

Project Screening & Identification

An Overview of PIN Development



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Contents

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Purpose of Project Idea Note (PIN)

- Communication tool used by project developers and investors early on in the process
- Aids in the conceptualization, marketing, financing and screening/evaluation of projects
- Prerequisite for more serious negotiations (e.g. Letter of Intent)
- ‘Road map’ for PDD
- DNA may require before issuing Letter of No Objection

PIN – Key Elements

- Clear description of project activities and technology employed
- Identification of project participants and arrangement for project implementation
 - o Participants' roles of and their technical, financial capability to undertake them
 - o Identification and status of third party involvement (e.g., PPA in case of electricity generation project or agreement with municipality regarding ownership of waste in case of landfill project)
- Eligibility outline: additionality and baseline scenario
 - o Why the project should not happen on its own?
 - o Sources of GHG emission reductions and total ER volume including possible leakage
- Local, national, and global benefits
- Risks

What buyers look for (1)

1. Project Financing

- o Bankability: sooner can achieve financial closure, better the chances of selection
- o Determination of project costs
- o Identification of underlying finances and expected financing gap
- o How will carbon impact implementation?

2. Credible baseline and adequate ERs volume

- o Volume sufficient to cover CDM transaction costs -- a project should generate a minimum of 20 ktCO₂/year or 100 ktCO₂ before 2012.

What buyers look for (2)

3. Commercially viable technology

4. Competent/Credible Participants

- clear champion and institutional arrangements
 - sound legal arrangement -- who owns, who operates, what type of agreement between project participants

5. Viable business + operation model

6. Demonstration of sustainability/safeguards

- Status of EIA and/or relevant environmental permits
- Compliance with social + environmental safeguards
plus
relevance to sustainable criteria of host country

What Doesn't Work

- **Insufficient state of project preparation**
 - Underlying project must be well prepared (pre-feasibility study, risk assessment).
 - The project must be a viable business proposition.
 - Committed project equity partners should be identified.
- **Claimed baseline contradicts other information**
 - Baseline must be credible and consistent with government policy
 - Consistency with CDM methodologies !

PIN Content

- For Project approval:
 - See Handout (India Example)
- For buyers:
 - Most accept World Bank standard available www.carbonfinance.org

Purpose of PDD

- **Project Design Document**
 - Part of formal CDM requirements (unlike PIN)
- A detailed, well-substantiated document addressing key questions
 - How will project reduce GHG emissions?
 - Why is project eligible for CDM?
 - How will project risks be managed and shared by participants, and project impacts on stakeholders managed?
- Conveys project information to the relevant stakeholders
 - potential investors, validator (DOE), DNA, and public at large
- Format available on UNFCCC CDM website.

Critical elements of PDD

1. Selection of an applicable, approved methodology:
 - Existing approved methodologies can be combined where appropriate.
 - If no approved methodology exists, can submit new one, but time consuming.
2. Assessment & demonstration of additionality:
 - Most critical issue for project acceptance
 - Project will be refused if not proven
3. Articulation of Sustainable Development Benefits and Documentation of stakeholder consultations, permits, etc.
4. Sound monitoring plan

PDD Content

- General description of project activity
- Application of a baseline methodology
- Duration of the project activity / Crediting period
 - Choice of the crediting period (either 10 years, or 7 x 1 and 7 x 2 years, except A/R activities)
- (Application of) monitoring methodology and plan
- Estimation of GHG emissions by sources
- Environmental impacts
- Stakeholders' comments
- Contact information on project participants
- Information on use of public funding

How to get started (1)

- Browse CD4CDM Project's 'CDM Project Pipeline' Tracker Tool
↳ <http://www.cdmpipeline.org>
- Browse DVD/CD-ROM or UNFCCC CDM website:
↳ <http://cdm.unfccc.int/Projects/pac/index.html>

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ENERGY, CLIMATE AND SUSTAINABLE DEVELOPMENT

CD4CDM
CAPACITY DEVELOPMENT FOR THE CLEAN DEVELOPMENT MECHANISM

Category	Percentage	Count	Percentage
Bio-gas	5%	1294	5%
Cement	5%	1458	1%
EE Households	3%	328	7%
Agriculture	17%	1798	1%
Reforestation & Reforestation	0.2%	319	

Last updated:
1st May 2007

Welcome to the UNEP Risoe CDM/JI Pipeline Analysis and Database

The CDM/JI Pipeline Analysis and Database contains all CDM/JI projects that have been sent for validation/determination. It also contains the baseline & monitoring methodologies, a list of DOE's and several analyses. Almost all information is from cdm.unfccc.int and ji.unfccc.int.

This monthly newsletter shows a sample of the analysis in the Pipeline. If you want more information, then look into the left column and click on the links to sub-pages or click on the download for the full Pipeline, which contain tables with a line of key information for all CDM and JI projects. You can also download a guidance document to the Pipeline.

