



CDM EB 63 Press Highlights



CDM Executive Board, 63rd Meeting: Quito, Ecuador, 29 September 2011– Quito inspires launch of policy dialogue on Clean Development Mechanism

The Clean Development Mechanism (CDM) Executive Board concluded its 63rd meeting with a reinvigorated sense of purpose to make a transformed CDM the key instrument for stimulating low-carbon investment in developing countries, and a plan for a wide-ranging dialogue with government policymakers and climate change experts to help make that happen.

To be launched in Durban, South Africa, in November, the dialogue on the future CDM will include a full review of experience, intended to position the mechanism to respond to future challenges and opportunities.

“In the past 10 years, CDM private and public stakeholders have built a unique, global mechanism that works. Now is the time to tap into the experience gained implementing the mechanism and put it to work in a revitalized CDM,” said CDM Board Chair Martin Hession.

The CDM is already a powerful mechanism for delivering finance for sustainable development. He offered the example of fuel-efficient cook stoves, which after several decades of hard work and investment by public-sector agencies have seen only limited penetration. The CDM on the other hand, by using the market to incentivize uptake, has resulted in programmes to distribute tens of thousands more stoves in just a matter of a few years.

He also pointed to a project here in Quito eligible to earn certified emission reductions from the capture and flaring of landfill methane. The result is reduced greenhouse gas emissions and a monetary incentive to run an environmentally sound, well-managed waste site. The local landfill association is now giving thought to how many other landfills could be improved under the CDM, perhaps under a programme of activities.

Details of the dialogue will be elaborated at the next meeting of the Board, but will include a comprehensive programme of active consultation with a full range of stakeholders with interest in the development of the CDM. The outcome is expected to inform Board decisions and recommendations to Parties to the Kyoto Protocol in 2012.

“This dialogue will identify and address key challenges that will shape the mechanism going forward, and hopefully engage key constituencies in a positive transformation of the CDM. I’m particularly conscious that for this to be successful we need to bring with us civil society, policy makers and market participants, including our harshest critics,” said Mr. Hession.

“The carbon markets are at a crossroads in terms of interest and confidence. Now is the time to reassess the CDM’s true potential, and build on the momentum that is so obvious when you visit an enthusiastic CDM host country like Ecuador,” he said.

The Board, at its 63rd meeting, also concluded on some much-anticipated standards that will prove vital in expanding the use of programmes of activities – use of multiple methodologies, eligibility criteria and proving additionality. Under a programme of activities, an unlimited number of project activities can be registered under a single administrative umbrella. They are seen as a way to reduce the administrative burden associated with registering and running CDM projects, especially many similar small projects that might not be viable on their own. Thus, programmes of activities are expected to scale up and extend the reach of the CDM.

In parallel, the Board has adopted a procedure on standardized baselines for calculation of emissions, an initiative that “begins to engage developing countries in defining approaches that are best suited to their national circumstances. It is right that the CDM allows developing countries to play a more active role in defining the terms of their participation in the market and ultimately their mitigation effort,” said Mr. Hession.

As well, the Board concluded on some important, long-standing issues, among them guidelines on use of so-called “first of its kind” and “common practice”, which will improve assessment of project additionality, in other words in determining that the CDM incentivized a project to go forward.

At the meeting, the Board decided to explore a new approach to HFC-23 crediting. HFC-23 is 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.

“I think we have come some way to delivering a reformed CDM during this year. I’m hopeful that we can redouble our effort to ensure it meets the demands of the future in our dialogue with partners next year,” said Mr. Hession.

For the 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 29.09.2011	
Number of projects registered	3472

Number of projects with CERs issued	1193
CERs issued to date	744,174,126
Projects in pipeline (<i>Includes all projects from validation stage; includes registered projects</i>)	> 6700
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	1597
India	723
Brazil	196
Mexico	130
Malaysia	101
Top five countries by CERs (<i>Expected average annual CERs from registered projects</i>)	
China	332,281,527
India	56,902,771
Brazil	23,549,471
Republic of Korea	19,420,646
Mexico	10,469,908

Photo Credit: "Long shadows under the Qinghai blue skies" by Yi Zhang

Disclaimer

EB Press Highlights are published by the UNFCCC on behalf of the CDM EB, to provide an accessible overview of the EB meetings. It is not an official CDM EB document and should not be viewed as such.