



CDM EB 62 Press Highlights



CDM Executive Board, 62nd Meeting: Marrakesh, Morocco, 15 July 2011

Meeting for its 62nd meeting in the city where the rules of the Clean Development Mechanism (CDM) were agreed some 10 years ago, the CDM Executive Board approved two important guidelines that should allow low-greenhouse-gas emitting countries and underrepresented countries to benefit more from the mechanism.

The first, guidelines on standardized baselines, allow countries to calculate the typical emissions for an entire sector and create a list of technologies or measures that automatically qualify for approval because of their ability to reduce emissions below that baseline level. For example, a stove recognized as being more efficient than the regular, higher emitting stove might automatically qualify for approval.

The second, known informally as guidelines on suppressed demand, allow project developers to assume a level of development in underrepresented countries that would lead to emissions, to be avoided. For example, a project that installs an advanced water treatment facility in a country with no water treatment facilities might earn credits. In other words, it allows for the introduction of clean technology without first having to suffer through dirty technologies.

“The result of these two guidelines should be a clearer, more straightforward path to project development and approval. It’s reasonable to expect that this will lead to life-improving projects in countries and regions that have so far missed out on the benefits of the CDM,” said CDM Board Chair Martin Hession.

Another important piece of work adopted at the meeting, modalities for direct communication with CDM stakeholders, will enhance private and public sector interaction with the Board, add clarity to the regulatory process, and could expedite the answering of questions that otherwise might slow the vetting of projects.

At the meeting, the Board considered the question of whether CDM’s rules and procedures ensuring stakeholder consultation are being followed and whether they are adequate. The Board will launch a call for public inputs on local and global stakeholder consultation. It also asked the UNFCCC secretariat to analyze how the adequacy of stakeholder consultation is validated by designated operational entities (accredited third-party certifiers).

“The CDM is evolving and improving, thanks in large part to the engagement by the private and public sector. These decisions represent a significant improvement in terms of transparency and stakeholder engagement, to what was already a very open process,” said Mr. Hession.

At the meeting, the Board also continued its consideration of a draft revision of the baseline and monitoring methodology for projects that destroy HFC-23, a potent greenhouse gas and by-product in the manufacture of refrigerant HCFC-22. Following a report by its Methodologies Panel, the Board decided in December 2010 to put the methodology (AM0001) on hold and to enhance its stringency.

The following are statements from **CDM Executive Board Chair Martin Hession** relating to two issues that have received several inquiries from members of the press:

Super-critical coal methodology (ACM0013)

The Board's Methodologies Panel, at its 50th meeting, prepared an information note recommending that methodology ACM0013 be put on hold and revised.

The report of the Panel is available at <http://cdm.unfccc.int/Panels/meth/index.html>. See especially Annex 9.

- The Executive Board considered the advice of its Methodologies Panel and in particular its assessment that the methodology may overestimate emissions.
- At issue is whether the methodology adequately incorporates the potential for autonomous improvement in project efficiency over time.
- The Board concluded that the proposal to suspend the methodology was not justified at this stage, and that any risk of over estimation could be addressed through project assessment, pending further careful assessment of the methodology by the Panel. The Panel was asked to report back to the Board at its next meeting.
- It requested the Panel to make a more thorough analysis and to come forward with a revision of the methodology, should the problem be considered significant in light of its further consideration.
- The Board found that the advice of its Methodologies Panel was based on assumptions, which the Board asked the Panel to reconsider, in the light of its discussions at the sixty-second meeting of the Board.
- The Methodology credits emission reductions on the basis of a benchmark fixed at the emissions performance of the top 15% of performing projects in the last 5 years.

Project: Aguan biogas recovery from Palm Oil Mill Effluent (POME) ponds and biogas utilisation -- Exportadora del Atlántico, Aguan/Honduras

- The Executive Board assessed the project, and in response to information received, decided to consider the issue of whether stakeholder impacts had been adequately addressed in the process.
- The Board, having identified concerns with the process, initiated an inquiry which gave the designated operational entity -- accredited third-party certifier -- that validated the project and the project participant an opportunity to respond to these concerns.
- During the inquiry the Board questioned the DOE and project participant regarding the conduct of stakeholder consultation and in particular how stakeholder concerns had been canvassed and addressed.
- The Board is aware of violence, even deaths, associated with land disputes in the Aguan Valley, Honduras, specifically disputes over land held by the project owner. This is a matter of grave concern to the Board.
- Nevertheless, after careful consideration the Board concluded that it was not in a position to assess responsibility in respect to these incidents of violence or recent reports that land disputes have been resolved.

- Following its assessment, the Board found the project, which had been under review for an unrelated reason, to be in compliance with current stakeholder requirements, and thus qualified for registration.
- In related work, the Board considered an information note on the adequacy and application of the existing procedures for stakeholder consultation and launched a public call for inputs on these procedures. The Board also commissioned an assessment of validation requirements related to stakeholder consultation and will consider this assessment at a future meeting.

 For the full report of the meeting see <http://cdm.unfccc.int/EB/index.html>. For further information contact cdm-press@unfccc.int

About the Kyoto Protocol’s clean development mechanism

The CDM allows emission-reduction projects in developing countries to earn certified emission reduction (CER) credits, each equivalent to one tonne of CO2. CERs can be traded and sold, and used by industrialized countries to meet a part of their targets under the Protocol. The CDM assists countries in achieving sustainable development and emission reductions, while giving industrialized countries some flexibility in how they meet their emission targets.

CDM factoids 15.07.2011	
Number of projects registered	3262
Number of projects with CERs issued	1105
CERs issued to date	655,054,635
Projects in pipeline (<i>Includes all projects from validation stage; includes registered projects</i>)	> 5600
CERs in pipeline (<i>CERs from projects at validation stage onward, to 2012, including registered projects</i>)	> 2,700,000,000
Top five countries by number of projects registered	
China	1467
India	695
Brazil	193
Mexico	129
Malaysia	94
Top five countries by CERs (<i>Expected average annual CERs from registered projects</i>)	
China	311,439,683
India	53,016,106

Brazil	22,424,813
Republic of Korea	18,558,092
Mexico	10,462,584

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