

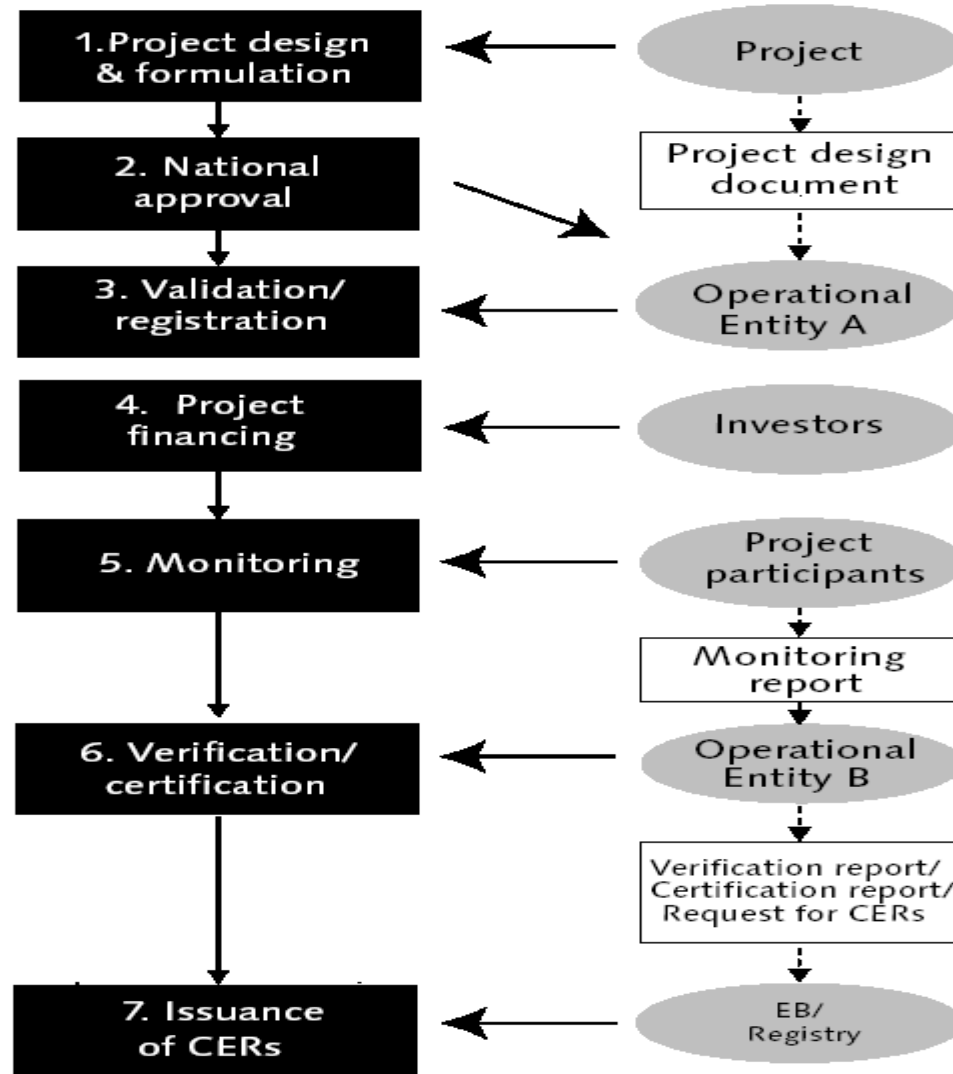


THE CLEAN DEVELOPMENT MECHANISM PROJECT CYCLE

Project cycle for the CDM

Project description;
Baseline methodology;
Monitoring
methods/plan; GHG
emissions; Statement of
env. impact; Stakeholder
comments

National CDM Authority:
Government consent;
Government confirmation
that the project assist in
sustainable development



Legends:

