

Executive Board of the Clean Development Mechanism Progress Update

Question and Answer Session

Doha, Qatar, 27 November 2012



PRESENTATION OUTLINE

INTRODUCTION

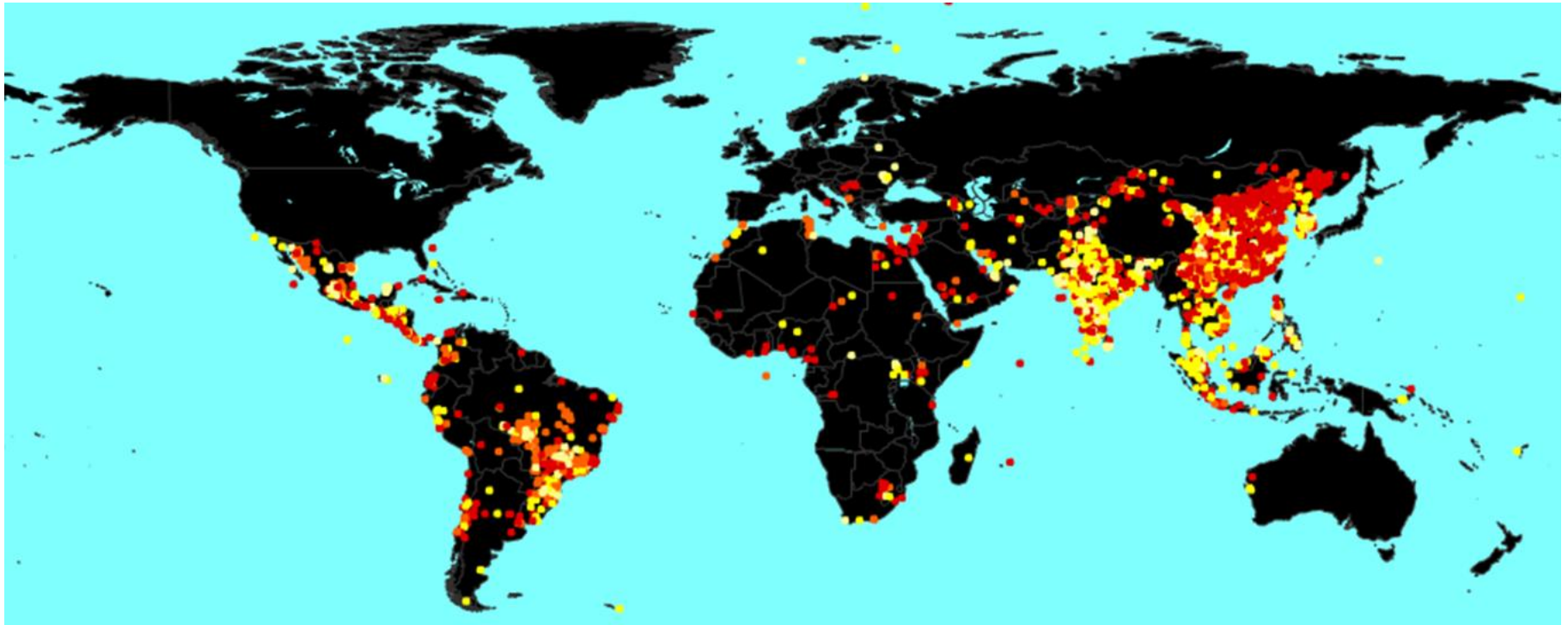
CDM in numbers overview

STATUS UPDATE ON CMP RECOMMENDATIONS FROM CMP7

1. Improving efficiency and clarity
2. Ensuring environmental integrity
3. Enhancing regional distribution & sustainable dev.
4. Improving stakeholder engagement
5. CDM fit for the future



More than 5100 registered projects in 81 countries
1.08 billion credits issued to date

