

# Overview of the CDM and the CDM project Cycle

**Makerere University Kampala**  
Kampala, Uganda, 14 March 2014



## The Kyoto Protocol



## Clean Development Mechanism



## CDM project Cycle



## Review





## The Kyoto Protocol



## Main features

**193 Parties** (192 countries + EU), Commitment period: 2008 – 2012

- Legally binding **targets for emissions** of greenhouse gases in **industrialized** countries during first commitment period
- Industrialized countries referred to as Annex I Parties
- At the end of 2012: **reduction of about 5%**
- Defined international **market-based instruments** creating a new commodity - carbon emissions trading through the CDM
- Second commitment Period 2012-2015



# The Kyoto Protocol

- **Legally binding targets** for emissions of six major greenhouse gases in industrialized countries during first commitment period
- New **international market-based mechanisms**, creating a new commodity: carbon
- Facilitate **sustainable development**



# Market based Mechanisms



**The CAP –**  
Legally binding targets  
for emissions of  
greenhouse gases –  
Allowances

- **Emission Trading (ET):**  
exchanging emission allowances among Kyoto Protocol Parties
- **Clean Development Mechanism (CDM):** credits for emissions reduced/avoided through sustainable development projects in developing countries (non-Annex I countries)
- **Joint Implementation (JI):**  
credits for emissions avoided through projects in Annex I countries





## Clean Development Mechanism

## Sustainable Development & Carbon Credits

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projects are issued  
**saleable** credits

• 1 **CER** = 1 tonne of CO<sub>2</sub>



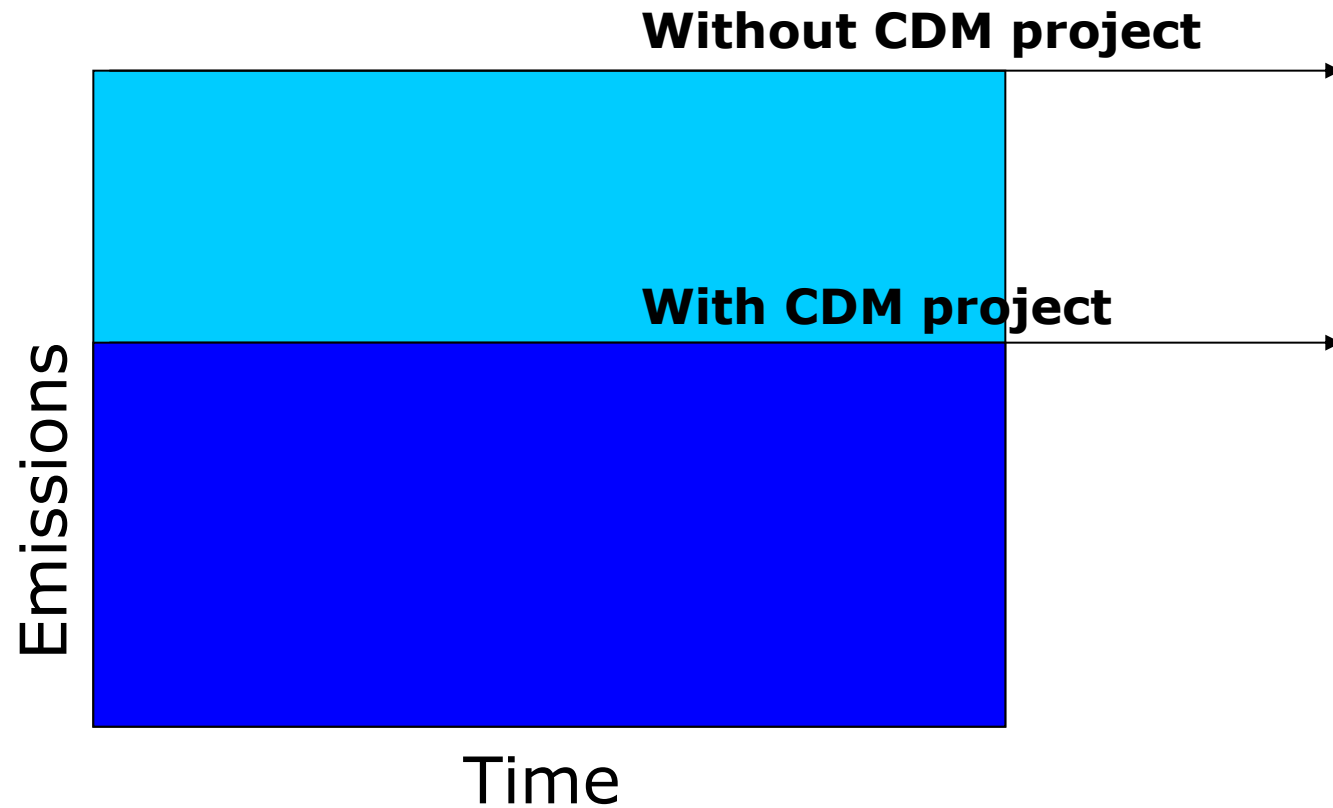
Contribution to Sustainable Development  
- employment, income generation,  
health benefits and infrastructure  
development





