UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 1

DRAFT

Annex 12

DRAFT CDM MANAGEMENT PLAN 2010

(Version 01)

Table of contents

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 2

DRAFT

I.   Executive summary

1.   The clean development mechanism (CDM) saw steady progress throughout 2009 as the CDM Executive Board (hereinafter referred to as the Board), with support from its panels, working groups and the secretariat, took action on an unprecedented number of mandates given to it by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) at its fourth session.

2.   Of special note was the fundamental change in the way that the mechanism's third-party certifiers, the designated operational entities (DOEs), were accredited and their performance assessed. The change resulted in a substantial increase in the number of DOEs available to validate and verify on behalf of the Board.

3.   Milestones were also passed, including in July 2009 with the registration of the first programme of activities for an energy-efficient lighting programme in Mexico.

4.   The high volume of work in 2009 (appendices III and IV to this document) was carried out in a setting of continuing growth, with an almost 32 per cent increase in the number of requests for registration. The year 2010, which began with the registration of the 2,000th CDM project, will see the Board, and the secretariat as part of its support structure, focused on a broad range of improvements.

5.   The challenge remains unchanged: to implement and administer the mechanism efficiently while ensuring its environmental integrity. It also remains the case that in order to ensure environmental integrity, the Board is required to review an unacceptably high number of projects. The efforts described in this management plan to improve the functioning of the mechanism, and ultimately the quality of requests for registration and issuance, are part of the Board's response to that challenge.

6.   Looking forward, continued progress will in broad terms require a clear policy framework of standards and procedures that, among other things, systematically captures lessons learned, translates these lessons learned into policy and shares the outcomes in a regular, continuous programme of capacity-building at all levels and for all key stakeholder groups. It will also require the Board to enhance its monitoring of the quality of work undertaken under the CDM.

7.   Thus, although the CDM has reached a level of maturity, the management plan for 2010 is designed to achieve continual improvement on many fronts, guided by:

    (a)   The requests made by the CMP in its "Further guidance relating to the clean development mechanism" (decision 2/CMP.5);

    (b)   The outcome of policy retreats held by the Board in 2009, as described in EB50[1] annex 53;

    (c)   Ongoing and enhanced interactions with CDM stakeholders, in particular the designated operational entities/applicant entities (DOE/AE Forum) and the designated national authorities forum (DNA Forum).

8.   Specifically, the plan describes the work to be conducted by the secretariat in support of the Board (appendix I to this document), which is designed to:

---

[1] EB50 refers to the fiftieth meeting of the CDM Executive Board.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 3

DRAFT

(a) Ensure that all CDM processes are managed and conducted in accordance with the applicable procedural requirements;

(b) Provide the Board, and its panels and working groups, with technical, policy and legal advice as mandated;

(c) Identify possible improvements in the processes and procedures of the CDM that will enhance efficiency and transparency, and promote improvements in quality;

(d) Facilitate enhanced understanding among stakeholders of the rules and requirements of the CDM in order to enable broad and effective participation in the mechanism.

9.   Of note, and among other initiatives, revised procedures for registration, issuance and review will be developed and a proposal for a process of appeals against Board decisions on project-related submissions will be developed.

10.   Among several initiatives aimed at clarifying approaches to the demonstration of additionality, a new guideline will be developed to make clear how national and/or sectoral policies, including support mechanisms for renewable energy, should be considered in demonstrating and assessing additionality.

11.   In follow-up to the considerable enhancements made to accreditation processes in 2009, a revised accreditation procedure will be developed in 2010 that incorporates adjustments arising from an established performance monitoring process.

12.   Under methodologies, efforts will focus on improving the applicability and usability of methodologies. Revised procedures will also be developed that include clear timelines for consideration of all methodology-related submissions.

13.   Much attention is devoted to improving transparency and communication. For example, information notes containing the rationale for the Board's rejection cases will be prepared and made public; the catalogue of decisions, a searchable repository of all decisions, showing their relationships, historical links and related documentation, will be enhanced; and existing CDM information systems will be enhanced and a web-based communication facility will be developed through which DOEs can provide input and request clarifications on relevant decisions.

14.   The communication and outreach strategy adopted by the Board in 2009 will be revised, with the aim of, among other things, working more closely with designated national authorities (DNAs) to reach potential CDM participants.

15.   The need for enhanced regional distribution of the CDM, a priority of Parties and the Board, has been addressed in various parts of the plan, from efforts to increase the applicability of methodologies and efforts to clarify the additionality requirement to capacity-building and dedicated communication and outreach activities. Much will also be done under the banner of the Nairobi Framework[2] in cooperation with partner agencies.

16.   With regard to the budget, proposals for new resources in 2010 are aimed at prioritizing activities in the following areas:

(a) Enhanced completeness checks of submissions of requests for registration and issuance. These enhanced checks are intended to catch routine problems in

---

[2] <http://cdm.unfccc.int/Nairobi_Framework/index.html>.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 4

DRAFT

submissions at an early stage, thus providing project participants with early feedback on problems and reducing the unnecessary burden on the regulatory system;

(b)   Structured proactive interaction with stakeholders (project participants and DOEs). Such interaction, for example through the setting up of a dedicated question and answer service in the secretariat, can be expected to speed up the development of projects and contribute to higher quality submissions;

(c)   Skills development. Focused capacity-building is planned for several areas of the CDM process to increase quality and participation.

17.   The Board responded to an unprecedented list of mandates provided to it by Parties at the fourth session of the CMP in Poznań, Poland. Again, in 2010, the Board is tasked with fulfilling a large number of important mandates, most of which are based on its own recommendations to Parties in Copenhagen, designed to scale-up and improve the CDM.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 5

DRAFT

II.   Reporting on the core deliverables
and operational objectives of the 2009 CDM-MAP

18.   This section of the 2010 CDM management plan (CDM-MAP) contains information on the activities undertaken, results achieved and challenges faced in implementing the four strategic objectives for 2009 listed in the 2009 CDM-MAP (paragraph 25).

19.   To operationalize these strategic objectives, the 2009 CDM-MAP provided for 23 core deliverables and 16 operational objectives, which were divided into focal areas: accreditation; registration and issuance; methodologies; quality and information system; and coordination and public information and communications.

20.   Three operational objectives were added in response to specific mandates provided by the Board to the secretariat during 2009: to establish a process to allow project participants to appeal DOE findings; to enhance interaction with DOEs and enhance the understanding by the DOE of requirements/guidance of the Board contained in the *Clean Development Mechanism Validation and Verification Manual* (VVM); and to establish a quality management system (QMS) for the Methodologies Unit. The operations of the CDM Registry are also reported in this document.

21.   Some notable achievements of the Board and its support structure, including the secretariat, include:

(a)   A set of recommendations on improving the efficiency of the CDM and on regional distribution were submitted by the Board with its annual report to the CMP. These were on the whole endorsed in decision 2/CMP.5, "Further guidance relating to the clean development mechanism";

(b)   Adoption of a policy framework to monitor performance and address non-compliance of DOEs in a systematic manner;

(c)   Adoption of further guidance on programmes of activities;

(d)   Adoption of new guidance to streamline the registration and issuance processes;

(e)   Holding a CDM Joint Workshop, two DNA Forum meetings and one subregional DNA Forum meeting;

(f)   The secretariat engaged an external consultancy to carry out an analysis of the support it provides to the project-based mechanism, with a view to making recommendations on ways to improve the secretariat support to the regulatory bodies;

(g)   Adoption of accreditation standards and a revised accreditation procedure to streamline the accreditation process;

(h)   Mapping and documentation of the secretariat's processes in support of the CDM (input for a QMS and implementation plan is now in preparation);

(i)   Design of a QMS for the secretariat's Methodologies Unit.

22.   Highlights of the additional activities carried out by the Board and its support structure in 2009 include:

(a)   Workshops for stakeholders, for example on methodologies and the VVM;

(b)   Work began on establishing a CDM training programme.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 6

DRAFT

23.   Core deliverables are listed in appendix III and the activities carried out and results attained corresponding to operational objectives are listed in appendix IV.

24.   Of the 19 operational objectives, 73 per cent were partially achieved and will, therefore, continue to be implemented in the 2010 CDM-MAP, and 26 per cent were fully achieved, and in some cases activities relating to those objectives will carry on in 2010. The relatively low rate of fully implemented objectives is due to several challenges that are outlined below.

25.   External factors and delays in recruitment in 2008 and 2009 were the main barriers to the secretariat achieving its full list of objectives in 2009. These factors and delays also impacted on the Board's capacity to deliver on the mandates it received from CMP 4, which were finally successfully achieved through long meetings with overloaded agendas.

26.   The external factors included elements that were not fully forecast in the process of elaborating the 2009 CDM-MAP, such as higher than estimated requests for issuance and requests for deviation and revision of monitoring plans; peaks in submissions of requests for registration, particularly when methodology versions were due to expire; increases in workload associated with requests for review; and other tasks assigned to the secretariat, such as enhancing the public availability of both the rationale for decisions and the decision-making process; and poor quality of project submissions.

Table 1. Evolution of the number of requests processed

Activity	Number of requests processed			
	2007	2008	2009	Growth 2008–2009 (%)
Requests for registration	553	666	660	−1
Requests for review of registration	201	257	376	46
Reviews of registration requests	77	135	163	21
Corrections of registration requests	118	224	443	98
Total: registration	**949**	**1282**	**1 642**	**-**
Requests for issuance	326	516	539	4
Requests for review of issuance	75	123	121	−2
Reviews of issuance requests	12	23	32	39
Corrections of issuance requests	59	104	155	49
Requests for revision of monitoring plan	-	-	109	-
Requests for deviation at verification	-	-	72	-
Notification/requests for changes from Project Design Document	-	-	2	-
Total: issuance	**472**	**766**	**1 030**	**-**
New methodologies proposed	114	125	63	−50
Requests for revision to approved methodologies	65	106	96	−9
Requests for clarifications	55	169	110	−35
Subtotal: methodologies	**234**	**400**	**269**	**-**
Total	**1 655**	**2 248**	**2 941**	**-**

27.   Implementation of some additional mandates given to the secretariat by the Board were also affected by human resources constraints, such as the enhanced completeness checks in both

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 7

DRAFT

registration and issuance, which were requested after the preparation of the 2009 CDM-MAP and could not be commenced until early November 2009 for submissions made in September.

28.   In the area of enhancing the regional and subregional distribution of CDM project activities, the capacity-building initiatives put in place by the secretariat were hindered by a low response rate to a training needs assessment survey.

29.   A budget of USD 28.1 million, financed through supplementary funds (fees and the share of proceeds (SOP) to cover administrative expenses), was approved in the 2009 CDM-MAP. An additional USD 0.3 million was provided through the core budget of the secretariat. In terms of human resources, the 2009 CDM-MAP incorporated an increase of 44[3] posts over 2008 levels, of which 31 were at the Professional level, to support work in management, accreditation and information systems.

30.   In addition to the two DNA Forum meetings covered under the 2009 CDM-MAP, the Board approved additional meetings of the DNA Forum in non-Annex I countries. For these meetings, specific contributions were sought and received from Parties. In this context a subregional DNA Forum meeting was held in Grenada in July 2009.

31.   Expenditures during 2009 amounted to USD 20.4 million, approximately USD 8 million less than was budgeted (table 2). This underspending was mostly due to unexpected difficulties in recruiting staff and some turnover of staff. Although the rate of expenditure for the year was 73 per cent, the rate of expenditure for the last three months was 90 per cent, due to the filling of posts.

32.   The expenditure was lower than that budgeted mainly due to savings from staff vacancies (just under USD 4 million in anticipated salaries). Other areas saw overspending, for example overspending on general temporary appointments by almost USD 900,000, overtime and staff travel. Savings were also achieved by holding meetings back to back, which reduced travel of participants and logistical costs, and the continuing switch from normal to voice over Internet protocol phones, for example, to reduce communication costs. Table 2 below details the expenditure levels in comparison to the 2009 CDM budget.

33.   As at 31 December 2009, 104 out of 143 (72 per cent) of positions included in 2009 CDM-MAP were filled; of the remaining 39 vacant positions, 12 posts are currently being advertised and interviews should take place in the first quarter of 2010, and an additional three posts are expected to be filled in January 2010. The successful completion of recruitment would result in the filling of 83 per cent of the existing posts in the 2009 CDM-MAP.

34.   As reported in the 2009 CDM-MAP (paragraph 22), there were 24 vacant positions as at 28 November 2008, to which the MAP added 39 posts. Although there are currently 39 vacant posts, the rate of recruitment is considerably higher than the vacancies suggest, as a number of posts were filled by internal candidates, thereby creating vacancies.

35.   In 2009, the secretariat enhanced the coordination and carrying out of job interviews. It also contracted a consultant to write job descriptions and to prepare draft requirements for filling vacant positions, in response to the Board's request at EB49 to review the requirements for vacant positions in order to broaden the pool of suitable candidates.

---

[3] Thirty-nine new posts were approved in the 2009 CDM-MAP; however, in November 2008 the Board approved five additional posts to address urgent workload.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 8

DRAFT

36.   The Skills Training Programme of the Sustainable Development Mechanisms (SDM), implemented in April 2009, has enabled 50 staff members to take part in job-related skills development. The programme will be enhanced in 2010.

