

# CDM post 2012

## 3<sup>rd</sup> CDM Capacity Building Workshop

Fiji

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## CDM post Cancun

- Industrialised country targets officially recognized- could be expected to have targets
- Kyoto discussions to continue and ensure no gap between the first and second commitment periods of the treaty

## Alternative to CDM?

- \$30 billion in fast start finance to support climate action in the developing world up to 2012 ; to go up to \$100 billion by 2020
- Green Climate Fund under CoP to be set-up
- Technology mechanism established (Technology Executive Committee and Climate Technology Centre and Network )

## CDM Post Bonn (June 2011)

- No progress or agreement to extend the Kyoto
- Some key players backing out
- **Summary by ÚNFCCC**
  - Parties recognize that resolving future of Kyoto Protocol is an essential task this year
  - CDM is critical from mitigation perspective- a good mechanism to quantify and monitor GHG emissions reductions, and cost-effective

### **BUT**

- Possibility of a regulatory gap between first commitment period and second period
- Technology Mechanism- Climate Technology Centre and Network are being defined. Operational by 2012?
- Green Climate Fund- global flow of USD 100 billion by 2020 funding mechanism under discussions

## Will the CDM continue after 2012? (UNFCCC- FAQ)

- CDM is a part of Kyoto; agreement with a a legal framework for an indefinite period- UNFCCC
- CDM itself is a long-term mechanism that continues from one period to the next, and is not tied to specific commitment periods.
- CDM associated with the period up to 2012 due to emission targets only for the first commitment period
- Emission targets for a second commitment period under negotiation under AWG-KP. Other negotiations underway in the AWG-LCA

Means a lack of clarity for now!

# CDM Post 2012- Is it still relevant?

## ➤ EU-ETS Linkage

- EU-ETS continues beyond 2012
- CERs from CDM projects in Least Developed Countries and Small Island Developing States eligible for sale to EU-ETS without limit

## ➤ **Other actions to promote and simplify procedures (Cancun)**

- Regional distribution
  - Loan Scheme for countries with fewer than 10 PAs registered
- Simplification and standardization
  - Ensuring that average time between the receipt of a submission and the commencement of the completeness check is less than 15 calendar days in 2011.

## UNFCCC Loan Scheme

- Countries with fewer than 10 registered CDM Project activities
- To cover the costs of the development of PDDs
- To cover the costs of validation and the first verification
- No interest
- Repayment from the first issuance
- In case of LDC and SIDS , applicable to small projects also- 7,500 t CO<sub>2</sub> eq annual average

## Other linkages and possible developments

- POA (voluntary programme to reduce emissions) could help migrate to NAMAs?
- Useful mechanism- methodology for quantifying, verifying emissions could be used in new mechanism
- PDD is transparent and useful document for project developers to seek climate finance
- Other mechanism ?
  - World Bank announcement to launch finance for new CDM for LDCs
  - Technology mechanism, NAMAS may require similar MRVs, PDDs etc.
- 2nd commitment period delayed – good to be ready.



# Thank You

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