

## **PRESS RELEASE**

### **High-Level Panel on the CDM Policy Dialogue finalizes recommendations on future of CDM**

(Johannesburg, 26 July 2012) - The high-level panel established to conduct a policy dialogue on the Kyoto Protocol's Clean Development Mechanism (CDM) has concluded its final meeting by developing a set of recommendations for reforming the CDM, after three days of intense deliberations.

The eagerly awaited recommendations cover issues such as the role and value of the carbon markets, sustainable development, regional distribution, governance structure, additionality, appeals and grievance mechanisms as well as the development of new carbon market mechanisms.

The panel will officially announce its recommendations in mid September, immediately after the sixty-ninth meeting of the CDM EB in Bangkok. Its report, which will be submitted to the Parties to the Kyoto Protocol, is expected to urge the adoption of new, far-reaching ground rules to help the CDM meet the challenges of the future.

In the words of the high-level panel chair, Valli Moosa, the recommendations "reflect a wealth of materials and inputs and address all the significant challenges faced by the CDM." According to Mr. Moosa, "the panel believes that the CDM can play an important role as a cost-effective mitigation tool in the future. Our recommendations offer a unique opportunity to reform the way the CDM operates and improve its performance in the future."

In formulating its recommendations, the high-level panel considered conclusions from an extensive programme of meetings with stakeholders and results from top-quality research commissioned by the panel in the areas of the impact, governance and future context of the CDM.

"Our recommendations convey a sense of urgency that measures need to be taken not only to meet the target of limiting global warming to a maximum of two degrees Celsius above pre-industrial levels but also to ensure the international carbon markets can support that effort," said the vice-chair of the panel, Joan MacNaughton.

From early March to mid July, the panel conducted 22 major stakeholder engagement meetings and dozens of informal consultations in 13 countries, including in Australia, China, Japan, India, USA, UK, Germany, Belgium, Thailand, Namibia and Ethiopia. Country negotiators in the UNFCCC have been heard, as has the NGO community, investor associations, support bodies to the CDM, market regulators, policy makers and the research community.

The research programme commissioned by the panel focused on the mechanism's internal workings, future direction as well as impact on mitigation and sustainable development and was undertaken by a strong team with broad CDM experience.

In addition, the panel considered 58 submissions from stakeholders, following a call for input on the scope of the dialogue launched by the CDM Executive Board in October 2011. The stakeholders who submitted their comments ranged from intergovernmental organizations and carbon market participants, to civil society organizations and individuals.

Besides the chair Valli Moosa (South Africa) and the vice-chair Joan MacNaughton (UK), the other members of the high-level panel on the CDM policy dialogue are: Luciano Coutinho (Brazil), Maggie L. Fox (USA), Ross Garnaut (Australia), Prodipto Ghosh (India), Yolanda Kakabadse (Ecuador), Margaret Mukahanana-Sangarwe (Zimbabwe), Paul Simpson (UK), Nobuo Tanaka (Japan) and Changhua Wu (China).

Although the dialogue was an initiative of the CDM Executive Board, the panel has conducted its work independently and made its own recommendations.

**Useful links:**

[www.cdmpolicydialogue.org](http://www.cdmpolicydialogue.org)

[www.cdm.unfccc.int](http://www.cdm.unfccc.int)

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**About the CDM**

The clean development mechanism (CDM) allows emission-reduction projects in developing countries to earn certified emission reductions (CERs), each equivalent to one tonne of CO<sub>2</sub>. CERs can be traded and sold, and used by industrialized countries to meet a part of their emission reduction targets under the Kyoto Protocol. There are more than 4370 registered CDM projects in 75 developing countries. To date, more than 970 million CERs have been issued.