Table 2. Comparison of budgeted and actual[1] expenditure 2009

Cost category	Budget	Actual*	Actual as % of budget
Staff	12 968 776	9 191 919	–29
General temporary assistance	129 668	1 017 001	684
Support conference services (interpreters)[2]	100 000	55 445	–45
Consultants	2 359 650	1 233 501	–48
Experts fees	2 243 400	1 567 027	–30
Experts travel	1 953 350	881 007	–55
Personnel-related costs	44 874	52 743	18
Travel of representatives	1 487 500	1 381 961	–7
Less travel of representatives to Designated National Authorities Forum meeting in Grenada	n/a	–48 085	n/a
Travel of Staff	602 000	792 319	32
Training	114 000	39 428	–65
Operating expenses[3]	2 461 515	1 614 436	–34
Communications	65 040	42 625	–34
Supplies and material	35 000	58 824	68
Grants for members of the Executive Board	317 000	190 861	–40
Subtotal	*24 881 773*	*18 071 012*	
13% overheads	3 234 630	2 349 232	
Total 2009	**28 116 403**	**20 420 244**	**–27 (73%)**

[1] Figures will be finalized following closure of accounts for 2009.
[2] UNOG costs at Designated National Authorities.
[3] Includes costs for information, communication and technology, and common premises (total cost of ownership).

Table 3. Number of staff as of 31 December 2009

Approved	Filled (full time)	Total filled (including temporary)	Under recruitment
143	104	128	39[1]

[1] As at 31 December 2009, 24 posts were filled on a temporary basis and the secretariat is making efforts to fill these temporarily filled posts as well as the vacant/under recruitment positions with fully contracted staff as soon as possible. The secretariat will also continue to use temporary contracts to ensure the delivery of core functions.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 9

DRAFT

III.   Objectives for 2010

37.   The management and operations of the CDM process, while reaching a point of maturity will continue in 2010 to be characterized by the need for continual improvements. The process of designing and implementing these improvements will be guided by:

(a)   The requests made by the CMP in its "Further guidance relating to the clean development mechanism" (decision 2/CMP.5);

(b)   The outcome of the policy retreats held by the Board in 2009, as contained in EB50, annex 53;

(c)   Ongoing and enhanced interactions with CDM stakeholders, in particular the DOEs and the DNA Forum.

38.   The secretariat will proactively support the ongoing implementation and continuous improvement of the CDM through undertaking activities designed to support the achievement of the following four core expected results:

(a)   CDM processes are managed in accordance with the applicable procedural requirements;

(b)   The Board, and its panels and working groups, are provided with technical, policy and legal advice as mandated;

(c)   Improvements in the processes and procedures of the CDM that will enhance efficiency and transparency, and promote improvements in quality are identified, and where possible, implemented;

(d)   An enhanced understanding among stakeholders of the rules and requirements of the CDM in order to enable broad and effective participation in the mechanism is facilitated.

39.   The secretariat will pursue these results through the activities and outputs defined in appendix I to this document. The table below outlines the targets that will be used to monitor the achievement of the expected results. The key challenges to be addresses are also outlined.

Table 4. Secretariat workplan, including targets and related risks/challenges

Expected result 1	Clean development mechanism (CDM) processes are managed in accordance with the applicable procedural requirements

Target

1.1. Compliance with procedures/reporting on timelines
All accreditation, methodological and project-related submissions continue to be considered in accordance with the applicable procedures. Compliance with indicative timelines for all processes is reported in a clear and transparent manner.

Risks/challenges

- Uncertainty surrounding the CDM post-2012 could cause designated operational entities (DOEs) to reduce the time they allocate to the creation or maintenance of their CDM-

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 10

DRAFT

related system and result in a delay in achieving or maintaining their accreditation.

- Limited human resources could be insufficient to address workload and improvement-related tasks simultaneously.
- Identifying and mobilizing resources in the event that caseload is increased due to poorer than expected quality of submissions or a higher than expected number of submissions would be a challenge.
- Information technology (IT) systems are not implemented in time resulting in an increased need for manual intervention and consequent increases in the risk of errors.

Target

1.2. **Processing of CDM Registry transactions**
All required and requested transactions in the CDM Registry continue to be conducted in accordance with the applicable procedures.

Risks/challenges

- Enhanced due diligence processes aimed at achieving greater security might initially increase delivery time.
- A revision of modalities of communication to, among other things, safeguard against error at the time of submission, might initially result in delays.
- IT systems are not implemented in time resulting in an increased need for manual intervention and consequent increases in the risk of errors.

Target

1.3. **Information systems are in line with applicable procedures**
CDM information systems are maintained and updated in order to ensure that processes are carried out according to the latest approved procedure and using a stable, reliable and secure system.

Risks/challenges

- Limited resources might make it difficult to deliver to the level required.
- Transition to centralized IT governance within the secretariat will entail adjustment which could initially result in delays.
- Some mandates given to the Board by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) have IT requirements with levels of complexity that are difficult to assess/predict, and thus are difficult to plan for.

Target

1.4. **Support to CMP processes**
Work of the Board is prioritized in order to facilitate the timely achievement of CMP requests. Coordination, guidance and technical support on CDM-related agenda items are provided to the CMP process.

Risks/challenges

- Higher that expected case load (due to lower than expected quality of submissions or higher than expected number of submissions) could shift priority away from policy/governance-related matters.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 11

DRAFT

Target

1.5. **Efficient and timely support to the Board and its panels**
All meetings of the Board, its panels and working groups are provided with timely and efficient logistical support and high quality inputs for consideration.

Risks/challenges

- The unavailability of required staff resources as included in the 2009 CDM-MAP limit the possibility of delivering to the level required. The lack of expertise in the market is a serious challenge to be addressed.
- Documents for consideration by the Board/panels/working groups are not delivered on time.
- Travel and logistical arrangements are not at the required standard.
- Workloads of operational units related to caseload may create difficulties for the delivery of policy-oriented documentation for the Board, its panels and working groups.
- Possible additional sessions in the intergovernmental negotiating process make scheduling meetings increasing complex.

Expected result 2	**The Executive Board, and its panels and working groups, are provided with technical, policy and legal advice as mandated**

Target

2.1 **Assessment of projects**
The Board is provided with technical advice regarding the compliance of project-related submissions with the relevant CDM requirements.

Risks/challenges

- The quantity of submissions is higher than projected.
- The quality of submissions is found to be lower than projected with a resultant negative effect on caseload requirements and availability of resources.
- Projects become more complex leading to shortages of relevant expertise.

Target

2.2 **Assessment of entities**
The Accreditation Panel is provided with technical advice regarding the compliance of DOEs with the accreditation standard and the *Clean Development Mechanism Validation and Verification Manual*.

Risks/challenges

- Members of the assessment team from the roster are unavailable when required.
- Assessments become more complex leading to shortages of relevant expertise.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 12

DRAFT

Target

2.3   Monitoring of DOE performance
The performance of DOEs is monitored and reported.

Risks/challenges

- Enhanced reputational risk for DOEs associated with public availability of performance-related data could cause some to reconsider their involvement in the CDM.

Target

2.4   Quality control of assessments
Board standards, procedures and guidance in all accreditation and project assessment activities are consistently applied, and the quality of assessments of accreditation and project submissions is continuously improved.

Risks/challenges

- Insufficient resources to address caseload and improvement-related tasks simultaneously.
- Insufficient resources to monitor effectively the assessment work undertaken by the roster of experts and to train roster members.
- Inability to attract and retain suitable experts for the roster of assessors.

Target

2.5   Advice on methodology issues
The Methodology Panel, Small-Scale Working Group and Afforestation and Reforestation Working Group are provided with technical advice regarding: the suitability of proposed new methodologies for approval; the identification of issues which may lead to the revision of methodologies in order to simplify them; the appropriateness and implications of requests for revisions of approved methodologies; and the responses to requests for clarification of approved methodologies.

Risks/challenges

- Insufficient resources to address caseload and improvement-related tasks simultaneously.
- The quantity of submissions is higher than projected.
- The quality of submissions is found to be lower than projected with a resultant negative effect on caseload requirements and availability of resources.

Target

2.6   Strategic advice to the Board
The Board, especially the Chair and Vice-Chair, receives advice on policy, governance and legal issues.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 13

DRAFT

Risks/challenges

- Higher that expected caseload (due to lower than expected quality of submissions or higher than expected number of submissions) could shift priority away from policy/governance-related matters.

Expected result 3	**Improvements in the processes and procedures of the CDM that can enhance efficiency, transparency and quality are identified and, where possible, implemented**

Target

3.1 Improve procedures related to project assessment
Revised procedures for registration, issuance and review are adopted to improve efficiency of decision-making.

Risks/challenges

- Implementing new processes and associated timelines while processing existing caseload according to existing processes could pose a challenge.

Target

3.2 Revision of the accreditation procedure
A revised accreditation procedure is adopted that incorporates the requests of CMP 5 and the necessary changes arising from the performance monitoring framework.

Risks/challenges

- Human resources could be insufficient to address workload and improvement-related tasks simultaneously, forcing the need for short-term, unsustainable fixes.

Target

3.3 Prioritization of future caseload
A framework is adopted to prioritize future assessment work based on risks and impacts, in particular with regard to verification and issuance.

Risks/challenges

- Prioritization could be disrupted if DOE performance data reveal major problems that require substantive remedies.
- Human resources could be insufficient to address workload and improvement-related tasks simultaneously.

Target

3.4 Streamlined methodology-related procedures
Streamlined procedures for the consideration of methodology-related submissions are adopted to ensure that each submission receives a final opinion from the relevant panel or working group within a maximum of four meetings.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 14

DRAFT

Risks/challenges

- Workload of panels and working groups could delay implementation of revised procedures.

Target

3.5 **Enhanced objectivity of additionality testing**
Methods of demonstrating additionality are made more objective.

Risks/challenges

- Prolonged consideration by the Methodologies Panel.
- Methodological difficulties in improving/revising the additionality tool and combined tool.

Target

3.6 **Facilitated access to the Board's decisions**
Transparency in Board's decisions is improved through the classification, indexing and publication of the Board's decisions and their inclusion in the catalogue of decisions database.

Risks/challenges

- Timely updating of information targeting stakeholders involved in the CDM process.

Target

3.7 **Improved information systems**
Efficiency of the CDM processes is improved through development of information systems, streamlining of existing systems, enhancement of IT infrastructure and interoperability with other systems.

Risks/challenges

- Limited resources might make it difficult to deliver to the level required.
- Transition to centralized IT governance within the secretariat will entail adjustment which could initially result in delays.

Target

3.8 **Improved quality management in IT**
Support to organizational changes, quality assurance, quality control, deployment management, system maintenance and administration.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 15

DRAFT

Expected result 4	Enhanced understanding among stakeholders of the rules and requirements of the CDM to facilitate broad and effective participation in the mechanism

Target

4.1 Understanding of validation and verification standards by DOEs

Understanding by DOEs of the expected quality standards for their operational systems and validation and verification activities is enhanced.

Risks/challenges

- Arrangements required to organize international workshops can result in delays.

Target

4.2 Enhancing understanding about the CDM among stakeholders

Stakeholders are provided with additional information products that enhance their understanding of the CDM requirements and Board decisions, and access to information is facilitated.

Risks/challenges

- Ensure the delivery of a number of products with short timelines and conflicting priorities.
- Responses to unsolicited submissions to the Board are delayed due to workload.

Target

4.3 Raising awareness about the CDM

The level of public awareness and understanding about the mechanism is enhanced through planned outreach activities.

Risks/challenges

- The activities will require considerable participation from stakeholders, for example DNAs for the communication work in support of enhanced regional distribution. The challenge will be to motivate stakeholders to take part/contribute given their limited time and resources and competing priorities.

Target

4.4 Facilitating the use of methodologies

New methodologies are developed for priority areas, approved methodologies are revised for the purpose of increasing their usability and necessary tools to assist in the simplification and usability of methodologies are revised or adopted.

Risks/challenges

- Excessive workload and lack of adequate human resources.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 16

DRAFT

Target

4.5 Enhanced interaction between the Board and stakeholders

The views of stakeholders regarding the implementation of CDM requirements are sought and taken into consideration in the processes.

Risks/challenges

- Developing a platform that facilitates broad participation and transparent interaction will take longer than planned.

Target

4.6 Information, exchange and interaction between DNAs

Equitable regional and subregional distribution is enhanced through the facilitation of exchanges of experiences and best practices between DNAs and with other CDM stakeholders.

Risks/challenges

- Motivation of DNAs to be proactive and to devote time to facilitating and promoting awareness of CDM projects and programmes of activities in their respective countries is essential.

Target

4.7 Capacity-building in support of developing countries

Enhanced regional and subregional distribution of the CDM is facilitated through the development and implementation of a capacity-building programme, the development of targeted studies and the implementation of mandates from decision 2/CMP.5, i.e. "Further guidance relating to the CDM".

Risks/challenges

- Low response rates to surveys of DNA training needs.
- Lack of resources and time to undertake assessment of needs in a representative number of countries and to develop country case studies.

Target

4.8 Improved coordination of work under the Nairobi Framework[4]

Activities aimed at improving the regional distribution of the CDM are made more effective through enhanced coordination among Nairobi Framework partner agencies.

Risks/challenges

- Work could be slowed by lack of financial support from donors and reduced engagement from partners due to competing priorities.

---

[4] <http://cdm.unfccc.int/Nairobi_Framework/index.html>.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 17

DRAFT

IV. New resource requirements

40.   At CMP 5, the Parties provided further guidance to the Board in the form of specific mandates and recommendations aimed at, among other things, improving the transparency, consistency and impartiality of its work, enhancing communications with project participants and stakeholders and enhancing the performance of DOEs. The new resources requested in 2010 are to deliver on these mandates and on the secretariat's commitment to improve its support to the CDM and will be directed primarily at the following areas:

(a)   Enhanced completeness checks;

(b)   Structured proactive interaction with stakeholders (project participants and DOEs);

(c)   Skills development.

41.   The identified areas coincide with some of the potential short-term improvement actions presented in the independent technical review carried out by McKinsey & Company.

42.   In this respect, the secretariat will enhance its collaboration with stakeholders with a view to assisting the Board to achieve substantial reductions in lead times associated with various activities within the CDM project cycle. Particular attention will be paid to improving the quality of projects submitted for registration.

