MRV in CDM

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The CDM has build-in MRV system

Emission Reductions = **Baseline Emissions** - **Project Emissions**

◆ Baseline and project emissions need to be **Monitored** by project participant.
◆ Collected and recorded data is **Reported** to designated operational entity (DOE).
◆ Those data including procedures is **Verified** by the DOE (and also Certified).

Experience of MRV in the CDM to date

Source: IGES CDM project database as of August 2010

2,307 projects

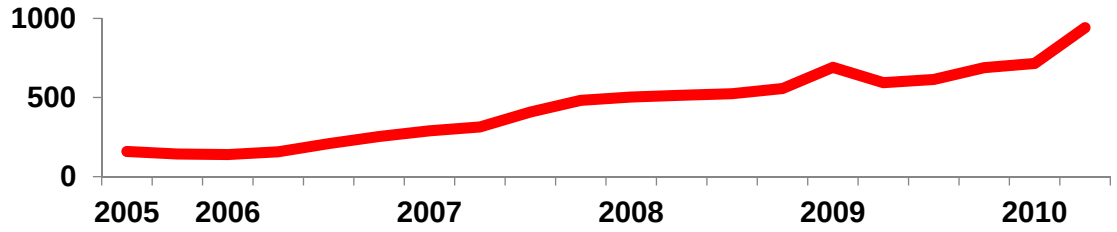
748 projects
1,757 CERs Issuance

Registered → Monitoring → Verification By DOE → Consideration by the CDM EB → CERs Issuance

