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PRESS RELEASE

Regional distribution, streamlining regulatory process priorities for clean development mechanism in coming months, says CDM Executive Board Chair Rajesh Kumar Sethi

(Bonn, 13 March 2008) – Expanding the reach of the clean development mechanism (CDM) and streamlining its regulation are key priorities for the coming year, says Rajesh Kumar Sethi, the new Chair of CDM Executive Board.

“The CDM is operating in close to 50 countries, and is approaching its thousandth registered project with 128 million CERs already issued. Everyone involved can take some pride in those stats, but until the potential of the mechanism is realized in the lesser developed countries, especially in Africa, we cannot rest,” said Mr. Sethi, when asked about the key challenges that lie ahead.

Because the CDM is a market-based mechanism the factors that determine where projects will become established is largely out of the hands of the regulator. The Executive Board can, however, help by removing unnecessary hindrances to project development.

“Any changes that can make the mechanism run more smoothly, and more predictably, will improve accessibility, and thus increase interest in the mechanism. This can in large part be achieved through better communication, for example through clear guidance to third-party validators, the private entities accredited to assess projects on the Board’s behalf,” Mr. Sethi said.

The Executive Board is working with project validators to develop a manual of best practice. The new chair has made early release of this manual a key priority because of its potential to increase the quality of the project proposals submitted to the Board for registration, and hence reduce the number of projects tagged for review.

“The manual should go a long way towards improving the quality of project submissions. Beyond that, we’ll also be looking for ways to streamline the registration and issuance timelines, to the extent feasible,” the Chair said.

The Executive Board is the de facto regulator of the CDM, but it is guided ultimately by the Parties that ratified the Kyoto Protocol.

The Board took an important step in 2007 to potentially increase the number and reach of CDM projects when it approved procedures and guidelines for programmes of activities (PoA).



Under PoA, many projects, over a wide area, can be registered under a single programme umbrella, thus reducing regulatory drag without reducing environmental integrity. All emission reductions claimed under CDM must be real, measurable, verifiable and additional to what would have occurred without the project.

"The programme of activities approach is new, but I'm pleased to see that a PoA project has already been put forward for validation. I think the Board will want to be proactive in solving any teething problems related to PoA," Mr. Sethi said.

The Chair also hopes to see during his one-year term the development of a methodology for mass transport projects and encouraged Project Participants to propose one. Each CDM project must use an approved methodology for setting its emissions baseline and for monitoring ongoing emissions.

"I think the items I've highlighted as priorities will be challenging, but certainly within reach, and certainly worthwhile. As long as we continue to listen to stakeholders, and are prepared to engage in constructive dialogue, I see CDM growing from strength to strength," Mr. Sethi said.

Mr. Sethi has taken over from Hans Jürgen Stehr, who completed his term as Chair in January 2008. Also at the first meeting of the year, the Board approved a management plan that will add some 20 posts dedicated to supporting implementation of the mechanism.

About the UNFCCC

With 192 Parties, the United Nations Framework Convention on Climate Change (UNFCCC) has near universal membership and is the parent treaty of the 1997 Kyoto Protocol. The Kyoto Protocol has to date 177 member Parties. Under the Protocol, 37 States, consisting of highly industrialized countries and countries undergoing the process of transition to a market economy, have legally binding emission limitation and reduction commitments. The ultimate objective of both treaties is to stabilize greenhouse gas concentrations in the atmosphere at a level that will prevent dangerous human interference with the climate system.

About the CDM

There are currently more than 950 registered CDM projects in 49 developing countries, and about another 2000 projects in the project registration pipeline. The CDM is expected to generate more than 2.7 billion CERs by the time the first commitment period of the Kyoto Protocol ends in 2012, each equivalent to one tonne of carbon dioxide.

Note to journalists:

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