43.   Therefore, it is proposed that most of the new Professional level staff called for in 2010 will provide technical support and quality assurance in two areas that will affect, in the short, medium and long term, the quality of inputs and efficiency of the Board and its support structure: continuous improvement and skills development. The limited increase in General Service level staff (G staff) (one position) is due to the planned restructuring of the part of the secretariat that provides support to the CDM. Once the restructuring is complete, need for G staff will be reassessed.

44.   The technical support will include pre-validation and pre-verification opinions (i.e. initial stages of a help desk/hotline); initial assessments of requests for revision, clarification and deviation (to ensure consistency of responses and approach to interaction); stakeholder liaison, including through workshops and planned communication; and the establishment of a web-based DOE interface.

45.   The provision of quality assurance will focus on tasks such as procedures (development of official procedures and internal operating procedures); system analysis; templates and standardization (in cooperation with CDM operational teams); and information management.

46.   There will be close collaboration between the teams working on continuous improvement and quality assurance (Methodologies, Accreditation, Registration and Issuance, and Entity Assessment), and these teams will promote appropriate communication links with project developers and the Board's support structure (panels and working groups). This will help ensure effective cooperation in systematically identifying and removing sources of quality loss, through activities such as joint improvement workshops and training on tools and guidance.

47.   The skills development function will be carried out by a dedicated team, focussed on programme design and logistics. It will draw on expertise from the technical support team and training service providers to implement activities to improve the skills of staff, the quality of project submissions, and address challenges associated with recruitment, as highlighted by the Board in 2009.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 18

DRAFT

Table 5. Additional resources required for 2010 per Unit/Team

Focal area	Professional staff (P)	General Service level staff (G)	Total
Accreditation and Project Assessment	**4**[1] 4 P2s	**0**	**4**
Methodologies	**3**[2] 1 P3 and 2 P2s	**0**	**3**
Process Management/ CDM Registry	**1** 1 P2	**0**	**1**
Management Support Services	**0**	**0**	**0**
Skills Development	**4** 1 P4, 1 P3 and 2 P2s	**1**	**5**
Strategic Development	**1** 1 P3	**0**	**1**
Continuous Improvement and Quality Assurance	**8** 2 P4, 3 P3s and 3 P2s	**0**	**8**
Support to the Director	**1** P3	**0**	**1**
Total additional resources	**22**	**1**	**23**

[1] In December 2009, six Professional level positions were relocated to the Accreditation and Project Assessment (APA) Unit from other Units/Teams supporting the clean development mechanism, and one additional Professional level position will be shifted from within the APA Unit itself

[2] Three Professional level positions to replace those relocated to the APA Unit in December 2009.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 19

DRAFT

Table 6. Growth staffing level (2006–2010)

	2006	2007	2008	2009	2010
Professional level staff	24	47	62	93	115
General Service level staff	16	24	31	44	45
Subtotal staff	**40**	**71**	**93**	**137**	**160**
Staff moved to information technology governance structure[1]	-	-	-	-	18
Total staff[2]	-	-	-	-	**142**

[1] The new secretariat-wide information technology (IT) governance structure, aims to centralize technical functions and delineate these from business analysis and project management. For the 2010 CDM-MAP, this implies the transfer of 18 posts to the designated programme of the secretariat responsible for IT governance. Therefore, the actual increase in the number of staff is only five posts. The above-mentioned 18 posts will remain funded through the CDM, but will be located and supervised in the programme responsible for IT governance.

[2] The management plan (MAP) also funds some posts that are cost-shared with joint implementation resources and also reported in the joint implementation (JI) MAP. In 2008, there were four posts cost-shared with JI. The 2009 CDM and JI MAPs approved two additional posts (one at Professional level and one at General Service level). The 2010 MAP will maintain these six cost-shared posts, which brings the number of posts located in the CDM subprogramme to 148.

Table 7. Budget trend (2006–2010)
(millions of United States dollars)

Year	2006	2007	2008	2009	2010
Budget	9.0	13.0	21.7	28.1	35.4
% increase on previous year	-	44	67	29	26

Budget shown as percentage increase against previous year

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 20
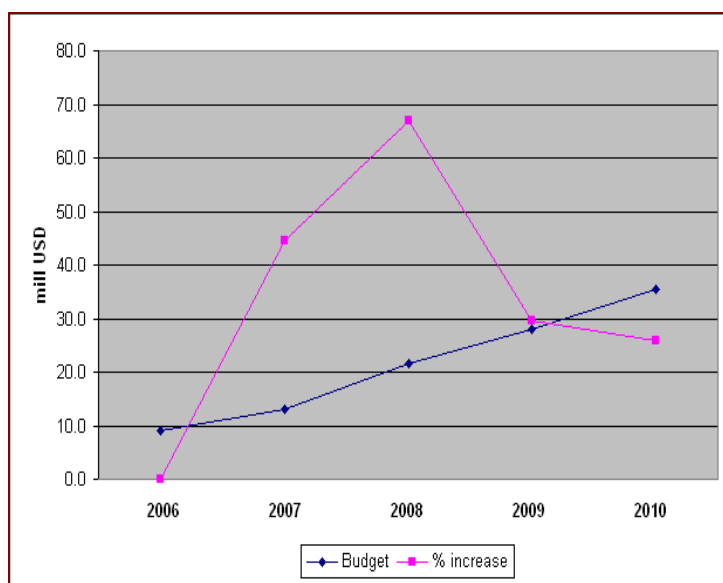
DRAFT

V.   Budget for the year 2010

48.   Table 8 compares the 2009 budget, as presented in the 2009 CDM-MAP, and the budget presented for 2010. The increase is mainly the result of an increase in the number of staff (approximately 17 per cent) and an increase in the standard costs applied to determine staff costs in the budget (approximately 10 per cent). There are 23 new positions planned to support the new activity areas, such as continuous improvement and skills development, while other positions will support existing work areas (mainly registration and issuance).

Table 8. 2010 budget of the clean development mechanism

	2009 approved budget	**2010 budget**
Staff	11 666 298	15 467 349
Personnel related (e.g. overtime)	44 875	56 484
Staff travel	1 415 000	1 642 000
Staff training (charges)	138 880	147 040
Executive Board of the clean development mechanism	1 898 500	1 937 500
Consultancies	1 646 650	2 379 458
Panel and working group experts	3 196 750	3 338 750
Total cost of ownership (TCO) / information technology governance	3 798 319	4 415 833
Workshops	1 041 500	1 900 500
Miscellaneous	35 000	45 000
Subtotal	24 881 772	31 329 914
Programme support cost (PSC) 13 %	3 234 630	4 072 889
Total	**28 116 403**	**35 402 803**

49.   The higher level of resources for consultancies is to clear the current back-log of projects for registration. IT governance, as explained in the note 1 of table 6, will be introduced in 2010 and the CDM will contribute based on the number of CDM staff relocated to the secretariat programme responsible for IT governance. The increase in workshop related costs is due to a greater number of workshops to implement various new activities mandated by CMP 5, and to improve the regional distribution of projects, promoting skills development in regions where the lack of technical knowledge, together with other factors, is a barrier to the development of CDM projects.

50.   The overall budget increase from 2009 to 2010 will be approximately 26 per cent, as shown in table 8 above. The CDM will fund the 2010 budget through the carry-over from 2009 of approximately USD 35 million, and the estimated income from fees and SOP of USD 33 million, plus interest accrued. Based on the overall income projection, the reserve of USD 45 million will remain intact in 2010.

51.   In view of the further increase of CDM activities in the coming year, that is, in addition to the current activities of Methodologies, Registration, Issuance, Accreditation, Strategic Development, Public Information and Communication, and Management and Coordination, the new tasks under the

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 21

DRAFT

focal areas of Continuous Improvement and Quality Assurance, and Skills Development demand maximum flexibility in terms of the deployment of both financial and human resources. This flexibility is needed to implement a management plan that is more function-oriented than based on a static structure. Therefore, the numbers of staff associated with each activity should be viewed as planned but not fixed. As the year progresses the secretariat may redeploy, within the CDM, financial and human resources in order to meet shifting demands across the activities. The Board will consider, as and when needed, further increases of resources.

52. According to the projection of expenditure against income in 2010–2011, it is expected that registration fees will remain unchanged in 2010 in comparison to 2009, while there may be an increase in issuance fees/SOP. These factors should result in an increase in income in 2010. Nevertheless, for the effects of this CDM-MAP, the secretariat has utilised a conservative scenario of no growth in income.

53. Considering that in 2009 there was an income of approximately USD 37.4 million, and assuming the same level of income in 2010, the budget presented in this CDM-MAP (USD 35.4 million) will be fully covered by income generated by fees. This assumption does not include the carry-over from unspent resources in 2009 or the interest accrued (e.g. interest from January–June 2009 was just over USD 2 million). Even so, the reserve would remain untouched through to the end of 2011.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 22

DRAFT

VI.   The secretariat's organizational structure

**Appropriate positioning of the secretariat to deliver effective support to the CDM Executive
Board and to achieve effective interactions with stakeholders, thereby resulting
in improved CDM efficiency**

54.   The coming year will bring many challenges for SDM. At COP 15 in Copenhagen, Denmark,
Parties gave clear and powerful instructions that they wanted CDM and joint implementation (JI) to
operate more efficiently. By COP 16 in Mexico, the secretariat needs to deliver.

55.   The secretariat knows what the challenges are. Turnaround times for project approvals,
issuances, methodologies and accreditations are too high. Stakeholders believe that the mechanisms
are unpredictable and difficult to navigate. The secretariat's resources are stretched too thin. For
different reasons, public confidence in the mechanisms is eroding.

56.   Last year, the secretariat commissioned McKinsey & Company to conduct an independent
review of the support the secretariat provides to the CDM and JI. McKinsey concludes that the
underlying root cause of the challenges faced in regulating the CDM is a gradual shift over the past
five years away from how the CDM was originally intended to function, that is with DOEs serving as
the extended arm of the Board.

57.   In an ideal world, the secretariat would receive high-quality inputs from DOEs, assess them
against clear and consistent policy guidance, and provide timely advice to the Board on how to deal
with them. In reality, however, the secretariat receives too many low-quality inputs and is faced too
often with inconsistent guidance, leading to extensive reworking on the part of the secretariat, as well
as time-consuming considerations by the Board. This, by extension, leads to delays and frustration
throughout the system.

58.   McKinsey suggests that the mechanisms need to shift back to how they were intended to
function. While recognizing the complexity of the problems that the secretariat faces, McKinsey
identifies the pursuit of one goal as key in addressing many of them: *improve what we get from
DOEs, when we first get it*.

59.   In practical terms, pursuing this goal includes the following:

(a)   *Build capacity*: improve the scope, clarity, and precision of guidance, offer more
training and workshops, and create a formal way for DOEs to identify their needs and
for the secretariat to help meet those needs;

(b)   *Enhance communications*: make guidance more user-friendly, encourage DOEs to
contact the secretariat at early stages in the process in order to identify and address
errors in quality, welcome more frequent interactions between stakeholders and the
secretariat, and establish a support hotline to resolve issues promptly;

(c)   *Increase accountability*: communicate expectation for high-quality submissions from
DOEs, create methods to measure performance, share findings broadly with all
stakeholders, recognize and incentivize good performance, and disincentivize bad
performance;

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 23

DRAFT

(d)   *Organize the secretariat accordingly*: offer improved staff training, optimize the SDM organizational structure, and reduce workload for overburdened staff.

60.   As part of the secretariat's short-, medium-, and long-term strategy for addressing the challenges, the secretariat will embark on an institutionalized and structured approach to constructive engagement with DOEs and project participants. Guided by decision 2/CMP.5 and the McKinsey review, the secretariat is starting work on the design and implementation of an action plan that includes resources dedicated to continuous improvement and quality assurance, and skill development, for medium- to long-term impact, as well as immediate steps to reduce the existing back-log of cases. The organization chart below shows how the secretariat will structure itself to support the Board more effectively in order to deliver on its mandate to improve the CDM.

Organization chart of the secretariat's CDM support

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 24
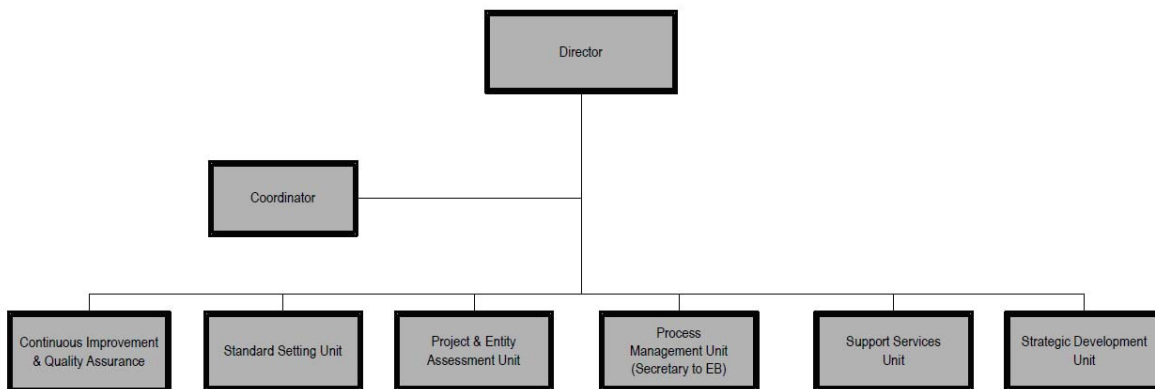
DRAFT

Appendix I
Planned activities for 2010

Expected result 1	Clean development mechanism (CDM) processes are managed and conducted in accordance with the applicable procedural requirements

1.1. **Compliance with procedures/reporting on timelines**
All accreditation, methodological and project-related submissions continue to be considered in accordance with the applicable procedures. Compliance with indicative timelines for all processes is reported in a clear and transparent manner.