 Activity

 Report

 Institution



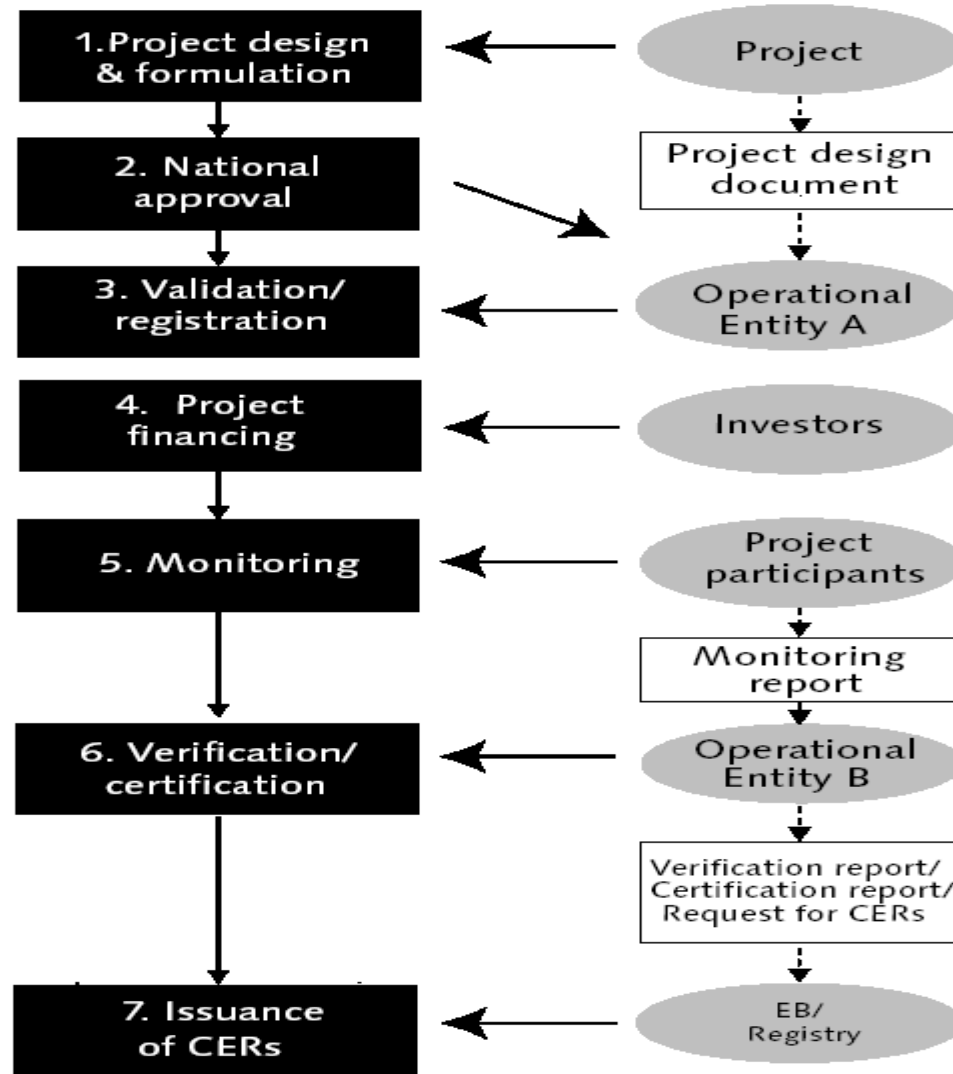
1. Project Design and Formulation

- Project participants identify an opportunity for a CDM project and develop a Project Design Document (PDD).
- The PDD defines the project baseline to estimate net carbon emission reductions.
- The PDD is a legal CDM document.


