



Climate

REGULATORY GHG PROJECT CERTIFICATION PROGRAMS

This document provides information to stakeholders about the Clean Development Mechanism (CDM), a program set up by the United Nations Framework Convention on Climate Change in order to support flexible mechanisms for reducing greenhouse gas emission under the Kyoto Protocol.¹ This document is distributed to stakeholders to provide them with an opportunity to evaluate whether Green-e Climate should endorse the Clean Development Mechanism. Comments are sought on the Clean Development Mechanism's conformance with the Green-e Climate Program Principles and Criteria listed in the Green-e Climate Standard (www.green-e.org/getcert_ghg_standard.shtml). The specific principles of the Green-e Climate Standard that apply to the CDM are: Principle 1(a) and 1(e); Principle 3(d-g); Principle 4(c) and Principle 5(a-c, e) as well as Project Specific Criteria (Section 7.2). Stakeholders who wish to comment on this issue should use the Clean Development Mechanism comment form, which can be found here:

http://www.green-e.org/getcert_ghg_endorsed.shtml

General Information

Name of Program: The Clean Development Mechanism

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¹ The information contained on this form has been gathered by staff from the Center for Resource Solutions and does not represent a submission of the Clean Development Mechanism.

Principle #1 – Transparent Program Development

Procedures for the development of the GHG Program requirements invite broad participation by interested parties, are transparent and require public availability of information

The Clean Development Mechanism (CDM) defined in Article 12 of the Kyoto Protocol provides for Annex I Parties to implement project activities that reduce emissions in non-Annex I Parties, in return for certified emission reductions (CERs). The CERs generated by such project activities can be used by Annex I Parties to help meet their emissions targets under the Kyoto Protocol.

CDM project activities must have the approval of all Parties involved and this may be gained from designated national authorities (to be set up by each Annex I and non-Annex I Party). The CDM is supervised by the CDM Executive Board, which itself operates under the authority of the COP/MOP (a role performed by the COP until the COP/MOP met for the first time in Montréal).

All documentation related to Executive Board meetings, related decisions taken by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP) related to the CDM, and forms agreed by the CDM Executive Board related to accreditation, methodologies, registration and issuance can be found online and are publicly available at <http://cdm.unfccc.int/index.html>

Principle #3 – Environmental Integrity

GHG Program requirements ensure real, verifiable, permanent and enforceable GHG emission reductions

There are strict requirements for validation, monitoring and verification of GHG emission reduction projects, as well as the GHG emission reductions resulting from those projects.

Requirements can be found at:

<http://cdm.unfccc.int/Reference/COPMOP/08a01.pdf#page=14>

Methodologies relating to the estimation and reporting of baseline emissions and emission leakage can be found here:

<http://cdm.unfccc.int/methodologies/PAmethodologies/approved.htmlc>

Crediting Period

The following crediting periods are eligible under CDM:

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- (a) A maximum of seven years which may be renewed at most two times, provided that, for each renewal, a designated operational entity determines and informs the Executive Board that the original project baseline is still valid or has been updated taking account of new data where applicable; or
- (b) A maximum of 10 years with no option of renewal.

Additionality

A complete explanation of all additionality tests is included in the following document:

Tool for the demonstration and assessment of additionality

(http://cdm.unfccc.int/methodologies/PAmethodologies/AdditionalityTools/Additionality_tool.pdf).

The process sets the Timing Test at the year 2000, meaning that only project activities initiated in 2000 or later can accrue CERs. The CDM also requires that project activities cannot have been mandated by law although with a possible exception for un-enforced laws. In addition, the CDM Additionality Test requires that projects pass either a financial or barriers as well as a common practice test.

Forestry

Documents related to forest-based and biological carbon sequestration projects and requirements can be found at:

http://cdm.unfccc.int/methodologies/ARmethodologies/approved_ar.html

Provisions regarding the prevention of reversibility, changes in biological carbon stocks, the sampling of biological carbon stocks, environmental impacts, and other issues related to forestry projects can be found at:

http://cdm.unfccc.int/methodologies/ARmethodologies/approved_ar.html

Principle #4 – Validity of Emissions Reductions

GHG Programs ensure the validity of GHG emission reductions with respect to the program requirement

The CDM requires validation and verification by UNFCCC-accredited Designated Operational Entities (DOEs). A DOE under the CDM is either a domestic legal entity or an international organization accredited and designated, on a provisional basis until confirmed by the COP/MOP, by the Executive Board (EB). A DOE has two key functions: It validates and subsequently requests registration of a proposed CDM project activity and it verifies emission reduction of a registered CDM project activity, certifies as appropriate and requests the Board to issue Certified Emission Reductions accordingly.

Principle #5 – Disclosure and No Double Counting

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The GHG Program includes measures to require disclosure and prevent double counting

The CDM Executive Board maintains the CDM registry, a standardized electronic database which contains common data elements relevant to the issuance, holding, transfer and acquisition of CERs. The structure and data formats of the CDM registry conform to technical standards adopted by the COP/MOP for the purpose of ensuring the accurate, transparent and efficient exchange of data between national registries, the CDM registry and the international transaction log.

Upon being instructed by the Executive Board to issue CERs for a CDM project activity, the CDM registry administrator, working under the authority of the Executive Board, shall, promptly, issue the specified quantity of CERs into the pending account of the Executive Board in the CDM registry. Each CER shall be held in only one account in one registry at a given time.

Documentation on GHG emission reduction projects is publicly available for review at <http://cdm.unfccc.int/Projects/registered.html>.

Additional Criteria

Project Specific Criteria

Nuclear Projects are not eligible under the CDM.
Certain hydropower technologies are eligible.