

PRESS RELEASE

High-Level Panel on the CDM Policy Dialogue starts to elaborate recommendations on future of CDM

(Frankfurt, 31 May 2012) – The high-level panel established to conduct a policy dialogue on the Kyoto Protocol’s Clean Development Mechanism (CDM) has concluded its second meeting by deciding to finalize research and stakeholder consultations by mid July and release its recommendations in early September.

The panel discussed initial conclusions from an extensive programme of meetings undertaken since early March. It also considered initial results from research commissioned by the panel in the areas of the impact, governance and future context of the CDM. In addition, it discussed important contextual issues such as the anticipated supply and demand of CERs, the future evolution of carbon markets, and the place of CDM within them.

The chair of the high-level panel, Valli Moosa, described the meeting as intense and constructive. “We have a large volume of materials and inputs to consider. The challenge for the panel is not only to arrive at the final recommendations, but also to reflect the wealth of information on which we will base our recommendations,” he said.

Since its first meeting in February, 2012, the panel has conducted an extensive programme of stakeholder consultations and launched an ambitious research programme. From early March to late May, the panel conducted 17 stakeholder engagement meetings and dozens of informal consultations in 11 countries, including in Australia, China, Japan, Europe, USA and Africa. Country negotiators in the UNFCCC have been heard, as has the NGO community, investor associations, support bodies to the CDM, market regulators, policy makers and the research community.

“The willingness of stakeholders to meet with us and to provide substantive information has also been very encouraging. It certainly shows that CDM continues to engage and inspire discussion,” the vice chair, Joan MacNaughton, said.

The research programme focuses on the mechanism’s internal workings, future direction as well as impact on mitigation and sustainable development and is undertaken by a strong team with hands-on CDM experience. Dedicated research is being carried out to respond to 22 specific research questions considered as core issues by the Panel. This includes questions such as the contribution of the CDM to emission reductions and sustainable development, the efficiency of the current governance structure, and the role of CDM in future global carbon markets.

At its 64th meeting in October, 2011, the CDM Executive Board agreed to the terms of reference for the policy dialogue and launched a call for public input on the scope of the dialogue. The call resulted in 58 submissions from a wide range of stakeholders, ranging from intergovernmental organizations and carbon market participants, to civil society organizations and individuals.

Although the dialogue is an initiative of the CDM Executive Board, the panel will conduct its work independently and make its own recommendations. The panel's work will be submitted to the Parties to the Kyoto Protocol and published in a report immediately afterwards.

Useful links:

www.cdmpolicydialogue.org
www.cdm.unfccc.int

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About the CDM

The clean development mechanism (CDM) allows emission-reduction projects in developing countries to earn certified emission reductions (CERs), each equivalent to one tonne of CO₂. CERs can be traded and sold, and used by industrialized countries to meet a part of their emission reduction targets under the Kyoto Protocol. There are more than 4100 registered CDM projects in 74 developing countries. To date, more than 939 million CERs have been issued.