» Go to overview page

Contact

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Downloads

- » CDM Pipeline overview
- » JI Pipeline overview
- » Guidance document

Official homepage: <http://cdm.unfccc.int/>

HOME | CDM | GHG data | TT: CLEAR

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12:36 14 Nov 05

Your location: CDM-Home

Clean Development Mechanism (CDM)

Search:

- Executive Board (EB)
- Panels / Working Groups
- Project Activities
- Issuance of CERs
- Methodologies
- Designated National Authorities (DNA)
- Designated Operational Entities (DOE)
- Reference
- CDM News
- Extranets

What's new:

Call for public inputs
The Board requested the secretariat to launch a call for inputs until 5 December 2005 related to **alternative methods for calculating emission reductions for small-scale project activities that propose the switch from non-renewable to renewable biomass.** [more >>](#)

SSC - Requests for clarifications / revision of approved small-scale methodologies
Submissions of queries and/or proposals for amendments or new categories to the small-scale methodologies, along with the responses provided by the Small-Scale Working Group (SSC-WG). [more >>](#)

First emission credits issued under the Kyoto Protocol
The Executive Board of the Clean Development Mechanism (CDM) today issued the **first ever certified emission reductions (CERs) under the Kyoto Protocol.** These credits were issued for two hydroelectric projects in Honduras. 'La Esperanza Hydroelectric Project' is expected to initially generate annually 37,000 CERs and is registered in partnership with Italy, while the 'Rio Blanco Small Hydroelectric Project', in which Finland has a stake, produces 17,800 CERs per year. For more information see [press release](#). [more >>](#)

Latest news:

EB22 - Annotations to the proposed agenda
Please be informed that the proposed agenda and annotations for the twenty-second meeting of the CDM Executive Board (23 - 25 November 2005) are available on the UNFCCC CDM web site at <http://cdm.unfccc.int/>. [more >>](#)

Report of A/R WG 06
Please be informed that the report of the sixth meeting of the CDM Afforestation and Reforestation Working Group (A/R WG) and its annexes are now available in the AR WG section of UNFCCC CDM web site: [more >>](#)

EB annual report to COP/MOP / Small-scale interface / Annexes Meth 18 report
(1) Annual Report of the EB to the COP/MOP
Please note the "Annual Report of the EB to the COP/MOP" is available as advance copy on the UNFCCC and the UNFCCC CDM web site.
(2) New interface for... [more >>](#)

New registrations / Public input at validation stage
= RECENT REGISTRATIONS =
-> "Essaouira wind power project", Morocco
-> "Hapugastenne and Hulu Ganga Small Hydropower Projects.", Sri Lanka
-> "Magal Ganga Small Hydropower Project", Sri Lanka
-> "S... [more >>](#)

Report of the Meth Panel
The report of the eighteenth meeting of the Meth Panel is now available in the Meth Panel page of UNFCCC CDM web site: <http://cdm.unfccc.int/Panels/meth>.
Please note that annexes 2 and 4 (Draft r... [more >>](#)

Latest documents

EB 22
Annotations to the proposed agenda of the **Executive Board** (EB 22) [more >>](#)

AR WG report
Report of the sixth meeting of the **AR WG** (ARWG 06) [more >>](#)

EB report to COP/MOP
Annual Report of the EB to the COP/MOP (FCCC/KP/CMP/2005/4) - Advance Version [more >>](#)

Meth Panel report
Report of the eighteenth meeting of the **Meth Panel** (Meth Panel 18) [more >>](#)

Information on specific project types

Small scale CDM project activities [more >>](#)

Afforestation and reforestation CDM project activities [more >>](#)

Open call for inputs / experts

Input - Projects [more >>](#)
Input - Accreditation [more >>](#)
Input - Methodologies [more >>](#)
Input - AR Methodologies [more >>](#)

Experts - Accreditation Panel [more >>](#)
Experts - Accreditation [more >>](#)
Experts - Methodologies [more >>](#)
Experts - Afforestation and reforestation [more >>](#)

<http://cdm.unfccc.int/> ↪ **Reference**

- Decisions of CoP and CoP/MoP
 - e.g. Marrakesh Accords
- Documents:
 - Guidelines
 - Templates
 - Reports
 - Modalities and Procedures
- Forms
- Procedures
- Guidance/clarifications

How to get started (2)

- Browse
 - ↳ <http://cdm.unfccc.int/Projects/Validation>
 - Here you will find PDDs from current projects under validation as examples
- Read “CDM PDD Guidebook – Navigating the Pitfalls,” (UNEP Risø & DNV,2005).
- *Don't* overlook the obvious sources of help
 - Read the EB and public review comments of similar projects
 - Seek peer reviews



**Thank you for your
attention!**