## PROJECTS ON THE GROUND

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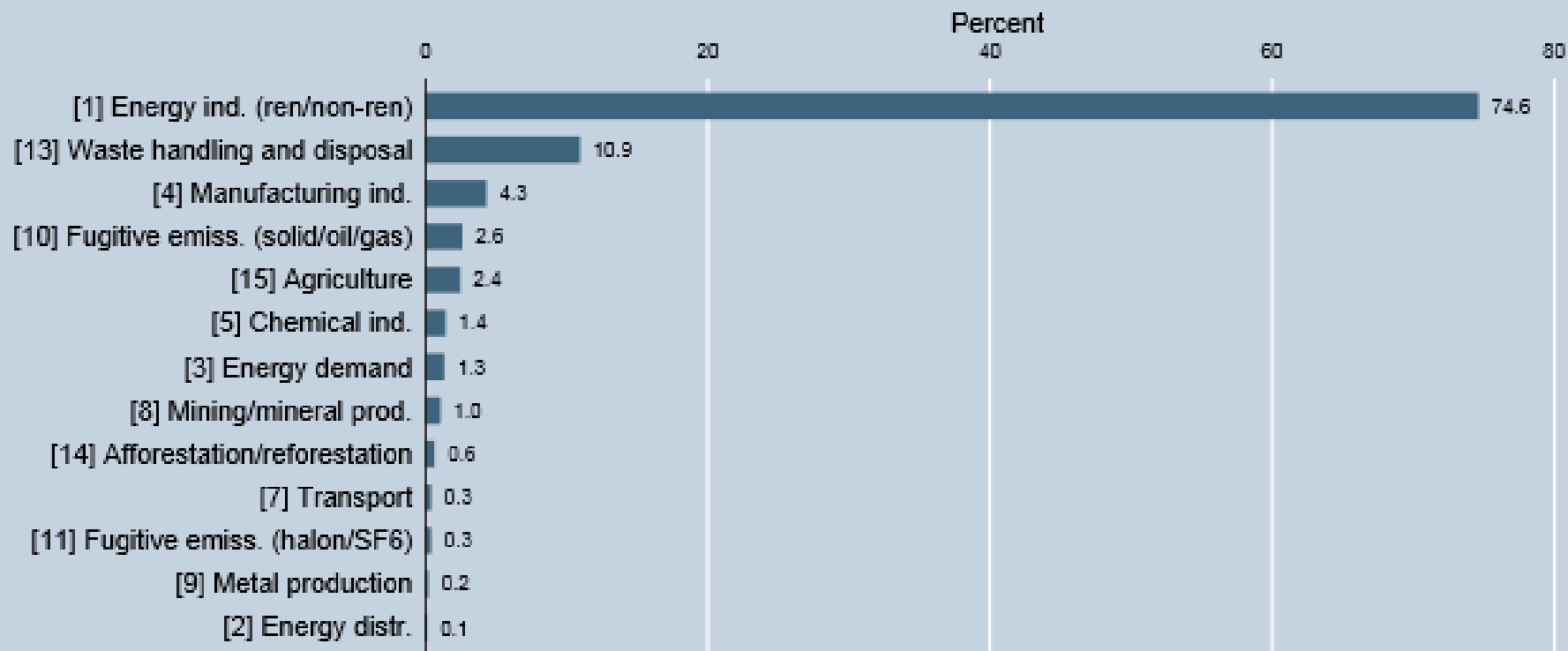
= Certified Emissions Reduction



# PROJECTS BY SCOPE

## Distribution of registered projects by Scope

Total registered project activities: 7450



Data as of 28 Feb 2014  
Source: UNFCCC

Note that a project activity can be linked to more than one sectoral scope.



