



# Understanding the CDM project life cycle – From drafting the PIN and PDD to registering a project

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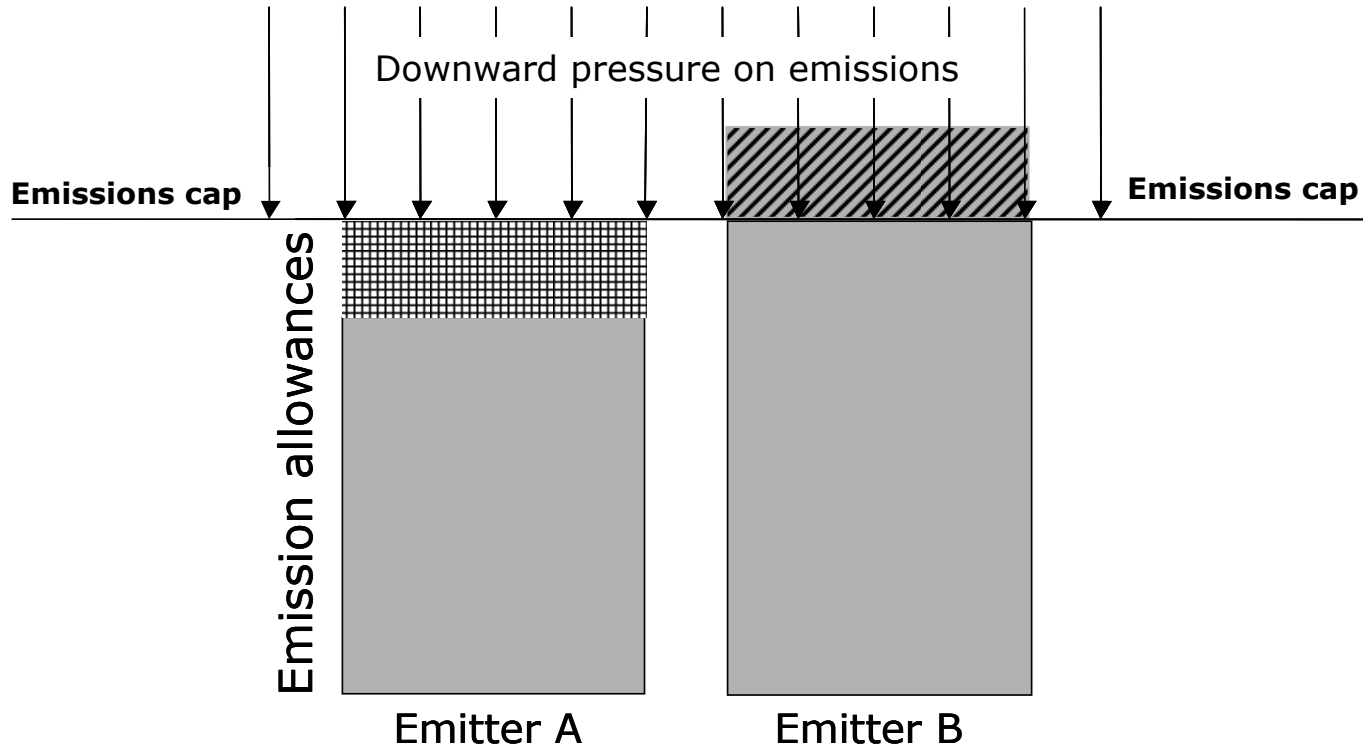
**Africa Carbon Forum**

3 March 2010  
Nairobi

## Kyoto Protocol

- Entry into force on 16 February 2005
- 188 Parties ratified (as at Aug. 2009)
- Legally binding GHG emission targets for 37 industrialized countries and EU
- New international market-based mechanisms, creating a new commodity: 'carbon' (CO<sub>2</sub>-equivalents)

