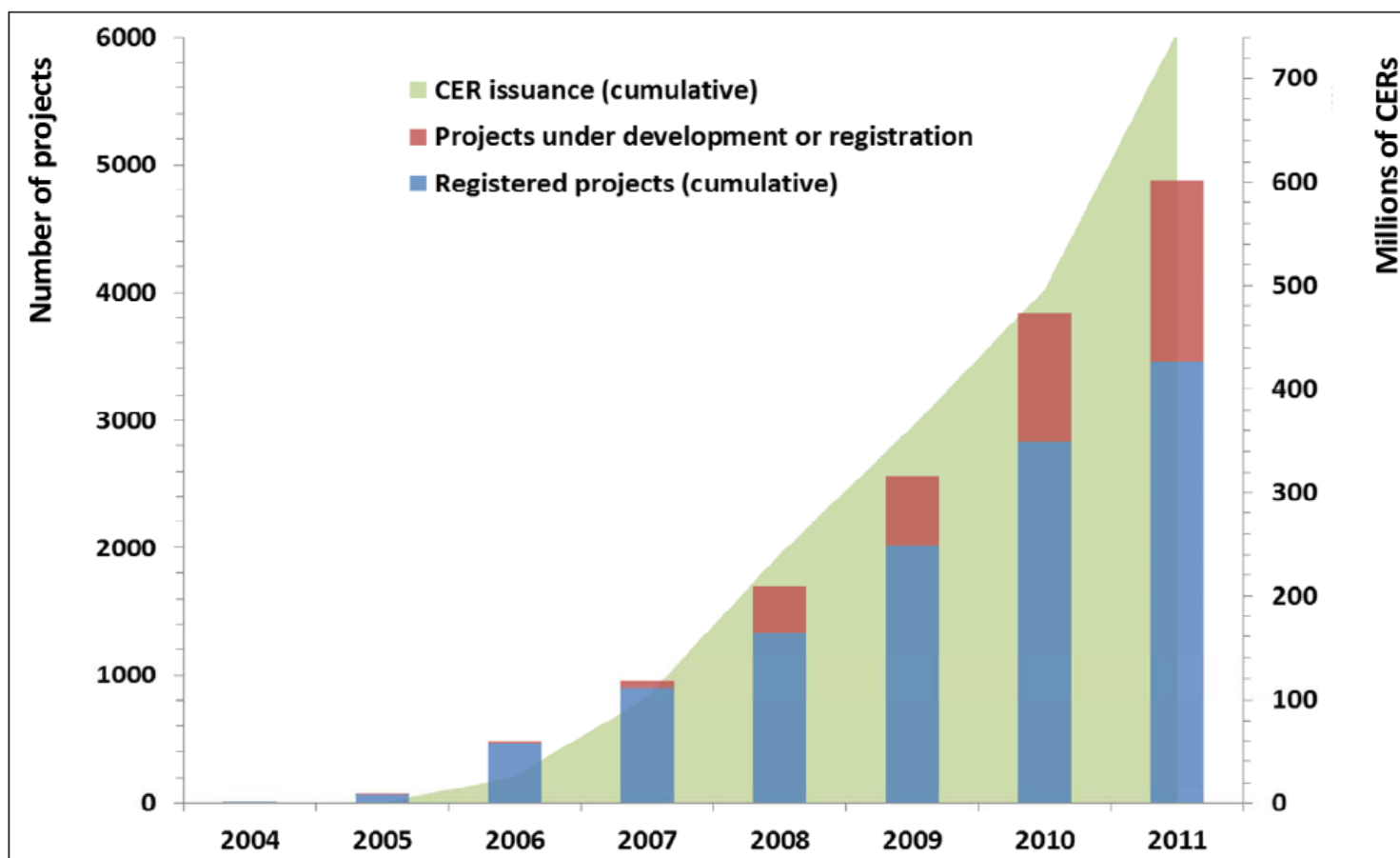
## A MECHANISM WITH GLOBAL REACH

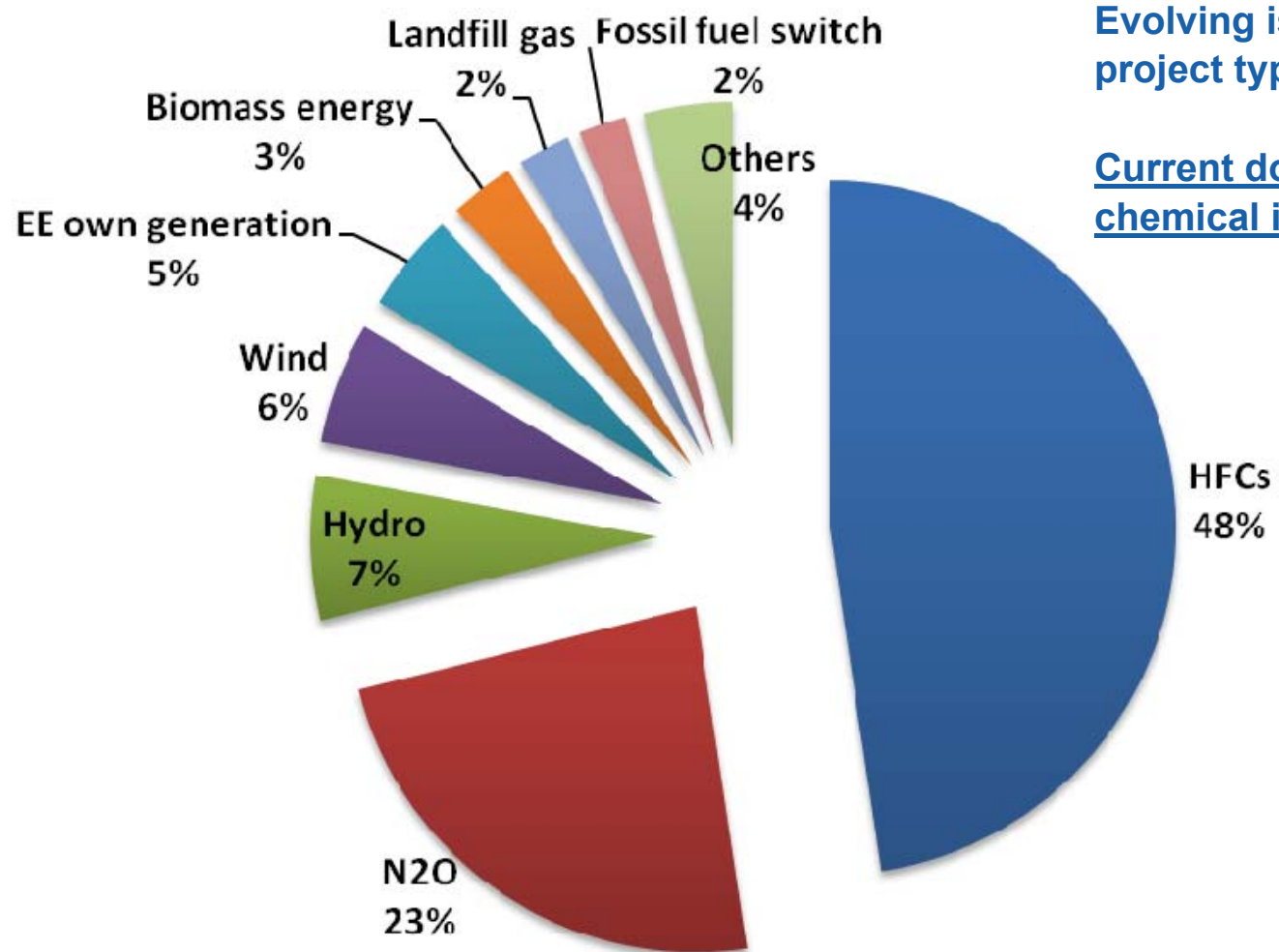
- >3,580 registered projects in 72 countries
- 13 programmes of activities registered
- >3,600 projects in validation/registration pipeline
- > 778 million CERs issued

>2.7 billion CERs estimated  
in pipeline; >1 billion to be  
issued to end of 2012



