

The CDM under the AWG negotiation

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Several options in AWG-KP negotiation, to enhance the CDM to promote SD in the countries which receive little benefits from the current CDM:

- Expand eligibility for LULUCF CDM;
- Establish positive lists by certain criteria;
- Differentiate the eligibility of Parties;
- Improve access to the CDM by specified host Parties; and
- Promote co-benefits of the CDM by facilitative means.

However, the topics which attract attentions in the AWG-KP negotiation are:

- Sectoral crediting of emission reductions below a previously established [no-lose] target (sectoral crediting mechanism: SCM);
- Crediting on the basis of nationally appropriate mitigation actions (NAMAs); and
- Development of standardized, multi-project baselines.

Can the SCM improve the efficiency of the CDM processes compared with the current ones?

- If the mechanism expands to “a sector” from “a project”, will the processes be improved automatically?
- Will the SCM promote equitable regional distribution of projects?
- Will the SCM contribute more to promote SD?

Japan proposes promoting co-benefits of the CDM.

- All the registered CDM projects are approved by the DNAs that those are contributing SD of host countries.
- Then, why there are criticisms, including from host countries, that the current CDM doesn't necessarily contribute to SD?
- There are CDM projects which have high co-benefits and which have less co-benefits, although all of them are contributing to SD, which is defined by host countries..

Japan proposes promoting co-benefits of the CDM

- It depends on the definition of “co-benefits”, CDM projects which have high co-benefits tend to be economically less attractive, even taking credits in to account.
- Preferential treatment, which is already existing in the current rules, must be applied to co-benefits type CDM projects under the UNFCCC rule.
- “Additionality” must be converted to “eligibility” for the projects which are obviously economically not attractive.

Conclusions

- Main arguments on future CDM in AWG-KP, is not necessarily associated with SD aspects.
- SCM is worth excising for the post 2012, but that may not solve existing issues including SD contribution.
- Preferential treatment for co-benefits type CDM projects under the UNFCCC rule, can be a possible option to address the issue.
- Removing “additionality test” does not mean removing “additionality concept”.

Thank you very much

The views expressed herein are solely those of the presenter. They do not reflect the views of IGES or other researchers.