



“Wie funktioniert der Clean Development Mechanism (CDM?)”

- ***“How does the CDM work?”***

*Presentation at the ‘SolarEnergiePartnerschaft mit Afrika’ (SEPA) Workshop,  
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# Background

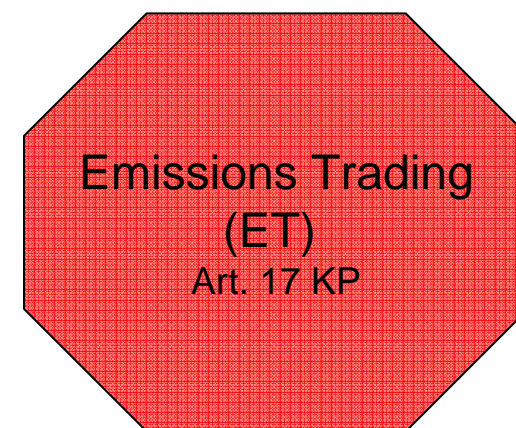
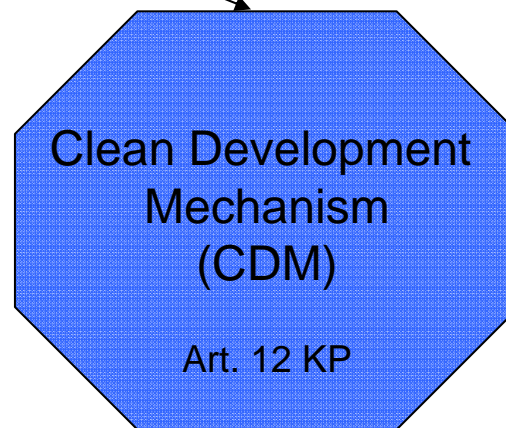
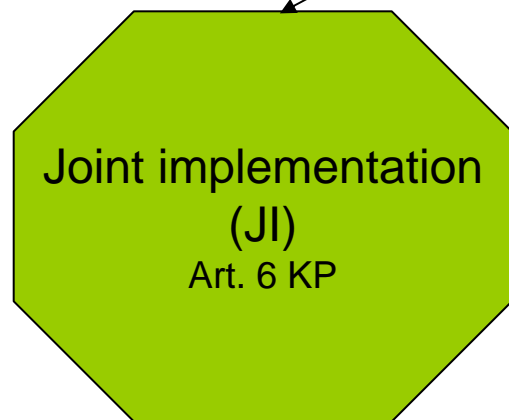


- United Nations Framework Convention on Climate Change (**UNFCCC**), 1992; in force 1994
- **Kyoto Protocol (KP)**, 1997; in force February 2005
  - 182 Parties [May 2008]
  - “Common but differentiated responsibilities” – industrialized countries have historically contributed most to climate change
    - Industrialized countries (“Annex I Parties”) commit to legally-binding GHG emission limitation and reduction targets  
= total cut of at least 5% from 1990 levels in the “1st commitment period” 2008 – 2012 [EU: -8%; Germany -21%]
    - Developing countries only reporting, GHG inventories

# Flexible mechanisms



Project based mechanisms & Em.Trading



Rationale: Climate change is a global phenomenon

→ While the cost of limiting GHG emissions varies, the benefit for the atmosphere is the same, wherever the action is taken

# CDM objectives



1. Assist non Annex I Parties (developing countries) in achieving **sustainable development**
2. Help Annex I Parties to **achieve compliance** with GHG reduction targets

