



# **Clean Development Mechanism- Expectations for Improvement**

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# Outline

1. Challenges Facing the CDM
2. Expectations
3. Proposals

# Challenges Facing the CDM

- Low efficiency of the system
- Complicated methodological requirements
- To-be-improved performance of the DOEs
- Uncertainties regarding validation/registration/verification/issuance
- Inconsistency treatment of similar projects
- Uncertainties regarding market demand and price

# Challenges Facing the CDM

- Very limited contribution to technology transfer
- Discouragement on the further development of the CDM market and thus limitation on the utilization of CERs after 2012 by developed countries

# Expectations

- A more efficient, equitable, transparent and simplified mechanism with more certainties, greater technology transfer contribution and secured environmental integrity
- Deeper mitigation commitments by developed countries to create carbon market demand
- Clear policy/commitment on utilization of CERs by developed countries

# Proposals

- Simplified but clearer methodological requirement for easy application, not too much emphasis on preciseness but more possibilities for conservative choices by project participants
- Adjustment of the institutional arrangement, for example, reallocation of responsibilities among different participants in the system
- Reconsideration of the role of the DOEs, for example, limited while clearer responsibilities

# Proposals

- Enhanced role of the host country governments on certain issues, for example, clarification on legal requirements for certain types of projects, dissemination rate of certain technologies, environmental impact assessment and stakeholder consultation, etc.
- Enhanced executive role of the EB by mainly providing necessary and clear guidance to involved Parties, DOEs, project participants, for example, systematic review of the common issues arising in the project registration process and necessary clarification and guidance

# Proposals

- Necessary expertise of the EB members
- Enhanced role of external experts, especially industry experts, for more adequate consideration and reflection of the reality
- A more strong, professional, efficient and neutral secretariat with main focus on supporting the EB, not on methodological issues



# Proposals

- Removal of additionality test for certain identified types of technologies and ensuring additionality on a macro level through baseline setting
- The CDM should only be a supplement to domestic mitigation actions of developed countries
- The CDM should continue to be a project-based mechanism and sector approach is not the choice

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Thank you