3,090 monitoring reports

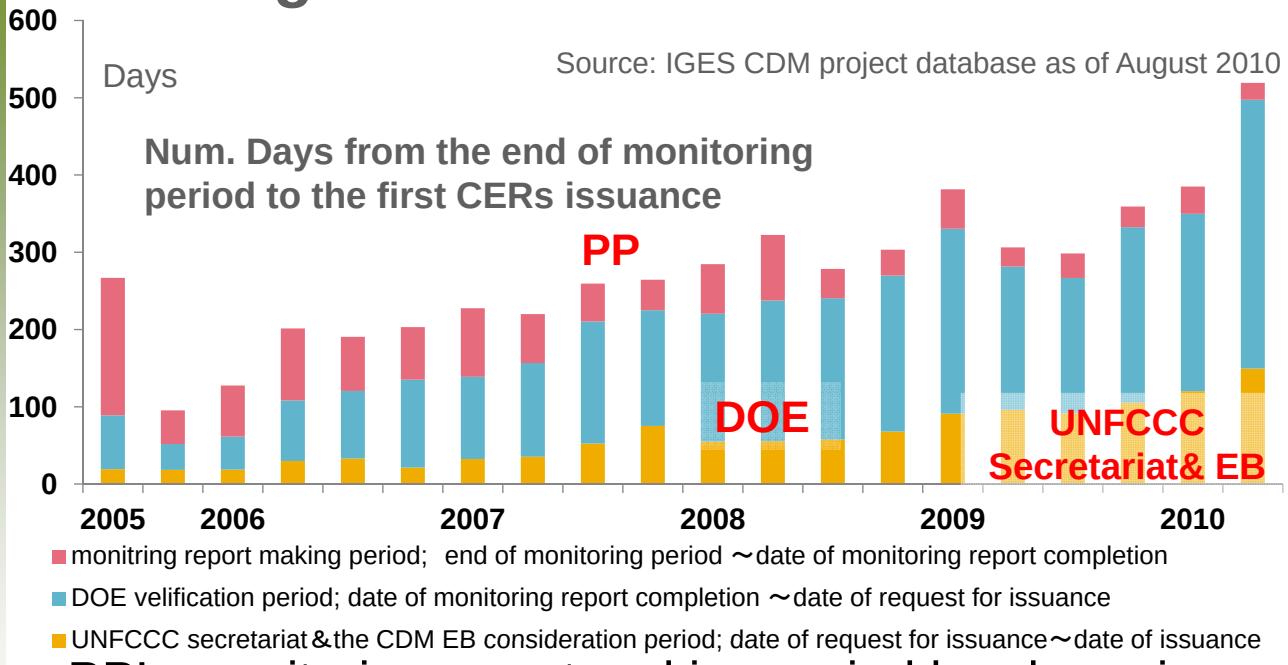
1,801 requests for issuance

Number of Days from registration to first CERs issuance



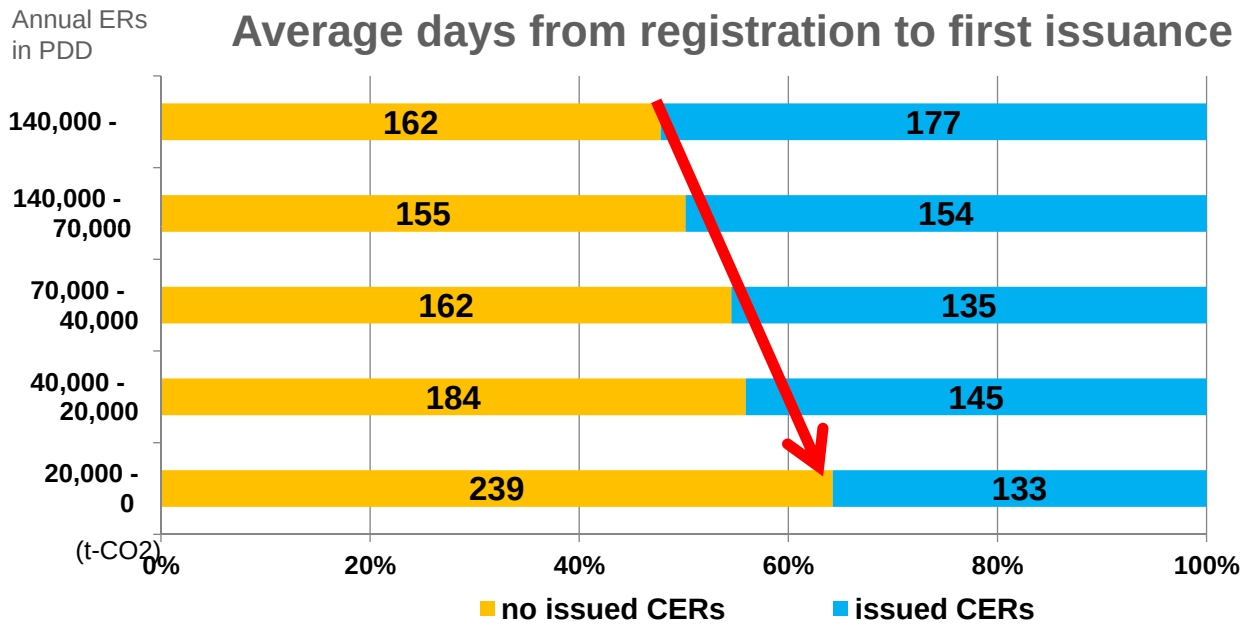
- 2/3 of registered projects have **not** issued CER
- Relatively **small num. requests for issuance**
- Increased **time** until first issuance

How long it takes for MRV in the CDM?



- PP's monitoring report making period has been in **decline**
- The time for UNFCCC secretariat & the CDM EB and DOE has **increased**

