

## Agenda item 4.3

Paragraph 59 of the annotated agenda

# UPDATE ON THE REPORT

## *Benefits of the CDM: 2011*



# Mandate

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- CDM MAP 2011, requires the secretariat to provide “ad-hoc reports on the overall use and effectiveness of the CDM to stakeholders and the general public, with specific focus on: 1) Contribution to SD; 2 ) Costs & investments; 3) Technology transfer
- All 3 of the above actions are provided in the report:

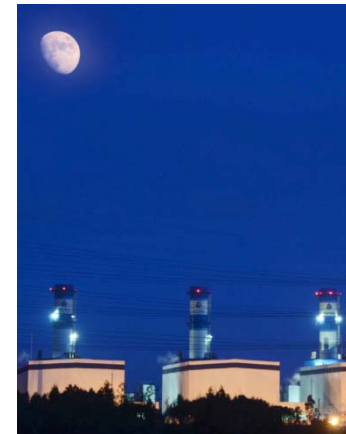
BENEFITS OF THE  
CLEAN DEVELOPMENT  
MECHANISM 2011



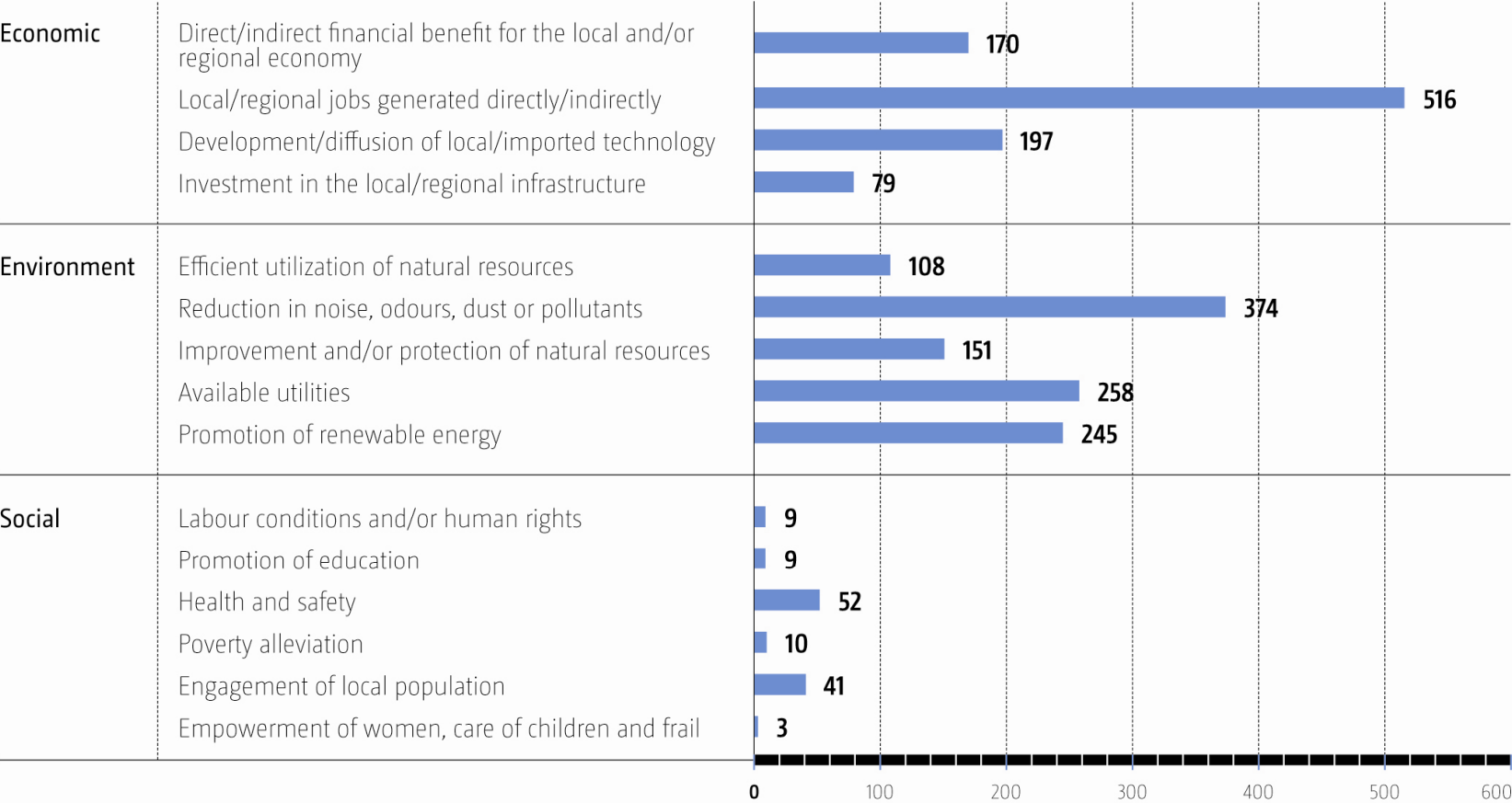
## Approach and method

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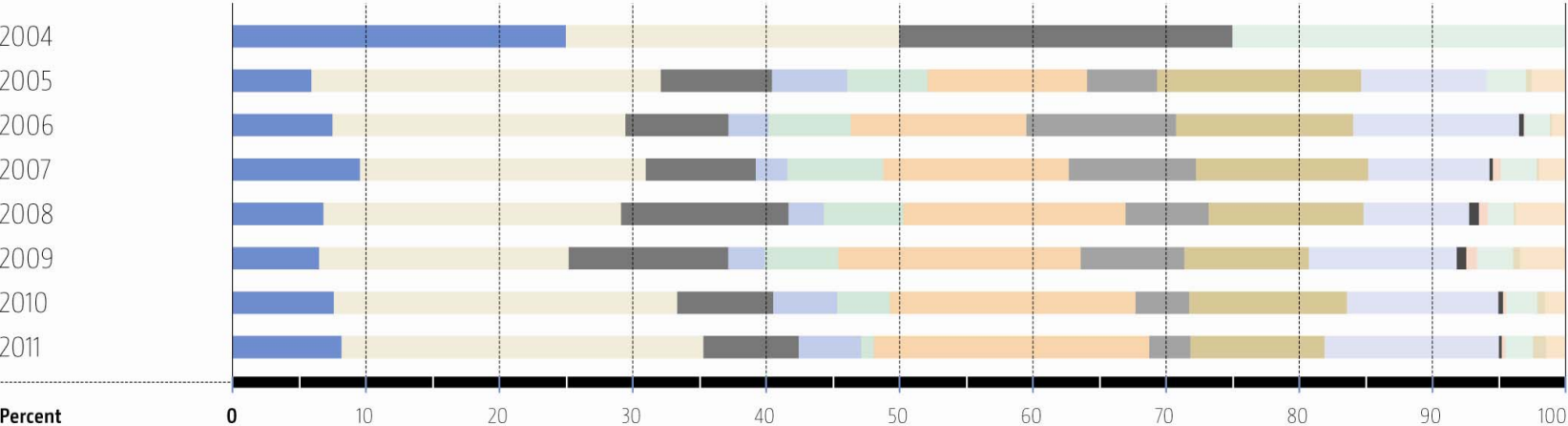
- Using claims made by project participants in the PDDs etc. of 3,276 registered CDM projects up to 31 July 2011 (Sources UNFCCC, UNEP, IGES)
- Results are also compared with other studies to identify common trends and issues
- A survey of PPs was conducted to verify some of the findings