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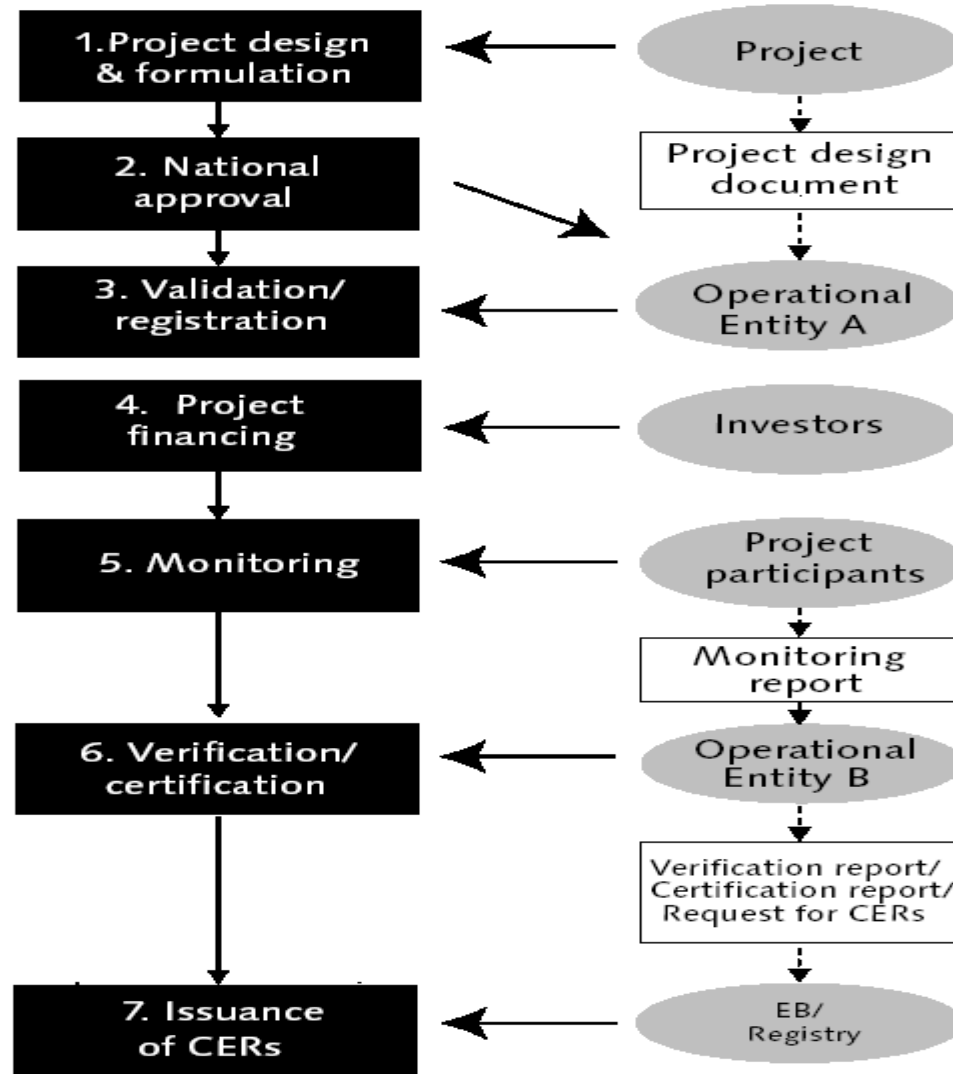
2. National Approval

- The Designated National Authority (DNA) of the host country approves the proposed CDM project against national sustainable development objectives.
- The DNA issues a letter of approval for the proposed CDM project.

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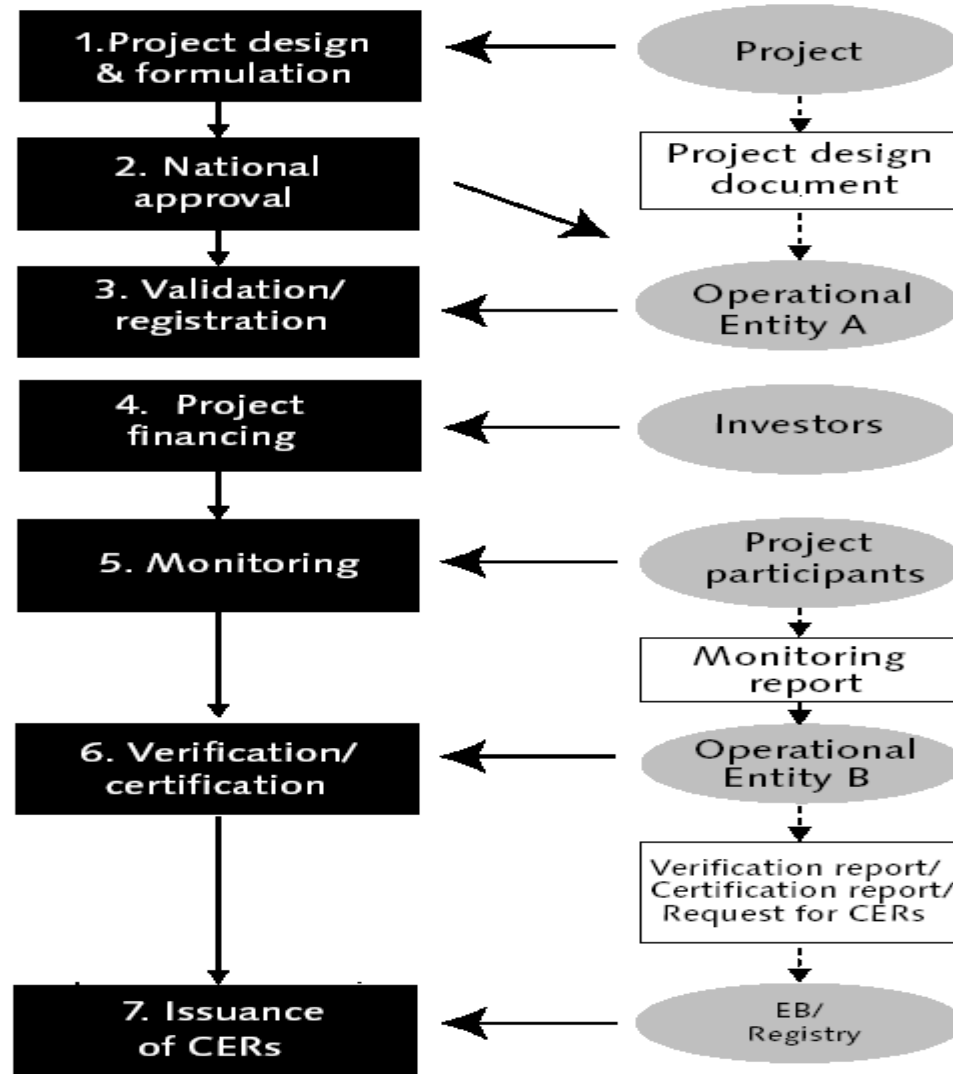
3. Validation and Registration

