

# Overview of PIN and PDD Development Process

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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
- Generally prerequisite for more serious negotiations (e.g. Letter of Intent to purchase ERs)
- ‘Road map’ for PDD
- Tanzanian DNA requires 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
  - Roles of participants and their technical, financial capability to undertake them
  - Identification and status of the third party involvement (e.g., PPA negotiation in case of a electricity generation project or agreement with municipality regarding ownership of waste in case of a landfill project)
- Eligibility: demonstration of additionality and determination of baseline scenario
  - Why the project should not happen on its own?
  - Sources of emission reductions and total ER volume, possible leakage
- Local, national, and global benefits
- Risks

## 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.

## **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.cd4cdm.org>
- Browse DVD/CD-ROM or UNFCCC CDM website:  
↳ <http://cdm.unfccc.int/Projects/pac/index.html>

Here you will find:

- Info on similar projects in process of registration
- Approved methodologies and those pending approval
- PDD templates and guidelines for completing
- Forms to submit new baseline and monitoring methodologies



## Welcome

The Clean Development Mechanism (CDM) proposed under article 12 of the Kyoto Protocol is an important potential instrument to promote foreign investment in GHG emission reduction options while simultaneously addressing the issue of sustainable development.

With the international framework for the CDM presently under development, many complex legal, financial and technical issues still require further discussion. Under these circumstances, most developing countries with limited institutional capacity will face a significant challenge in taking a pro-active approach to participate as equal and reliable partners in CDM when it becomes operational.

Reflecting the needs of developing countries, UNEP is implementing a 4-year project on Capacity Development for the CDM with funding from the government of the Netherlands.

### Overall Objective

- To generate in participating developing countries a broad understanding of the opportunities offered by the CDM, and
- To develop the necessary institutional and human capabilities to formulate and implement projects under the CDM.
- To help ensure the early success and efficacy of the CDM through creating national capacity to implement the CDM in 12 developing countries.

### News!

[CDM pipeline overview](#) (updated September 16)

[Brochure Clean Development Mechanism Russian version](#)

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# 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)

**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 A/R 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 fo... [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)

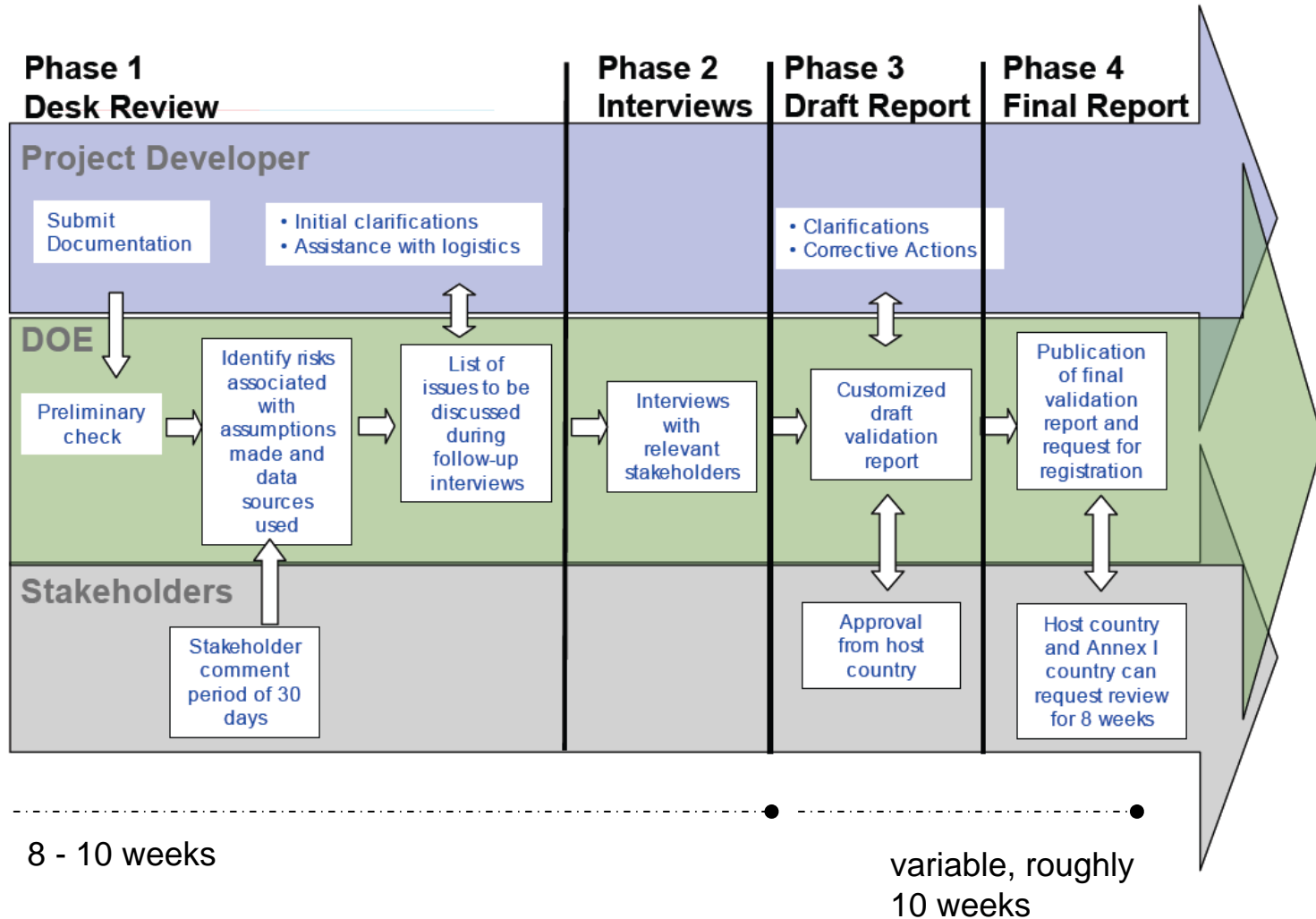
- Browse
  - ↳ <http://cdm.unfccc.int/Projects/Validation>
    - Here you will find PDDs from current projects under validation as examples
- Read “CDM PDD Guidebook – Navigating the Pitfalls,” (UNEP Risø & DNV,2005).
  - Synopsis of key lessons in later presentation...

## **PDD forms**

- Large-scale projects
- Small-scale projects
- Afforestation and reforestation (A&R) projects

Remember: different forms!

# Overview of PDD & Validation Process



## *CDM Navigating the Pitfalls PDD Guidebook*

- Published by UNEP-Risø as a 'public good' to facilitate CDM and carbon market development,
- Highlights most common, important, and avoidable mistakes made by other project developers
- Recommendations based on evaluation of ½ of all validated projects to date\*
- Save time and money by avoiding these mistakes!

\*As of late 2005, undergoing second edition in 2007