# Number of sustainable development claims by indicator



# Sustainable development claims

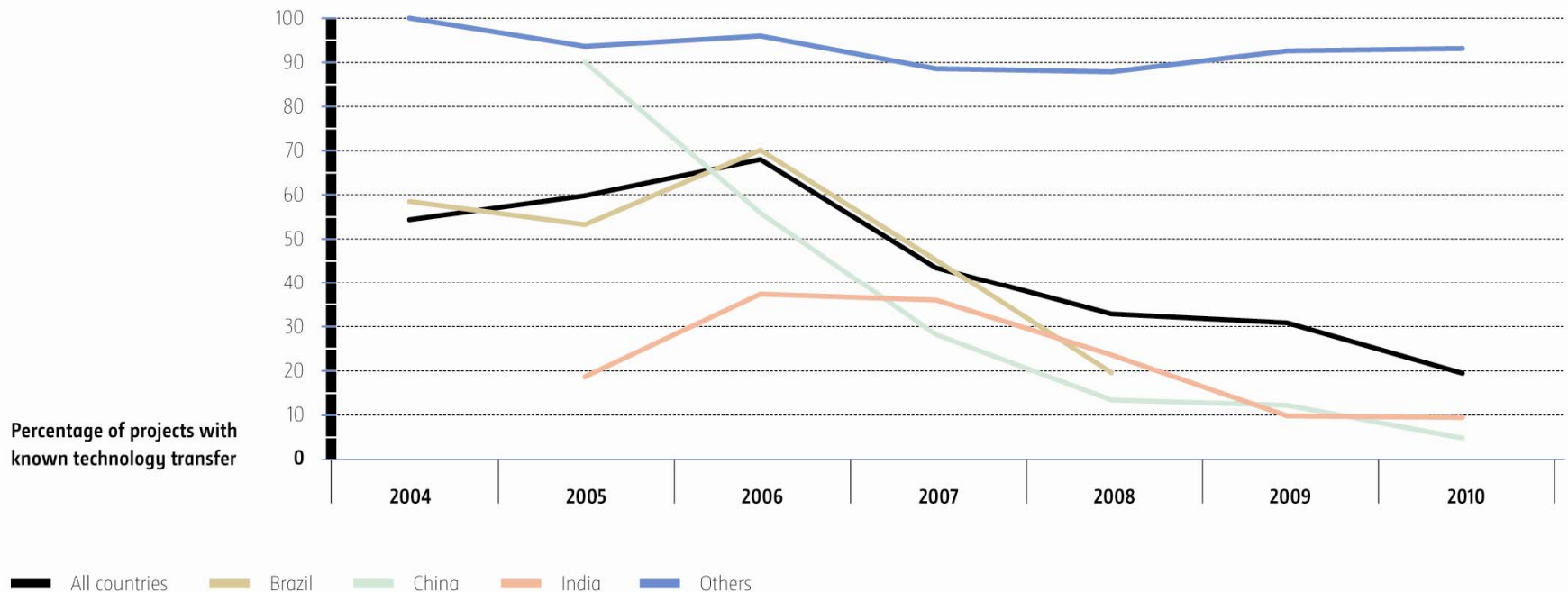


- Direct/indirect financial benefit for the local and/or regional economy
- Local/regional jobs generated directly/indirectly
- Development/diffusion of local/imported technology
- Investment in the local/regional infrastructure
- Efficient utilization of natural resources
- Reduction in noise, odours, dust or pollutants
- Improvement and/or protection of natural resources local/regional infrastructure
- Available utilities
- Promotion of renewable energy
- Labour conditions and/or human rights
- Promotion of education
- Health and safety
- Poverty alleviation
- Engagement of local population