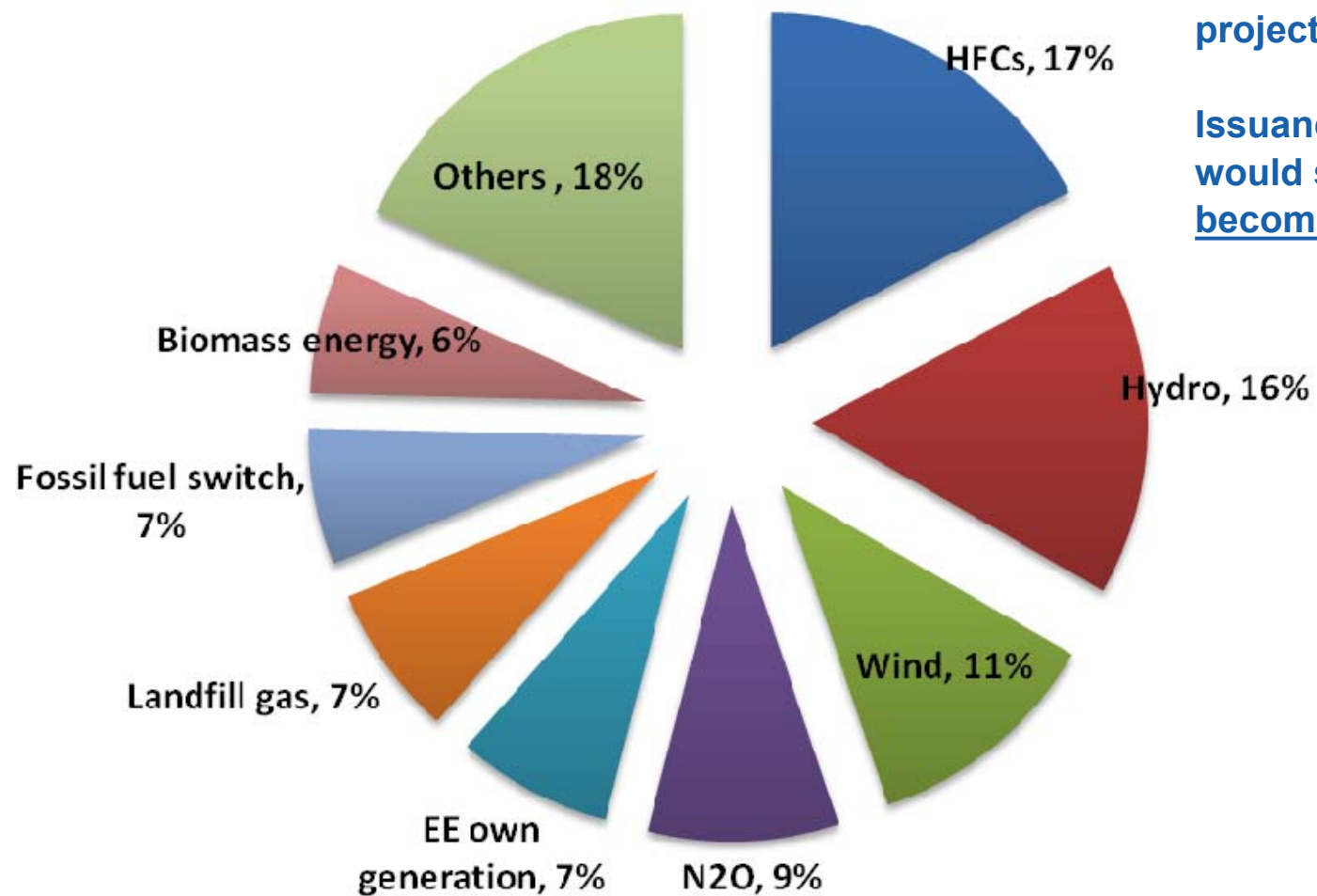
## CDM to present





**Evolving issuance, by project type**