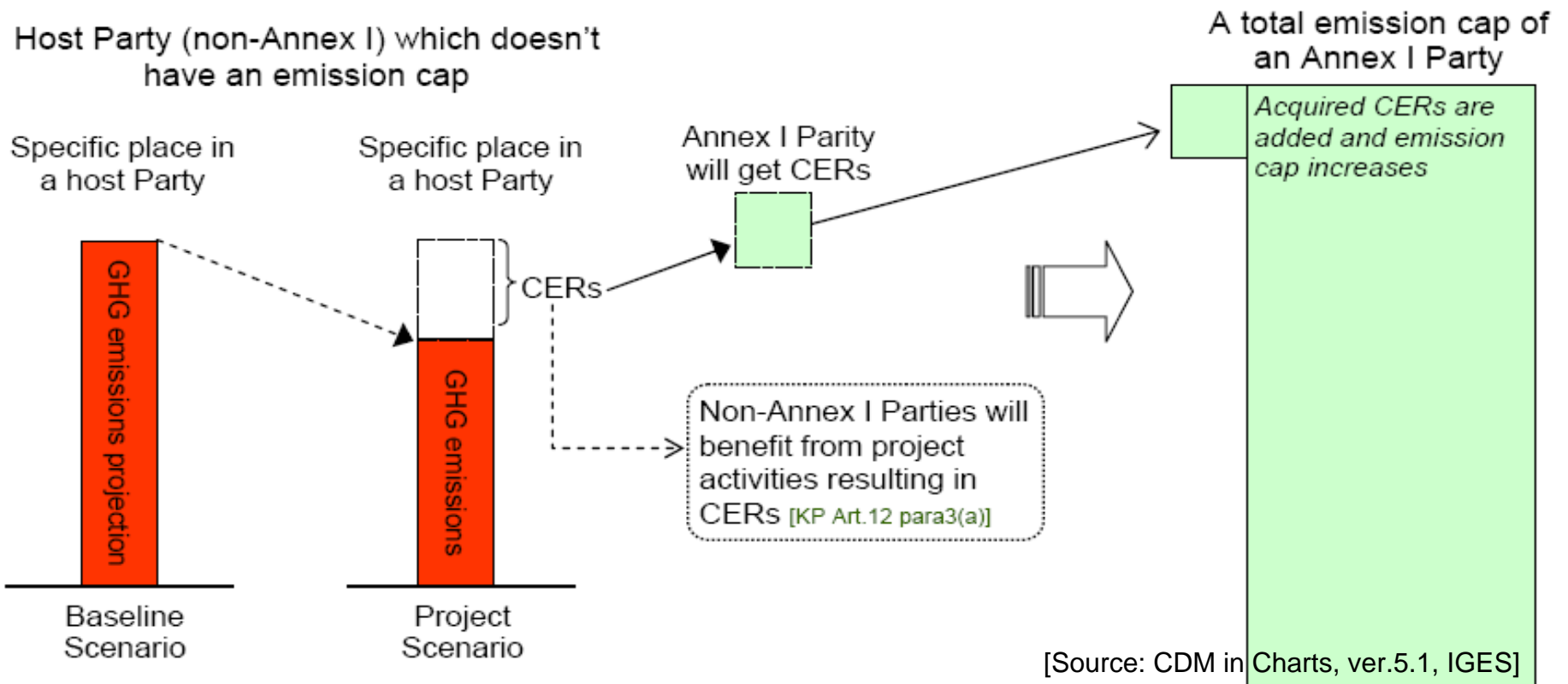
(Art. 12.2 KP)