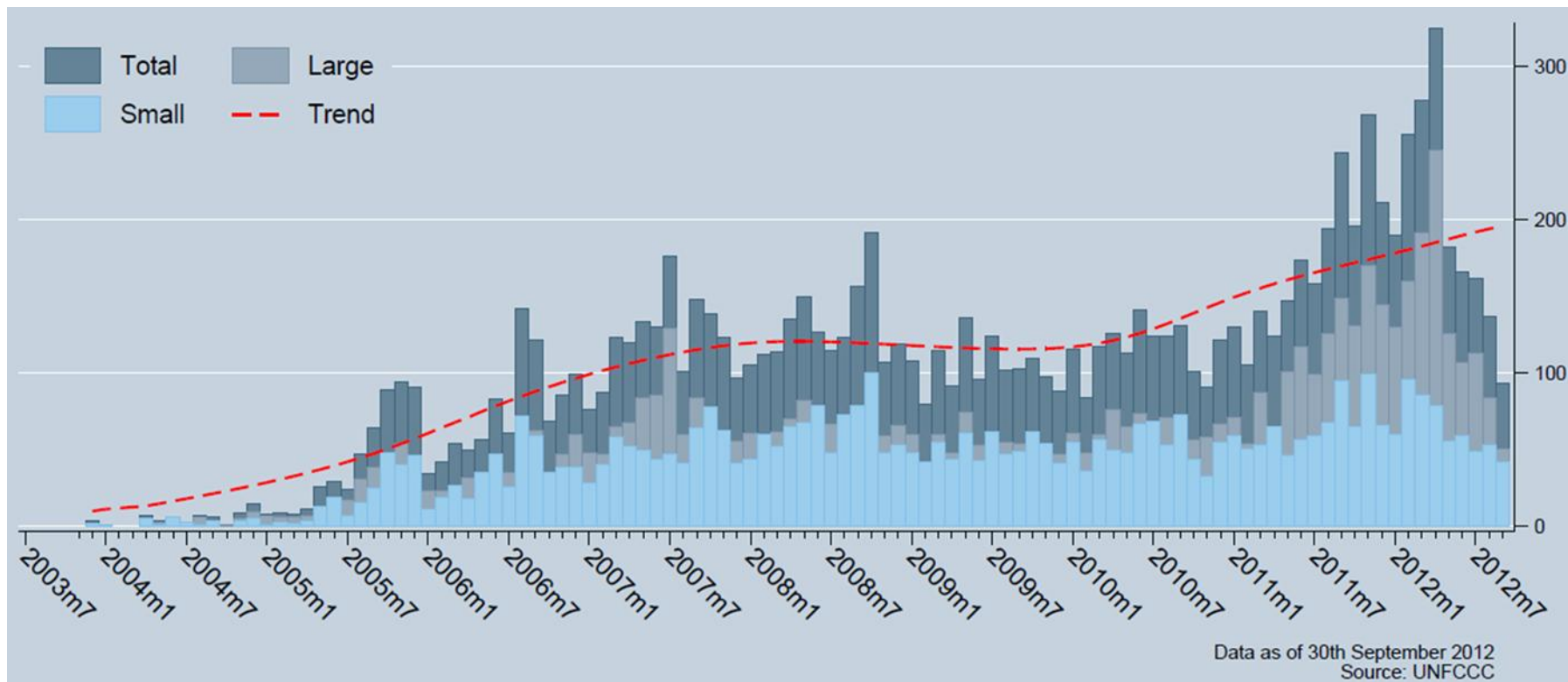


CDM benefits

- USD 215 billion investment in CDM projects spurred by the end of 2012
- USD 22–43 billion foreign investment
- USD 3.6 billion compliance savings to Annex I Parties
- Helps generate and support green growth programmes globally
- 110 gigawatts of new renewable energy capacity from CDM projects
- Technology transfer
- More efficient use of capital



Number of projects entering validation per month



1. IMPROVING EFFICIENCY and CLARITY

STATUS

- Finalized framework for implementation of **standardized baselines**
- Adopted a **consolidated methodologies procedure**



1. IMPROVING EFFICIENCY and CLARITY contd.

STATUS

- **Scaled up assessment:**
5380 R&I submission received in 2012 (20 Nov.); commenced processing 4930
- Handling a **rush of submissions** – help from a roster of experts, and shifting in-house resources



2. ENSURING ENVIRONMENTAL INTEGRITY

STATUS

- Guidance strengthened: **Financial benchmarking, common practice, and first of its kind**
- Approved **standard for quality of data** used to develop standardized baselines



2. ENSURING ENVIRONMENTAL INTEGRITY contd.

STATUS

- **Revised** industrial gas methodologies
- **Revised** coal methodology



3. ENHANCING REGIONAL DISTRIBUTION and SUSTAINABLE DEVELOPMENT

STATUS

- **PoA rules clarified** and standard revised (49 PoAs registered; a fifth are in Africa)
- Rules for **micro-scale** projects further simplified
- **Suppressed demand** guidelines implemented
- Regional collaboration enhanced



3. ENHANCING REGIONAL DISTRIBUTION and SUSTAINABLE DEVELOPMENT contd.

STATUS

- **Loan scheme** launched
- **26** new methodologies approved
- Expanded 'positive list' of **small-scale renew. energy** techs. automatically deemed additional
- Approved tool project participants can use to **showcase sustainable development** benefits



4. IMPROVING STAKEHOLDER ENGAGEMENT

STATUS

- DNA help desk
- Project participants help desk
- Provided stakeholders with a **complete overview of work items** to be considered by Board



4. IMPROVING STAKEHOLDER ENGAGEMENT contd.

STATUS

- **TRAINING EVENTS:** DNA training on PoA; 13th Global DNA Forum; 1st SDM Joint Coordination Meeting; African DNA training on POA
- **Increased interaction** between DOEs and the secretariat expected to help develop materiality guidelines



5. CDM FIT FOR THE FUTURE

POLICY DIALOGUE

- **Taking stock** of lessons learned and recommending how to position the mechanism moving forward
- Launched in late 2011
- High-level external panel



5. CDM FIT FOR THE FUTURE contd.

POLICY DIALOGUE

- Three research areas: **Impact, Governance, Future context**
- Conducted stakeholder engagement meetings, issued comprehensive report in September
- www.cdmpolicydialogue.org



CDM FIT FOR THE FUTURE

FUTURE OF CDM

- The future of the CDM assured with second Kyoto Protocol commitment period
- CMP has reiterated, through its regular further guidance, the **importance of the CDM**



CDM FIT FOR THE FUTURE

FUTURE OF CDM

- CDM is a **mature mechanism** that has proved its worth
- Possible **expanding role** for the CDM in emerging emission trading systems



THE CHALLENGE

- **Low demand** for CERs, resulting in
- **Low prices**, resulting in
- **Lack of incentive** to develop projects

WHAT PARTIES NEED TO DO AT CMP8

- Provide **clarity on ambitious emission targets**
- Send **clear signal about value of the CDM** and how it should be used in the **future climate regime**



FURTHER INFORMATION:

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

THANK YOU

TIME FOR YOUR QUESTIONS

Maosheng Duan, Chair

CDM Executive Board



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