



Views on the Future of the CDM

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CAN welcomes the opportunity to discuss the future of the Clean Development Mechanism (CDM) and possible alternatives to support mitigation actions in developing countries. The discussion needs to be based on sound assessment of the current CDM and lessons that we learned from serious problems with it. Following are principles on which instruments for supporting climate change mitigation in developing countries under the post-2012 climate change regime should be based. They are offered with awareness of the urgency and depth by which global emissions need to be reduced to have a high likelihood of avoiding 2°C warming, and therefore the importance of effectively supporting decarbonization in developing countries.

(1) CAN recognizes the obligation of industrialized countries to support climate change mitigation and sustainable development in developing countries. However, CAN does not support credit-generating mechanisms that allow industrialized countries to avoid the obligation to reduce their domestic emissions. In the second commitment period, industrialized countries must make much deeper cuts in their domestic emissions and also provide financial flows to support decarbonization in developing countries. ***Therefore, industrialized countries must provide financial and technological support to developing countries for mitigation and adaptation in a way that is independent from and additional to their emission reduction obligations.***

(2) CAN is dismayed by the poor performance of the current CDM. There has been a surge of criticism about the lack of additionality of a substantial proportion of CDM projects. Overall, the CDM also has not fulfilled its goal of supporting sustainable development, and some CDM projects produce substantial social and environmental harm. While there has been positive movement on the part of the CDM Executive Board to clarify and strengthen additionality rules and procedures, ultimately the subjectivity involved with project development and investment decisions makes it impossible to test the additionality of individual projects accurately. ***The CDM must not continue to rely on the ability to test the additionality of each individual project, which is simply not feasible to do accurately. Other more reliable means for filtering out business-as-usual activities will need to be used by post-2012 instruments supporting decarbonization in developing countries.***

Any instrument used to support climate change mitigation in developing countries under the post-2012 regime must meet these two requirements.