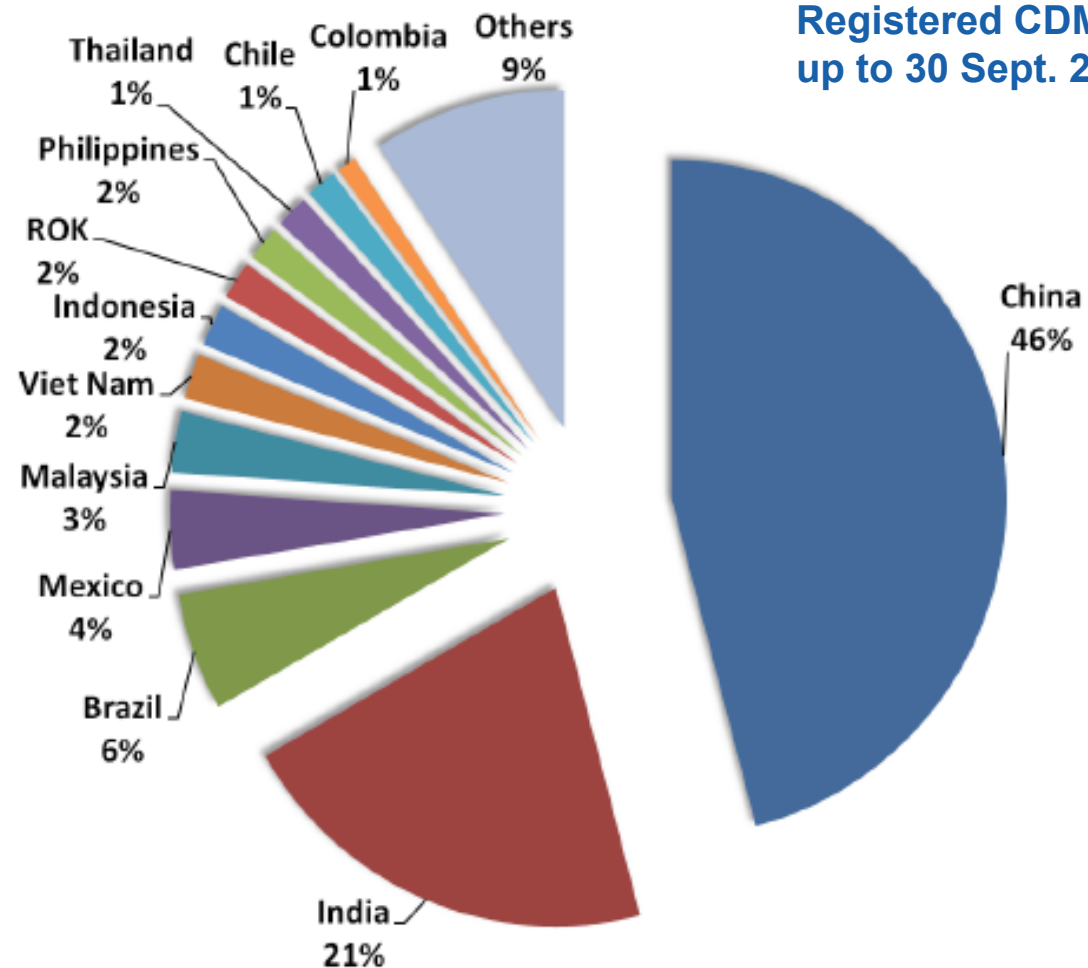
**Current dominance of industrial chemical issuances**

