

Clean Development Mechanism (CDM) National Institution for Sustainable Development -Lessons Learned from Activities Implemented Jointly (AIJ)-

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1. Aim of the research

The purpose of the Clean Development Mechanism (CDM), contained in Article 12 of the Kyoto Protocol, is to assist developing countries in achieving sustainable development (SD), while allowing developed countries to contribute to the goal of reducing atmospheric concentrations of greenhouse gases by implementing projects.

However, the difficulty lies in balancing the stated purposes above: developed countries have tendency (i) to give high priority to cost-effective way to get more certified emission reductions (CERs) by implementing CDM project and (ii) to have less concern of contribution of SD issues in developing countries. Thus, SD is now recognized as a second purpose.

In current rules of the CDM, the assessment of SD impacts of CDM projects is left to each developing country as a sovereign matter: each developing country has the responsibility to measure and assess whether proposed projects would provide SD to the country for long-term perspective.

It is therefore important for each developing country to have an appropriate CDM national institution, which has capacity to assess and promote CDM projects that support SD. This research will therefore analyse and find out key elements to have such CDM institutions in developing countries.

Up-to-date, however, there is hardly any focus on how to theorize the elements of a successful CDM national institution since there are only two projects registered at the CDM Executive Board, and there has been no outcome of SD.

Hence, this research examines experiences and lessons learned from the Activities Implemented Jointly (AIJ) because AIJ is the only mechanism that had a function as a pilot phase of CDM, as a result.

2. Conclusion

In this research, AIJ national institutions of Costa Rica and Honduras were examined to learn the lessons from their experiences. As a result, the key elements leading successful AIJ national institutions, were constitution of institutions, criteria for assessing proposed project, and initiative of governments.

This study applied AIJ elements to Malaysian CDM institution to find out how to change them within CDM context: current CDM has detailed rules for its implementation, thus AIJ lessons cannot be applied directly to CDM. By doing so, CDM national institutions, promoting the implementation of CDM that which contributes to SD in developing countries, were examined. The main results of the research include the following:

(1) Constitution entity of designated national authorities (DNA) as CDM national institution

A DNA should play a key role of national institution. The ideal DNA, constituted governmental and non-government organization, and private sector, has the function of project approval and project development promotion. It is an institution with full autonomy of decision-making.

(2) SD criteria to assess proposed CDM projects

CDM criteria require definition of 'SD' in each developing country's context to define and select specific aspects of and goals related to SD, which is useful to set up the criteria.

For the effective use of the criteria, DNA should ask project proponent to submit documents that mention the details of the contribution to SD at project site by implementing the CDM project.

(3) Legal and policy initiatives of government

Governmental initiatives, such as legal (decree to have autonomy for decision-making etc.) and policy (tax deductions etc.) frameworks are required to achieve national SD by utilizing CDM.