

IGES's experience in proposing CDM reform based on its capacity building activities in Asia

9 September 2010

ADB-IGES-UNFCCC Workshop on Improving the Regional Distribution of CDM Projects in Asia and the Pacific

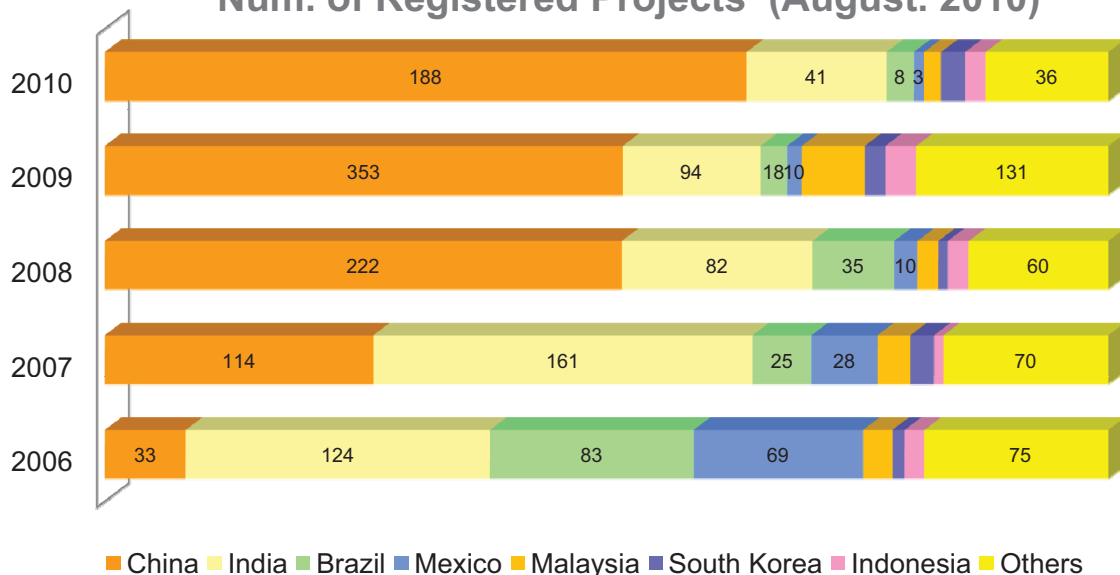
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The Current Status of CDM

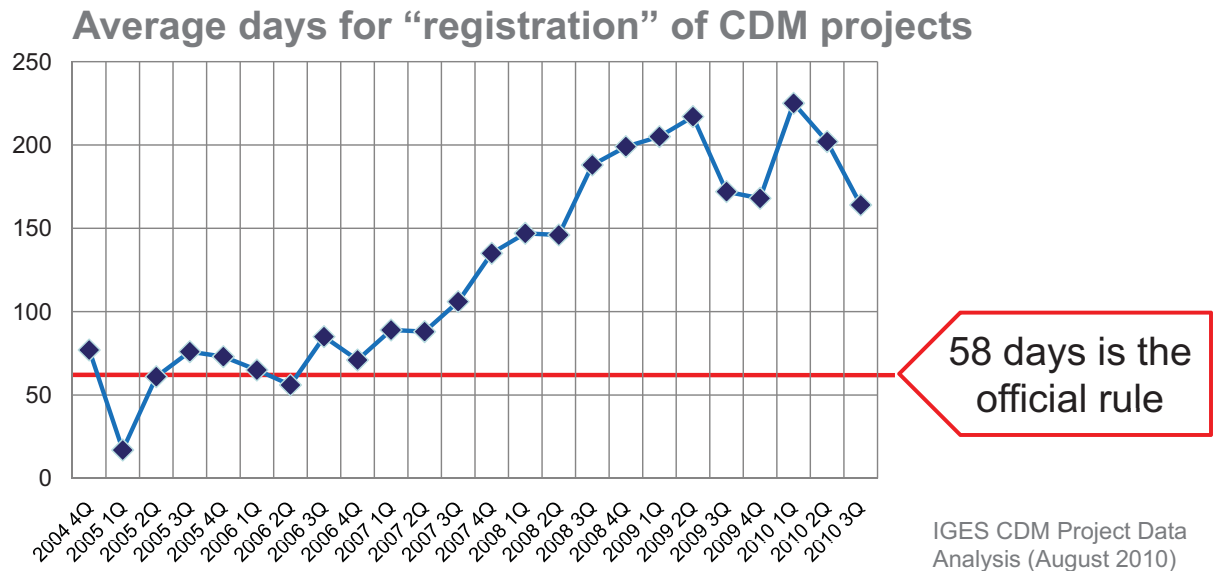
Num. of Registered Projects (August. 2010)



IGES CDM Project Database (August 2010)

More than half CDM projects are coming from China.
 ➤ Only the countries in high economic growth can be possible to implement CDM projects?