# CDM in principle

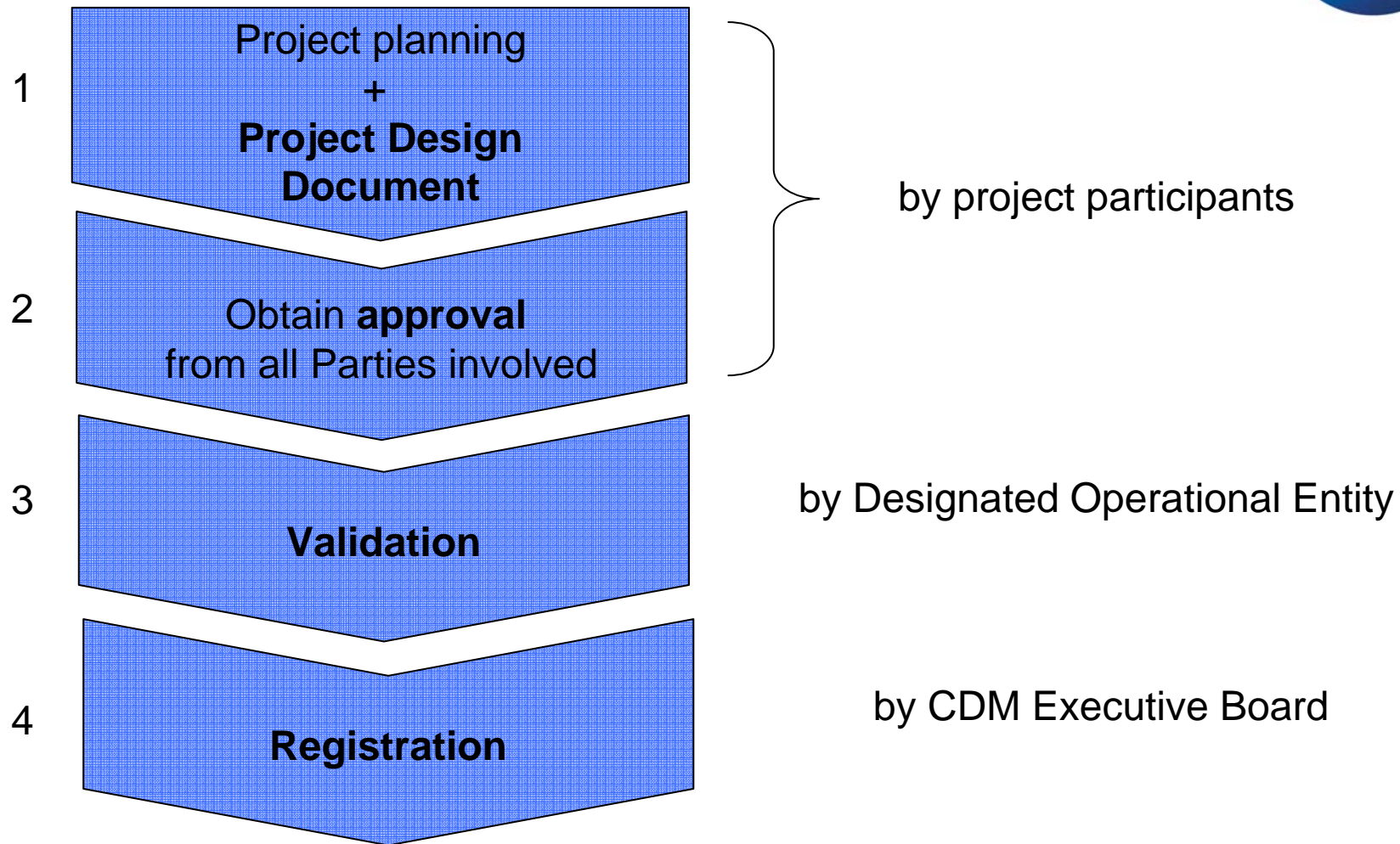


CDM projects → generate Certified Emission Reductions (**CERs**)

