

Option A: Assign International Organizations as Implementing Agencies	
<ul style="list-style-type: none"> ⌚ Project developers and host country governments would work with an implementing agency to identify viable GHG emission reduction projects. ⌚ If project participants have already identified a project, they would then work with one of the agencies to develop the project proposal for submission to the CDM project review body (e.g., the Secretariat or EB). ⌚ Based on comments from this review body, the implementing agencies would work with project participants to revise proposals to ensure they are consistent with established CDM project criteria and guidelines. 	<ul style="list-style-type: none"> ⌚ Reduce the need to create a new bureaucracy to support project identification and proposal development activities, and thus would reduce up-front administrative costs. ⌚ Institutional knowledge, lessons learned through the involvement of implementing agencies in the Multilateral Fund and GEF project cycles could be applied to the CDM to further reduce administration costs and maximize project cycle efficiency ⌚ Can lead to competition among the implementing agencies which can help to ensure that a sufficient number of credible project are identified and developed. ⌚ Potential problems can occur if the process of revising proposals becomes onerous and overly bureaucratic, or if the project approval process is influenced by political relationships between the review body and the implementing agencies.
Option B: Draw from National and Regional Institutions established during the AIJ pilot phase	
<ul style="list-style-type: none"> ⌚ national and/or regional institutions would serve a variety of functions. For example: <ul style="list-style-type: none"> ☐ work with project developers and host country governments to help identify viable GHG emission reduction projects, ☐ develop project proposals for submission to the CDM project review body (e.g., the Executive Board or a Secretariat). ☐ work with project participants to revise proposals based on comments from the review body. ⌚ Under a more decentralized structure, these national/regional institutions could be designed to perform project review functions, that is consistent with standards and guidelines established at the international level 	<ul style="list-style-type: none"> ⌚ Would borrow heavily from the technical work, institution knowledge, and lessons learned of the AIJ pilot phase, which could help to reduce administration costs and maximize project cycle efficiency ⌚ May be inconsistent with Canada's interest in making a clear distinction between the CDM and the AIJ pilot phase ⌚ Imposing some level of standardization for identifying projects, developing proposals, and in particular, reviewing projects, across these national/regional CDM bodies would likely be extremely difficult ⌚ Would provide Canada with the opportunity to provide direct input into the project development and review process as well as participate in the multilateral process designed to oversee the CDM.
Option C: Allow participants to submit project proposals directly to the CDM	
<ul style="list-style-type: none"> ⌚ Project participants would receive necessary guidance directly from the EB or some intermediary body, if created (e.g., a Secretariat). ⌚ Project participants would receive the minimal support required to identify the appropriate contacts within host country governments and to understand the project criteria and guidelines. 	<ul style="list-style-type: none"> ⌚ Would require less coordination with an international bureaucracy, which could make the CDM appear more attractive to private sector participants ⌚ Would be difficult to enforce standardization of project proposals ⌚ Given the complex legal arrangements and necessary coordination among project participants, host country governments, and the CDM approval body, it may be extremely costly for participants to develop projects without some institutional support.
Option D: Hybrid approach (Interdepartmental preference)	
<ul style="list-style-type: none"> ⌚ first two options may be implemented in complementary fashion. 	<p>A precedent for this is the Multilateral Fund under the Montreal Protocol where countries contributing funds are permitted to withhold 20% of their contribution for use in projects and other activities managed by their bilateral agencies.</p>