



# Climate Journalism Course

24 June 2009

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# Agenda

## Goal of the presentation:

- To provide the participants with a basic and comprehensive understanding of the flexible mechanisms (mostly CDM)
- To provide an insight into the perspectives for further development (adjustment) of these in the light of critic, discussions and negotiations.
- Other considerations about climate change issues

Based on general knowledge, official documents and personal insights from the field.

# Who am I to tell you about this?

**2005: Work for member of CDM executive Board**

**2005: Danish Energy Authority**

**2006: UNEP Risoe Centre**

**2007: Core Carbon Group (Russia)**

**2008=> Danish Energy Management**

**+ Training, lectures and member of Board for Danish Climate Movement**

# Basic introduction to the flexible mechanisms

- Clean Development Mechanism (CDM),
  - Joint Implementation (JI) and
  - Emissions Trading
- are established with the Kyoto Protocol in 1997

Allows developed countries (with reduction target) to cover some of their greenhouse gas emission reductions with carbon credits generated by projects in a.o. former Soviet Union countries (JI) and developing countries (CDM)

1 carbon credit =

1 ton of CO<sub>2</sub> equivalent =

Certified Emission Reduction (CER) / (ERU)

# Basic introduction to the flexible mechanisms

Since Kyoto 1997 was the general regulation decided in Marrakesh in 2001

CDM is a baseline-and-trade system (where reduction in emissions are compared to what would otherwise have Happended) Market based!

It is NOT an investment mechanism (but improves project income)

CDM does not result in emission reduction, but is only a way of fulfilling already agreed reductions targets.

## **CDM projects must be:**

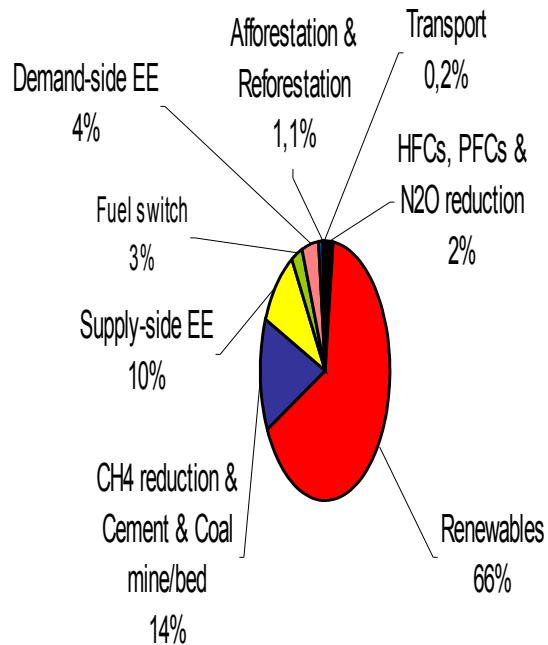
Real, measurable, additional and contribute to the sustainable development of the host country.

# Status of the flexible mechanisms

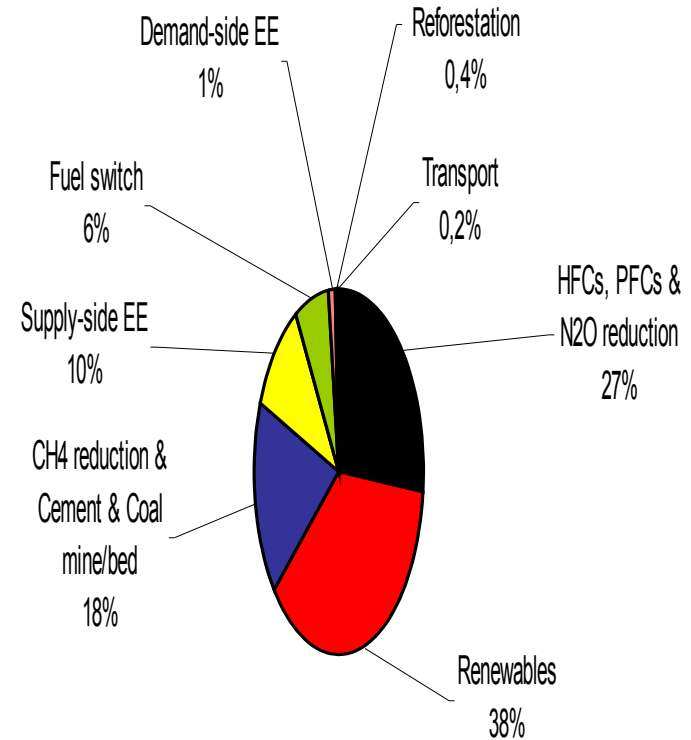
	CDM	JI
Number	5000	208
Registered	1700	29
Issuance	280 mill. (511)	651.000 (1)
Host countries	76	14
Total reduction until 2012	2.7 billion	Track 1 = 40 million Track 2 = 300 million