The delay of the process is significant



In addition to above, from the beginning of the official process under the UNFCCC (validation) until receiving "emission reduction credits" took 1,188 days in 2010 2Q.

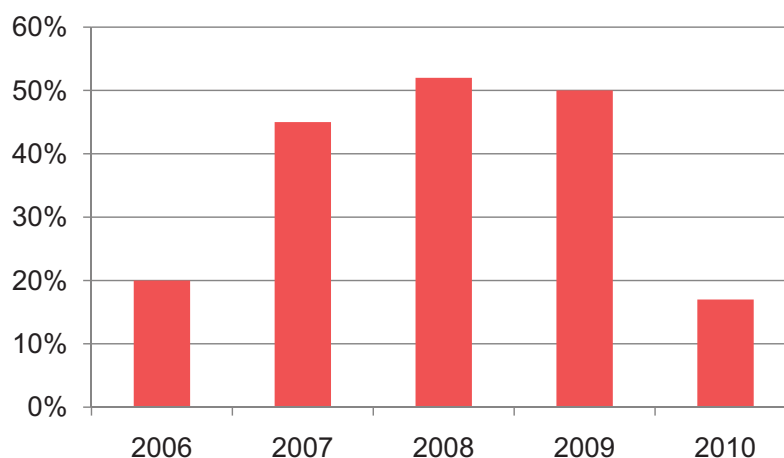
- Only companies with sound financial condition can develop CDM projects?

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Why such delay?

The CDM executive board can stop the process by "requesting for review", if they have doubts.

Probabilities of receiving "request for review"

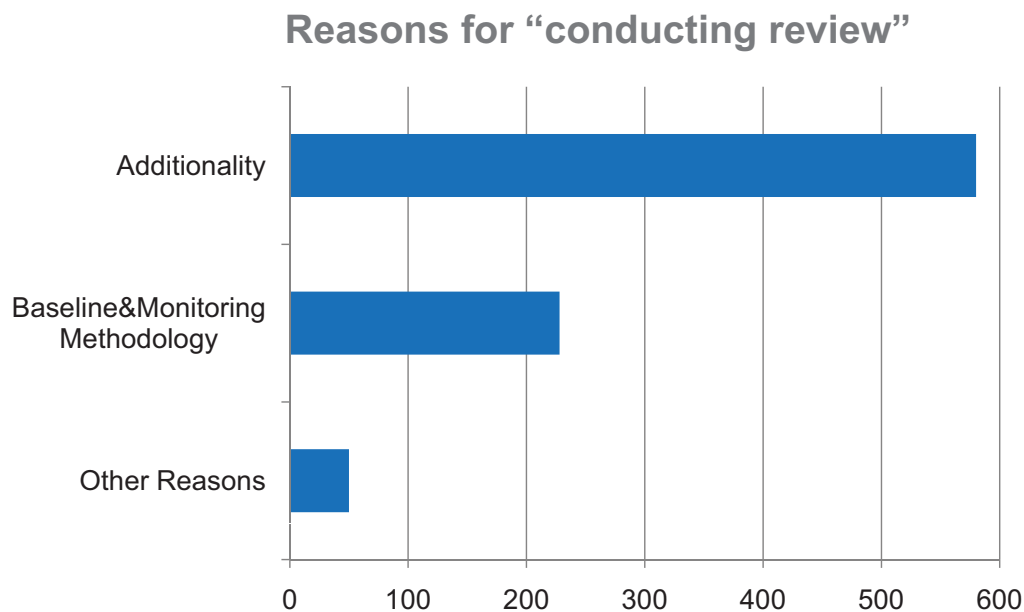


IGES CDM Project Database (August 2010)

Once a CDM project receive "request for review" from the CDM executive board, the fixed term written in the official rules will not be applied.

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Why the CDM-EB conducted review?



IGES Reviewed and Rejected CDM Project Data Analysis (August 2010)

The main reason for review is about “additionality” of a CDM project.

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What kind of comments the CDM-EB made?

(quotations)

- Further information is required to show how the investment analysis has been validated
- Further details and clarification are needed regarding the formula used for calculation, and it should be more clearly stated.
- The DOE is requested to justify the suitability of the 10% benchmark
- Why the risk premium is set to 3%?
- The description that “the dumpsites cause serious public health, environmental and social impacts” is not clear.

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Policy input from IGES to the UNFCCC process

IGES and Ministry of Environment of Cambodia, proposed following policy proposals:

- ✓ Tightening conditions to proceed “review process”.
- ✓ Shortening procedures of registration (from 56 days to 28 days);
- ✓ 50% discounting of the registration fee of CDM projects in LDCs;
- After that, the CDM-EB abolished the fee for LDCs.

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Policy input from IGES to the UNFCCC process

We proposed following policy proposals, responding to the request from the UNFCCC secretariat:

- ✓ Removing additionality test for specific types of project.
- ✓ Using automatic emission reductions calculation excel sheets.
 - IGES MM already developed and disclosed such kind of sheets on the website.

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