Outputs for Accreditation and Project Assessment	**Activities**
- The application for accreditation or reaccreditation for 25 applicant entities/designated operational entities (DOEs) are processed in accordance the accreditation procedure - 16 regular surveillance assessments, 35 non-central site assessments and 80 performance assessments are scheduled and conducted in accordance with the accreditation procedure - Accreditation Panel recommendations on applications for accreditation or reaccreditation are provided to the Executive Board - Decisions are taken by the Board on applications for accreditation or reaccreditation - A report on compliance with indicative timelines for relevant accreditation processes is provided at each	- Prepare and present detailed case reports for the Accreditation Panel (AP), based on inputs from assessment reports that make reference to respective guidance, that are consistent with equivalent cases and include appropriate background and explanation of related issues - Prepare and present executive summary reports of cases for the Board, based on inputs from the AP, that make reference to respective guidance, are consistent with equivalent cases and include appropriate background and explanation of related issues - Create and maintain a schedule of regular assessments, including performance assessments - Elaborate and undertake spot-checks - Coordinate the work of the assesment teams (Ats) and act as liaison between ATs and DOEs

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 25

DRAFT

Board meeting, starting from EB54

- Requests for registration, including requests for registration of programmes of activities (PoAs), and renewal of crediting periods are processed according to Board procedures - Requests for issuance, requests for deviation, revision of monitoring plans and changes from the project design document (PDD) are processed according to Board procedures - A report on the rate of compliance with indicative timelines is provided to each Board meeting	- Maintain a publicly available list indicating the current status of all requests for registration and issuance - Schedule assessments of submissions - Notify relevant stakeholders regarding changes in the status of requests for registration and issuance, and associated project-related submissions - Maintain and improve electronic workflows to ensure that all project-related submissions are processed in accordance with the applicable procedures

Outputs for Methodologies	**Activities**
- All documents required for efficient work of the Methodologies Panel/SSC WG/ A/R WG are prepared in accordance with the applicable procedures and delivered by the respective deadlines. - The Board receives high quality documents for consideration within deadlines set by the applicable procedures. - The Board receives clear and transparent information on indicative timelines of the received submissions.	- Continue preparation of high quality assessments and initial recommendations on proposed new methodologies, requests for revision and requests for clarification submitted to the Methodologies Panel/SSC WG/A/R WG. - Continue preparation of high quality assessments of requests for deviation from approved methodologies submitted by project participants - Maintain and update a publicly available schedule of Methodologies Panel/SSC WG/A/R WG meetings including deadlines for submission of documents by project participants - Create and maintain an internal database containing detailed information on timeline of received submissions

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 26

DRAFT

1.2 **Processing of CDM Registry transactions**

All required and requested transactions in the CDM Registry continue to be conducted in accordance with the applicable procedures.

Outputs for the CDM Registry	Activities
- The CDM Registry processes requests to forward certified emission reductions (CERs) as instructed by focal point entities, in relation to the requirements of the international transaction log (ITL)	- Forward CERs and note confirmation of these transactions by the ITL - Notify stakeholders regarding completed actions - Update the CDM Registry web page with operational guidance and statistics
- The CDM Registry processes issuances of CERs and the forwarding of the 2 per cent share of proceeds (SOP) to the Adaptation Fund	- Issue CERs and note confirmation of these transactions by the ITL - Convey forwarding instructions to the focal point once the SOP administration fee has been paid
- The CDM Registry acts on requests for changes to modalities of communication (MOC) statements submitted by focal point entities	- Complete changes to MOC statements - Update new MOC information on the UNFCCC CDM website - Submit revised procedures and operational guidance on MOC issues to the Board for approval
- Monthly reports to the Board and DNAs on CDM Registry activities	- Circulate reports on the CDM Registry, forwarding transactions and account matters to the Board and the DNAs concerned - Post the monthly report to the Board on the Executive Board (EB) extranet - Include aggregate statistical data on CDM Registry operations in official UNFCCC documentation

1.3 **Information systems are in line with applicable procedures**

CDM Information systems are maintained and updated in order to ensure that processes are carried out according to the latest approved procedure and using a stable, reliable and secure system.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 27

DRAFT

Outputs for Information Systems	Activities
- Existing CDM information systems are updated and improved, where needed, in order to comply with the latest decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP)/the Board and agreed procedures	- Finalize the accreditation support system - Finalize the MOC of the life cycle system of the MOC - Relaunch the methodology process support workflows in accordance with new procedures to emerge from CMP guidance - Overhaul registration and issuance support workflows in accordance with changes in procedures to emerge from CMP guidance, including capturing, and reporting on, DOE performance

1.4 **Support to CMP processes**

The work of the Board is prioritized in order to facilitate timely achievement of CMP requests.
Coordination, guidance and technical support on CDM-related agenda items are provided to the CMP process.

Outputs for CDM-EB and CMP Support	Activities
- Work programmes relating to CMP requests to the Board and the secretariat are prepared - Coordination of implementation of requests from the CMP is provided - CMP requests are delivered to the CMP two Board meetings prior to the sessions CMP sessions in order to finalize the EB report to the CMP	- Assess needs and plan actions - Prioritize, schedule and coordinate action on deliverables
- Documents for consideration by the CMP (annotations, briefing notes, reports of the EB to the CMP) - Outputs requested by the CMP - Briefings to the CDM President and co-chairs - Guidance (substantive and process) to the co-chairs and	- Manage and coordinate preparation of documentation - Assess needs and coordinate action on mandates given to the EB by the CMP - Brief and support nominated co-chairs of the negotiations

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 28

DRAFT

Parties

1.5   **Efficient and timely support to the Board, its panels and working groups**
All meetings of the Board, its panels and working groups are provided with timely and efficient logistical support and high quality inputs for consideration.

Outputs for EB and CMP Support	**Activities**
- Quality inputs, such as draft proposals, guidance, briefing notes and so on, are delivered to the Board on time	- Manage and coordinate preparation of inputs
- Information notes, policy proposals and background documentation for consideration by the Board - Meeting agendas, workplans and schedules	- Manage and coordinate preparation of documents - Prepare agendas, workplans and schedules
- Speaking and briefing notes for the Chair and Vice-Chair of the Board - Advice on CDM, and in particular, Board issues is delivered to the Chair and Vice-Chair before, during and between meetings	- Manage and coordinate preparation of speaking and briefing notes - Briefing meetings and conference calls are arranged with the Chair of the Board to brief him on issues on the agenda
- Documents for consideration by the Board (agendas, annotations, policy proposals) - Action on ad hoc requests made by the Board - Logistical and travel arrangements for meetings of the Board	- Manage and coordinate preparation of documentation - Assess and coordinate action on requests from the Board - Coordinate action on travel and logistical needs
Outputs for Information Systems	**Activities**
- The Executive Board and the secretariat benefit from reliable information technology (IT) support and stable service during the meetings	- Maintain and administer the technical aspects of the CoD - Provide IT support to Board meetings - Provide technical support for the collaborative authoring and adoption of Board

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 29

DRAFT

- Working tools (extranet, catalogue of decisions (CoDs), etc.) that function and are secure	reports - Design and develop a technical package, including necessary procurement, that ensures reliable IT support to Board meetings away from Bonn, Germany - Maintain and support extranets and the secure communication facilities of the Board and its support structure - Operate a CDM Information System technical service desk
Outputs for Information and Knowledge Management	**Activities**
- All records relating to the CDM project activity cycle and the meetings of the Board, its panels and working groups are managed and safeguarded - Internal SDM record-keeping procedures, guidelines and practices are current and staff are trained in how to apply them	- Develop, manage and maintain the information management system - Conduct regular records training for Sustainable Development Mechanisms (SDM) staff - Develop and maintain procedures, guidelines and training materials on record-keeping specific to the needs of SDM - Monitor and report on record-keeping practices within SDM - Provide CDM-specific input to information system (IS) in accordance with section C of the *UNFCCC policy and procedures for records and archives* - Train staff to keep them abreast of best practices in record--keeping and archiving

Expected result 2   **The Executive Board, and its panels and working groups are provided with technical, policy and legal advice as mandated**

2.1   **Assessment of projects**
The Executive Board is provided with technical advice regarding the compliance of project-related submissions with the relevant CDM requirements.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 30

DRAFT

Outputs for Accreditation and Project Assessment	Activities
- 2,270 project-related submissions are assessed to ensure completeness - Summary notes for 940 requests for registration and renewal of crediting periods are delivered to the Board - Summary notes for 1,330 requests for issuance, revision of monitoring plans?, deviation and changes from the PDD are delivered to the Board - Recommendations for 1,035 requests for review and review cases placed on the EB agenda are delivered to the Board - Recommendations regarding corrected project documentation for 750 cases are delivered to the Chair of the Board - Ad hoc reports are made available to the Board on policy-related issues identified in assessments	- Conduct enhanced completeness checks of compliance of DOEs with reporting standards of the Executive Board - Assess project documentation for compliance with relevant validation and verification requirements - Assess responses from DOEs and project participants to requests for review and reviews - Present case-specific matters to the Board - Systematically identify policy-related issues, based on the outcome of project assessments, and prepare recommendations for action by the Board

2.2   **Assessment of entities**

The Accreditation Panel is provided with technical advice regarding the compliance of DOEs with the accreditation standard and the *Clean Development Mechanism Validation and Verification Manual* (VVM).

Outputs for Accreditation and Project Assessment	Activities
- 25 on-site assessment reports as part of the accreditation and reaccreditation processes - 16 regular surveillance reports - 35 assessment reports of non-central sites - 80 performance assessment reports	- Establish appropriate assessment teams - Prepare pre-assessment plans - Undertake assigned assessments - Prepare and finalize assessment reports - Present the findings of the reports to the Accreditation Panel

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 31

DRAFT

2.3   Monitoring of DOE performance
The performance of DOEs is monitored and reported.

Outputs for Accreditation and Project Assessment	Activities
- Accreditation assessment activities utilize appropriate feedback gathered from the registration and issuance processes - Continuous data starting from EB55 against a set of accreditation-related indicators as part of the DOE performance monitoring system	- Classify each request for registration and issuance in accordance with the framework adopted by the Board - Identify an expanded set of appropriate sanctions and incentives for presentation to the Accreditation Panel and the Board for comment and adoption - Integrate performance-related information into regular presentations of accreditation cases to the Accreditation Panel and the Board - Identify and implement a set of accreditation-related indicators for inclusion in the DOE performance monitoring system

2.4   Quality control of assessments
Executive Board standards, procedures and guidance in all accreditation and project assessment activities are consistently applied, and the quality of assessments of accreditation and project submissions is continuously improved.

Outputs for Accreditation and Project Assessment	Activities
- Use of feedback from the DOE performance monitoring system to strengthen and focus the accreditation assessment of DOEs? - Internal database on decisions on cases and treatment of issues - A sustainable pool of assessors and experts - Two workshops for assessors and one workshop for RIT members in 2010	- Strengthen the assessment of DOE competence and compliance using information gathered from the DOE performance monitoring system - Enhance data management relating to decisions on cases and treatment of issues identified in all accreditation and project assessment activities - Maintain a sustainable pool of suitable assessors and external experts (Registration and Issuance Team (RIT) members) to continually meet the workload of all accreditation and project assessment activities, providing for spare capacity to deal with peak submissions and additional activities, such as spot checks

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 32

DRAFT

- Organize workshops and meetings, as appropriate, for assessors and RIT members, to help ensure consistent application of the Board's standards, procedures and guidance

2.5 Advice on methodology issues

The Methodology Panel (Meth Panel), Small-Scale Working Group (SSC WG) and Afforestation and Reforestation Working Group (A/R WG) are provided with technical advice regarding: the suitability of proposed new methodologies for approval; the identification of issues that may lead to the revision of methodologies in order to simplify them; the appropriateness and implications of requests for revisions of approved methodologies; and the responses to requests for clarification of approved methodologies.

Outputs for Methodologies	Activities
- The Meth Panel, the SSC WG and the A/R WG are provided with advanced technical advice - A list of issues to be considered in each revision of methodology is developed and presented to the Methodologies Panel, the SSC WG and the A/R WG - Revised methodologies are further simplified and easier to use	- Establish appropriate analytical teams - Identify issues for potential simplification of methodologies - Identify methodologies/tools for potential simplification - Identify possibilities for simplification of methodologies for which a request for revision was submitted - Present the findings to the Methodolgies Panel, the SSC WG and the A/R WG

2.6 Strategic advice to the Board

The Executive Board, especially the Chair and Vice-Chair, receives advice on policy, governance and legal issues.

Outputs for EB and CMP Support	Activities
- Strategic advice is provided to the Board, in particular to the Chair/Vice-Chair, in the form of briefing notes and oral briefings - Strategic papers are delivered to the Board when required	- Management meetings are arranged to ensure coordinated advice is provided - Strategic issues are assessed by secretariat staff

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 33

DRAFT

- The required substantive, legal and procedural information is
  provided to the Board on CDM issues in general

Expected result 3	Improvements in the processes and procedures of the CDM that can enhance efficiency, transparency and quality are identified and, where possible, implemented

3.1 Improve procedures related to project assessment
Revised procedures for registration, issuance and review are adopted to improve efficiency of decision–making.