# Status of the flexible mechanisms

Number (%) of CDM projects in each category

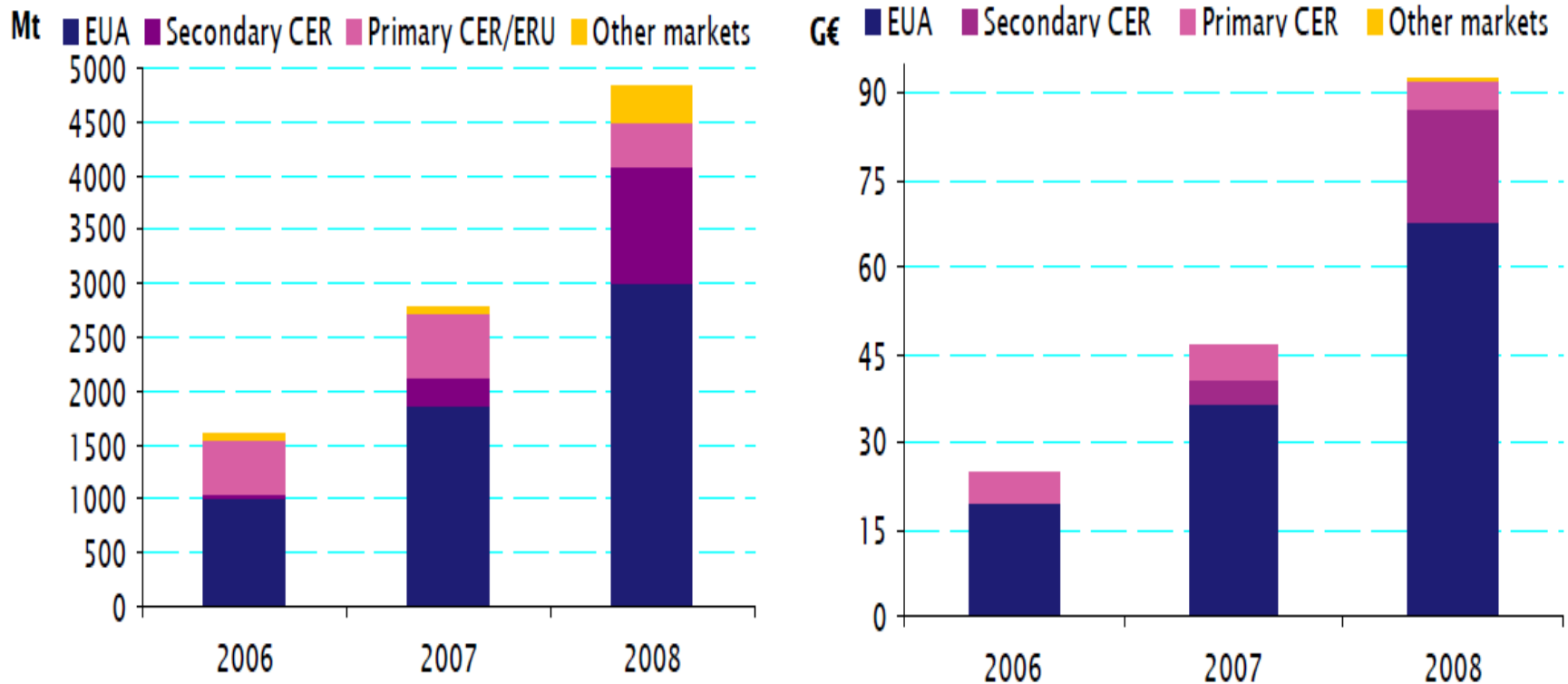


Expected CERs Until 2012 (%) in each category



# Status of the flexible mechanisms

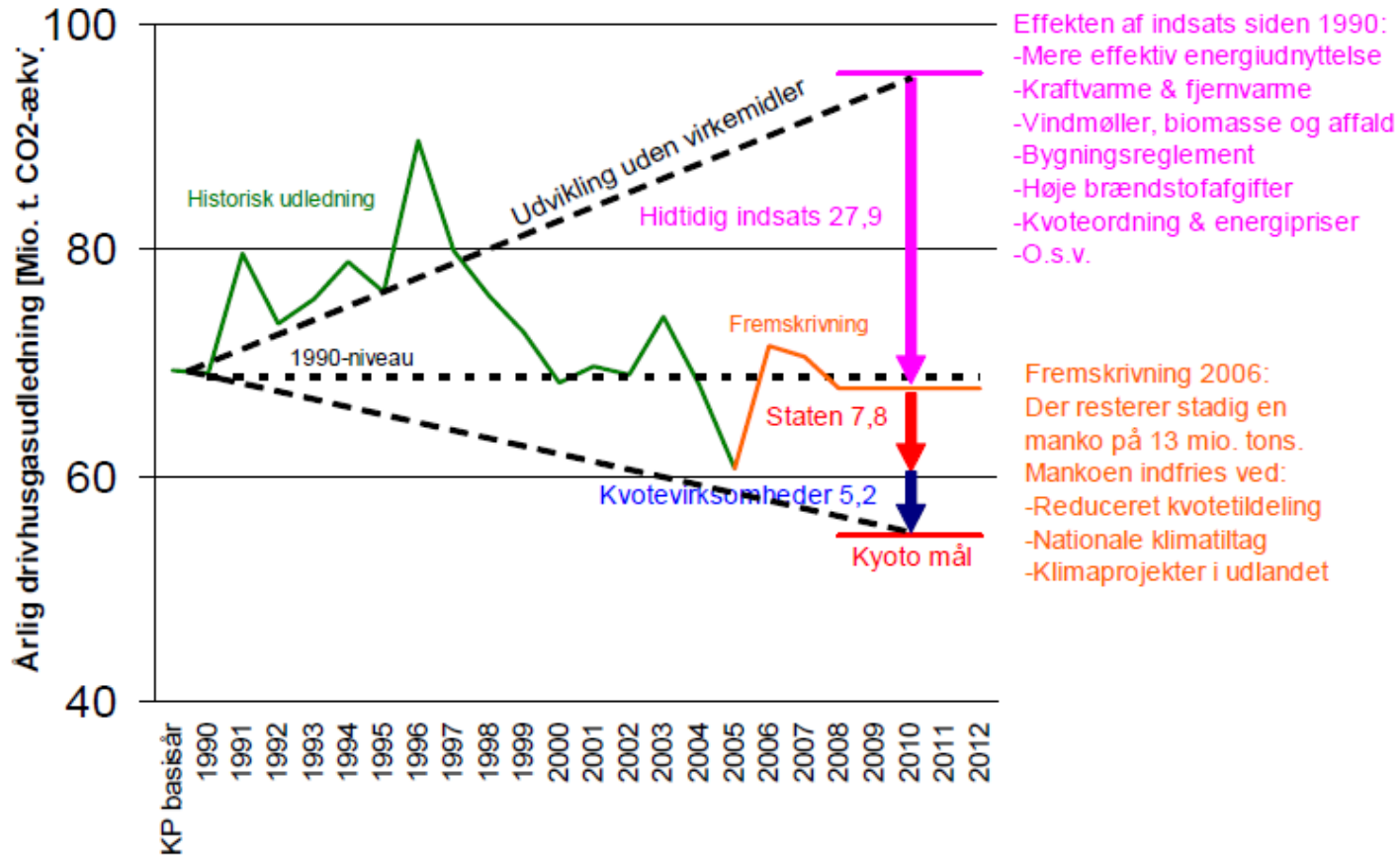
## Historical trade of carbon credits



Total carbon market turnover 2008 = 86 billion Euro (double since 2007) Source: World Bank States and Trends 2009



# Status of the flexible mechanisms



# Basic introduction to the climate negotiations

Official United Nations tracks:

## The Bali Road Map

- Ad Hoc Working Group on Further Commitments under Kyoto Protocol (Annex 1) (AWG-KP)
- Ad Hoc Work Group on Long-Term Cooperative Action under Convention (AWG-LCA)

In 2009 planned 5 meetings (2 done so far)

# Basic introduction to the climate negotiations

Status on flexible mechanisms:

AWG-KP deal with commitments and reforms of CDM + JI

AWG-LCA covers Annex 1 countries reductions + National Appropriate Mitigation Actions (NAMA) (no CDM)

# Basic introduction to the climate negotiations

## The Bali Road Map (building blocks)

- Shared Vision
- Mitigation
- Adaptation
- Financing
- Technology development and transfer

So far draft negotiation text (AWG-LCA) + further submissions (total 200 pages+)

# Status of climate negotiations

Submission done

Negotiation text revised

