

**CDM capacity building workshop in Fiji**

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**Simpler rules for CDM projects  
from Least Developing Countries  
(LDCs), and Small Island States  
(SIDS)**

# Share of Proceeds

Normally a Share of the Proceeds from the issuance of CERs must be retained by the Execution board for two purposes:

- 1) To pay the administrative expenses (also called Registration fee) of the Executive Board (0.10 USD/CER/yr issued for the first 15,000 tCO<sub>2</sub> and 0.20 USD/CER/yr) the rest
- 2) To the Adaptation Fund (2% of the issuance)

At COP3 it was decided to exempt least developed countries (LDCs) from paying the registration fee.

It has also been decided that LDC countries are exempted from paying the fee to the Adaptation Fund

Since all Samoa, Solomon Islands, and Vanuatu are Least Developing Countries (LDCs) they do not have to pay these fees.

# No additionaly check

Normally all CDM projects have to show that they are additional, e.g. that they would not exist without CDM.

At COP 15 it was decided to establish simplified modalities for demonstration additionality for all SIDS/LDC countries.

At the 54<sup>th</sup> meeting of the Executive Boards (EB) it was decided (see annex 15) the following project ALWAYS are additional in these countries:

- 1) Projects activities up to 5 MW that employ renewable energy as their primary technology. All technologies included in Type I small scale CDM are included.
- 2) Energy efficiency projects activities that achieve energy savings of <20GWh. All technologies included in Type II small scale CDM are included.
- 3) At COP16 it was decided that EB should also include Type III small scale project < 20ktCO<sub>2</sub>e in this category before COP17.

# Loan scheme for project development

Normally it is hard for CDM project developers to find money for preparing the PDD and for validation and first issuance-

COP15 requested the EB to use the interest accrued from the Share of proceed to give loan to these activities.

Annex 3 from “Further guidance related to the CDM” from COP16 is the guideline and modality for this loan scheme, which says:

- 1) Countries with <10 registered project can get these loans
- 2) The loan can cover the costs of the development of the PDD
- 3) The Loan can cover the costs of validation and the first verification
- 4) The loan are to be repaid starting from the first issuance

The UNFCCC Secretariat is now selecting a public or a private institution to administer the loan scheme