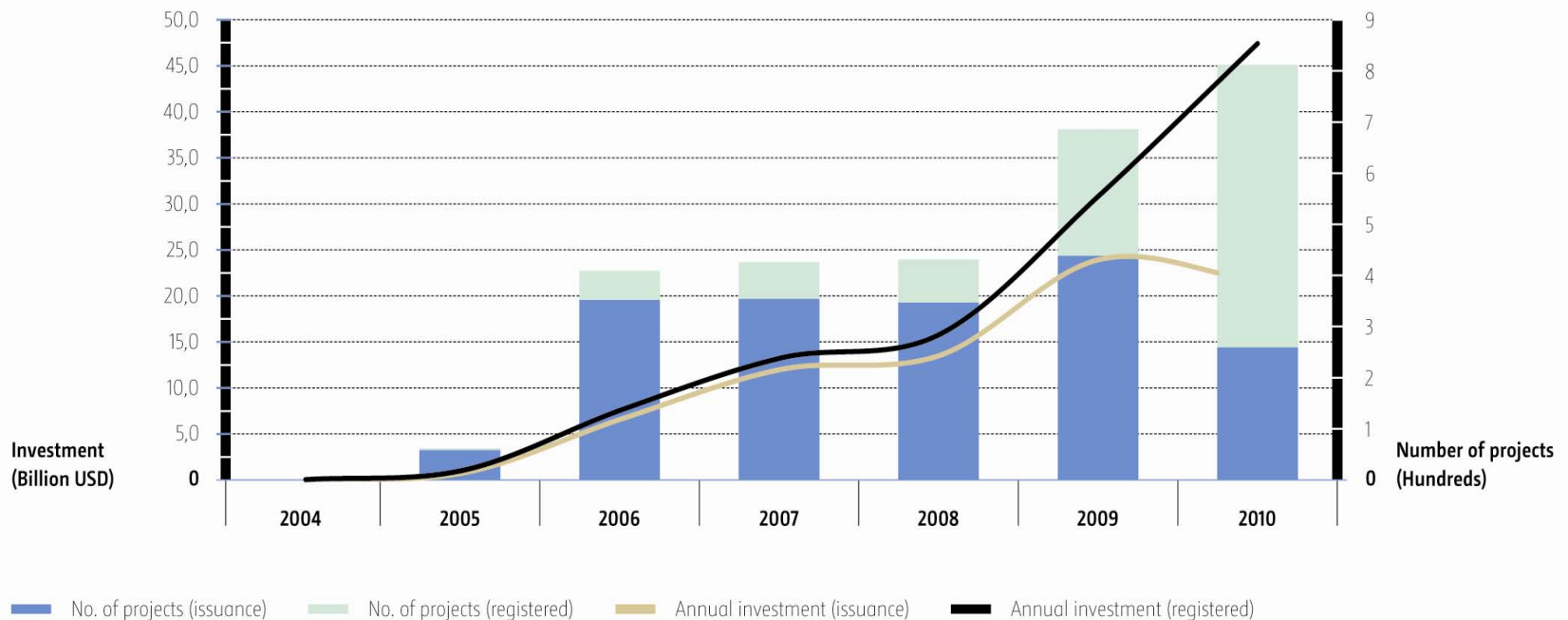
# Trends in technology transfer claims by host country

- Tech Transfer rates decline over time in advanced developing countries
- Positive factors incl. democracy, business friendliness, ODA/capita, population change, technology capacity
- Most NAI countries remain in early stages with high need for tech transfer