Emission reduction targets on the table

Negotiations started

Plenty of activities outside the UN forum as well.  
(Major Economies Forum – ETS etc.)

# Basic introduction to the climate negotiations

Target for a Copenhagen outcome:

What is critical and achievable is clarity on the key political issue in this debate:

1. individual emission reduction target for industrialized countries
2. what major developing countries can do to limit the growth of their emissions (else will some industrialized countries not sign)
3. Robust mechanism for generating sufficient funding for both adaptation and mitigation (without which the developing countries will not engage)
4. on the governance structure / the systems that is going to manage the post-Copenhagen architecture (a system which gives developing countries the confidence that they are going to be in control of the financial resources for their adaptation and mitigation strategies)

If Copenhagen can deliver clarity on this, the rest is fixing the details.  
(Yvo de Boer UNFCCC Executive Secretary)

# Discussion about flexible mechanism

Status of flexible mechanisms in the negotiations:

Almost every party wants them to continue

Struggles about new types

And about reforms

# Possible new mechanisms in the climate negotiations

Sector mechanism

Policy mechanism

Reduction of Deforestation and Degradation

+

Reforms of CDM:

- Fixed additionality, regional distribution, discounting for potent GHGs



# Discussion about flexible mechanism

Status of the flexible mechanism:

Success or failure?

**Yes and no!**

# Discussion about flexible mechanism

## Yes:

- They have managed to build up a carbon market. (created a commodity)
- Have managed to change the way of thinking about energy and climate issues.
- Have provided us with a lot of lessons learnt.
- Have actually reduced emission of GHG

# Discussion about flexible mechanism

**No:**

- **But might not have fulfilled expectations about sustainable development**
- **Have not changed the energy consumption patterns in large scale**
- **Have done nothing in relation to forestry issues**
- **Have not managed to attract enough foreign direct investment to developing countries**
- **Might have down scaled domestic actions in developed countries**

# Discussion about flexible mechanism

- **The report:**

‘Is CDM fulfilling its environmental and sustainable development objectives? – An evaluation of the CDM and options for improvement’

A report prepared for WWF November 2007.  
By Lambert Schneider

# **Further discussions about climate change issues**

**Message to politicians**

**Beyond politics to  
mass mobilization**

**Intellectual issues**

**Thanks !**