

# Where does the CDM stand in the transfer of Kyoto units?

IGES Side Event on “Towards CDM reform”

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# Current Status of JI

- 170 projects have been registered
- Information of 369 projects in public
- Expected emission reductions as per PDDs: 440 million t-CO<sub>2</sub> by 2012\*
- Major host countries: Russian Federation, Czech Republic, and Ukraine
- Major project types: CH<sub>4</sub> recovery, energy efficiency, fuel switch, leak reduction, etc.
- Transferred ERUs: 9.4 million (2008 and 2009)

\* ERs of 74 projects are not available and not included in this amount.  
Source: IGES JI Database as of 1 June 2010.

# Comparison between JI and CDM

- Amount of credit issuance

	Issued '08-'09	Forecast of '08-'12
CDM (CERs)	366 million	990-1,700 million
JI (ERUs)	9 million (estimate)	180 million

Source: IGES CDM Database, IGES JI Database, UNEP Risoe JI Pipeline overview, Point Carbon

- Expected supply of credits from JI is one-tenth to one-fifth of that from the CDM
- JI scheme is not as established as that of the CDM
- JI process tends to take longer time than the CDM

JI is still less developed than the CDM and will contribute much less to the supply of Kyoto units

# Green Investment Scheme (GIS)

- Transfer of AAUs between governments (from countries with Economy in Transition)
- Large amount transferred at once
- Profits to be utilized to reduce GHG emissions of a seller country
- Credibility issue
- Few contract and transfer in '08
- Contracts of total 416 million AAUs in '09

A number of contracts with significant amount made in 2009 but issue of credibility remains

# AAU Transfers in 2008 and 2009

Unit: 1,000 t-CO<sub>2</sub>

Buyer		EU15	EU27 (Excluding EU15)	Ukraine	Japan	Switzerland	Others
Seller	Total	4,096,607	117,247	0	97,657	63,603	15,860
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EU15	3,949,004	(3,816,915)	96,659	0	109	20,001	15,320
EU27 (Excluding EU15)	350,434	256,696	(20,588)	0	51,150	22,000	0
Ukraine	52,633	0	0	-	31,061	21,572	0
Japan	0	0	0	0	-	0	0
Switzerland	23,470	8,133	0	0	15,337	-	0
Others	15,403	14,833	0	0	0	30	540

Source: IGES Registry Data

# CER Transfers in 2008 and 2009

Unit: 1,000 t-CO<sub>2</sub>

Seller \ Buyer		EU15	EU27 (Excluding EU15)	Japan	Switzerland	Other
		785,451	35,500	88,189	238,866	3,744
CDM Registry	329,935	216,494	0	47,083	64,718	1,640
EU15	551,749	(349,749)	22,635	16,794	161,953	618
EU27 (Excluding EU15)	23,307	20,238	(1,686)	0	1,383	0
Japan	18,299	7,396	126	-	10,777	0
Switzerland	224,641	190,207	10,436	24,312	-	486
Other	2,403	1,367	0	0	36	-