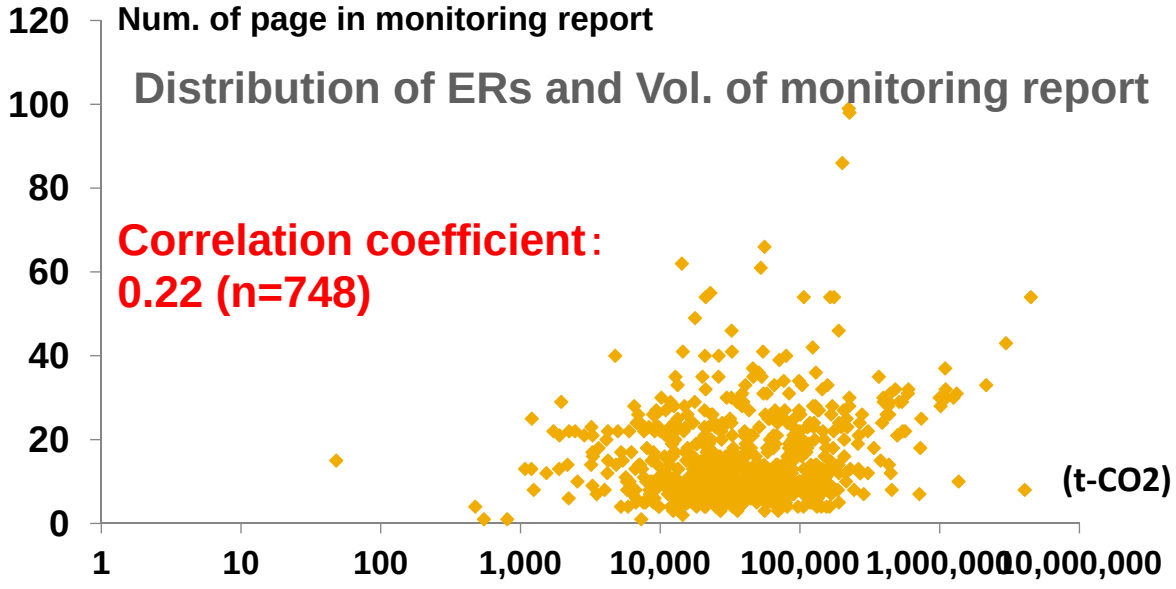
Any differences in MRV by project size?



Source: IGES CDM project database as of August 2010

☞ **Small** emission reductions projects tend to be large share in **"no issued CERs"**.

Does volume of monitoring report matter?



☞**Weak correlation** between ERs and Vol. of monitoring report.

☞ Small scale projects are also making the **same report** as large scale

MRV will vary depending on the project type

Source: IGES CDM project database as of August 2010

CDM project type	Num. of CER issuance /Num. of registered	Num. of CER issuance project	Vol. of monitoring report (ave. pages)	Vol. of Verification report (ave. pages)	Monitoring report making period*(ave. days)	DOE verification period(ave. days)	UNFCCC & CDM EB consideration period
HFC	90.0%	18	33	30	11	83	52
Transportation	66.7%	2	18	44	33	267	33
Fuel switch	52.7%	29	19	30	80	139	82
Cement	43.3%	13	29	33	110	254	69
Biomass	43.2%	118	14	27	65	179	61
Wind Power	40.9%	159	10	29	43	136	77
Waste gas/heat utilization	37.7%	61	17	35	62	164	82
Energy efficiency	36.7%	29	19	23	76	219	84
Methane recovery	35.1%	60	22	43	20	205	85
N2O	33.9%	21	35	44	29	213	112
Hydro Power	25.6%	167	11	35	33	163	77
Biogas	21.0%	63	17	32	32	219	69
Methane avoidance	2.0%	1	28	27	27	61	85
total	**32.4%**	**748**	**16**	**32**	**45**	**170**	**75**

Key issues of MRV in CDM

Reasons of obstacle of CERs issuance

1. Change in the project
2. Discontinuation of monitoring
3. Rejection by DOE's
4. Rejection by EB

Project Participant's Burden

◆Economic burden

◆Difficulty of calibration & calculation of parameters

◆Gap between planning and project activity results

DOE's Burden

◆Required to be strict verification by Validation & Verification Manual

◆Owing liability indemnities

Based on interviews and research by IGES

Experience from CDM on MRV

☞ Strict monitoring methods may **constrain** project participants to prepare monitoring reports, which also **leads to delay** DOEs to verify/certificate them.

☞ **Regardless of the project size**, projects are required to apply **same procedures** of MRV

☞ Complex MRV procedure may **lose** the incentive of project participants' to reduce GHG emissions.

☞ It is important to put **experience of MRV in CDM** to use in the new mechanism and for institutional designs in proper mitigation activity in developing countries.