# Market-based mechanisms | Emissions trading

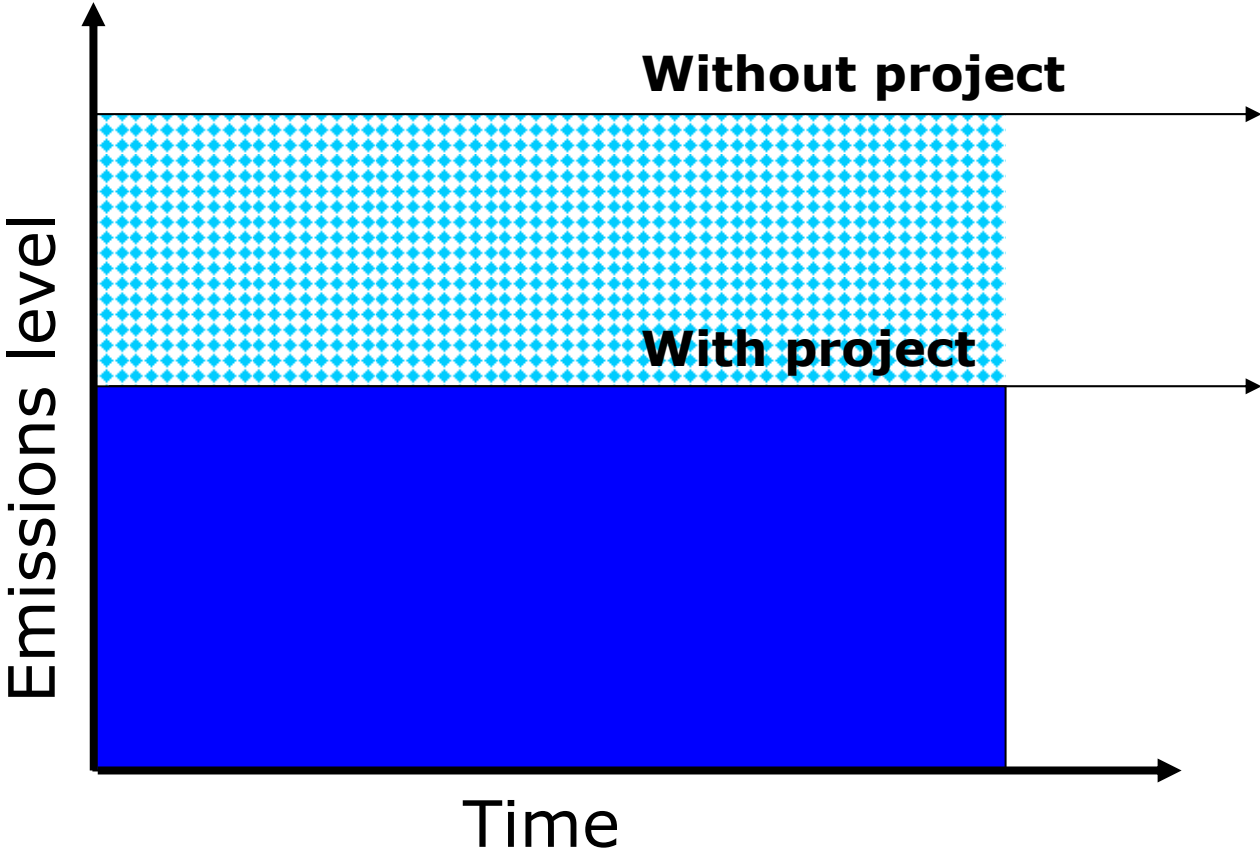


 = **Emission allowances to sell**

 = **Emission units/credits needed**

# Market-based mechanisms

# Project-based mechanisms



 = Saleable/tradable units to be earned

## **CDM regulatory process meant to ensure that emission reductions are:**

- Real
- Measurable
- Verifiable and
- Additional to what would have occurred without the project

Regulated mechanism overseen by

## **Executive Board**

**10 members, 10 alternate members who serve in their private and personal capacity**

assisted by:

Methodology Panel

Accreditation Panel

Working groups (a/reforestation, small scale)

Registration and issuance team (roster of experts)

UNFCCC secretariat

## 1. Project design: PP

Project participant prepares **project design document**, making use of approved emissions **baseline and monitoring methodology**. Secures **letter of approval** from host Party

6. CER issuance

5. Verification: DOE

4. Monitoring: PP

3. Registration: EB

2. Validation: DOE

1. Project design: PP



## 2. Validation: DOE

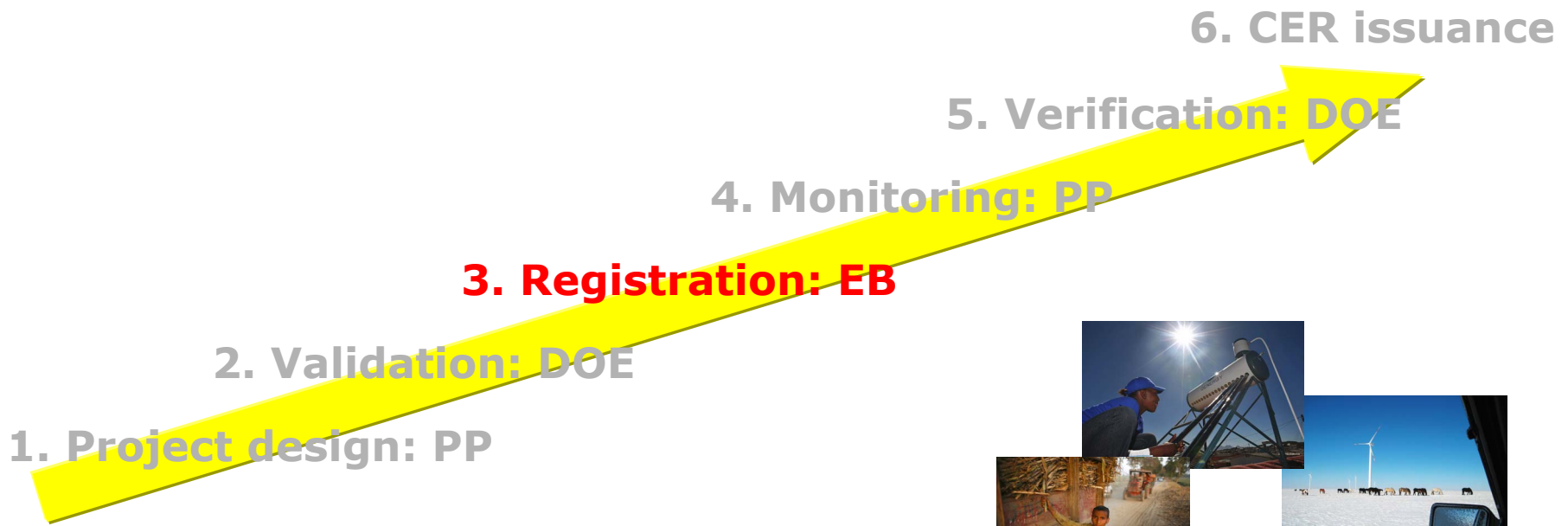
Project design document  
**validated** by accredited  
designated operational entity,  
private third-party certifier