# ERU Transfers in 2009

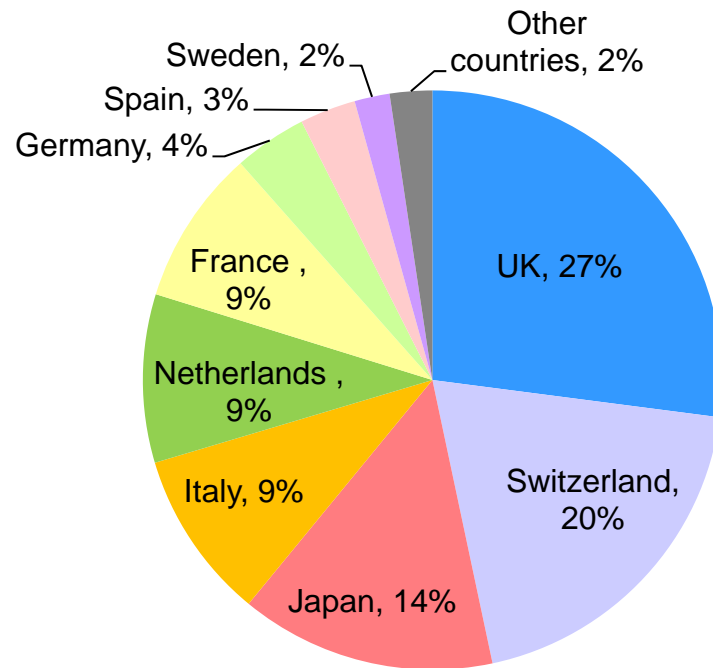
Unit: 1,000 t-CO<sub>2</sub>

Seller \ Buyer		EU15	EU27 (Excluding EU15)	Ukraine	Japan	Switzerland	Others
		Total	5,230	359	0	728	2,942
EU15	2,182	(1,491)	135	0	129	427	0
EU27 (Excluding EU15)	1,949	1,502	(144)	0	120	99	84
Ukraine	3,238	876	0	-	0	2,362	0
Japan	54	0	0	0	-	54	0
Switzerland	1,386	887	80	0	419	-	0
Others	534	474	0	0	60	-	-

