

# CDM Project Cycle

CLEAN DEVELOPMENT MECHANISM (CDM) TRAINING WORKSHOP  
Monrovia, Liberia, 23-24 September 2013

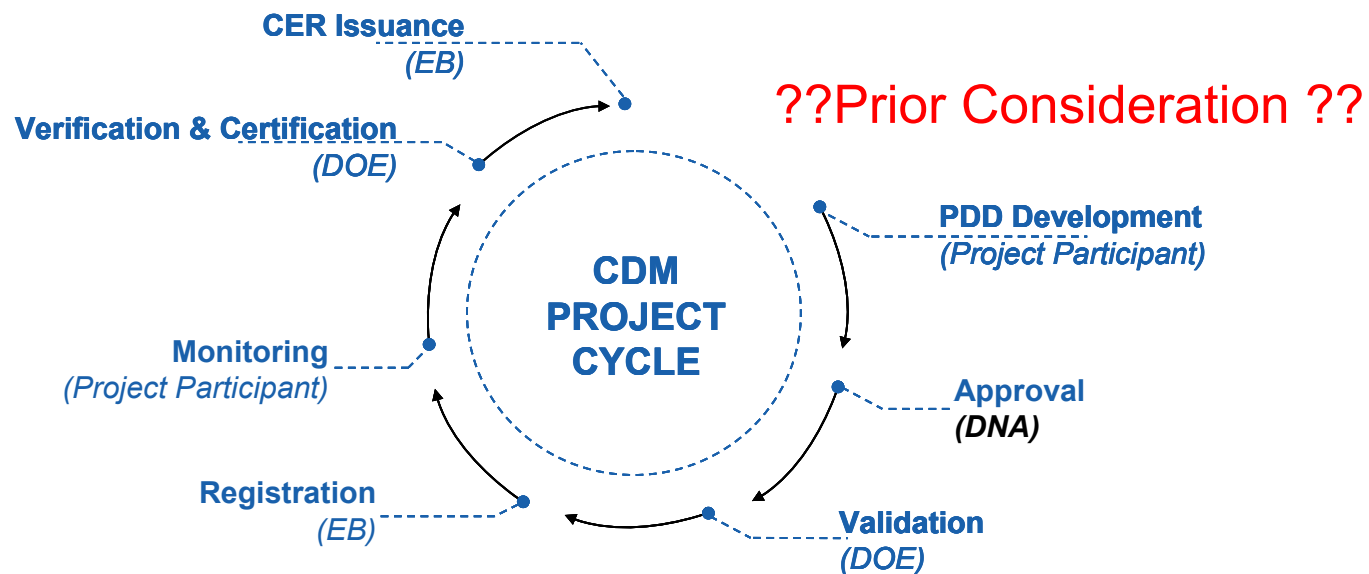
# Introduction to the CDM Project Cycle

- CDM project cycle



## The CDM Project cycle

- The CDM is a **project** based mechanism.
- This is different from a sectoral based mechanism, like NAMAs.
- CDM Project cycle refers to the different stages a project activity must undergo before it may be issued with CERs.
- <http://cdm.unfccc.int/Projects/diagram.html>
- ? Prior consideration Submission ?



**The completed form should be sent to**

**1. the Host Party DNA**

(find DNA contacts at: <https://cdm.unfccc.int/DNA/index.html>)

**and**

**2. the UNFCCC secretariat**

(P.O. Box 260124 D-53153 Bonn Germany,  
OR [cdmregistration@unfccc.int](mailto:cdmregistration@unfccc.int))

[http://cdm.unfccc.int/Reference/PDDs\\_Forms/index.html#gov](http://cdm.unfccc.int/Reference/PDDs_Forms/index.html#gov)