- The project design document, in particular the baseline needs to be assessed and validated by an independent organisation or “Designated Operational Entity” (DOE).
- DOEs are registered with the Executive Board of the Clean Development Mechanism, and are responsible for ensuring compliance of the proposed project with CDM rules.
- DOEs can be auditing or accounting firms, consulting firms, law firms, or non governmental organisations.

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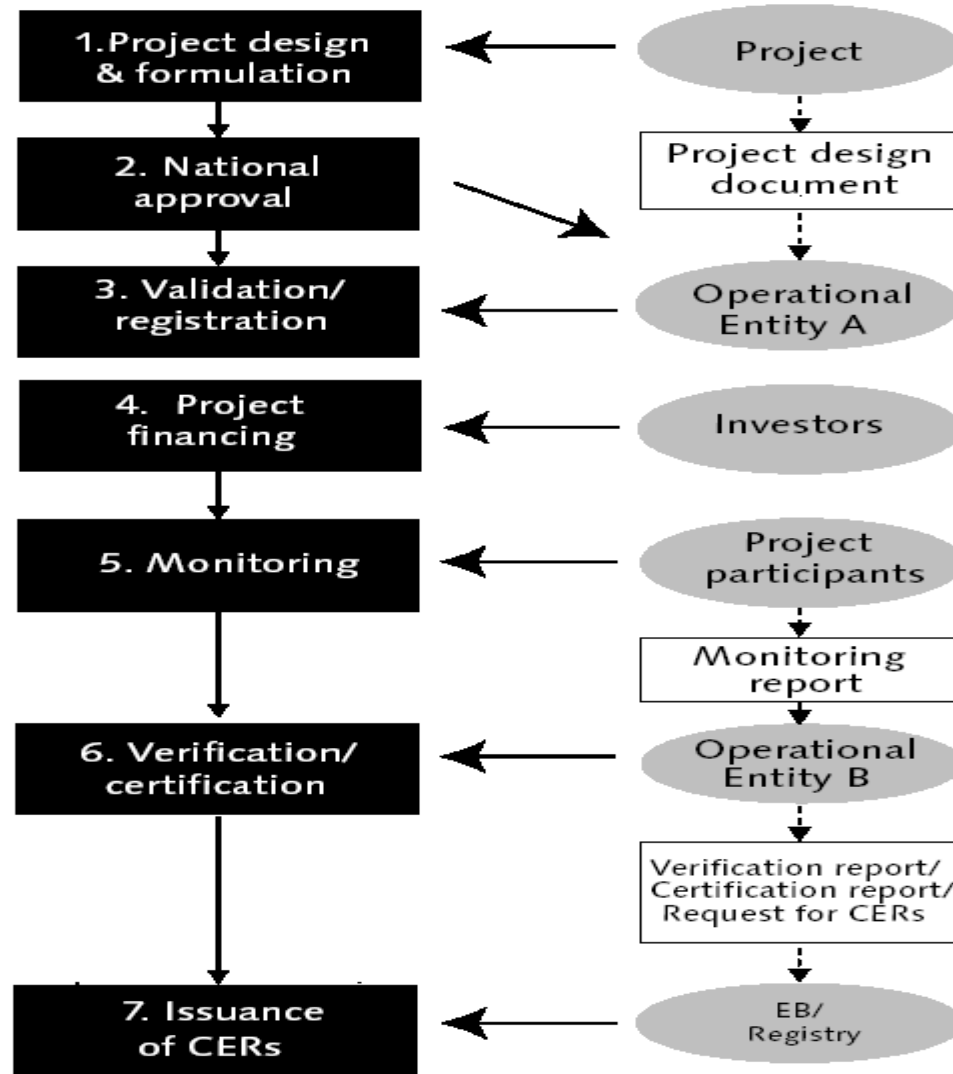
4. Project Financing