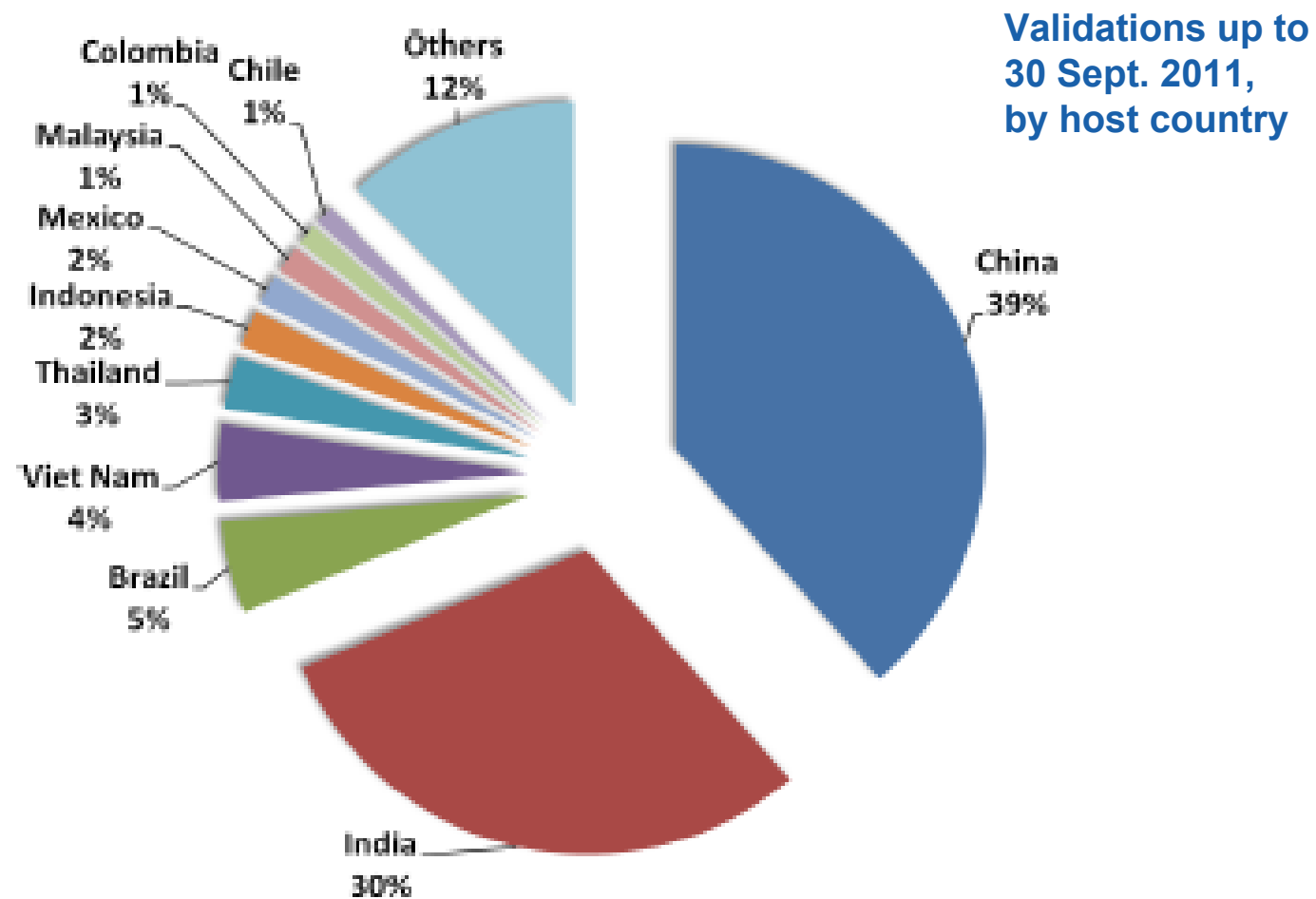


Evolving issuance, by project type.

Issuance from full pipeline would see project types becoming more balanced

Registered CDM project, by country  
up to 30 Sept. 2011







## EXECUTIVE BOARD's WORK ADDRESSES THREE BROAD THEMES

- **Efficiency**
- **Environmental integrity**
- **Sustainable development**
  - **ensuring real benefits, real participation**



# WORK DONE IN 2011

## Simplifying requirements

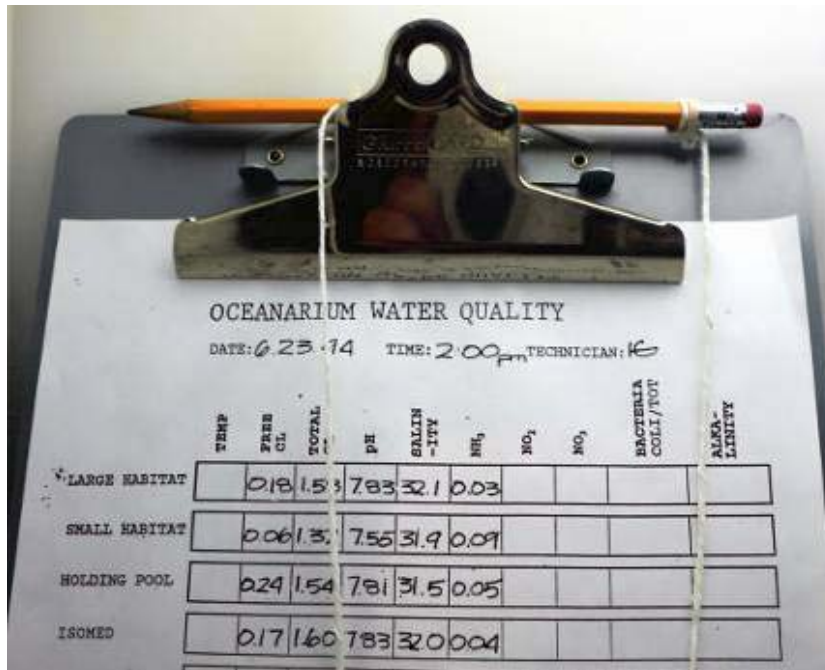


guidelines on  
standardized emissions  
baselines

further revision of first of its  
kind and common  
practice analysis

# WORK DONE IN 2011

## Simplifying requirements



three new cornerstone documents (VVS, PS, PCP)

