

HOW CAN CAMBODIA BENEFIT FROM CDM?

CDM can result in investment in greenhouse gas projects that reduce, sequester or avoid emissions. Investment in such projects can lead to:

- Transfer of environmentally friendly technology and financial resources;
- Sustainable production and use of energy;
- Increased energy efficiency & conservation;
- Poverty alleviation through income and employment generation;
- Local environmental and social benefits; and
- Biodiversity conservation and ecosystem rehabilitation.

There are many developing countries and many potential CDM projects which will compete to attract CDM investors. Cambodia is currently using the Capacity Development for CDM (CD4CDM) project to build its capacity to attract CDM investors to Cambodia.



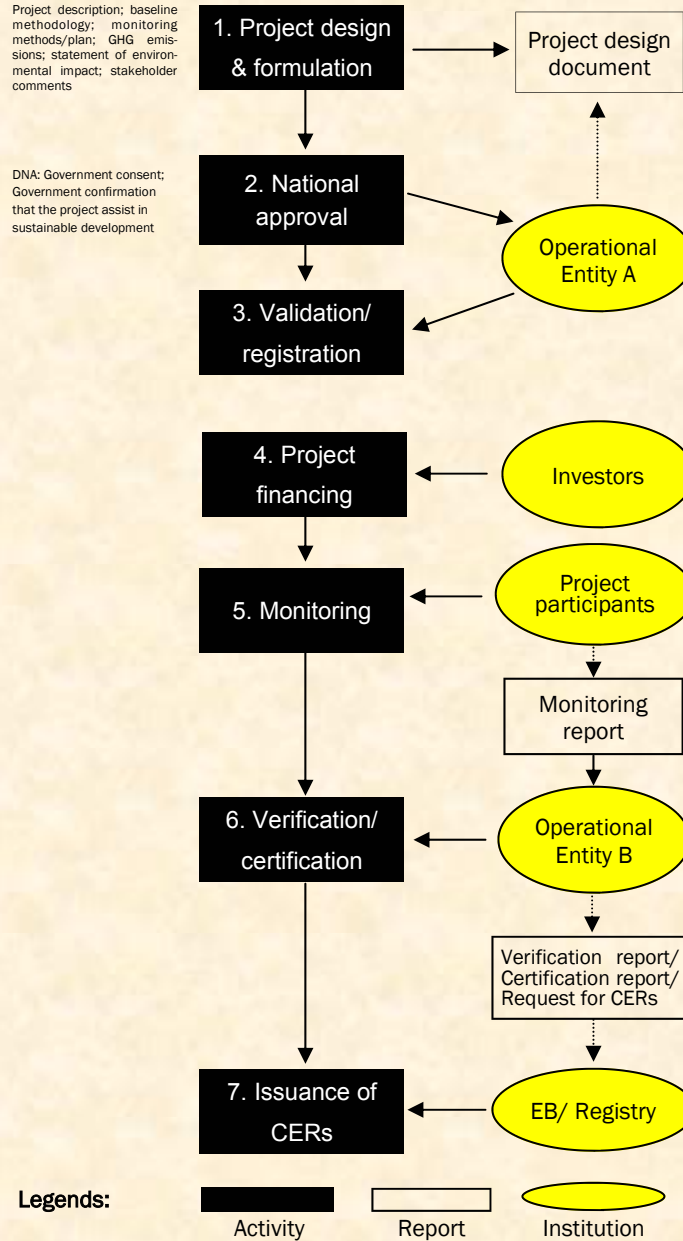
CDM can help promote investment in renewable energy such as solar
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WHAT ARE THE RULES OF CDM?

There are many international rules and processes that need to be followed to ensure a project is eligible under the CDM and able to produce Certified Emission Reductions (CERs). The emission reductions must be additional compared to what would have occurred without the project (the baseline), and they must be in line with sustainable development objectives of the host country. There are also processes of approval (by both the host country and an independent validator), monitoring, verification and certification. For more information about these rules, ask us for a copy of the UNEP (United Nations Environmental Programme) Introduction to the CDM booklet or you can visit our website at:

www.camclimate.org.kh

CDM PROJECT CYCLE



The CDM project cycle as shown on the figure has seven basic stages: project design and formulation, national approval, validation and registration, project finance, monitoring, verification/certification and issuance of CERs. The first four are performed prior to the implementation of the project while the latter three are performed during the lifetime of the project.

WHO WILL PARTICIPATE AND HOW?

Government - the major role of the Government in CDM is through the Designated National Authority (DNA). Government entities will need to work together to establish the Designated National Authority and develop a criteria and process to assess potential CDM projects. Government officials can also work with the private sector and NGOs to identify potential CDM projects and promote them to potential CDM investors.