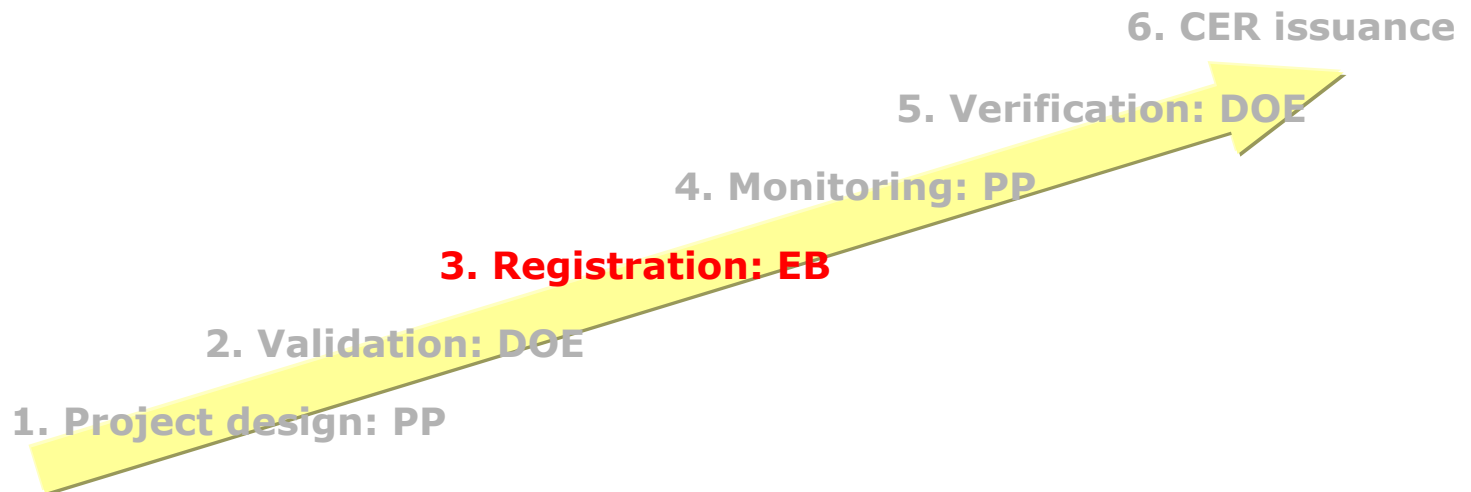
### 3. Registration: EB

Valid project submitted by DOE  
to the Executive Board  
with **request for registration**



## Registration step in detail

- First:**     **Completeness check** by secretariat
- Second:**   **Work of certifier checked** by expert from **registration and issuance team (RIT)**
- Third:**     **Work of RIT checked by secretariat**
- Fourth:**    **If a Party or three members of Executive Board request review, project undergoes review, otherwise proceeds to registration**



## 4. Monitoring: PP

Project participant responsible for **monitoring actual emissions** according to approved **methodology**



## 5. Verification: DOE

Designated operational entity **verifies** that emission reductions took place, in the amount claimed, according to approved monitoring plan

6. CER issuance

5. Verification: DOE

4. Monitoring: PP

3. Registration: EB

2. Validation: DOE

1. Project design: PP



## 6. CER issuance: EB

Designated operational entity submits **verification report** with **request for issuance** to Executive Board



## CER issuance step in detail

- First:**     **Completeness check** by secretariat
- Second:**   **Work of certifier checked** by expert from **registration and issuance team (RIT)**
- Third:**     **Work of RIT checked by secretariat**
- Fourth:**    **If a Party or three members of Executive Board request review, issuance request undergoes review, otherwise proceeds to issuance**

