



Clean Development Mechanism- Experience and Expectations

Maosheng DUAN
Tsinghua University, China
April 1, 2008

Outline

1. China's Experience
2. Challenges Facing the CDM
3. Role of the CDM after 2012
4. Expectations for the CDM

China's Experience

- The CDM is a great success in China, in terms of not only expected emission reductions, but also raising public awareness on climate change and promotion of consideration of climate change issue in decision making
- Great efforts have been made from various aspects, including the government, universities, research institutes, international organizations and foreign governments, etc, to disseminate CDM concept and improve project development capacity

China's Experience

- Capacity building activities have covered all domestic actors in the CDM project cycle, from project owners to policy makers, etc.
- Capacity building is a continuous process
- Different training priorities at different stages of CDM market development, from concept to specific methodological/business issues, etc.

China's Experience

- The host country plays a central role at the early stage of CDM market development by building an enabling environment through formulating clear and transparent domestic rules, initiating capacity building activities, bearing necessary cost, etc.
- Successful examples are very important

Challenges Facing the CDM

- Low efficiency of the whole system
- Inconsistency treatment of similar projects
- Complicated methodological requirements
- Uncertainties regarding registration
- Uncertainties regarding market demand and price
- Very limited contribution to technology transfer

Role of CDM after 2012

- Similar great efforts are expected to make any similar new mechanism a success
- Although many outstanding issues exist with the current rules, CDM should continue to play an appropriate role in the future commitment period

Expectations for the CDM

- A more efficient, equitable, transparent and simplified mechanism with more certainties, greater technology transfer contribution and secured environmental integrity
- Clear and strong mitigation commitments as well as clear policy/commitment on utilization of CERs by developed countries
- Technology component of the CDM project should be strengthened and the developed countries should create necessary enabling environment

Expectations for the CDM

- Removal of additionality test for certain types of projects
- Possible roles of the host country government rather than the DOEs on certain issues
- Sustainable development assessment should remain the prerogative of the host country

Expectations for the CDM

- Developed country governments should promote CDM projects with more sustainable development benefits
- The CDM should only be a supplement to domestic mitigation actions of developed countries



Thank you