Reforestation and afforestation projects can be CDM-eligible
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Private Sector - CDM is primarily a private sector tool. Local private sector actors can develop their own CDM projects and market them to investors, or become partners for international developers. The private sector will also provide input to the assessment process and criteria for approval of CDM projects.

NGOs - can actively identify CDM projects and work with local or international investors to develop these projects. NGOs will also have an opportunity to provide input into establishing the sustainable development criteria for CDM.

Donors - donors can participate in CDM, however the international rules state that CDM projects cannot divert Official Development Assistance (ODA). Donors can also participate in capacity development, particularly in the identification and development of potential projects.



Rice husk can be used as biomass for a renewable energy project, which would be CDM eligible
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BACKGROUND

In recognition of the need to tackle the global issue of rising greenhouse gas emissions and their effects on our climate, the Royal Government of Cambodia ratified the United Nations Framework Convention on Climate Change (UNFCCC) on 18 December 1995 and acceded to the Kyoto Protocol on 4 July 2002. The Ministry of Environment (MoE) serves as the National Focal Points to the Convention and the Protocol. To date MoE has undertaken a number of climate change activities, including the first national greenhouse gas inventory and preparation of Cambodia's First National Communication to the UNFCCC.

CLIMATE CHANGE IN CAMBODIA



The Cambodian coast is vulnerable to sea level rise caused by climate change

The MoE officially established a Climate Change Office on 23 June 2003 to coordinate climate change activities in Cambodia. The Cambodian Climate Change Office (CCCO) will work

closely with all relevant Government agencies, NGOs, the private sector, local communities, donors and international organisations to coordinate and implement national climate change policies, greenhouse gas mitigation, adaptation and inventory projects; capacity building and training; the production of National Communications and other commitments as the UNFCCC Focal Point for Cambodia. The Office will also co-ordinate Clean Development Mechanism (CDM) related activities on behalf of the MoE, which became the interim Designated National Authority as stipulated in the Royal Government Declaration dated 15 July 2003.



CCCO staff in a training workshop

THE CAPACITY DEVELOPMENT FOR THE CLEAN DEVELOPMENT MECHANISM PROJECT (CD4CDM)

The Capacity Development for the Clean Development Mechanism (CD4CDM) is a United Nations Environment Program (UNEP) project with financial support from the Dutch Government.



Twelve countries are participating in the Project and Cambodia is one of the three Asian countries.

The first CD4CDM regional workshop in Phuket, Thailand, 16-18 January 2003

The CD4CDM project intends to prepare Cambodia to participate in CDM, namely to:

- Generate a broad understanding of the opportunities offered by the Clean Development Mechanism;
- Develop the necessary institutional arrangements to assess and approve CDM projects;
- Develop capacity to formulate and implement projects under the CDM.

WHAT DOES CAMBODIA NEED TO DO TO PARTICIPATE IN CDM?

In order to participate in the CDM, developing countries (including Cambodia) must establish a Designated National Authority (DNA) to assess and approve CDM projects to ensure they comply with their sustainable development objectives. Countries must also ratify the Kyoto Protocol and voluntarily participate in CDM. To date, Cambodia has ratified the Kyoto Protocol, and uses the CD4CDM project to develop the DNA and prepare for CDM.

For further information, please visit Climate Change Office at the Ministry of Environment, #48, Samdech Preah Sihanouk Blvd, Chamkar Mon, Phnom Penh, Cambodia.

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CAMBODIAN CLIMATE CHANGE OFFICE

CLEAN DEVELOPMENT MECHANISM IN CAMBODIA

WHAT IS THE CLEAN DEVELOPMENT MECHANISM?

Under the Kyoto Protocol, developed countries commit themselves to legally binding greenhouse gas reduction targets. These countries have choices - they can reduce, avoid or sequester greenhouse gas emissions in their own country or invest in other countries. The process of investing in developing countries is known as the Clean Development Mechanism (CDM). The projects must be voluntarily accepted by the host country and meet their sustainable development objectives.

HOW DOES CDM WORK?

CDM provides a means for developed countries or their companies to financially contribute towards greenhouse gas (GHG) reduction measures in developing countries. In return, the investing company or country receives a "certified emission reduction" or CER, which can be used for meeting their greenhouse gas reduction targets. There are many ways CDM investors can participate - some investors will pay the entire costs of the CDM project and claim the CERs and the investment benefits of the project. Some may just financially contribute (up-front or over time) to the value of the CERs. In most cases, the value of the CERs will be much less than the entire investment cost of the project.

Examples of CDM-eligible investment projects include renewable energy, energy efficiency and energy conservation, fuel switching, reduction in emissions from waste or transport activities, and reforestation or afforestation.