

Project cycle of the clean development mechanism

UNFCCC secretariat



UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

The institutional side

- ★ COP/MOP
- ★ Executive board
- ★ Designated operational entities
*(accredited by the executive board,
designated by the COP/MOP)*
- ★ Designated national authorities
(selected by Parties)

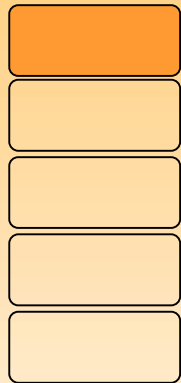
*Para numbers refer to FCCC/CP/2001/13/Add.2
(decision 17/CP.7 annex)*



CDM project activity cycle



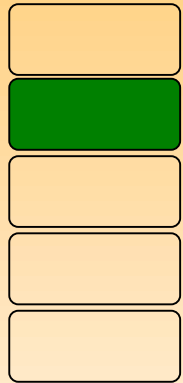
Design of a CDM project activity



- ★ Project design document
(Appendix B)
- ★ Additionality and baseline methodologies (§43-§52)
new or approved (§37e, 38)
- ★ Monitoring methodologies (§53-§60)
new or approved (§37e, 38)
- ★ Select crediting period (§49)
- ★ Determine project boundary (§52)
- ★ Account of stakeholder comments (§37b)
and environmental impacts (§37c)



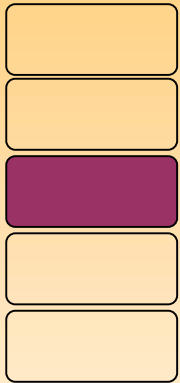
Validation and registration



- ★ Designated operational entity reviews project design document (§37)
- ★ Must meet validation requirements (§37)
new or approved methodologies
- ★ Designated national authority approves project activity (§37, 40a)
- ★ Operational entity submits validation report to the executive board (§40f)
- ★ Executive board registers the project activity (§41)
an automatic step unless review requested

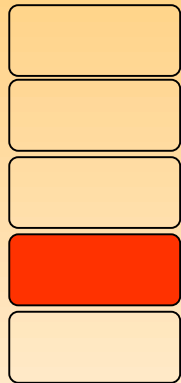


Monitoring



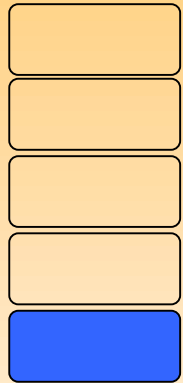
- ★ Emission reductions monitored by a project participant or a third party
- ★ Monitoring plan included in the project design document (§60)
- ★ Monitoring plan provisions (§53-§54)
- ★ Adjustment for leakage (§59)
- ★ Preparation of a monitoring report (§60)

