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Streamlined CDM could deliver Copenhagen targets

Written by James Ockenden

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Consilience CEO Liz Bossley

A streamlined Clean Development Mechanism (CDM) could provide the means for developing nations to deliver their promised carbon dioxide emission cuts, according to London-based energy consultancy [Consilience Energy Advisory Group](#).

Under Consilience's proposals, existing CDM infrastructure – the well established carbon validation, certification and auditing process – would be used to verify the new carbon intensity cuts undertaken by developing countries post-Copenhagen.

Using the existing mechanism negates the need for new auditing or verification bodies, an issue which Consilience CEO Liz Bossley says is likely to be a "bone of contention" at the [Bonn climate talks](#) this

week, and one which is likely to further delay agreements of carbon reductions.

"The hard bit has been done," says Bossley. "China and India have volunteered to cut their carbon intensity. A simple extension of the tried and tested CDM can solve the problem of proof," she says.

As Bossley points out, China and India have, between them, hosted almost 1,300 CDM projects. "These projects are routinely validated and certified by so-called Designated Operational Entities, independent companies accredited by the UN, without any suggestion of loss of sovereignty," she says.

The fact that the US is not a signatory to Kyoto would mean re-writing the CDM rulebook if the scheme were to work in a post-Copenhagen world. But Bossley has bold proposals for surmounting this issue. "The best outcome all round would be to extend the Kyoto Protocol with America as a signatory and 'Annex B' – India and China would be given new status – perhaps Annex C – and would be able to buy as well as sell certified emissions reductions to meet their new targets.

Bossley is pragmatic about the chances of this occurring. "For goodness sake, Obama is having the devil's own job of getting a US federal scheme approved," she told *Blue Skies China*. "Who knows what it would take to get Senate support for Kyoto ratification. But, if we deal with the problem of Chinese and Indian commitments, it removes one of the US's excuses for not ratifying the Kyoto Protocol."

Even so, the issue of surplus Russian and Former Soviet Union (FSU) "hot air" would still be an

elephant in the room. Bossley estimates the Russian and FSU economic collapse post-1990 has left a surplus of around 40 billion tonnes worth of credits (AAUs) in the region for the five year 2008-2012 CDM period. "The USA/China/India are not going to sign up to a deal that leaves them constantly transferring cash to Russia after 2013, if the FSU countries are allowed to carry this surplus forward beyond 2012," she says.

Administrative nightmare

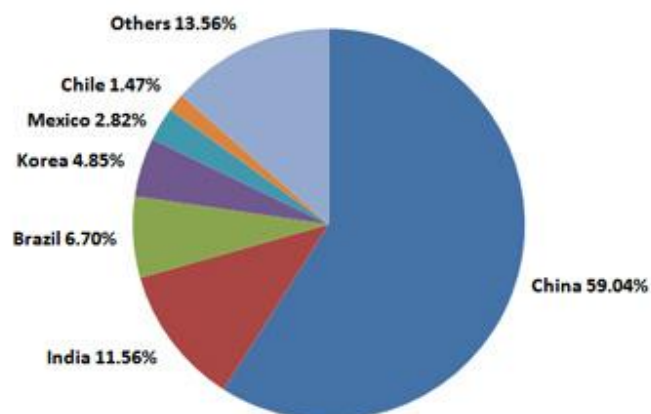
And of course, there is the administrative nightmare of CDM itself, a scheme often criticised for being too bureaucratic and slow to approve projects. But Bossley says these problems can be solved with a relatively small injection of funds. "We need a larger pool of people on the CDM Executive Board working full time to approve projects if a quorum is present. We need clear and consistent decisions from them, and a transparent rule book for decision making."

But while Bossley says a relatively small amount of investment could streamline the CDM process, she says political will may be difficult to find. "The CDM allows developing countries to grow, but in as green a way as possible. There are still some interest groups that would prefer that they did not grow at all. These are either green groups that see any economic growth as a bad thing because of the environmental consequences and would have us all living like the Amish. Or national/sectoral interest groups concerned about loss of market share."

To these groups, Bossley says, "Get over it! [Developing nations] will grow come what may. It is in all our interests to help them grow as green as they can. That's what the CDM does so let's use this tool to carve out a wider deal."

Bossley hopes the idea can at least get on the table at the Bonn talks. "Will it get on the agenda? Who knows," she says. "You can lead a horse to water but you can't teach it synchronised swimming."

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Source: UNFCCC June 2009

China and India dominate Kyoto's CDM