Outputs for Accreditation and Project Assessment	Activities
- Revised procedures for registration, issuance and review, which implement the requests of CMP 5 - Revised procedures for the revision of monitoring plans, which incorporate timelines for all elements of the process - Revised procedures for registration for PoAs, which take into account the requests of CMP 5 - New procedures for withdrawal of requests for registration and issuance - A proposal for a process of appeals against Board decisions on project-related submissions (developed in time to provide a recommendation to CMP 6)	- Develop draft procedures for consideration and adoption by the Executive Board

3.2 Revision of the accreditation procedure
A revised accreditation procedure is adopted that incorporates the requests of CMP 5 and the necessary changes arising from the performance monitoring framework.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 34

DRAFT

Outputs for Accreditation and Project Assessment	Activities
- A revised accreditation procedure that incorporates adjustments arising from the performance monitoring process - The adoption and implementation of the activity reporting requirements requested by CMP 5 - Implemented improvements, for the accreditation process, including further indicative timelines for the accreditation process - A more standardized approach adopted by the Accreditation Panel to the preparation of recommendations to the Board concerning accreditation cases - Guidance for addressing the liability of DOEs in the validation and verification process	- Identify further indicative timelines for the accreditation processes - Revise procedures and/or develop guidance to address the liability of DOEs in the validation and verification process - Implement further improvements in the accreditation processes, based on the agreed implementation plan and informed by data from the DOE performance system - Prepare a draft guidance document to assist the Accreditation Panel in following a more standardized approach in making its recommendations to the Board regarding accreditation cases - Introducing a requirement that DOEs indicate the work they are undertaking on projects originating in countries with fewer than 10 registered projects as part of their annual activity reports

3.3 **Prioritization of future caseload**
A framework is adopted to prioritize future assessment work based on risks and impacts, in particular with regard to verification and issuance.

Outputs for Accreditation and Project Assessment	Activities
- A report and related recommendations are forwarded to the Board	- Investigate the feasibility of using a sampling approach to assess submissions to the issuance process that is appropriately informed by data from the DOE performance system, as well as factors that could compliment the prioritization effort such as periodic requests for issuance, type of projects, methodologies used and effective use of external experts (RIT members)
- A report and a related implementation plan on further improvements for the accreditation process (by EB55),	- Identify and analyse the major issues relating to the compliance of DOEs with accreditation standards

CDM – Executive Board

UNFCCC/CCNUCC

EB 52
Proposed Agenda - Annotations
Annex 12
Page 35

DRAFT

including the future role and purpose of performance monitoring and assessment	- Create a prioritized implementation plan for further improvement of the accreditation process that is appropriately informed by data from the Accreditation Panel, assessors, DOEs, other stakeholders and the DOE performance system - Review and revise the accreditation standard, accreditation procedure and relevant documents in accordance with an agreed implementation plan

3.4   Streamlined methodology-related procedures

Streamlined procedures for the consideration of methodology-related submissions are adopted to ensure that each submission receives a final opinion from the relevant panel or working group within a maximum of four meetings.

Outputs for Methodologies	**Activities**
- Revised procedures are adopted that include clear timelines for consideration of all methodology-related submissions	- Identification of all required processes for submission and consideration of methodologies and related issues - Identification of a matrix of necessary procedures to improve the required processes - Development of revised procedures for consideration by the Board at EB58 at the latest - Implementation of the revised, approved procedures
- Revised procedures are adopted that provide enhanced attention to quality at the early stage of the process of considering methodology-related issues	- Identification of the required technical expertise - Creation of a roster of technical experts, to be appointed as technical desk reviewers, to supplement the technical expertise of the secretariat - Ensure that relevant procedures include adequate screening of submissions by an appropriate technical expert - Implementation of the revised, approved procedures

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 36

DRAFT

- Revised procedures are adopted that minimize the number of handovers in the process of considering submissions	- Preparation of revised draft procedures that provide for the preparation of recommendations in one stage instead of two stages (pre-assessment and draft recommendations), to avoid multiple handovers of proposed new methodologies (PNMs) between the secretariat and the members and the Chair of the Methodologies Panel and improving efficiency in the process - Implementation of the revised, approved procedures

3.5   **Facilitated access to the Executive Board's decisions**
Transparency in the Executive Board's decisions is improved through the classification, indexing and publication of the Board's decisions and their inclusion in the CoD database.

Outputs for Information and Knowledge Management	**Activities**
- Official documentation of the Board, including decisions and rulings are classified, indexed, managed and made publicly available on the UNFCCC CDM website	- Classify decisions according to the classification scheme approved by the Board - Catalogue and index new decisions in the CoD database - Re-index old Board decisions into the CoD - Develop, manage and maintain the official documentation section of the UNFCCC CDM website
- The catalogue of decisions (CoD), serving as the platform for accessing the repository of decisions and rulings of the Board is further developed to show relationships, historical links and related documentation	- Develop operational requirements for ongoing customization of the CoD by the IS team - Develop and incorporate a thesaurus and controlled vocabulary into the CoD - Revise search and retrieval screens of the CoD - Test the CoD and collect feedback - Release the enhanced CoD

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 37

DRAFT

3.6 **Enhanced objectivity of additionality testing**
Methods of demonstrating additionality are made more objective.

Outputs for Methodologies	Activities
- A new guideline is adopted that clarifies the means of calculating the weighted average cost of capital (WACC) in order to ensure that benchmarks applied in investment analysis are established in an objective manner	- Assessment of best practices in the financial and investment industry - Assessment of registered project activities that used WACC in benchmark determination - Development of a discussion document for consideration by the Methodologies Panel - Preparation of a draft guideline for the purpose of seeking inputs from stakeholders - Presentation of a final draft guideline to the Executive Board for its consideration at EB58 at the latest
- A revised version of the combined tool is adopted that is more broadly applicable and more objective	- Preparation of a first draft of the revised tool for discussion and input by the Methodologies Panel - Taking account of the inputs received, publication of a draft revision of the tool for public comment, and organization of a workshop with DOEs and appropriate stakeholders - Consideration of a final draft of the revised tool at EB58 at the latest
- A new guideline is adopted to clarify how national and/or sectoral policies, including support mechanisms for renewable energy, should be considered in demonstrating and assessing additionality	- Presentation of a discussion document for consideration by the Board early in 2010 - Based on feedback received from the Board, development of a draft guideline - Launch of a call for public comments on the guideline - Finalization of the guideline, taking into account comments - Presentation of the final draft guideline for consideration by the Board at EB58 at the latest

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 38

DRAFT

- A new guideline is adopted that provides clear and objective means of conducting common practice analysis and of assessing barriers due to prevailing practice	- Presentation of options for the guidance on the use of first-of-its-kind barrier and the assessment of barriers due to prevailing practice by Meth Panel and/or secretariat for consideration by the Board by the mid of 2010 - Based on feedback received from the Board, development of the draft guideline - Finalization of the guideline - Presentation of the final draft guideline for consideration by the Board at EB56
- A list of potential threats to the environmental integrity of methodologies, according to methodology type, is adopted. The list is used to guide the Board and its support structure in setting priority areas to be addressed within each methodology type. Methodology developers will receive more information, enabling them to increase the quality of their submissions	- Development of a classification scheme for methodology types - Identification of the threats to environmental integrity for each methodology class - Elaboration and maintenance of the list of threats to environmental integrity - Identification of the means to mitigate threats to environmental integrity - Revision of the form for the submission of new methodologies
- Simplified procedures adopted for demonstrating additionality for project activities up to 5 mW that employ renewable energy as their primary technology and for energy efficiency project activities that aim to achieve energy savings at a scale of not more than 20 GWh per year	- Development of an alternative, simpler approach for additionality demonstration for small renewable energy projects - Development of an alternative, simpler approach for additionality demonstration for small energy efficiency projects

3.7 Improved information systems

Efficiency of the CDM processes is improved through the development of information systems, streamlining of existing systems, enhancement of information technology (IT) infrastructure and interoperability with other systems.

Outputs for Information Systems	Activities
- The infrastructure of information systems is improved, providing for more streamlined development and accessibility	- Deploy financial accounting and resource planning sub-systems - Finalize the technical recommendation on the future of the CDM Registry software

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 39

DRAFT

of final products	and its interoperability with the CDM Information System
	- Ensure technical and information security while allowing for web-based submissions from DOEs and project participants
	- Enhance cooperation with DOEs, project participants and their IT providers with a view to improving interoperability between the IT systems of the Board, DOEs and project participants

3.8 Improved quality management in IT
Support to organizational changes, quality assurance, quality control, deployment management, system maintenance and administration.

Outputs for Information Systems	**Activities**
- Stable and reliable operation of the CDM Information System and the CDM Registry (including their connectivity with the ITL)	- Administer and monitor the CDM Information System and the CDM Registry
	- Operate a quality assurance/quality control service covering CDM software and data
- Stable and reliable operation of the 'CDM Bazaar'	- Work closely with the secretariat's IT team on the transition to IT governance
- Adjustments to the mode of IT engagement and operation resulting from the transition to IT governance (pooling of IT resources) in the secretariat	- Improve availability of data captured in the system for ad hoc analysis and data mining
- High quality, tested software applications/solutions	
- An improved server hardware infrastructure	

Expected result 4	**Enhanced understanding among stakeholders of the rules and requirements of the CDM to facilitate broad and effective participation in the mechanism**

4.1 Understanding of validation and verification standards by DOEs
Understanding by DOEs of the expected quality standards for their operational systems and validation and verification activities is enhanced.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 40

DRAFT

Outputs for Accreditation and Project Assessment	Activities
- An updated and revised VVM - Four workshops with DOEs to develop a common understanding of requirements in the *Clean Development Mechanism Validation and Verification Manual* (VVM) - A web-based communication facility for DOEs to provide input and request clarification on relevant decisions - Other manuals and guidelines to assist DOEs in understanding the CDM requirements that are adopted as required	- Identify and classify new requirements for inclusion in the VVM - Clarify and expand the guidance provided in the VVM based on the secretariat's experience and feedback from the Executive Board, the Accreditation Panel, DOEs and other stakeholders - Establish a web-based communication facility for DOEs to provide input on relevant documents and establish other relevant communication channels in order to increase engagement with DOEs - Address suggestions and requests for clarification submitted via the communication facility - Organize four workshops on the VVM (three called for in 2009, plus one additional workshop)

4.2   **Enhancing understanding of the CDM among stakeholders**
Stakeholders are provided with additional information products that enhance their understanding of CDM requirements and Board decisions, and access to information is facilitated.

Outputs for Accreditation and Project Assessment	Activities
- Information notes that are publicly available, containing the rationale for the Board's rejection cases - A report and appropriate recommendations (by EB57) on systemic issues that have been identified in the project assessment process	- Prepare documents relating to Board decisions on case-specific matters, including substantiation and rationale - Systematically analyse issues leading to requests for review in order to identify areas where enhanced guidance is required

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 41

DRAFT

Outputs for Public Information and Communication	Activities
- Recorded stories about the CDM - Communication tool kit for DNAs - Web page containing information on the communication activities of DNAs	- Working closely with the team responsible for regional distribution and DNA support to plan and produce recorded stories for distribution to radio stations in Africa; to develop and distribute to DNAs a simple communication strategy template; to encourage DNAs to share information about their communication activities and to report on their communication activities/experiences on the UNFCCC CDM website
- Regular, reliable, useful communication advice and support - Revamped/relaunched website - Query responses (via CDM-info e-mail account), with regularly updated frequently asked questions (FAQs) on the UNFCCC CDM website	- Provide communication advice and media training to the Chair of the CDM Executive Board and senior secretariat staff on matters relating to the mechanisms - Provide communication support to the Chair and Vice-Chair of the CDM Executive Board - Launch the revamped UNFCCC CDM website (and regularly update the website) - Respond to the queries sent to the CDM-info e-mail account - Manage the CDM-info e-mail account - Ensure the timely updating of the online list of FAQs

Outputs for EB and CMP Support	Activities
- Draft responses to unsolicited submissions are delivered to the Chair of the Board	- Responses for unsolicited submissions are assessed and prepared within 30 days of receipt of the submission

4.3 **Raising awareness about the CDM**
The level of public awareness and understanding about the mechanism is enhanced through planned outreach activities.

Outputs for Public Information and Communication	Activities
- Communication and outreach strategy	- Develop a communication and outreach strategy, taking into account the changing

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 42

DRAFT

- Photo and video contest - Recorded stories about the CDM - Audio files describing the CDM - Outreach materials (publications, etc.)	needs of the CDM and the outcome of work undertaken in 2009 - Plan and implement the UNFCCC CDM Photo and Video Contest 2010 – Changing Lives - Plan, design and oversee the production of printed outreach materials, such as a corporate-style annual report of the CDM Executive Board and an e-newsletter for stakeholders - Plan and produce audio files explaining the CDM and related issues for placement on the multimedia section of the UNFCCC CDM website - Provide media support for the Chair of the CDM Executive Board
- Communication tool kit for DNAs - Web page containing information on the communication activities of DNAs	- Working closely with the team responsible for regional distribution and DNA support to plan and produce recorded stories for distribution to radio stations in Africa - Working closely with the team responsible for regional distribution and DNA support to develop and distribute to DNAs a simple communication strategy template - Encourage DNAs to share information about their communication activities and to report on their communication activities/experiences on the UNFCCC CDM website

4.4 **Facilitating the use of methodologies**

Three new methodologies will be developed for priority areas and 10 approved methodologies are will be revised for the purpose of increasing their usability; necessary tools to assist in the simplification and usability of methodologies are[will be revised or adopted.

Outputs for Methodologies	Activities
- Three workshops are will be organized with DOEs and other relevant stakeholders	- Determination of the goals and scopes for three workshops - Organization and holding of the three workshops - Collection of feedback from the workshops for consideration in the improvement of methodologies

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 43

DRAFT

- Development of three methodologies	- Identification of priority sector(s) - Assessment of the mitigation opportunities and identification of potential mitigation projects - Development of components for the elaboration of three methodologies in the identified priority sectors
- Simplification of 10 methodologies that have been already approved with significant potential for use in the development of CDM project activities	- Development of default operating parameters that allow the simplification of methodologies, and hence their improvement - Identification of 10 approved methodologies, the improvement of which could lead to an increase in usability and/or objectivity - Revision of the 10 identified methodologies - Conducting a survey to collect the views of stakeholders - Monitoring the relevant parameters to assess improvement
- The further improvement of the "Tool to calculate the emission factor for an electricity system"	- Identification of the elements of the tool that could be further improved - Improvement of the tool
- Enhanced understanding regarding the possible inclusion in baseline and monitoring methodologies, as appropriate, of a scenario where future anthropogenic emissions by sources rise above current levels due to specific circumstances of the host Party	- Definition of relevant, specific circumstances - Identification of associated threats to environmental integrity - Identification of possible ways to mitigate threats to environmental integrity - Consideration of possible approaches

4.5 **Enhanced interaction between Executive Board and stakeholders**
The views of stakeholders regarding the implementation of CDM requirements are sought and taken into consideration in the processes.

