



**PROJECT
DEVELOPER
FORUM**

**A Project Developer's view for post 2012
carbon market
(Plenary IV)**

25 March 2012

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Elements of the pre-post 2012 era

- Where do we stand at now?
 - Prospects on the continuation of the KP
 - Fungibility of units under the KP
 - Lack of demand
 - New architecture to emerge only after 2015
- Private sector engagement depends on security for the investment, both in projects and in own resources
- “More Markets (Demand), Not Mechanisms”

New Market Mechanisms: the new market?

- New market mechanisms - NMM
 - NMM tend to diverge in nature
 - scattered markets and standards
 - different parties have different views, different requirements

- Today we need certainty that today's investment under the KP retains its value under the NMM (and also KP2)

Fit for the future

- The CDM has to prepare to cater for the different requirements of the new markets
- Faster, scaled up, predictable, accepted
- Three possible areas to develop
 - Additionality
 - Project Cycle Administration
 - Standardisation and Objectivity

Additionality

- Developing world is developing fast
 - Emerging policies on climate change and energy
- Clarification is needed
 - Interaction with national policies (E- / E+)
 - Stacking and blending
 - ODA, Climate Finance, etc.
 - Project specific vs. benchmarked additionality?
 - Large infrastructure projects, early CDM consideration
 - Standardised Baselines, automatic additionality

Project Cycle Administration

- Faster, scaled up and more predictable
- Options for efficiency gains
 - Use the resources to train, not check
 - move away from CC / IRC to train
 - assess and regulate DOEs in accreditation framework
 - Optional merger of Validation with Verification
 - simple and objective projects
 - no design changes: PDD = build reality

Standardisation and Objectivity

- Faster, scaled up and more predictable
- Standardisation is key to objectivity
 - Conscious decision by regulator required
 - Objectivity
 - increases processing speed
 - reduces transaction costs
 - provides for more predictability
 - Supports streamlined project cycle procedures to accomplish efficiency gains

... but the gap remains

- Without new demand the reform of CDM and NMM remains a theoretical exercise for nearly a decade
 - New markets to emerge only in a few years time
 - Market participants will have to adapt
 - Mergers
 - Diversification into other fields
 - Challenge to maintain CDM infrastructure
- ... but we will need it in the future to discover, assess, monitor and verify mitigation potential to meet even more ambitious targets!

Thank you for listening

The Project Developer Forum (PD-Forum) is a collective voice to represent the interests of companies developing greenhouse gas (GHG) emission reduction projects in international markets under the Clean Development Mechanism (CDM), Joint Implementation (JI) and other carbon emission reduction schemes and programs.

See our members at: www.pd-forum.net