

# CDM after 2013

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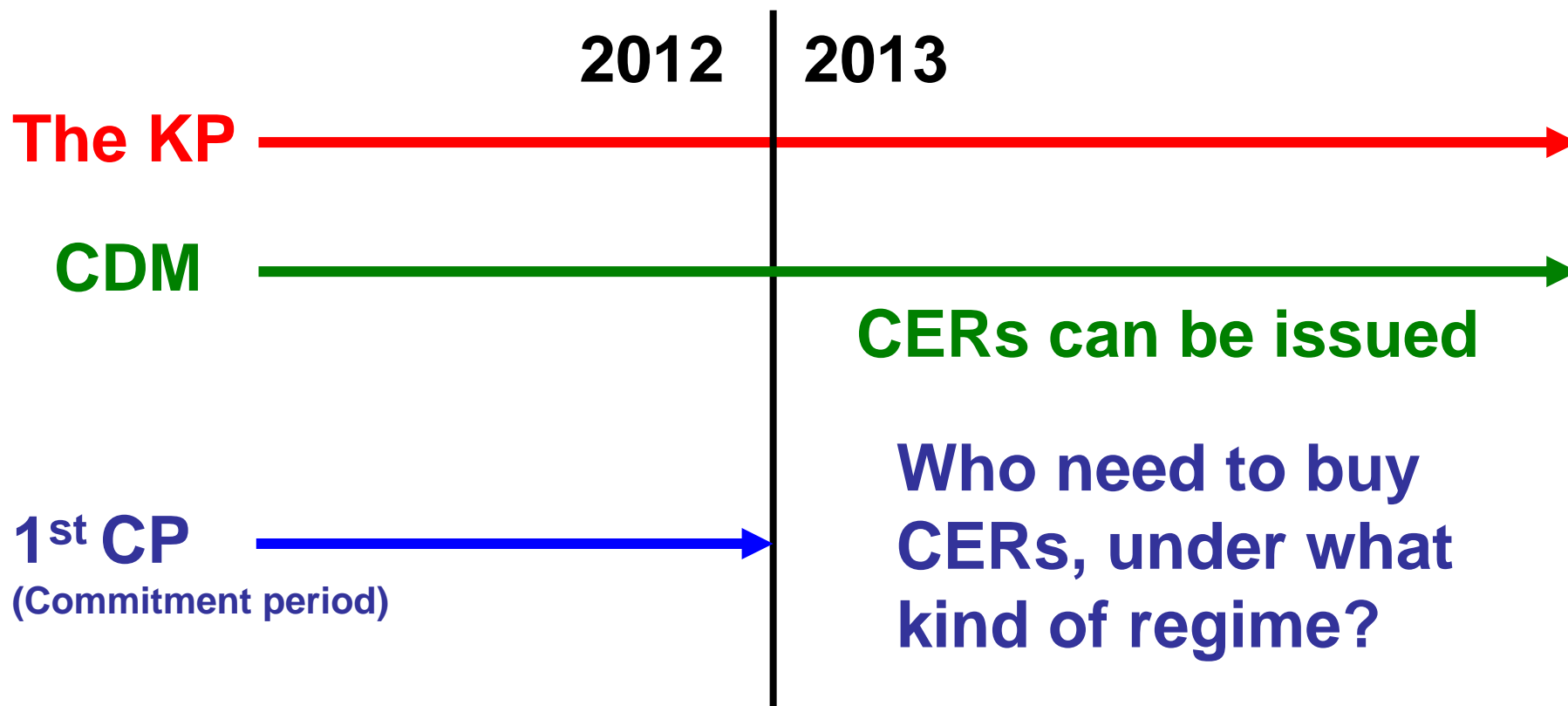
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## CDM is under the Kyoto Protocol

- The CDM is defined by Art.12 of the KP.
- The KP sets first commitment period for developed countries, which is between 2008 and 2012.
- The current KP doesn't state second commitment period which is after 2013.
- But the KP doesn't have expiry date.

## CDM is under the Kyoto Protocol

- The crediting period of the CDM is, whether maximum 21 years or 10 years.
- Theoretically, the CDM is effective after 2013.
- Because the KP is effective, the CDM is also effective after 2013.
- Question is who will buy CERs?



International negotiation has started at Bali last year, and will be finalized in 2009.

## Int'l regime similar to the KP will continue

- After Bali conference in last December, the world consensus is getting closer to set absolute GHG reduction targets for developed countries.
- EU announced policy package in January.
- Japanese PM announced in Davos in January.
- All US presidential candidates are supporting domestic cap and trade scheme.
- KP-type regime will continue after 2013.
- The target will be more strict than the KP.

## Domestic emissions trading

- EU-ETS continues after 2013, and allow companies to use CDM to meet their targets.
- How much CERs issued after 2013 can be available, is unclear at this moment.
- EU allows to use only certain types of CERs.
- Japan also started discussion of domestic emissions trading scheme from February.

## CDM in Thailand will continue

- There is a broad international consensus that a mechanism like the CDM must continue, to attract developing countries to future climate regime.
- There is a consensus in developed countries and some developing countries, that large emitting countries like China and India must act to mitigate climate change.
- At this moment, there is little voice that Thailand should commit something.

## Conclusion

- So far, CDM after 2013 was unclear, thus, IRR could be calculated only based upon CERs until 2012.
- Now, it is very likely that CDM projects in Thailand can sell CERs after 2013 as well.
- Price of CERs can be expected to be higher than 1<sup>st</sup> commitment period.
- All those descriptions are narrative analysis, and it is difficult to say quantitatively.

*Thank you very much*

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