

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

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 54th meeting of the Executive Boards (EB) it was decided the following projects ALWAYS are additional in these countries:
 - 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.
 - Energy efficiency projects activities that achieve energy savings of <20GWh. All technologies included in Type II small scale CDM are included
 - At COP16 it was decided that EB should also include Type III small scale project < 20ktCO₂e in this category before COP17

Share of Proceeds

- Normally a Share of the Proceeds from the issuance of CERs must be retained by the Execution board for two purposes:
 - To pay the administrative expenses (also called Registration fee) of the Executive Board (0.10 USD/CER/yr issued for the first 15,000 tCO₂ and 0.20 USD/CER/yr) the rest
 - 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

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

Loan scheme for project development

Projects to be funded by the loan scheme must:

- Projects must be in host countries with a maximum of 10 CDM project activities registered with the UNFCCC at the time of application
- Be highly likely to be commissioned and completed with regard to permits, licences, and political risk;
- Project documentation must be developed by an experienced CDM consultant.
- Projects must have a high probability of registration with the UNFCCC and generating at least 7,500 CERs/year for projects in Least Developed Countries (LDCs), and 15,000 CERs/year in non-LDCs
- Meet the eligibility criteria for a CDM project or a CDM programme of activities (-/CMP.6, Annex 3, Appendix I).
- The loan must not “crowd out” other obvious funding for the development costs (like donor funding or funding by an already identified buyer of CERs from the project)

THANK YOU