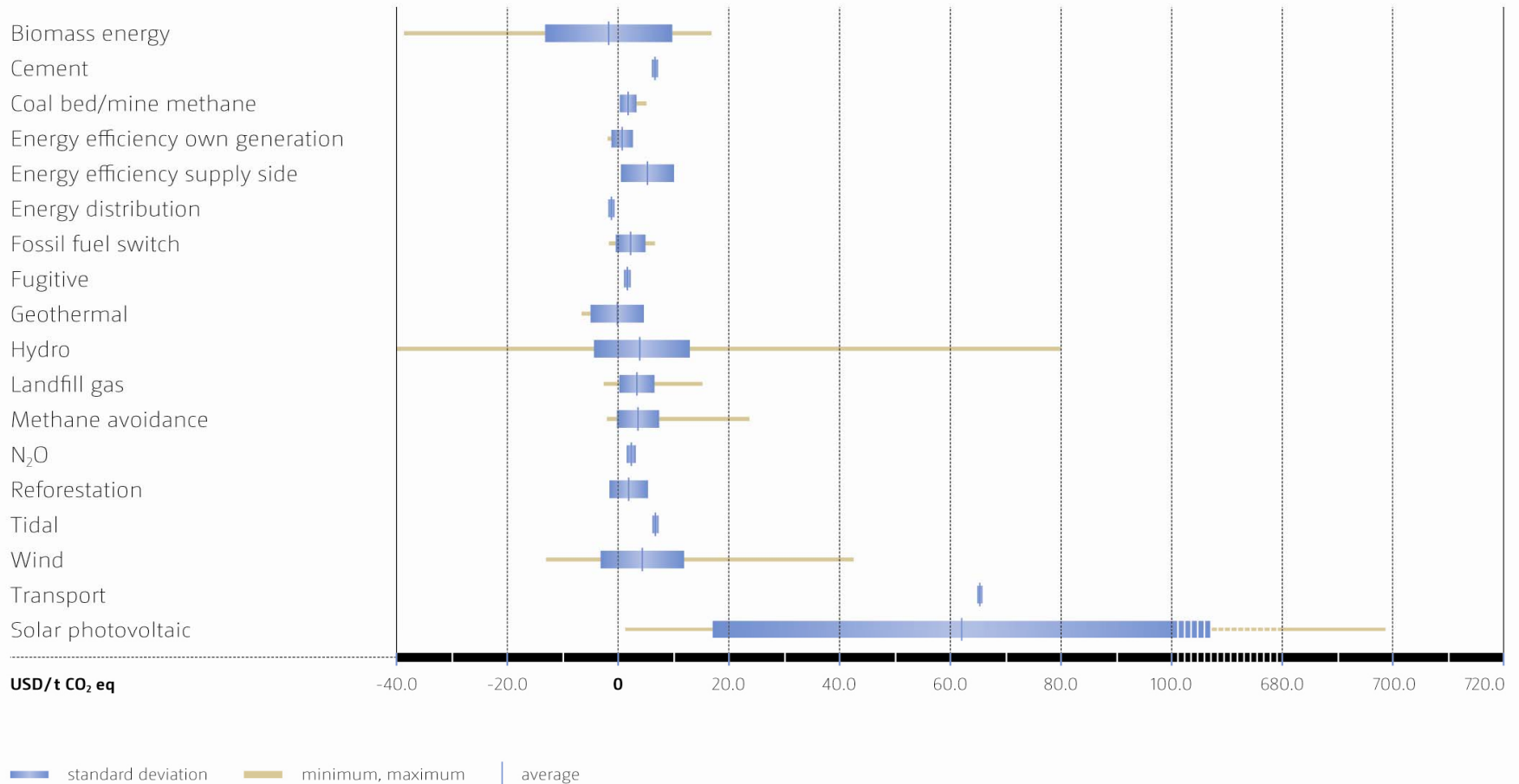
# Investment in CDM projects by year (USD billion)

- Annual investment rose from \$40 million (2004) to \$47 billion (2010)
- Totals investment to mid 2011 is now over \$140 billion
- Average investment per project is approximately \$45 million
- 75% Asia-Pacific projects are 15% more capital intensive than all other projects
- Average investment elsewhere is < half of the global average



# Abatement costs

Average abatement cost for all types of CDM projects with a fixed crediting period \$10/t CO<sub>2</sub> eq, except solar projects, and with a renewable crediting period the abatement cost is \$2/t CO<sub>2</sub> eq.





## Opportunities for improvements

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This study has shown that one can estimate claimed benefits to host countries, ascertain investment, basic costs. However there are other benefits and lessons that can be learnt:

- SD indicators need improvement;
- Drill down into role of TT supported by CDM, e.g. demand-supply for certain techs.
- Need to assess mitigation beyond crediting periods
- Assess costs and mitigation compared to no-CDM scenario
- The *Benefits of the CDM: 2012* report, aims to address some of these.