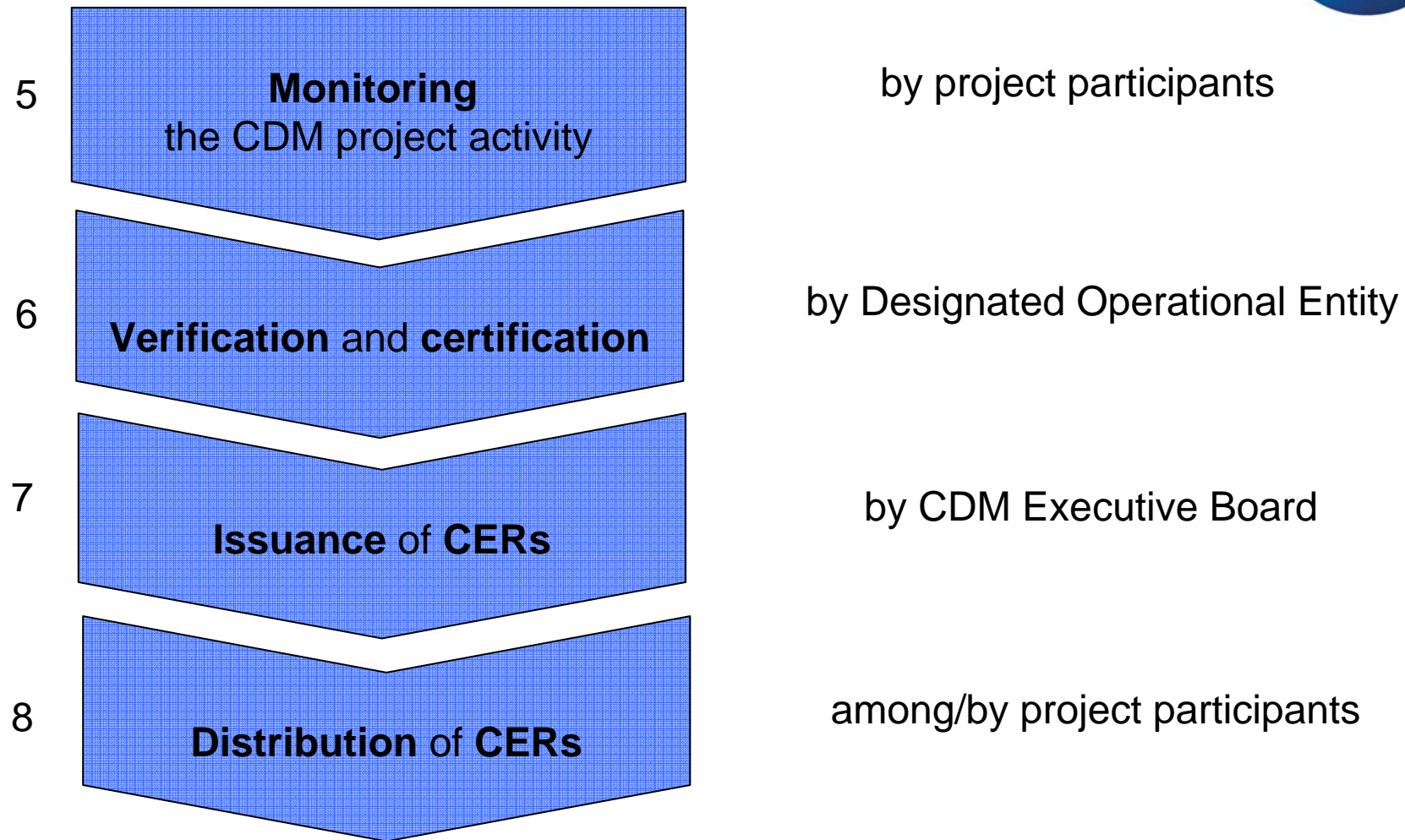
→ allow Annex I Party to emit more



# Project development phase



# Project implementation phase



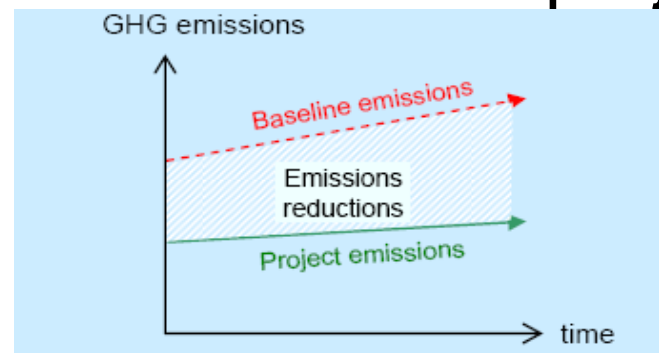
# Conditions for CDM projects



## 1. Additionality

= GHG emission reduced below those that would have occurred in the absence of the project

→ Baseline scenario



## 2. Achieving sustainable development

→ prerogative of the host country

# Deficits of the current CDM



## 1. Environmental integrity

- No objective sustainability criteria
- Market = profit driven → focus on GHG with highest offset potential instead of CO<sub>2</sub>

## 2. Institutional integrity

- Transparency
- Efficiency
- Predictability and certainty

## 3. Geographical distribution

approved projects in May 2008:

China: 1197

India: 870

Mexico: 189

Brazil: 179

Philippines: 55

Indonesia: 47

Israel: 22

Colombia: 20

South Africa: 18

# Future of the CDM



Bali COP-13 / CMP-3 (Dec. 2007):

Positive signal: mechanisms will continue in some form

## Possible improvements

- Geographical distribution
  - simplified procedures, capacity building
- Environmental integrity
  - Substantive criteria ?
- Institutional integrity
  - streamlining, professionalize the EB, due process rights

Inter-relation with other potential elements of the post 2012 regime? (Financing, technology transfer, incorporation of other sectors: transport, agriculture, forests → REDD...)

# Further information



UNFCCC website: [www.unfccc.int](http://www.unfccc.int)

→ CDM: [www.cdm.unfccc.int](http://www.cdm.unfccc.int)

→ publications;

→ statistics: <http://cdm.unfccc.int/Statistics/index.html>

“CDM in Charts” – *IGES Japan*: <http://www.iges.or.jp/en>

“CDM project pipeline” – *UNEP Risoe Centre*: [www.cdmpipeline.org/](http://www.cdmpipeline.org/)

gtz – “CDM highlights”: [www.gtz.de/climate](http://www.gtz.de/climate)

general – IUCN: [www.iucn.org/climate](http://www.iucn.org/climate)



Vielen Dank!

*Thank you very much!*

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