# Comparison between CER purchase by country and participant countries of CERs issued in '08-'09

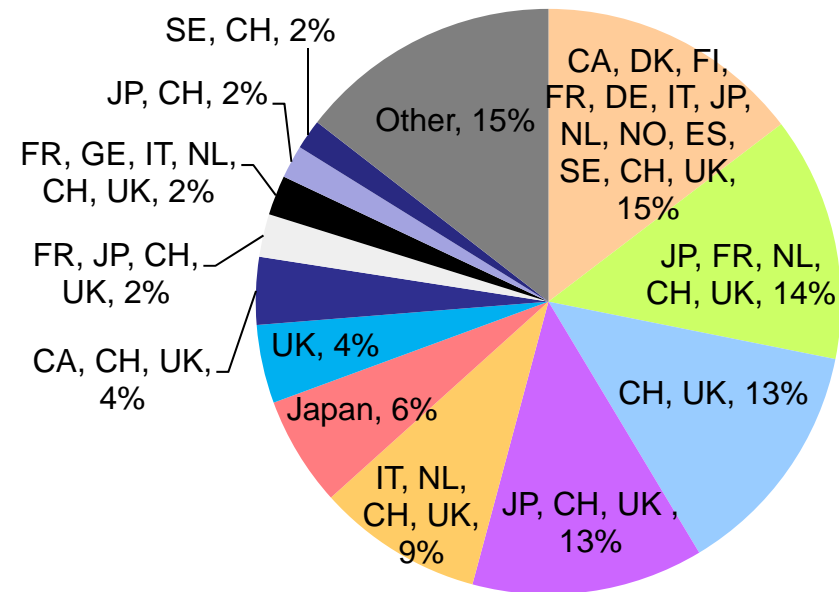
Source: IGES CDM Database

CERs transferred from CDM registry to each country in 2008-2009



Total: 330 million CERs

Percentage of CERs issued in 2008-09 by participant countries

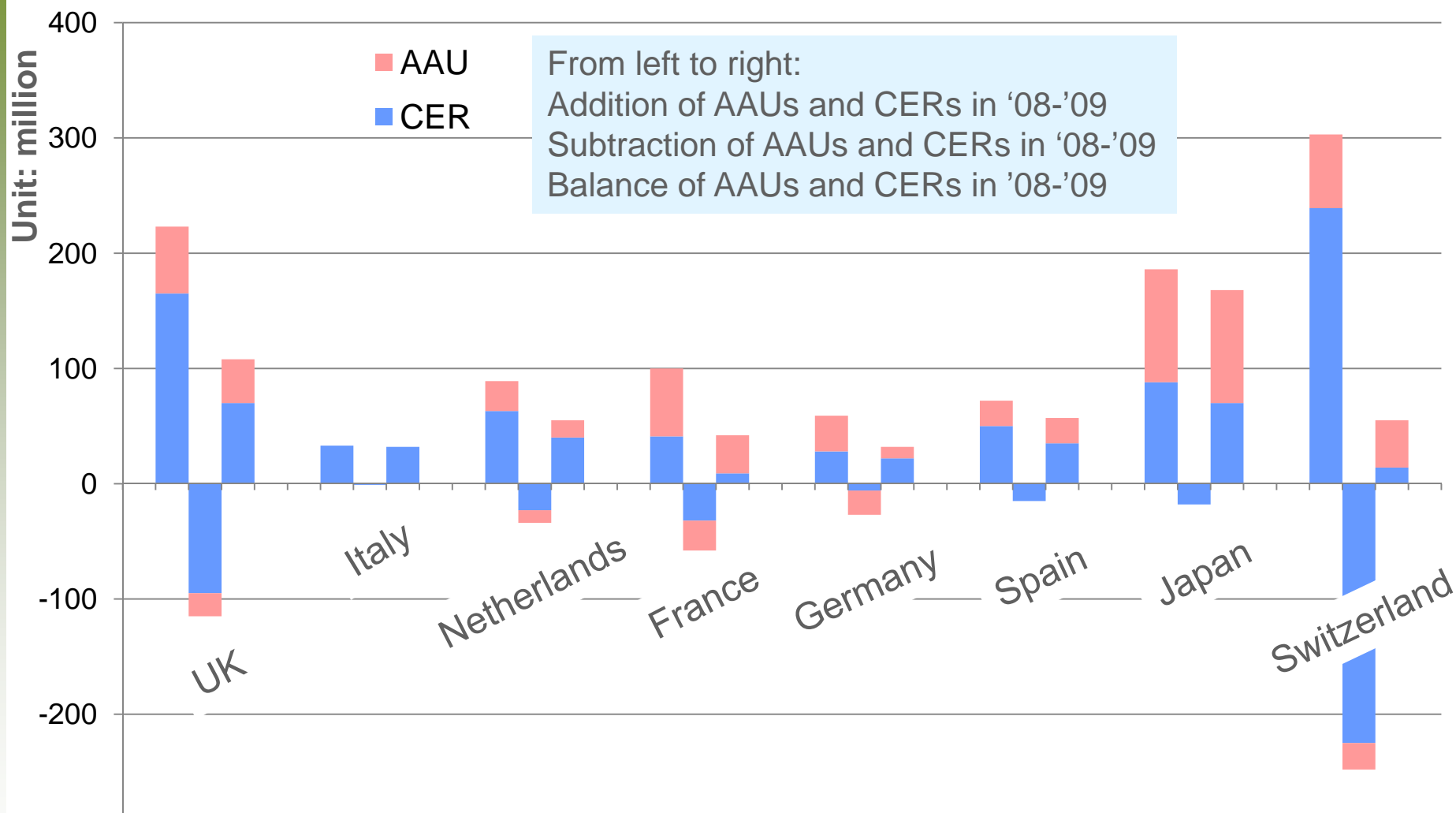


Total: 261 million CERs

Large part of CERs issued and purchased so far come from CER-oriented projects with many countries involved



# Balance of AAUs and CERs by country



Compliance buyers started to utilize AAUs in addition to CERs to meet their targets

# Summary and Conclusion

- The CDM is the only project-based mechanism fully established and with accumulated experiences
- Under the CDM, units are generated from projects already implemented
- GIS has started to compete with the CDM as a source of Kyoto units with contracts and transfers of enormous AAUs made from 2009



Improvements need to be made to the CDM to meet the demand for CERs (e.g. streamlining the process of registration and CER issuance, setting standardized baselines, etc.)