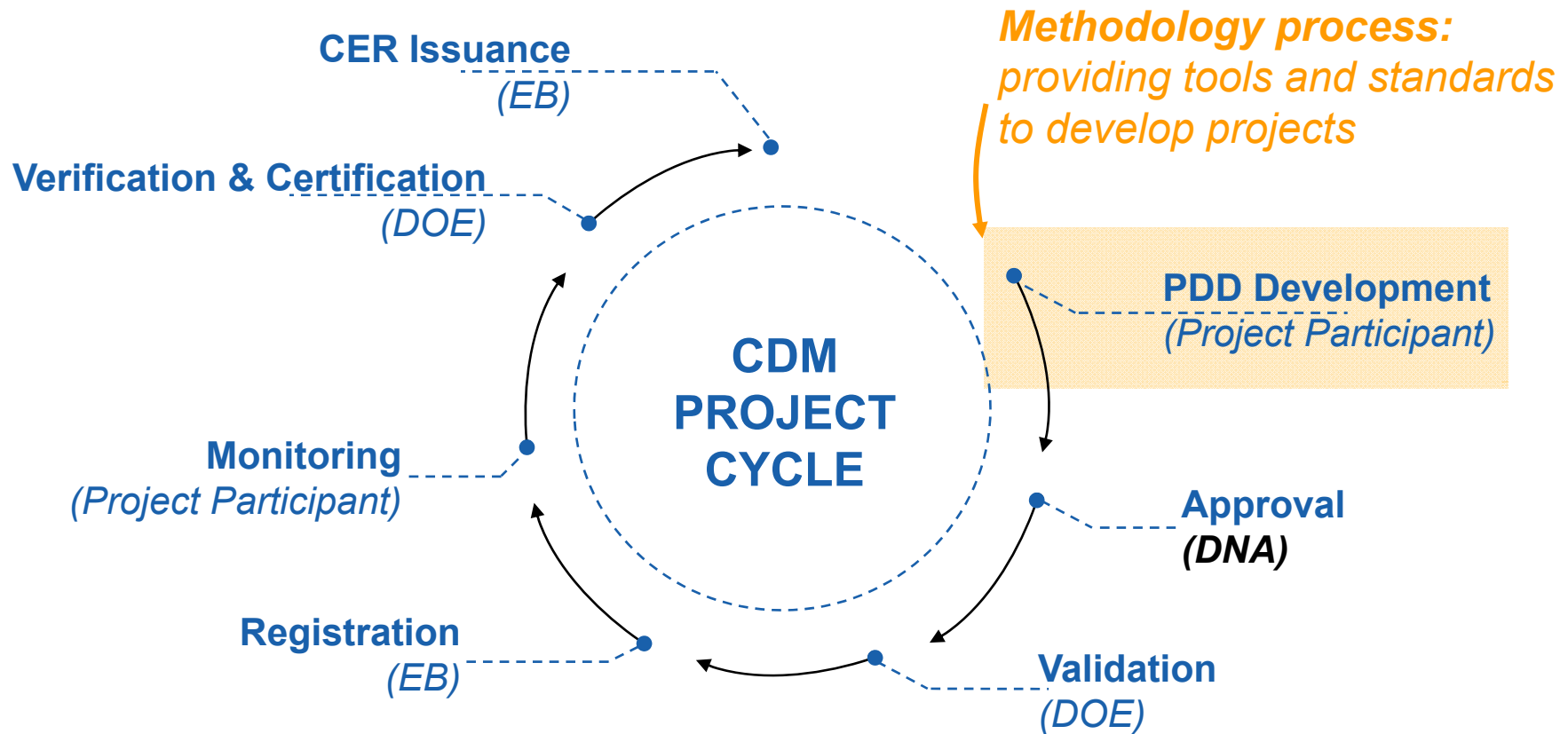
## PDD Development

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- Project Design Document (CDM-PDD): Project participants shall submit information on their proposed CDM project using the CDM-PDD form.