Outputs for EB and CMP Support	**Activities**
- Coordination of workshops/meetings for the Board, its	- Substantive and logistical arrangements for workshops are assessed, planned and

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 44

DRAFT

support structure and CDM stakeholders are prepared	prepared by the secretariat
- Briefings to the Board are delivered on CDM activities of stakeholders	- Participation in stakeholder meetings/activities by secretariat staff
- CDM events with the Board and stakeholders are prepared by secretariat	- Coordination, outreach and preparation for events are assessed and prepared to enhance the level of interaction between the Board and stakeholders
	- Internal meetings are arranged to ensure coordination and transfer between staff

4.6 Information exchange and interaction between DNAs

Equitable regional and subregional distribution is enhanced through the facilitation of exchanges of experiences and best practices between DNAs and with other CDM stakeholders.

Outputs for DNA Support and Regional Distribution	Activities
- Closer cooperation between DNAs through DNA Forum meetings	- Facilitate and provide logistical and substantive support to DNAs during the regional DNA Forum in Africa?, and the ninth meeting of the DNA Forum in April (in Bonn) and tenth meeting of the DNA Forum in the second half of 2010
	- Facilitate and promote information exchange and sharing experiences and best practices among DNAs
	- Enhance the functionality of the CDM Bazaar and promote the use of the website in developing countries in collaboration with the CDM Public Information Team

4.8 Capacity-building for developing countries

Enhanced regional and subregional distribution is facilitated through the development and implementation of a capacity-building programme, the development of targeted studies and the implementation of mandates from decision 2/CMP.5 (Further guidance relating to the CDM).

Outputs for DNA Support and Regional Distribution	Activities
- Allocation of financial resources for CDM projects targeting countries with less than 10 registered CDM project activities	- Develop guidelines and modalities to operationalize provisions of paragraphs 49–51 of decision 2/CMP.5 targeting countries with less than 10 registered CDM project activities
- Training provided to DNAs and CDM stakeholders	

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 45

DRAFT

- Improved knowledge transfer on CDM - Published studies on the potential of the CDM in targeted countries	- Undertake analysis of DNAs training needs and develop a training programme for implementation - In collaboration with local authorities, develop studies on CDM potential for countries with fewer than 10 registered CDM project activities

4.9   Improved coordination of the work of partner agencies of the Nairobi Framework[1]

Activities aimed at improving regional distribution of the CDM are made more effective through enhanced coordination among Nairobi Framework partner agencies.

Outputs for DNA Support and Regional Distribution	**Activities**
- Coordinated implementation of the Nairobi Framework planned activities - Second Africa Carbon Forum organized in collaboration with partner agencies of the Nairobi Framework	- Facilitate and coordinate the meetings and events of partner agencies of the Nairobi Framework. - In consultation with partner agencies of the Nairobi Framework, develop a 2010 work programme for implementation - Collaborate with Nairobi Framework partners and organize the second Africa Carbon Forum in Nairobi, Kenya, in March 2010 - Mobilize funding for Nairobi Framework activities - In collaboration with partner agencies of the Nairobi Framework, promote private sector involvement in CDM projects and sharing of experiences among CDM stakeholders

---

[1] <http://cdm.unfccc.int/Nairobi_Framework/index.html>.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 46

DRAFT

Appendix II
Core deliverables and operational objectives as stated in the 2009 CDM-MAP[1]

Accreditation	
Core deliverables	- Continuous support to the CDM Accreditation Panel (CDM-AP). - Facilitating the accreditation and re-accreditation of new and existing DOEs. - Support the Board in the accreditation process. - An interface for communication with AEs and DOEs.
Operational Objectives	- Streamlining the accreditation process - Monitoring and Strengthening the performance of DOEs - Addressing the shortage of DOEs in the market New: Establishment of an appeal process by project participants against DOEs.

---

[1] Tables include the 3 additional operational objectives and the update on the CDM Registry.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 47

DRAFT

Methodologies	
Core deliverables	- Continuous support to the Methodologies Panel, the Small-Scale Working Group and the Afforestation / Reforestation Working Group in their consideration of proposed new methodologies and requests for revisions and clarifications. - Continuous support to the Board in its consideration and approval of proposed new methodologies and requests for revisions and clarifications. - Enhancing the quality and consistency of approved methodologies and consolidating approved methodologies without detriment to broadness of applicability. - Revising approved methodologies to promote increased use. - Assessing requests for deviations to methodologies at the validation stage. - Clarifying methodological issues.
Operational Objectives	- Ensuring methodologies and tools are user friendly - Enhancing the efficiency of the decision making process - Ensuring transparency and improving communication - New: Establishment of a Quality Management System

Quality and Information System	
Core deliverables	- Supply of technical information and support to the Board and its support structures including subprogramme units; management of the development process, including technological support to process engineering business analysis; system architecture, software design, development, quality assurance and quality control, deployment and maintenance; and external and internal user support within the required time lines. Improved accessibility of data and granularity of access to information contained in CDM project documentation (i.e. a fully digitized Project Design Document (PDD)) and to supply DOEs and project participants with a mechanism to share CDM project data with their systems and enable automated early detection of errors and consistency checking. - The provision of CDM data mining, statistics and information services on CDM data, and the development, publication and maintenance of a set of CDM performance and management indicators.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 48

DRAFT

Operational Objectives	-	Establishment of a Quality Management System (QMS)
	-	Manage the transition into a centralized IT governance structure
	-	Special projects

Registration and Issuance

Core deliverables	-	The continuous administrative implementation of the process for the registration of CDM project activities, the issuance of CERs and the operation of the CDM registry.
	-	Technical support to the Board through technical assessments of registration and issuance requests, including for PoA, renewal of crediting period requests, requests for deviations at the point of verification, and requests for revision of monitoring plans, including assessments at each stage of the review cycle.
	-	Support for the Board's work programme regarding equitable regional and subregional distribution of project activities, including trough coordination of the Nairobi Framework;
	-	Support for the operation of the DNA Forum
Operational Objectives	-	Ensure timely action in all steps
	-	Enhance the public availability of the rationales for the Board's specific decisions
	-	Implement systematic performance monitoring of DOEs
	-	Enhance the regional and subregional distribution of CDM project activities

New: Enhance interaction with DOEs and enhance DOE's understanding on Board's requirements/guidance in the VVM

Coordination, including Public Information and Communication

Core deliverables	-	Overall coordination of and guidance to the CDM subprogramme units.
	-	Strategic advice to the Board on operational, legal and development issues of the CDM in general.
	-	Continuous support to the Chair and Vice-Chair of the Board.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 49

DRAFT

- Coordination of Board meetings (agendas, workload, documentation, logistics, etc).
- Coordination of and guidance and support to the CMP process, in particular for consideration of CDM-related agenda items at CMP sessions.
- A communication and outreach strategy, to be developed by the Public information and Communication Unit, as a matter of utmost priority.

Operational Objectives
- Good governance
- Improve the efficiency of the operation of the CDM
- Transparency and communication

Other: Update on the CDM Registry

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 50

DRAFT

Appendix III
Summary of the activities carried out with regards to the core deliverables of the 2009 CDM-MAP

Accreditation

Core deliverable	**Continuous support to the CDM Accreditation Panel (CDM-AP)**
Activities	The accreditation unit supported seven meetings of the CDM accreditation panel
Core deliverable	**Facilitating the accreditation and re-accreditation of new and existing DOEs**
Activities	The unit supported the accreditation of twenty-one operational entities for validation and twenty-one for verification functions by the Board.
Core deliverable	**Support the Executive Board in the accreditation process**
Activities	The unit supported seven meetings of the Board.
Core deliverable	**An interface for communication with AEs and DOEs**
Activities	The unit supported two meetings of the AE/DOE Coordination Forum and regularly coordinated the inputs from the AEs/DOEs through the forum.

Methodologies

Core deliverable	Continuous support to the Methodologies Panel, the Small-Scale Working Group and the Afforestation / Reforestation Working Group in their consideration of proposed new methodologies and requests for revisions and clarifications
Activities	The Meth unit supporte: **Meth Panel:** 39 proposed new large scale methodologies, 45 requests for revision of large scale methodologies, 27 requests for clarifications ;**Small-scale Working group:** 13 proposed new Small Scale (SSC) methodologies, 25 requests for revision of SSC, 48 requests for clarification; **A/R Working group:** 1 proposed new Afforestation and Reforrestation (A/R) methodologies, 2 requests for revision, 2 requests for clarification.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 51

DRAFT

Core deliverable	Continuous support to the CDM Executive Board in its consideration and approval of proposed new methodologies and requests for revisions and clarifications
Activities	Meth unit supported the Board in its decision making process related to the approvals of the following submissions: 16 new large scale methodologies, 25 revisions and 27 clarification on large scale methodologies, 9 new small-scale methodologies, 43 revisions and 76 clarifications in small-scale methodologies and 4 A/R new methodologies (including one large-scale consolidated and 3 simplified small-scale A/R), two revisions and two clarifications of A/R methodologies.
Core deliverable	Enhancing the quality and consistency of approved methodologies and consolidating approved methodologies without detriment to broadness of applicability
Activities	Several editorial and clarificatory revisions made to the methodologies to improve their quality, clarity and consistency. Several methodological tools and guidelines developed (5 new tools, 6 new guidelines by Meth Panel, 1 new guidelines by small-scale working group and 1 new tools and revision to two tools by A/R working group) to ensure the consistency of methodologies.
Core deliverable	Revising approved methodologies to promote increased use
Activities	Revisions were made to 9 large-scale and 15 small-scale methodologies, agreed by the Board, to broaden their applicability.
Core deliverable	Assessing requests for deviations to methodologies at the validation stage
Activities	The Meth Unit prepared responses for 10 requests for deviation from large-scale and 3 requests for deviations from SSC approved methodologies.
Core deliverable	Clarifying methodological issues
Activities	77 methodological issues were clarified

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 52

DRAFT

Quality and Information System

Core deliverable	Supply of technical information and support to the Board and its support structures including subprogramme units; management of the development process, including technological support to process engineering business analysis; system architecture, software design, development, quality assurance and quality control, deployment and maintenance; and external and internal user support within the required time lines. Improved accessibility of data and granularity of access to information contained in CDM project documentation (i.e. a fully digitized Project Design Document (PDD)) and to supply DOEs and project participants with a mechanism to share CDM project data with their systems and enable automated early detection of errors and consistency checking;
Activities	Development: The activity was fully completed with among others the delivery of a first working version of the accreditation subsystem, the final deployment of the contact and accounting subsystems and further development and maintenance of the registration, issuance and methodologies subsystems in accordance with Board mandates. Maintenance: Two dedicated teams have been established for quality management and system administration. These are almost fully staffed and operate with documented procedures. Improved accessibility of data: The objective is partially achieved: the data has been made available in a more accessible format and consultation with DOEs and other stakeholders has taken place to collect input on fully digitized PDD and automated submission of forms in the CDM system. However, due to staffing issues, the appropriate interfaces have not yet been developed.
Core deliverable	The provision of CDM data mining, statistics and information services on CDM data, and the development, publication and maintenance of a set of CDM performance and management indicators.
Activities	The provision of CDM data mining, statistics and information services on CDM data, and the development, publication and maintenance of a set of CDM performance and management indicators is underway and will be further refined on the basis of the ongoing process mapping and documentation conducted across SDM, as well as the results of the external review of the support provided by SDM. An initial set of process measurement points have been identified and are being further developed and aligned with objectives and expected results and developed into indicators. Furthermore, assessment work to ensure accurate collection, measurement and reporting of data and data mining in order to support the performance monitoring and indicators has been conducted. The exercise to map and document the processes across SDM and the expected results defined in this document will provide a key basis for provision of CDM performance and management indicators in 2010.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 53

DRAFT

Registration and Issuance

Core deliverable	The continuous administrative implementation of the process for the registration of CDM project activities, the issuance of CERs and the operation of the CDM registry.
Activities	In 2009 the Issuance and Performance Monitoring Team (IPM) continued to carry out the administrative implementation of the issuance of CERs. In year 2009, as of 15 December 2009, 522 issuance requests have been processed, representing 124,739,341 CERs. In 2009 the Registration and Performance Monitoring Team (RPM) continued to carry out the administrative implementation of the processing of requests for registration of project activities. In year 2009, as of 15 December 2009, 628 registration requests have been processed, including requests for registration of POAs and renewal of crediting period.
Core deliverable	Technical support to the Board through technical assessments of registration and issuance requests, including for PoA, renewal of crediting period requests, requests for deviations at the point of verification, and requests for revision of monitoring plans, including assessments at each stage of the review cycle.
Activities	The IPM Team supported the Board through technical assessments of every new request for issuance received, as well as new requests for deviation at the point of verification, requests for revision of monitoring plans, and requests for changes of the start date of crediting period post-registration. The RPM Team supported the Board through technical assessments of every new request for registration received, including requests for registration of PoAs and renewal of crediting period with assessments at each stage of the review cycle.
Core deliverable	Support for the Board's work programme regarding equitable regional and subregional distribution of project activities, including trough coordination of the Nairobi Framework;
Activities	The Nairobi Framework partners held consultative discussions regularly and organized a side event during the CMP and is currently planning to jointly organize the 2nd Africa Carbon Forum in March 2010. In 2009, two agencies joined the Nairobi Framework: UNCTAD and UNITAR.
Core deliverable	Support for the operation of the DNA Forum

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 54

DRAFT

Activities	Organization of two successful DNA Forum meetings in April (Bonn) and October (Singapore), both in conjunction with major CDM events (respectively the CDM Joint Workshop and the Carbon Forum Asia) which made it possible for DNA representatives to have interactions with other major CDM stakeholders. In addition, support to the organization of a regional forum meeting for the Caribbean region, in conjunction with EB48 meeting and an informal meeting of the DNA Forum during CMP5.