- Investors provide capital for the proposed CDM project.
- Official Development Assistance cannot be diverted into the proposed CDM project.

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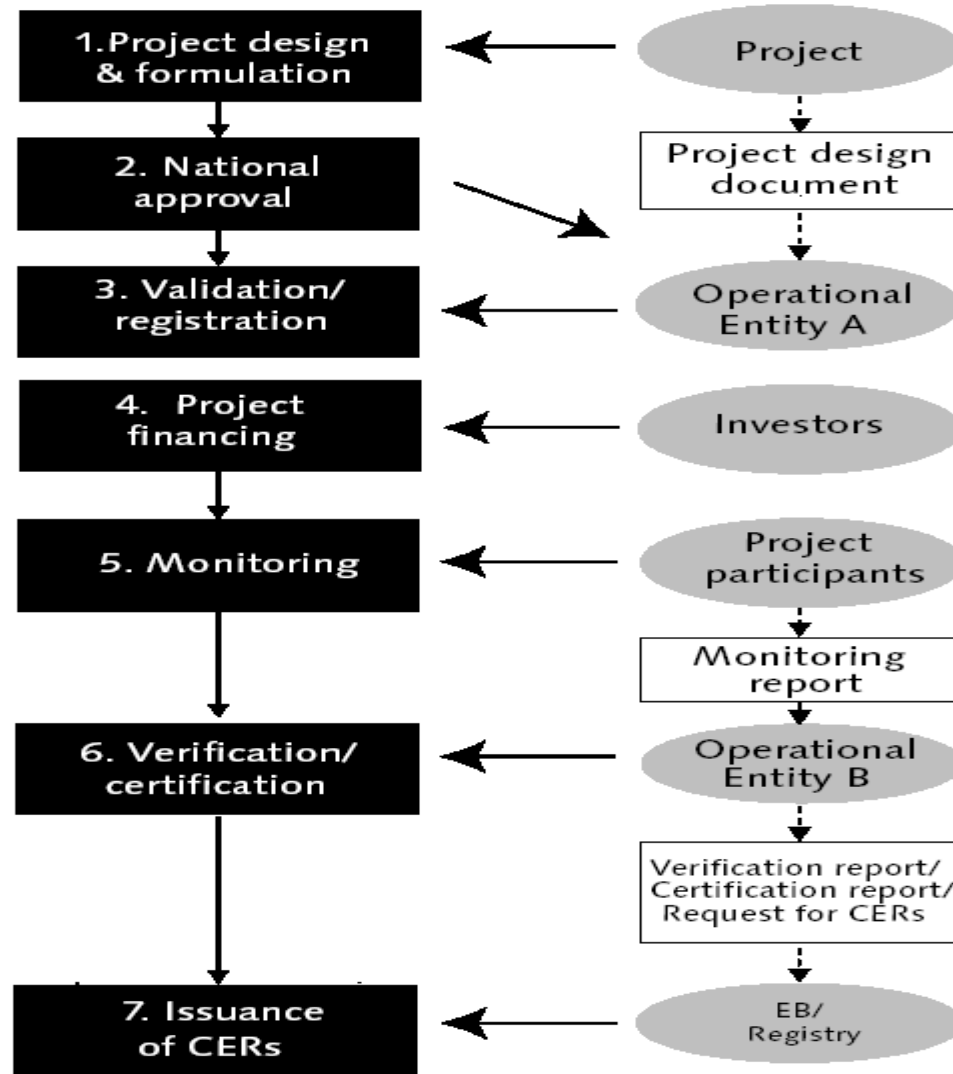
5. Monitoring

- The project developer monitors and records carbon emissions and changes in baseline.