# PROJECTS ON THE GROUND – What do they look like?

Emission reduction projects in **developing countries**

Project activities generate **CERs**

CERs are traded to help Annex I Parties meet their Kyoto Protocol emission reduction goals

Assist host country in Sustainable development



*Landfill Gas Collection*



*Bagasse Cogeneration Power Projects*



*Energy Efficient Cookstoves*



## PROJECTS ON THE GROUND – What do they look like?





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## A Mechanism with Global Reach

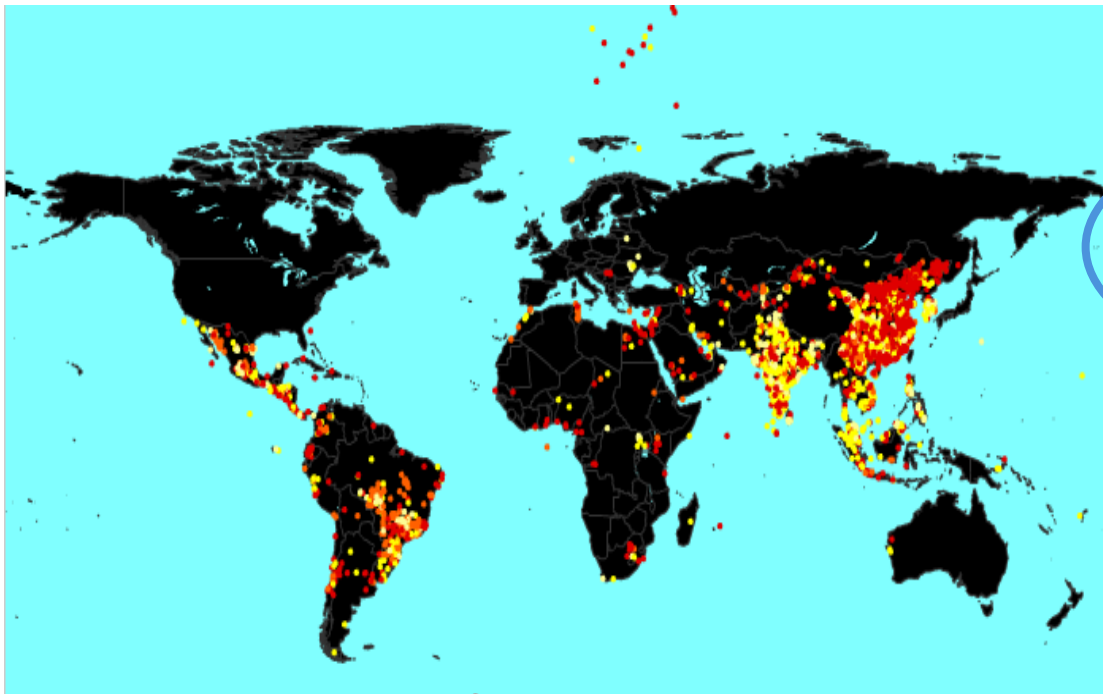
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CDM is the largest and most widely recognized offset mechanism in the world.

**7,450** registered projects in **89** countries

**1.43 billion** CERs issued to date

Estimated leveraged at least **USD 315 billion** in capital investment to underpin climate mitigation efforts since 2004



Crediting of a further  
1.5 to 2 billion CERs by  
2020.