# Methodology process





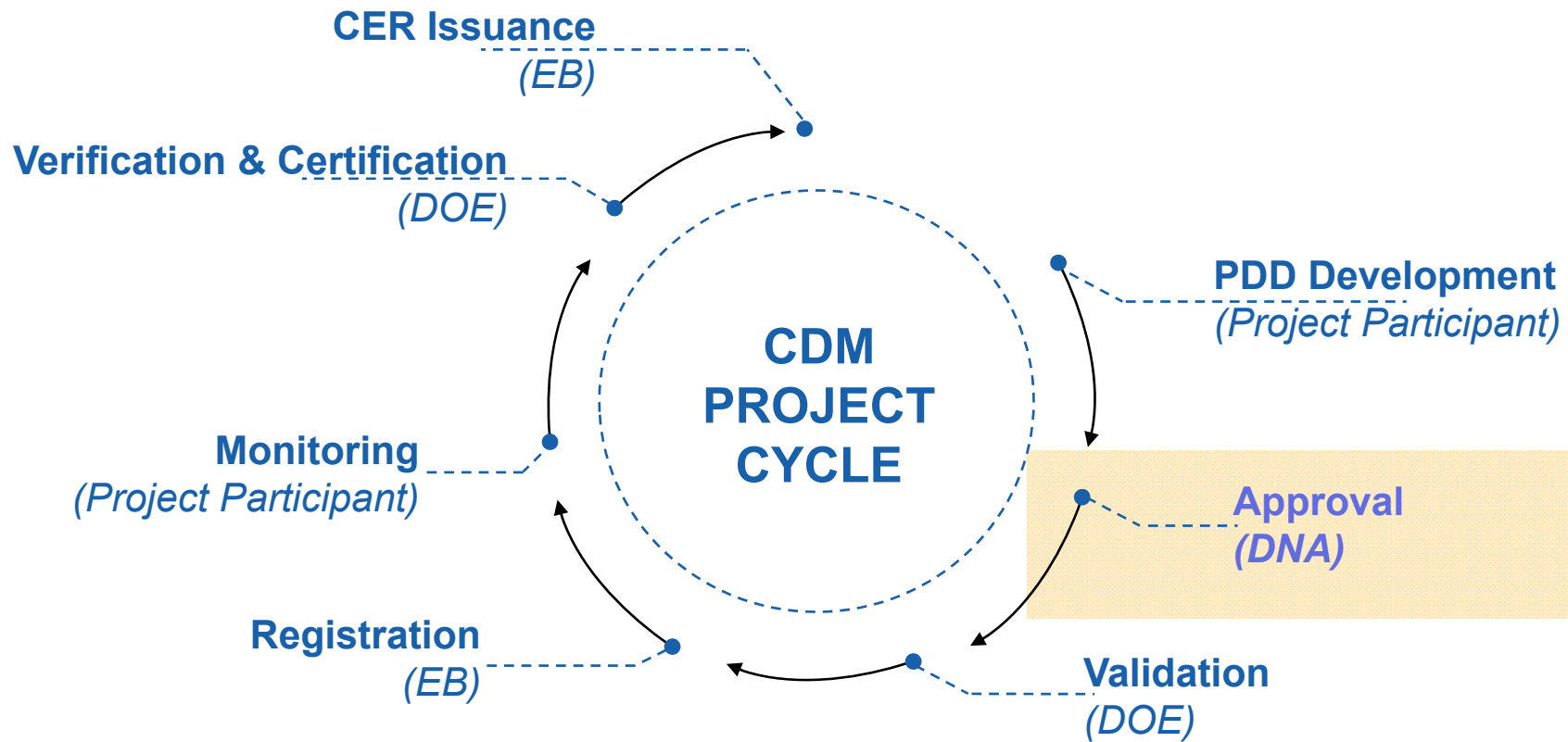
# What is a methodology?

Baseline and monitoring methodology applied to each project for:

- Assessing additionality (e.g. would the project have happened anyway without CDM?)
- Calculating CERs (e.g. GHG emissions emitted in absence of project activity *minus* GHG emissions caused by project activity)
- Methodologies classified into five categories: large and small project activities, large and small afforestation and reforestation (A/R) project activities and carbon capture and storage project activities.
- Some methodologies can be Programme of Activities (PoA).

# National Approval

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## National Approval

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DNA given authority to issue Letter of Approval that states:

1. The project has been approved for the purposes of Article 12 of the Kyoto Protocol
2. That participation in project is voluntary
3. The project assists in achieving country's sustainable development objectives
4. Authorize the project participants to participate in the CDM project