Verification and certification



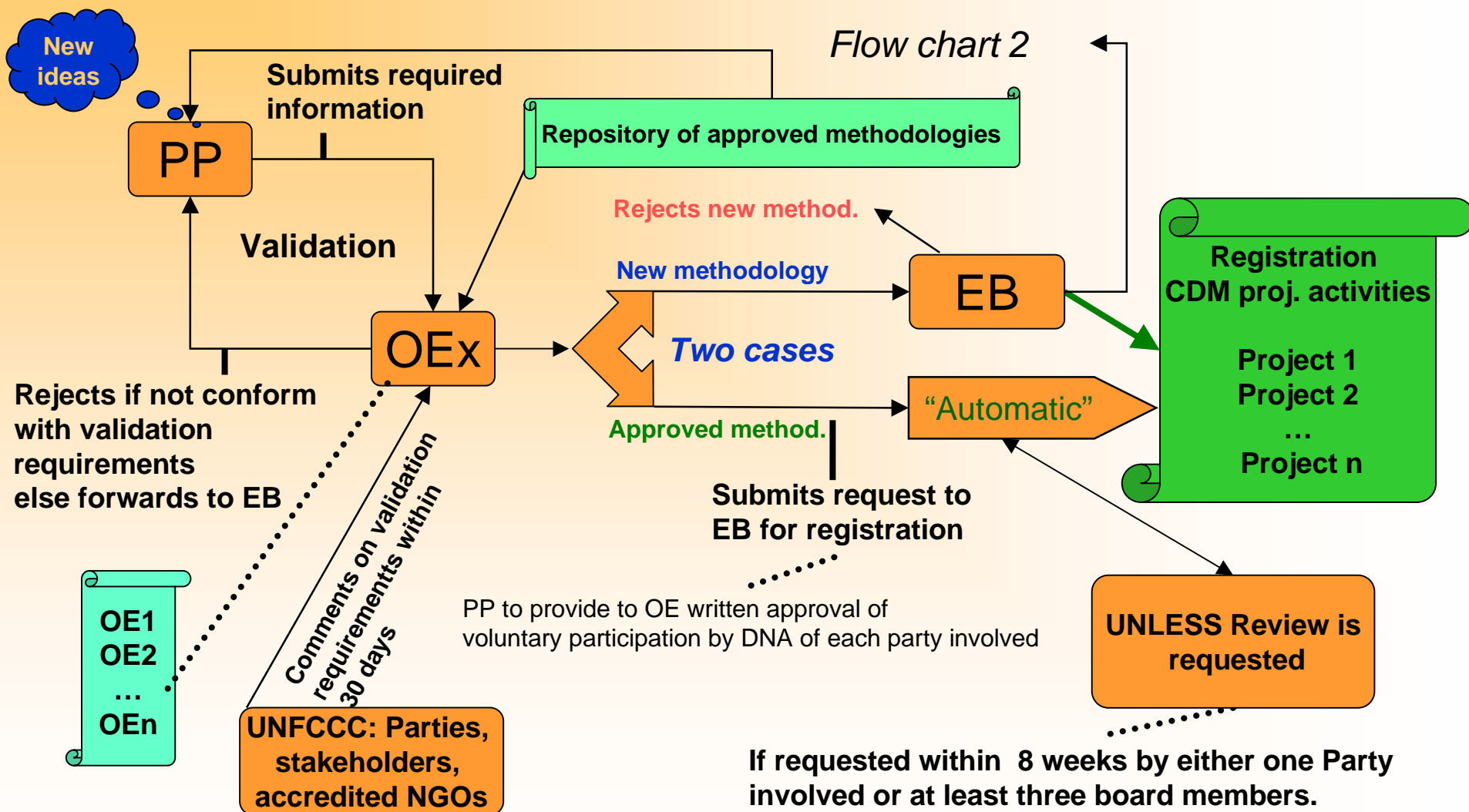
- ★ Designated operational entity:
 - Reviews monitoring and verifies reductions (ex post) (§62, 63)
 - Certifies reductions (written assurance to the executive board) (§63)
- ★ Certification report is a request to the executive board for CER issuance (§63)
- ★ Verification, monitoring and certification reports made publicly available (§63)