Coordination, including Public Information and Communication

Core deliverable	Overall coordination of and guidance to the CDM subprogramme units.
Activities	The team supported other CDM Units and Teams in order to guide and facilitate their input into the Board's work and ensured that the Board received timely input needed in the decision making process. The team also coordinated the outputs by the sub-programme to the Board, including the responsibility of supporting the Board and the CDM process and defining priorities of tasks.
Core deliverable	Strategic advice to the Board on operational, legal and development issues of the CDM in general.
Activities	The secretariat provided strategic advice to the Board on operational, legal and development issues, in particular to the Chair of the Board before each Board meeting on the issues on the agenda. The secretariat also advised the Chair and members of the Board during, and in between, meetings by providing inputs and guidance as required. This advice included also policy papers or informal notes for the Board.
Core deliverable	Continuous support to the Chair and Vice-Chair of the Board.
Activities	The secretariat/team regularly briefed the Chair before each Board meeting on the issues on the agenda and provided Board members with timely draft decision-making documents (policy or case related). The secretariat also supported the Chair and members of the Board during, and in between, meetings by providing inputs and guidance as required.
Core deliverable	Coordination of Board meetings (agendas, workload, documentation, logistics, etc)
Activities	The team prepared logistically and substantively the seven meetings of the Board in 2009, ensuring that required items were included on the agenda of the respective meetings, CMP requests were delivered by the Board, timely and qualitative delivery of documents; priorities of the Board were respected and rules of the Board and the CMP were correctly followed.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 55

DRAFT

Core deliverable	Coordination of and guidance and support to the CMP process, in particular for consideration of CDM-related agenda items at CMP sessions.
Activities	In ensuring that CMP requests to the Board and the secretariat were implemented in a timely manner, an updated status of the implementation of the CMP work plan was prepared and coordinated by the team, which was regularly reviewed by the Board at alternate meetings, forming the basis of monitoring the progress of work mandated by the CMP. The team coordinated the preparation of Board's report to CMP and its related recommendations to the CMP, supported substantially and logistically the CDM related agenda items during CMP as well as CDM related activities during CMP5.
Core deliverable	A communication and outreach strategy, to be developed by the Public information and Communication Unit, as a matter of utmost priority.
Activities	The communication and outreach strategy was approved by the Board and led to the preparation and implementation of a number of communication and outreach initiatives. In addition, 1500+ queries from the public were answered and documentation was kept up to date on the website. CDM news items were regularly distributed.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 56

DRAFT

Appendix IV
Detailed reporting on the achievements of operational objectives of the 2009 CDM-MAP

III.1. Accreditation

III.1.b. Operational objectives
- *Paragraph 39 of the CDM Management Plan 2009 (Version 01)*

Operational objective 1	*Streamlining the accreditation process*
Implementation	Achieved ☐ Partially achieved ☒ Not Achieved ☐
Comments	This operational objective was partially achieved due to external factors. In particular the preparation of a new accreditation process required the early availability of a performance monitoring framework, the implementation of an appropriately focused performance assessment process, the regular publication and dissemination of appropriate data and a comprehensive training strategy for assessment teams. For the year 2009, it was expected that the fundamental elements for a fully streamlined accreditation process would be established. Details on achievements are listed below. The remaining steps are linked to the implementation of a fully functional performance monitoring framework.
Activities undertaken	An accreditation standard for DOEs was agreed in March (EB46) with a subsequent editorial revision adopted in July (EB48). Its adoption was intended to give clear, system related CDM accreditation criteria against which DOEs could be assessed. The accreditation procedure was revised and adopted at EB46, and a further revision was adopted at EB48. The revised procedure resulted in several important changes. DOEs applying for re-accreditation are granted re-accreditation for both validation and verification functions, and witnessing of project related activities has been replaced with a post-accreditation DOE performance regime. Notably, an internal electronic workflow system was created (now in pilot phase) to monitor and manage the accreditation process and provide information to applicants. These activities resulted in accreditation of 28 DOEs. The serious bottleneck caused by the previous use of witnessing activities has been replaced with the use of performance assessment of DOEs.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 57

DRAFT

Operational objective 2	*Monitoring and strengthening the performance of DOEs:*.

Implementation	**Achieved** ☐	**Partially achieved** ☒	**Not Achieved** ☐

Comments

This operational objective is ongoing and implementation will continue in 2010.

Some steps in these objectives were not fully achieved due to lack of human resources. For example, the request by the Board (at EB45) for the secretariat to explore wider dissemination of the validation and verification manual (VVM) was not acted on due to resource constraints.

Activities undertaken

A policy framework that addresses the monitoring of DOE performance and the non-compliance of DOEs in a systematic manner was prepared and adopted at EB48. The framework provides for feedback to DOEs on performance and promotes consistent recommendations/decisions on DOEs, based on their performance, by the accreditation panel and the Board.

A further proposal, agreed at EB51, provides for categorization of non-compliance, a methodology to determine thresholds and the determination and future application of an expanded set of sanctions.

A revised version of the VVM (version 1.1) was adopted by the Board at EB51. The Board also agreed on a two-year plan for the VVM's periodic updating. In addition to editorial enhancements, the revised version includes all of the relevant decisions of the Board taken in the past year.

The first VVM workshop was held in November 2009, in Brazil. Twenty-three AE /DOE auditor participants attended the workshop. The workshop provided useful feedback and insights and will be used to frame subsequent workshops as well as provide useful input to future revisions of the document.

Draft MoUs for hosting VVM workshops were circulated to the governments of India and Japan.

A proposal for analysing the means to enhance the impartiality and independence of DOEs was prepared and delivered (EB50).

A proposal on enhancing the impartiality and independence of DOEs and facilitating the accreditation of more applicant entities from developing countries was accepted at EB50, and was used by the Board to formulate a set of recommendations for consideration by the CMP.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 58

DRAFT

Operational objective 3	*Addressing the shortage of DOEs in the market*

Implementation	Achieved ☐	Partially achieved ☒	Not Achieved ☐

Comments	The operational objective is ongoing and implementation will continue in 2010. Steps taken in 2009 resulted in the accreditation of 28 DOEs which dramatically increased the availability of DOEs in the market.
Activities undertaken	A proposal on enhancing the impartiality and independence of DOEs and facilitating the accreditation of more applicant entities from developing countries was accepted at EB50, and was used by the Board to formulate a set of recommendations for consideration by the CMP. A proposal on possible arrangements for ensuring that projects under validation and verification by a suspended DOE are not prejudiced by the suspension was prepared for and accepted by at EB50. The Board tasked the Accreditation Panel with further on the matter. Secretariat staff participated in a series of International Standards Organisation (ISO) meetings and an application by the secretariat for a liaison status with ISO was accepted. This will allow the secretariat to compare its own practices with those of other international bodies tasked with similar global responsibilities in other technical areas, such as the World Health Organisation. Secretariat staff also participated in a meeting of the Asia Pacific Accreditation Cooperation. A representative from the International Accreditation Forum continued to serve the CDM accreditation panel in an advisory capacity, and contributed to the spreading of knowledge about CDM accreditation processes.

New Operational objective	*Establishment of an appeal process by project participants against DOEs*

Implementation	Achieved ☐	Partially achieved ☒	Not Achieved ☐

Comments	The objective was partially achieved. Due to time constraints at the level of the Board the objective has not yet been fully achieved. The Board, at its 49th meeting, requested the secretariat to prepare a proposal for establishing a process by which project participants (PPs) could appeal findings of DOEs, for consideration at EB51. The Board also requested that the proposal address possible policy options and the associated implications.
Activities undertaken	A proposal was submitted to the Board for consideration at EB51. Due to time constraints, the Board could not consider the document and agreed to consider it at EB52.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 59

DRAFT

III.2. Methodologies Unit (METH-U)

III.2.b. Operational objectives

- *Paragraph 39 of the CDM Management Plan 2009 (Version 01)*

Operational objective 1	***Ensuring methodologies and tools are user friendly***

Implementation   Achieved ☒   Partially achieved ☐   Not Achieved ☐

Comments   The objective was fully achieved. Outputs delivered during 2009 enhance the user friendliness of methodologies. Work on identifying indicators to measure the user friendliness of methodologies and tools is ongoing.

Activities undertaken   A study was carried out on the timelines of the process for considering methodology-related submissions, the "no/low" use of methodologies and the CDM priority sectors with no or few methodologies. The study identified those methodologies most frequently or not used and determined the root causes of the low use of some approved methodologies. In parallel, a call for public inputs was launched on the no/low use of methodologies. The study and inputs were used as basis to develop an action plan, approved at EB50. The study was also used by the Board in making proposals on the prioritization of the submissions to be considered by the Methodology Panel and working groups.

Work was begun on identifying a set of relevant and measurable indicators for monitoring the usability of approved methodologies, as well as, actions for the improvement of usability.

The following were developed to improve the quality and consistency of approved methodologies:

1. Tool to determine the mass flow of GHG in a gaseous stream;
2. Tool to determine the baseline efficiency of thermal or electric energy generation system;
3. Guideline for the reporting and validation of plant load factor;
4. Guideline to calculate the fraction of methane in the landfill gas for periodical measurements;
5. General guidelines on sampling and surveys;
6. Guidance on expansion of industrial gas recovery methodologies to new facilities;
7. Tool to estimate changes in the carbon stock of existing trees and shrubs within the boundary of an A/R CDM project activity;
8. Guidance to calculate adipic acid production in case it cannot be measured directly.

Good progress was made on revision, through deconsolidation, of methodology ACM0006 to increase its usability.

Work also progressed on the revision of the "combined tool" to widen its applicability to all types of methodologies.

Work was begun on improving the objectivity, consistency, applicability and usability of methodologies.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 60

DRAFT

Operational objective 2	*Enhancing the efficiency of the decision making process*		
Implementation	Achieved ☐	Partially achieved ☒	Not Achieved ☐
Comments	This operational objective is ongoing and implementation will continue in 2010. Substantial progress in this process was achieved in 2009 and lead to the enhancement in the efficiency of the decision making process.		
Activities undertaken	Timelines for all elements of the methodology approval process, including those related to requests for revision, clarification and deviation, were assessed. Measures to streamline related processes were proposed by the secretariat and approved at EB50. The secretariat: - Undertook an analysis of the time spent by the Methodologies Panel and working groups in considering submissions, as well as the reasons for delays of some of the large scale, small scale and A/R methodologies; - Assessed the potential, relative impact of approved methodologies on emission reductions, based on registered project activities and project activities under validation; - Launched a public call for inputs on the reasons for no/low usage of approved methodologies; - Proposed to the Board a set of 13 actions to improve the process for considering methodologies and to prioritize the work of the Panel and working groups; - Finalized flowcharts of methodology-related processes; - Proposed a new procedure and developed an IT workflow for requests for deviation from large scale and small scale methodologies (both were approved by the Board); - Prepared new procedures, with stricter timelines, for consideration of new methodologies, requests for revision and requests for clarification (these could not be considered at EB50 due to time constraints).		
Operational objective 3	*Ensuring transparency and improving communication*		
Implementation	Achieved ☒	Partially achieved ☐	Not Achieved ☐
Comments	Communication with project participants was enhanced, not only to enhance the quality of methodologies at a very early stage of consideration, but also to collect views on how to improve their usability and transparency.		
Activities undertaken	Dialogue and interaction with methodology developers was enhanced, through meetings and/or telephone conferences. In October 2009, the secretariat hosted a practitioners workshop focused on measures to enhance the usability of small scale CDM cook stove methodologies AMS-I.E, AMS-II.G and AMSI.C. The outputs from this workshop were used to revise the methodology AMS-II.G, which was approved at EB51.		

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 61

DRAFT

New Operational objective	*Establishment of a Quality Management System (QMS)*

Implementation Achieved ☒ Partially achieved ☐ Not Achieved ☐

Comments A quality management system has been established. Performance monitoring will start in 2010. This activity is part of initiatives to further improve processes relating to the consideration of methodologies and the resulting products.

Activities undertaken Work on this initiative began with the development of specific objectives for the secretariat's support to methodological matters. Next, the clients of the secretariat and their expectations, vis-à-vis methodologies (the substance) and the processes relating to the consideration of methodologies, were identified.
Based on the outcome of these two steps, the secretariat's processes in support of methodological matters were designed and what constitutes good performance was defined. Key performance indicators (KPI) were developed and a system of performance monitoring was initiated. For each critical KPI, related preventative and corrective actions were defined.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 62

DRAFT

III.3. Quality and Information System Unit (QIS-U)

Operational objective 1	*Establishment of a Quality Management System (QMS)*

Implementation	Achieved ☐	Partially achieved ☒	Not Achieved ☐

Comments

The high-level overall QMS conceptual plan is underway and progressing as inputs from the various preparatory steps are completed. In the meantime, several official procedures and internal operating procedures have been developed for various areas of the CDM. An implementation of a QMS for methodologies has been developed (see above). In addition there is ongoing work on performance and management-level indicators in order to measure quality and continual improvements, under which an initial set of process measurement points have been identified and are being further developed.