## Validation Process

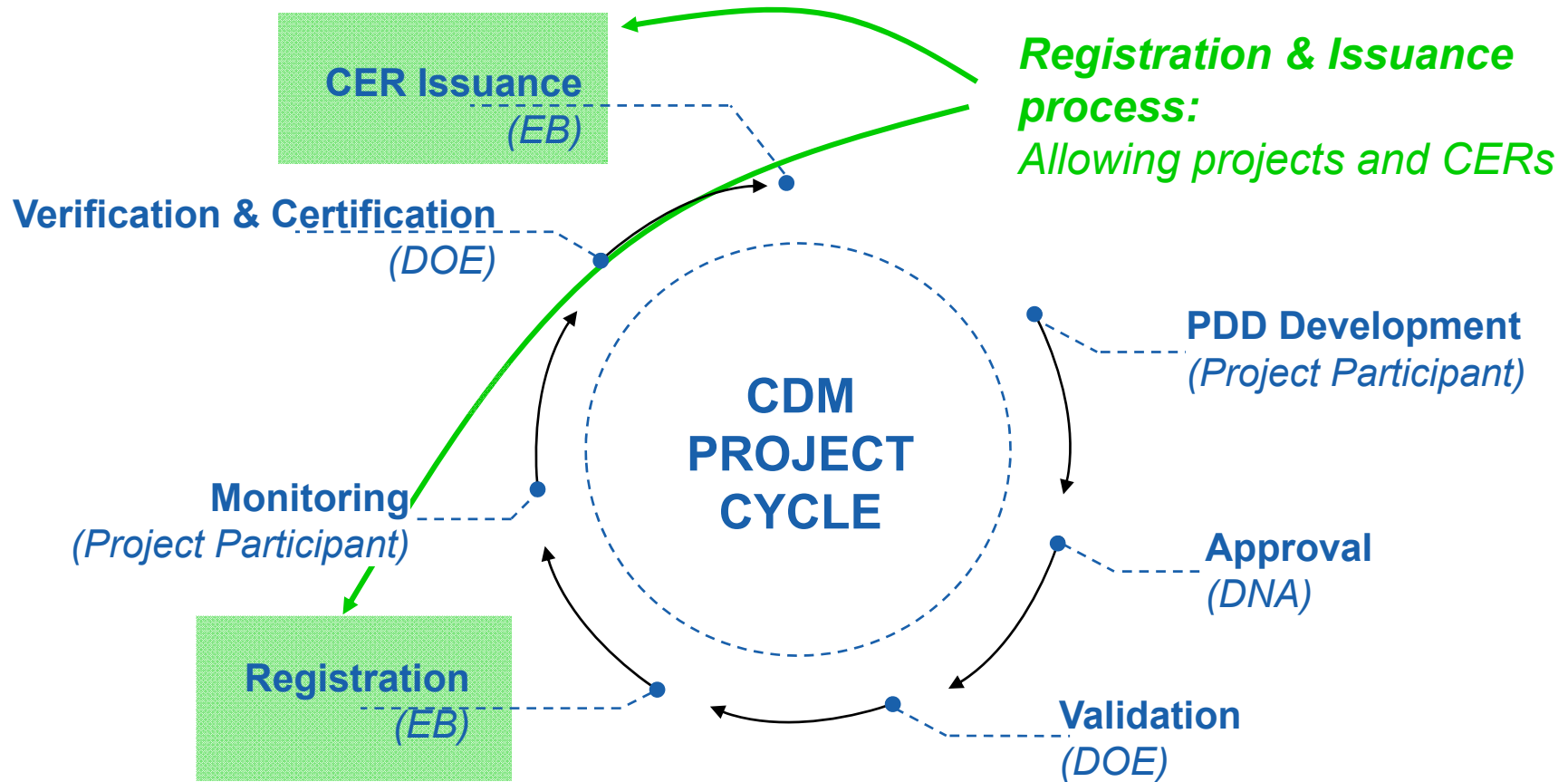
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Project design document is validated by accredited **designated operational entity (DOE)** , private third-party certifier.

Validation of the PDDs are conducted against the requirements of the CDM as set out in CDM modalities and procedures and relevant decisions of the Kyoto Protocol Parties and the CDM Executive Board.



# Issuance and Registration processes



## Registration

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- Completeness check by secretariat
- Vetting by secretariat
- Vetting by Executive Board
- If a Party or three members of Executive Board request review, project undergoes review, otherwise proceeds to registration



## Monitoring Process

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Project participant responsible for monitoring actual emissions according to approved methodology and the monitoring plan in the PDD.



## Verification Process

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Designated operational entity verifies that emission reductions took place, in the amount claimed, according to approved monitoring plan.

**Verification** is the independent review and ex post determination by the designated operational entity of the monitored reductions in anthropogenic emissions by sources of greenhouse gases that have occurred as a result of a registered CDM project activity during the verification period.

**Certification** is the written assurance by the designated operational entity that, during the specified period, the project activity achieved the emission reductions as verified.



## CER Issuance

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- Completeness check by secretariat
- Vetting by secretariat
- Vetting by Executive Board
- If a Party or three members of Executive Board request review, issuance request undergoes review, otherwise proceeds to issuance



## How to integrate CDM into your Business Plan

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- Consider CDM transaction costs, CER sales revenue in the financial model
- Consider CDM design requirements (additionality, baseline, etc.)
- Consider CDM monitoring requirements
- Organization: consider CDM management structure
- Submit “*CDM Prior Consideration Form*” today!





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Thanks for your attention!