Issuance of CERs

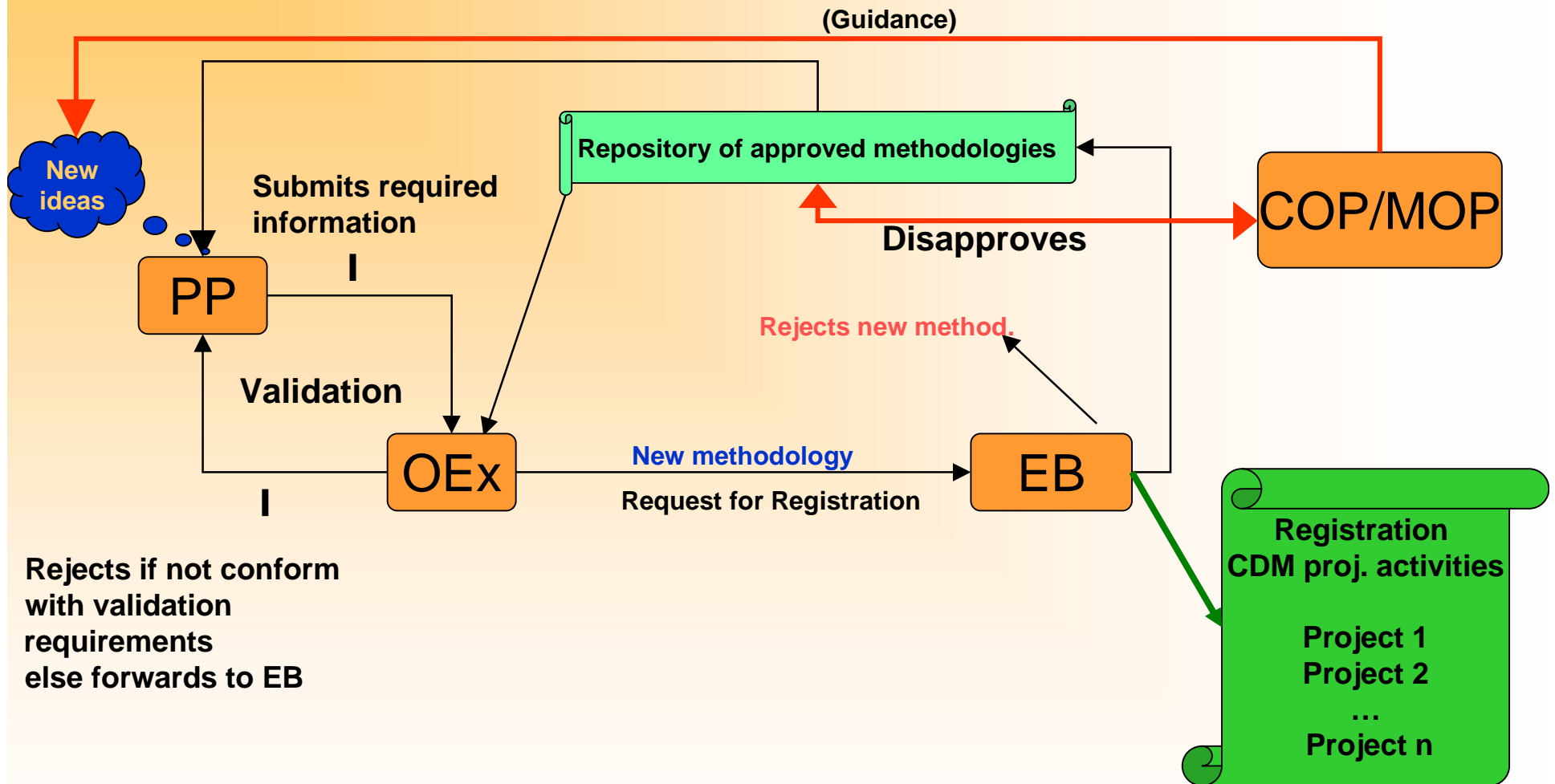


- ★ Executive board issues CERs on the basis of the certification report (§64)
an automatic step unless review requested (§65)
- ★ CERs issued into the CDM registry
(§66, Appendix D)
- ★ CERs for the share of proceeds for administration and adaptation withheld (§66a)
- ★ Remaining CERs forwarded to Parties and project participants (§66b)

Design/validation/ registration – flow chart 1



Design/validation/ registration – flow chart 2



LULUCF in CDM

First commitment period

- Only afforestation and reforestation project activities
- Additions of LULUCF CERs are capped at 1% of base year emissions (x 5 years)

Second commitment period

- To be decided as part of negotiations on that period



LULUCF in the CDM

Process

- COP 9 (Nov 2003) to adopt definitions and modalities for including such project activities in the CDM
In form of annex on afforestation and reforestation project activities reflecting mutatis mutandis the present CDM modalities and procedures
- SBSTA 16 (Jun 2001) to develop terms of reference and an agenda for the work until COP 9
Work is to take into account issues of non-permanence, additionality, leakage, uncertainties and socio-economic and environmental impacts.



Executive board activities

- ★ Liase with SBSTA on LULUCF in the CDM
- ★ Baseline and monitoring methodologies
establishing panel (by 4th meeting?)
- ★ Small-scale project activities
establishing panel (at 3rd meeting?)
- ★ Accreditation of operational entities
- ★ CDM registry

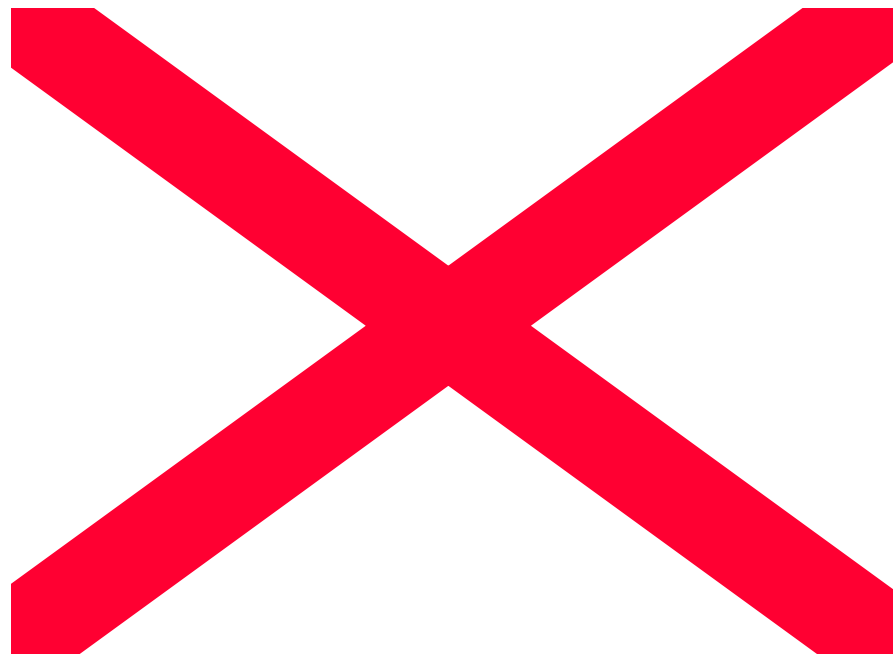


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