Situation of the CDM, challenges and opportunities

Manila, Philippines
4 – 5 September 2013
Overview

1. Situation of CDM
2. Challenges
3. Opportunities and the future of CDM
4. CDM fit for the future
I: SITUATION OF CDM

Bonn, 10 November 2001 – The CDM Executive Board meets for the first time

Bonn, 18 November 2004 – The Kyoto Protocol’s Clean Development Mechanism takes off: first CDM project registered

April 2008 1,000 registered projects
January 2010 2,000 registered projects
May 2011 3,000 registered projects
April 2012 4,000 registered projects
November 2012 5,000 registered projects
January 2013 6,000 registered projects
Today (29/08/2013) 7,213 registered projects

United Nations
Climate Change Secretariat
I: SITUATION OF CDM

Bonn, 29 August 2013 – CDM TODAY

- **+80** host parties
- **7,213** project activities
- **1,376,778,036** CERs issued for PAs
- **215** PoAs
- **58,401** CERs issued for PoAs
Number of projects entering validation per month

Projects entering validation

- All projects
- Of which small scale projects
- Trend

Year/Month

Number of projects

Data as of 30 April 2013
Source: UNFCCC

Notes: Trend is a locally weighted regression at a bandwidth of 0.50.

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II. CHALLENGES: REGIONAL DISTRIBUTION

7213 registered projects:
- Asia & the Pacific: 6094 projects (84.49 %)
- Latin America & Caribbean: 910 projects (12.62 %)
- Africa: 164 projects (2.27 %)
- Eastern Europe: 45 projects (< 1%)
II. CHALLENGES: LOW DEMAND

• Supply/demand imbalance has driven carbon prices sharply downward
• Prices too low to stimulate large-scale investment in mitigation activities
• CER restrictions in the EU ETS (credit type, location)
• Loss of momentum
• Loss of institutional and intellectual capacity (especially in the private sector)
II. Opportunities: SCALING UP

Scales
- Small Scale
- Large Scale
- Programmes of Activities (PoA)

- New procedures for registration and issuance
  - May 2010
- Guidelines for standardized baselines and suppressed demand
  - July 2001
- First standardized baselines approved
  - May 2013
III. OPPORTUNITIES

1. CDM reform

a. Simplification of methodologies and additionality
b. Simplification of PoAs and
c. Standardized baselines: from idea to reality
d. Highlight CDM’s contribution to climate change mitigation and Sustainable development
e. Expand the reach of the CDM
f. Ensure the integrity of CERs
III. OPPORTUNITIES

2. Review of the CDM modalities and procedure

3. Highlight of the up-scaling potential of the CDM

4. Possible use of the CDM in the new emission schemes

5. Voluntary cancelation of CERs: potential new sources of demand
FIT FOR THE FUTURE

- CMP reiterated **importance of CDM** as a tool to mitigate climate change
- **Second commitment** period of Kyoto Protocol agreed
- CDM a **mature mechanism** that has proved its worth in climate change mitigation
IV. FIT FOR THE FUTURE?

CDM PERCEPTION SURVEY: Preliminary results

77.5% of recipients strongly agree or agree that there is a role for the CDM in the future.
55.9% of recipients believe that the CDM’s biggest strength is its standards for estimation of emission reductions.
THANK YOU!