# What is happening to the CDM?

- The first commitment period of the Kyoto Protocol ended in 2012.
- Some Parties have agreed to enter a **second commitment period(CP2)** 2013-2020 .
- CDM continues until at least the end of the second commitment period – 5 or 8 years.
- EU will continue to be the principal buyer of CERs
- EU has set restrictions on what type of CERs they will buy
- New market mechanism framework is being discussed by Parties and CDM could be a basis for this





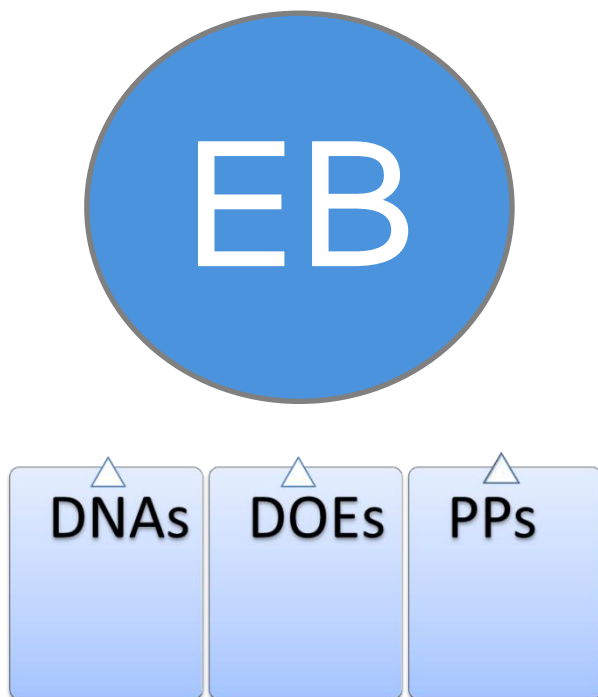


## CDM project Cycle

## QUESTION 2 – Who is involved? What is the CDM project cycle?

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### WHO IS INVOLVED?



