HOW CAN DEVELOPING COUNTRIES BENEFIT FROM THE CDM?

Making the CDM work for developing countries
Cancún, Mexico, 6 December 2010
• Emitting GHG over a set limit entails a potential cost
• Emitters able to stay below their limit hold something of potential value
• A new commodity was created – emission reductions
• CO2 is the principal GHG, so people speak simply of trading in carbon
• Carbon is now tracked and traded like any other commodity
THE THREE MARKET-BASED MECHANISMS
OF THE KYOTO PROTOCOL

- International emissions trading (ET) - Article 17
- Clean Development Mechanism (CDM) - Article 12
  - Emission reduction projects in developing countries
- Joint Implementation (JI) - Article 6
  - Emission reduction projects in any country with a commitment under the Kyoto Protocol
THE CLEAN DEVELOPMENT MECHANISM (CDM)
OF THE KYOTO PROTOCOL

The CDM:

- assists developing countries to achieve sustainable development goals
- creates incentive for investment
- provides additional support for adaptation

CDM projects:

- reduce greenhouse gas (GHG) emissions
- produce certified emission reductions (CERs)
PROJECTS ON THE GROUND

TYPES OF PROJECTS

*Hydroelectric Power Projects*

*Solar Panel Cookers*
PROJECTS ON THE GROUND

TYPES OF PROJECTS

Wind Projects

Wind Projects

Wind Projects
TYPES OF PROJECTS

Cooking With Clean Energy

Landfill gas
TYPES OF PROJECTS

Landfill Gas Collection

Bagasse Cogeneration Power Projects
CLEAN DEVELOPMENT MECHANISM

A MECHANISM WITH GLOBAL REACH

2577 registered projects in 69 countries
About 3000 plus projects in pipeline
Just under 476 million CERs issued to date

>2.7 billion certified emission reductions expected to the end of 2012

Status: 6 December 2010
<table>
<thead>
<tr>
<th>Step</th>
<th>Who’s responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project design</td>
<td>Project participant</td>
</tr>
<tr>
<td>National approval</td>
<td>Designated national authority (DNA)</td>
</tr>
<tr>
<td>Validation</td>
<td>Designated operational entity (DOE)</td>
</tr>
<tr>
<td>Registration</td>
<td>CDM executive board (CDM EB)</td>
</tr>
<tr>
<td>Monitoring</td>
<td>Project participant</td>
</tr>
<tr>
<td>Verification / certification</td>
<td>DOE</td>
</tr>
<tr>
<td>Issuance of Certified Emission Reductions (CERs)</td>
<td>CDM EB</td>
</tr>
</tbody>
</table>
REGISTERED PROJECTS

BY HOST PARTY

- China (41.26%)
- India (22.25%)
- Brazil (7.08%)
- Mexico (4.90%)
- Malaysia (3.40%)
- Indonesia (1.94%)
- Republic of Korea (1.90%)
- Others (17.27%)
EXPECTED AVERAGE ANNUAL CERs FROM REGISTERED PROJECTS

BY HOST PARTY

- China (51.64%)
- India (11.18%)
- Republic of Korea (4.29%)
- Brazil (5.36%)
- Mexico (2.46%)
- Malaysia (1.31%)
- Chile (1.19%)
- Argentina (1.12%)
- Nigeria (1.11%)
- Indonesia (1.10%)
- Others (9.23%)
### REGISTERED PROJECTS

#### BY REGION

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>50</td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>2033</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>13</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>484</td>
</tr>
</tbody>
</table>
REGISTERED PROJECTS

REGISTERED PROJECTS
BY SCALE

LARGE (56.11%)

SMALL (43.89%)
REGISTERED PROJECTS

By Scope

- (01) Energy industries (renewable - / non-renewable sources) (63.82%)
- (10) Fugitive emissions from fuels (solid, oil and gas) (4.84%)
- (09) Metal production (0.27%)
- (12) Solvent use (0.00%)
- (13) Waste handling and disposal (16.24%)
- (14) Afforestation and reforestation (0.56%)
- (15) Agriculture (4.24%)
- (11) Fugitive emissions from production and consumption of halocarbons and sulphur hexafluoride (0.80%)
- (08) Mining/mineral production (1.09%)
- (07) Transport (0.10%)
- (06) Construction (0.00%)
- (05) Chemical industries (2.25%)
- (04) Manufacturing industries (4.90%)
- (03) Energy demand (0.95%)
- (02) Energy distribution (0.00%)
BENEFITS OF THE CDM

IN DEVELOPING COUNTRIES

CDM projects can help developing countries by:

- providing opportunities for sustainable development
- creating employment or increased economic activity
- improving air quality
- transferring technology
Thank you

More information

cdm.unfccc.int