

CDM Feasibility Study Programme: Toward CDM Development in LDCs

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CDM FS 2007: Biomass-based Electrification at Off-Grid Areas in Lao PDR

■ Project plan:

- Jatropha plants are vegetated, and Jatropha oil will be utilised as energy sources for existing diesel power generators set in off-grid areas.
- Biomass such as agricultural wastes will be gasified, and the produced biomass-derived gas will be input into gas engine power generators as their fuels.



- Reduction of petro-diesel for existing diesel generators independent from grids. ⇒ **Programmatic CDM (PoA)**

CDM FS 2007:



Plant Construction Site (planned)



CDM in LDCs: Expectations and Challenges

- **Contribute to LDC's Sustainable Development**
 - Renewable biomass electrification
 - Saving of fuel costs
- **Development of Programmatic CDM**
 - Even small projects could have collectively big effects.
- **Challenges:**
 - Lack of infrastructures & local capacity
 - Lack of experiences regarding Programmatic CDM
 - Low baseline emissions → Smaller Emission Reduction credits
 - Shortage of financial resources/investments





CDM Feasibility Studies in LDCs: Limitations and Breakthroughs

- Institutional limitations:
 - Japanese fiscal system: FS should be completed by the end of each March, and financial supports generally should be for one single fiscal year.
- Practical limitations:
 - FS focuses on the development/realisation of CDM projects concretely, that is, large part of financial resources cannot be input for capacity building.
- Breakthroughs:
 - CDM projects in LDCs with high risks can be developed through the Japanese governmental support of FS programme.



Suggestions for CDM Reform

- Favorable treatments
 - Reducing Registration fee/Share of Proceeds
→ Reducing Project costs and improve financial balance
 - Simplify CDM Registration Process
→ Prompt project implementation
 - Baseline settings exclusively applied to LDCs
→ Avoid lower baseline emissions and get more credits
- Additional valuation
 - Sustainable development
 - other environmental protection/conservation
 - ➔ Quantification and Valuation of other benefits than GHG reduction

Co-benefits Approach