list of technologies or measures that are automatically additional

# WORK DONE IN 2011

## Regional distribution

standards for  
programmes of  
activities

further simplified  
procedures for  
microscale projects



# WORK DONE IN 2011

## Regional distribution

agreed guidelines for  
suppressed demand

developed top-down  
methodologies



# WORK DONE IN 2011

## Engaging stakeholders



25 workshops, round-table discussions, forums and training sessions in 10 countries

rules with respect to stakeholder comment



# WORK DONE IN 2011

## Engaging stakeholders



engaging with private,  
public sector  
stakeholders, DOEs,  
DNAs

DNA Forum

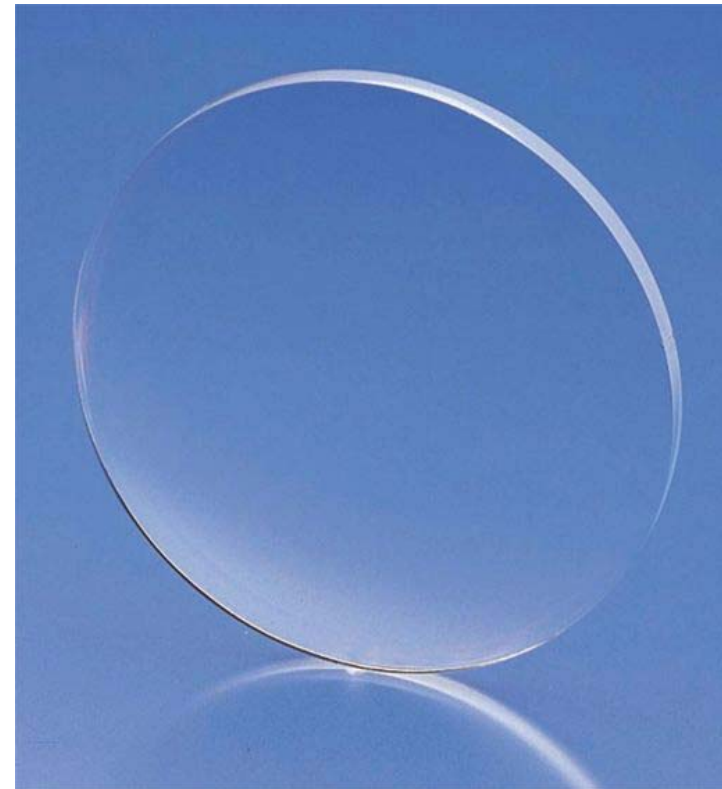


# WORK DONE IN 2011

## Enhancing transparency

adopted **guidelines on reviews** of requests for registration and issuance

modalities and procedures for **direct communication** with stakeholders

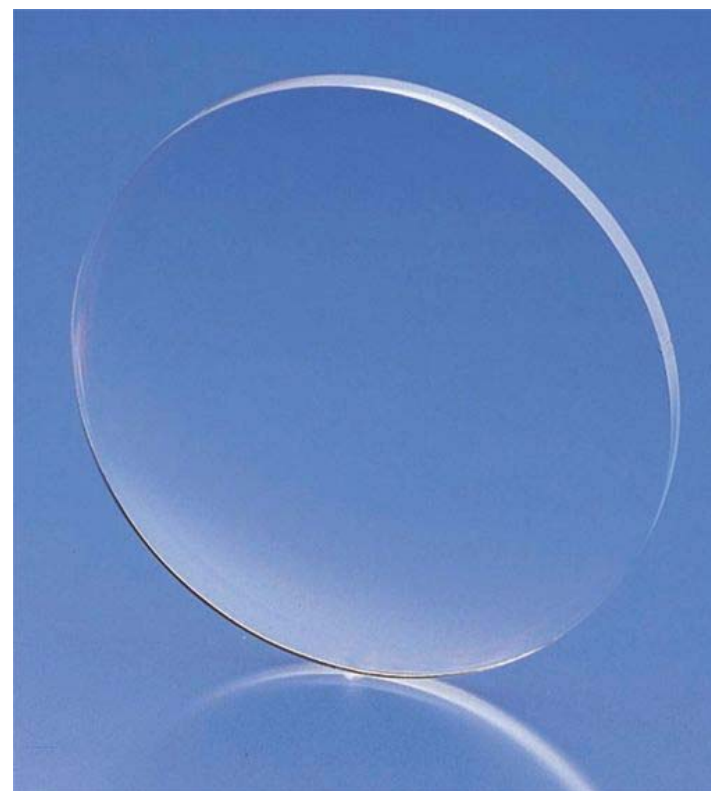


# WORK DONE IN 2011

## Enhancing transparency

translating key documents  
and summaries of its  
meetings

online catalogue of  
decisions enhanced

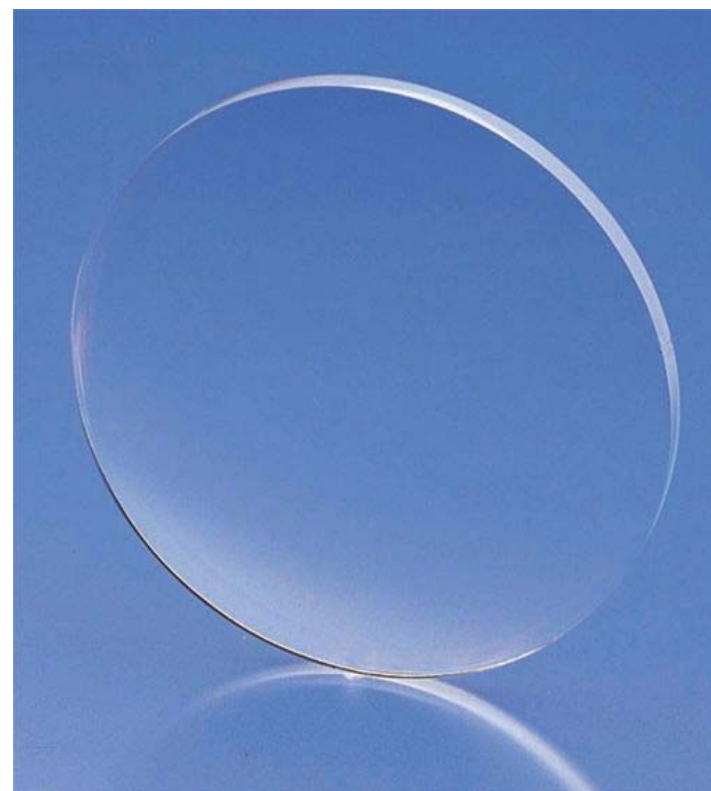


# WORK DONE IN 2011

## Enhancing transparency

information on DOE  
performance

lists of items covered in  
completeness checks



# WORK DONE IN 2011

## Enhancing promotion, awareness

CLEAN DEVELOPMENT MECHANISM



- DNA Communicators of the Year Showcase
- CDM Changing Lives Photo and Video Contest

# WORK DONE IN 2011

## Enhancing promotion, awareness

CLEAN DEVELOPMENT MECHANISM



- Radio for Africa project