### CDM PROJECT CYCLE

Validation

CER Issuance

Monitoring

Verification & Certification

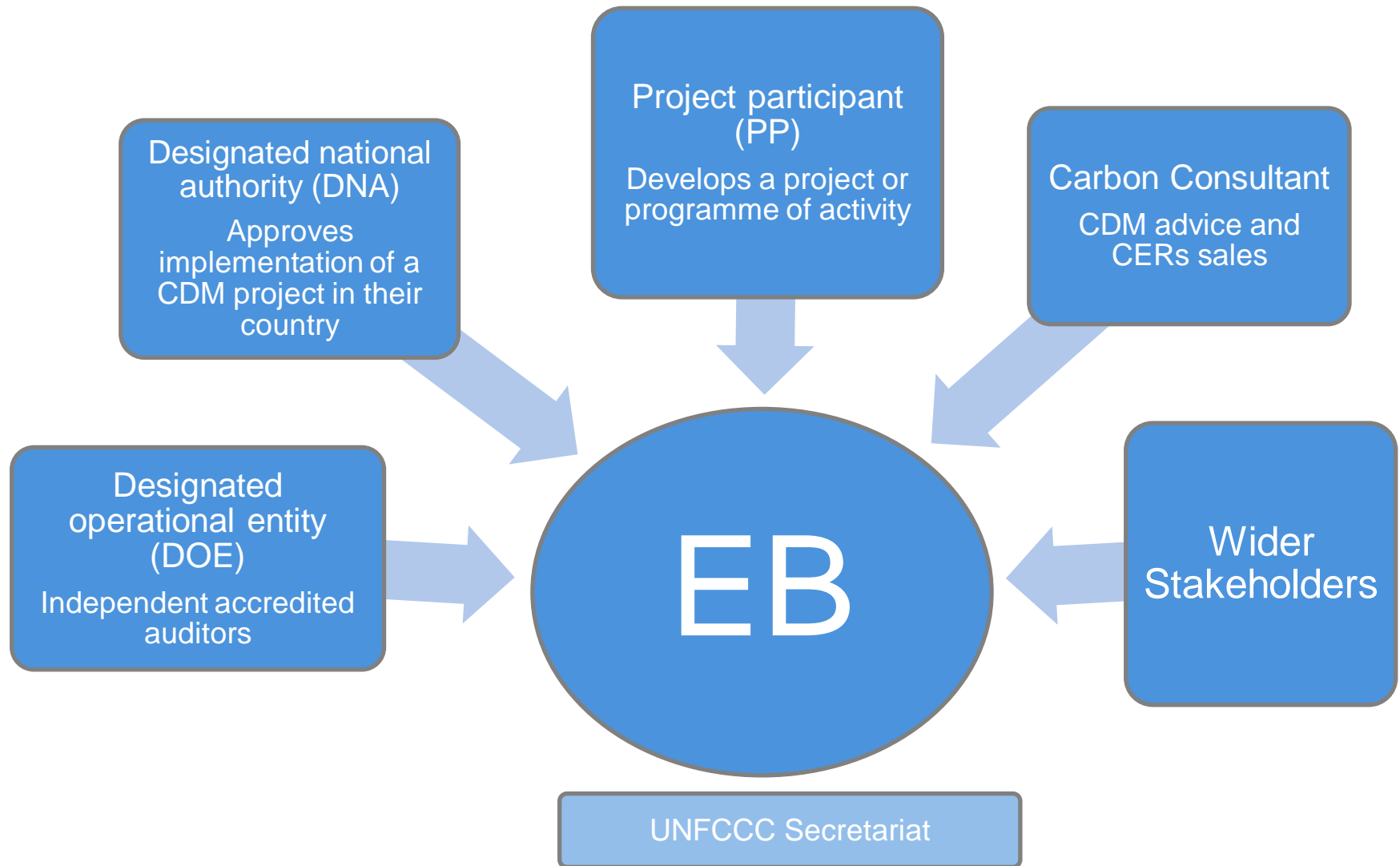
Registration

PDD Development

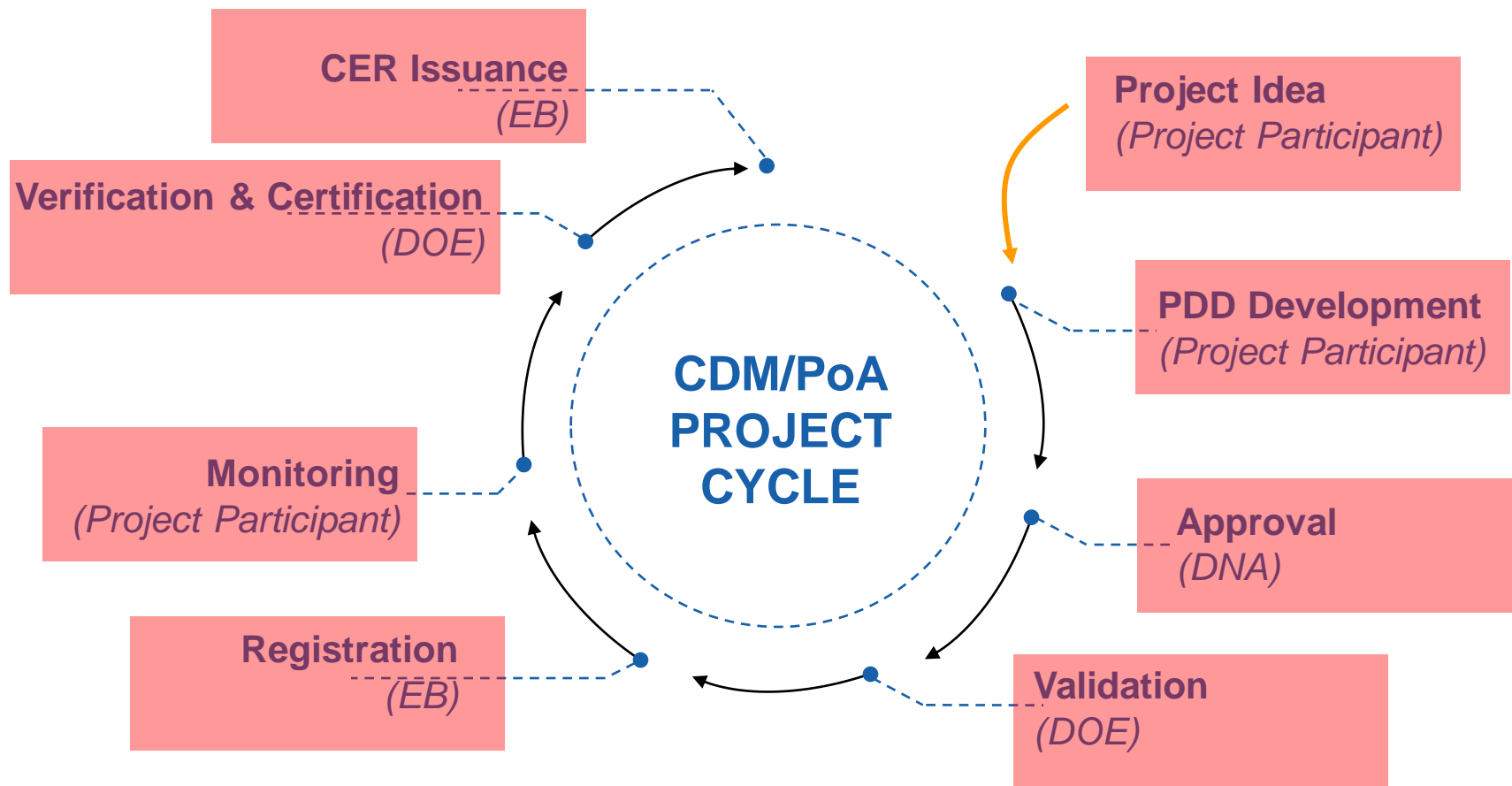
Approval



# Who is involved in the Project Cycle?



# CDM project cycle



# Objectives

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Review



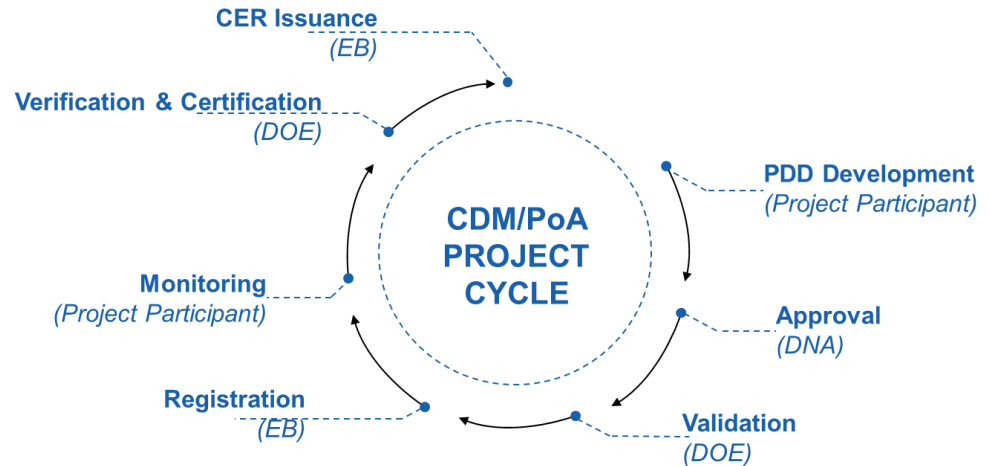
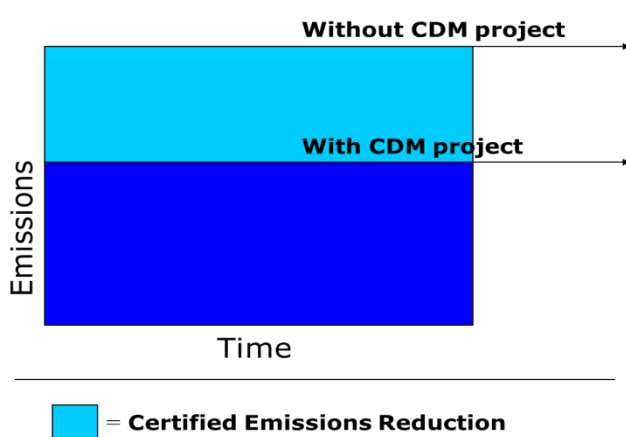
# Review



## projects are issued saleable credits

• 1 CER = 1 tonne of CO<sub>2</sub>

Contribution to Sustainable Development



CDM is the largest and most widely recognized offset mechanism in the world.

7,217 registered projects in 89 countries

1.38 billion CERs issued to date

Estimated leveraged at least USD 315 billion in capital investment to underpin climate mitigation efforts since 2004



# Thank you for your attention

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## **CDM Regional Collaboration Centre**

A collaboration between the UNFCCC Climate Change Secretariat  
and the East African Development Bank

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**United Nations**  
Framework Convention on  
Climate Change