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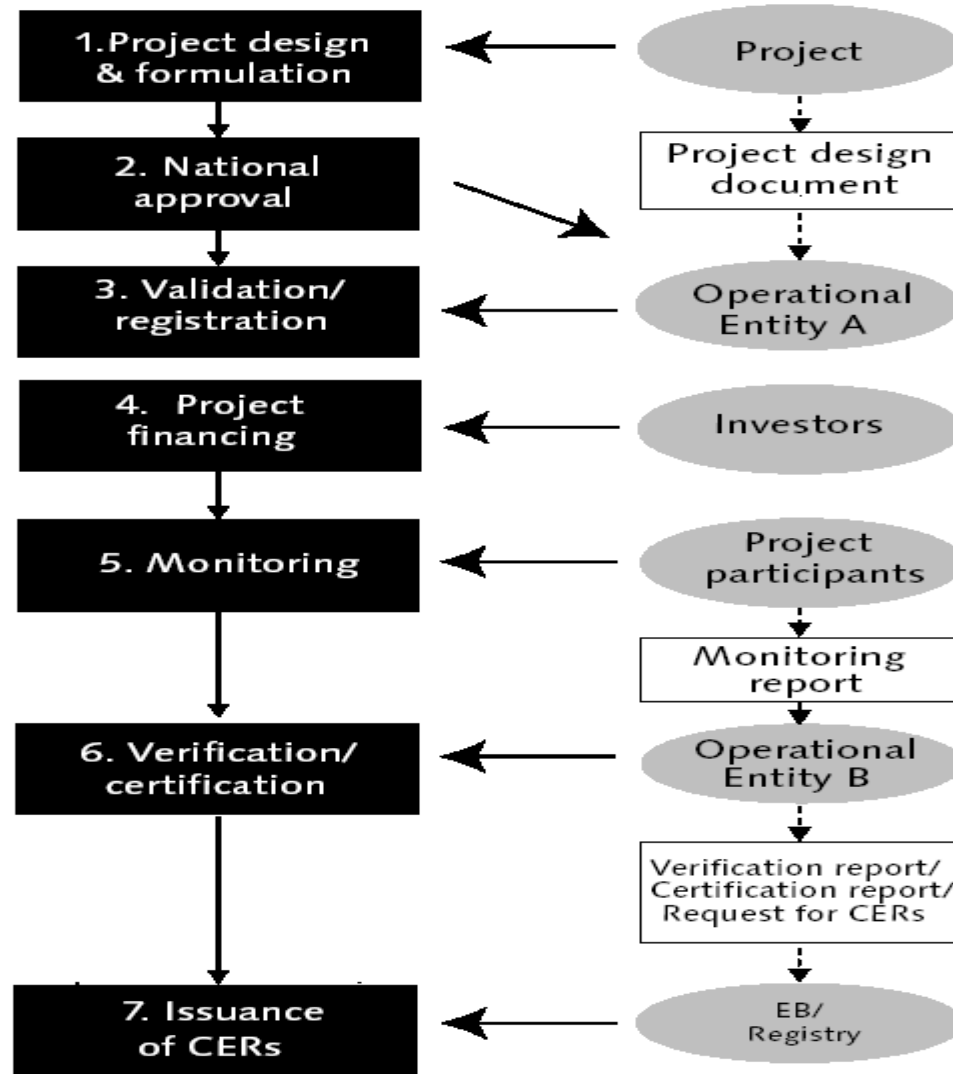
6. Verification and Certification

- A different Designated Operational Entity (DOE) independently verifies carbon reductions, and certifies the amount of Certified Emissions Reductions (CERs) generated by the CDM project.
- For small-scale projects, the simplified methodology allows for one DOE to perform validation, registration, verification and certification.

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7. Issuance of Certified Emission Reductions (CERs)

- The Executive Board (EB) issues Certified Emission Reductions (CERs) based on the verified project performance.



The main stakeholders in a CDM project

- **The project developer** -> project design and implementation, emissions monitoring
- The host country's **Designated National Authority (DNA)** -> national approval against sustainable development objectives
- The **Designated Operational Entities (DOEs)** -> validation against CDM rules, verification and certification of carbon reduction
- The **Executive Board (EB)** - > Issuance of Certified Emission Reductions (CERs)