- participation in carbon market events
- press highlights



## CDM fit for the future

- Much has been invested in the CDM – in intellectual, institutional and monetary terms
- The CDM has demonstrated itself to be an **effective tool for incentivizing low carbon development**.
- A central tenet of the Board's work as it enters the last year of the first commitment period is to ensure that the CDM is "**fit for the future**".



## YEAR-LONG POLICY DIALOGUE CONDUCTED BY HIGH-LEVEL PANEL

### Objectives

review CDM experiences  
ensure positioning of mechanism in the post-2012 period

### Expected outcomes

Report published and submitted to the CDM EB  
Recommendations for future design and operation of the CDM





## HIGH-LEVEL PANEL

### CONSISTING OF 12 DISTINGUISHED MEMBERS

- Representatives of **civil society, policymakers and markets**.
- The panel will engage with a wide range of stakeholders through **meetings, visits, studies and other means**.
- Dialogue launch event, with the Chair of the CDM Executive Board and the UNFCCC Executive Secretary, will take place on **Saturday 3 December** at the conference centre in Durban.

# CALL FOR INPUTS

## OPEN UNTIL 16 JANUARY 2012

Dialogue will be informed by responses to a call for inputs  
launched on 27 October 2011

Invites interested stakeholders to propose issues that the  
panel may want to include in the dialogue.

Call for inputs is open until 16 January 2012.



## FURTHER INFORMATION:

<http://cdm.unfccc.int/>

## THANK YOU

***Martin Hession, Chair***

CDM Executive Board