Activities undertaken

The exercise to map and document the processes conducted across SDM has been aligned to provide a key basis for building and operating the QMS. The preparation of an overall QMS design and implementation plan is underway and will be further refined on the basis of the ongoing process mapping and documentation, as well as the results of the external review of the support provided by SDM. An initial set of process measurement points have been identified and are being further developed and aligned with objectives and expected results and developed into indicators. Furthermore, assessment work to ensure accurate collection, measurement and reporting of data and data mining in order to support the QMS has been conducted. The exercise to map and document the processes across SDM and the expected results defined in this document will provide a key basis for provision of the QMS.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 63

DRAFT

III.3.b. Operational objectives
- *Paragraph 49 of the CDM Management Plan 2009 (Version 01)*

Operational objective 2	***Manage the transition to a centralized IT governance structure***		
Implementation	Achieved ☐	Partially achieved ☒	Not Achieved ☐
Comments	The programme (Information Services) leading the transition has scheduled to have all plans in place in February 2010.		
Activities undertaken	The SDM Information System team took part in all activities relating to the transition organized by the lead programme.		
Operational objective 3	***Special projects***		
Implementation	Achieved ☐	Partially achieved ☒	Not Achieved ☐
Comments	Partially achieved because of lack of resources.		
Activities undertaken	Data have been made available in a more accessible format. Views of DOEs and other stakeholders were sought on development of a fully digitized PDD and the automated submission of forms. Due to staffing constraints, related interfaces have not yet been developed. Work on a CMR system to sort and track queries sent to the CDM-INFO email address progressed in cooperation with the secretariat's Information Services (IS) programme and CDM's Public Information and Communication team. The SDM Information System team took over from IS as co-implementer of the project in the latter half of 2009, with a view to make use of software solutions already available in SDM. The CMR is expected in the first quarter of 2010.		

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 64

DRAFT

III.4. Registration and Issuance Unit

III.4.b. Operational objectives – III.4. Registration and Issuance Unit

- *Paragraph 57 of the CDM Management Plan 2009 (Version 01)*

Operational objective 1	*Ensure timely action in all steps, including completeness checks, of the processes relating to requests for registration, issuance, deviation, revision of monitoring plan, and renewal of crediting periods*
Implementation	**Achieved** ☐ **Partially achieved** ☒ **Not Achieved** ☐
Comments	Partially achieved because of unexpected challenges and lack of resources. Staff recruitment was intensified in the fourth quarter, with the result that all professional posts approved in 2009 CDM-MAP were filled. As well, to help clear backlogs in the completeness check stage (prior to publishing), additional staff were hired on a temporary basis. Delays in the completeness checks of requests for issuance, beyond the timeline set at EB41 (20 working days for 40 submissions/month), began in June 2009, due to a combination of factors, namely a steady and high volume of requests for issuance (beginning in February 2009); a higher than anticipated number of requests for deviation and revision of monitoring plans; other tasks required of the team, such as enhancing the public availability of the rationale for decisions and the decision making process (see Operational objective 2); the Board's adoption of new Procedures for Changes from PDD (a new mandate in 2009); and a shortfall in resources due to delays in the recruitment process. Delays in completeness checks of requests for registration, beyond the timeline set at EB41 (30 working days for 50 submissions/month), began in July 2009, due to a combination of factors, namely peaks in submissions (particularly when methodology versions were due to expire); an increase in requests for review; other tasks required of the team, such as enhancing the public availability of the rationale for decisions and the decision making process (see Operational objective 2); and a shortfall in resources due to delays in the recruitment process. Recruitment in 2010 will focus on ensuring adequate and timely resources to match increasing workload.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 65

DRAFT

Activities undertaken	*Request for issuance*

Request for issuance
Once published, all requests for issuance were processed in a timely manner. For each request for issuance, a summary note was produced and submitted to the Board following the timelime set by the Board.

Request for registration
Once published, all requests for registration were processed in a timely manner. For each request for registration, a summary note was produced and submitted to the Board following the timelime set by the Board.

Enhanced completeness checks
The Board, at its 49th meeting, with the aim of reducing Request for Review (RfR) cases, requested the secretariat to begin performing enhanced completeness checks to prevent non-conforming submissions from entering the subsequent registration/issuance processes.

Enhanced completeness checks were begun in early November (for submissions made in September 2009, see constraints mentioned above).The new mandate has increased the time required to perform each check and has increased pressure on available resources. For example, depending on the project type and the methodology applied, an additional 2-4 hours per request for issuance submission is needed to ensure that project documentation meets the criteria set by the Board.

Deviation at verification and revision of monitoring plan:
The Board, at its 49th meeting, revised its procedures for the revision of monitoring plans and adopted a new procedure for requests for deviation prior to submission of a request for issuance. These procedures introduced timelines into the process steps, streamlined the existing process, and provided further clarity on how a DOE should verify such requests.

There were no backlogs in processing requests for deviation at verification, and all new requests were processed in line with the timeline set in the new procedures.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 66

DRAFT

Operational objective 2	*Enhance the public availability of the rationales for the Executive Board's specific decisions*

Implementation   Achieved ☒   **Partially achieved** ☐   **Not Achieved** ☐

Comments   All tasks under this operational objective were completed. However, because the 2009 CDM-MAP did not include additional resources for this objective, use of available staff resources on this objective contributed to delays in achieving other operational objectives.

Activities undertaken   Progress was made on improving the transparency of Board decisions for registration and issuance cases. References to the requirements that have not been complied with and descriptions of how the requirements have not been met are being incorporated in decisions. The Board, at its 50th meeting, requested the secretariat to expand this work by publishing information notes that provide stakeholders with a greater understanding of the Board's decision making process on individual cases. The work commenced with the publication of information notes relating to the rejection of requests for registration and issuance.
Also at the Board's 50th meeting, a summary of the major issues triggering a request for review was made publicly available.
The Board also adopted guidelines for the consideration of request for review and review cases, which contain major criteria for decision-making during the review process.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 67

DRAFT

Operational objective 3	*Implement systematic performance monitoring of DOEs*		

Implementation	Achieved ☐	Partially achieved ☒	Not Achieved ☐

Comments   This operational objective is ongoing and implementation will continue in 2010.

Activities undertaken   The Board, at its 51st meeting, adopted a plan for the implementation of a policy framework to monitor performance and address non-compliance by DOEs, based on the policy framework adopted by the Board at its 49th meeting. The plan outlines steps for the categorization of issues raised in processes relating to requests for registration and issuance, defines indicators for measuring DOE performance and principles for setting thresholds common for all DOEs, and identifies possible actions that may be required by the Board and Accreditation Panel based on the outcome of this monitoring.
The plan is to be implemented initially by Registration and Issuance teams starting with cases discussed at EB51.

Operational objective 4	*Enhance the regional and subregional distribution of CDM project activities*		

Implementation	Achieved ☐	Partially achieved ☒	Not Achieved ☐

Comments   Partially achieved because of external factors and lack of resources.

Activities undertaken   Support was provided to the Board in its deliberations on regional and subregional distribution of CDM project activities. Inputs were also prepared (annex III) on this issue to report to CMP5.
Following analysis of a call for inputs from DNAs regarding the streamlining of the CDM process in countries with fewer than 10 registered projects, the Board approved recommendations for submission to CMP5. (Decisions by the CMP will form the basis for action on this topic in 2010.) A presentation on regional distribution and the role of DNAs was presented and discussed in the informal DNA Forum meeting in Copenhagen in December 2009.
- Regarding capacity-building, the secretariat carried out a survey on DNA training needs. Due to the low response rate, the survey was extended to 31 January 2010. Progress on this work was mentioned during EB51 and the preliminary findings were presented at the informal DNA Forum meeting in Copenhagen in December 2009. (A more comprehensive analysis will be done in February 2010 based on submissions received, and a DNA training programme will be developed in 2010.)
- Regarding the Nairobi Framework, two new agencies joined in 2009: UNCTAD and UNITAR. The collaboration between the

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 68

DRAFT

framework partners focused on information exchange and updating the website to reflect the activities carried out to date. The partners began organizing the 2nd Africa Carbon Forum, scheduled for March 2010.

- Conference calls were held during the year and two meetings were held in Copenhagen in December 2009 to discuss how to scale up activities and outreach. In addition, in collaboration with IETA, a side event was held that focused on the achievements and challenges under the framework.

- The secretariat's Regional Distribution and DNA Support team was understaffed during most of 2009. In November, a Team Lead was assigned, who will carry the planned work forward in 2010.

New Operational Objective	*Enhance interaction with DOEs and enhance DOE's understanding on Board's requirements/guidance in the VVM*

Implementation	Achieved ☐	Partially achieved ☒	Not Achieved ☐

Comments	This operational objective is ongoing and implementation will continue in 2010. The approved 2009 CDM-MAP did not anticipate resources for this task. However, given the importance of enhancing the DOE's understanding of the Board's requirements, which in turn is expected to improve DOE performance, resources from both the Teams were made available for this task.
Activities undertaken	The Registration and Issuance teams were involved in the first revision of the VVM, actively engaged in the design and then participated as experts in the first VVM regional workshop. The teams also provided the Board with technical support on relevant issues for improvement of the VVM, such as the additionality guidelines, prior consideration of CDM, revised procedure for the PoA, renewable of crediting period, the application of materiality and level of assurance at verification. The teams have been interacting with DOEs on a regular basis, in clarifying the Board's decisions on cases or requirements related to both validation and verification.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 69

DRAFT

III.5. Coordination (COORD), including Public Information and Communications (CDM PIC-U)
III.5.b. Operational objectives
  • *Paragraph 70 of the CDM Management Plan 2009 (Version 01)*

Operational objective 1	*Good governance*		
Implementation	**Achieved** ☐	**Partially achieved** ☒	**Not Achieved** ☐

Comments — This operational objective is ongoing and implementation will continue in 2010.
A human resource consultant was hired to prepare job descriptions to accelerate the hirings provided for provided in the 2009 CDM-MAP, which at the time of reporting were not fully in place.

Activities undertaken — Information on the status of the implementation of work requested by the CMP was prepared by the secretariat reviewed by the Board at alternate meetings. The secretariat scheduled the issues for consideration by the Board and prepared required inputs. The Board delivered on all requests made by the CMP, except on items where agreement by the Board could not be reached.
The secretariat coordinated and supported the work and support to Board, including by helping to prioritise tasks and prepare decision proposals and background documents. A human resource consultant was hired to prepare job descriptions to accelerate the hirings provided for in the 2009 CDM-MAP. The secretariat enhanced the level of interaction between the Board and stakeholders by processing the unsolicited letters received and drafting responses in consultation with the Chair of the Board; facilitating the participation of the Board and secretariat at stakeholder meetings; organizing the annual CDM Coordination Workshop, which brought together the Board and its support structure (150 participants).
The secretariat also prepared a proposal for how the Board could communicate directly with project participants.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 70

DRAFT

Operational objective 2	*Improve the efficiency of the operation of the CDM*		
Implementation	Achieved [X]	Partially achieved [ ]	Not Achieved [ ]
Comments			
Activities undertaken	The secretariat supported two, two-day retreats of the Board. These provided opportunities for the Board to draw upon inputs from stakeholders and its own experience to identify measures to be implemented by the Board directly and to agree on various recommendations to be put to the CMP. The secretariat provided strategic advice to the Board on operational and development issues, in particular to the Chair of the Board before each Board meeting on the issues on the agenda. The secretariat also advised the Chair and members of the Board during and between meetings, and provided various inputs for consideration, such as policy papers or informal notes.		

Operational objective 3	*Transparency and communication*		
Implementation	Achieved [ ]	Partially achieved [X]	Not Achieved [ ]
Comments	This operational objective is ongoing and implementation will continue in 2010. Re-indexing of meeting reports EB31 through EB47 is ongoing and will be completed in the first quarter of 2010. Linking related decisions and linking the rationale for accreditation, registration and issuance rulings to the related decisions remains a challenge.		

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 71

DRAFT

Activities undertaken   The Board approved a communication strategy aimed at raising awareness about the CDM and avoiding or correcting misconceptions about the mechanism. Key activities included enhanced outreach to the press through distribution of highlights after each Board meeting and enhanced press outreach by the Chair of the Board; a photo and video contest promoting the sustainable development benefits of the CDM; audio recordings, available on the website, that explain in plain terms the workings of the mechanism; and recorded stories for broadcast by radio stations in Africa (in support of enhanced regional distribution).

A task force was established to revamp the CDM website. The revamped website, which features streamlined navigation that better targets CDM's various stakeholder groups, was previewed at a side exhibit at COP15 in Copenhagen.

Various printed material were produced, including a corporate style annual report for the Board, information sheets showcasing typical CDM projects, and folders printed with basic information about the CDM.

The Board, at its 46th meeting, approved a work plan that provided for the design, development and implementation of a faceted classification system for the indexing of official documentation, to make it easier to locate Board decisions and track relationships between decisions.

Outputs included:

- A hierarchical framework was developed defining three classes of decisions, namely: operational, regulatory, and rulings. Associated with these decision classes are accompanying document types, most prominently standards, procedures and guidelines (EB47, Annex 61 and EB49, Annex 31).
- Content models (meta data elements) were developed for decision classes and document types; search design and delivery screens were developed (EB49).
- Software to search and retrieve decisions (catalogue of decisions) was enhanced, and a beta version was released (EB51).
- Board decisions were re-indexed using new content model and classification scheme, for reports of EB1 through EB30 and EB48 through EB50.- Drafters have begun including introductory paragraphs in all regulatory documents being issued to place the document in the context of existing regulations or mandates, etc.
- Efforts have also been achieved in the areas of accreditation, registration and issuance case specific rulings where information notes have been issued alongside the ruling to help ensure an understanding of the rationale behind the decision.
- Citations within regulatory documents have been standardized (reports of EB50 and onwards) to assist readers in referencing related information.

UNFCCC/CCNUCC

CDM – Executive Board

EB 52
Proposed Agenda - Annotations
Annex 12
Page 72

DRAFT

Other operational objective	*Update of the CDM Registry*

Implementation	Achieved ☐	Partially achieved ☒ X	Not Achieved ☐

Comments   This operational objective is ongoing and implementation will continue in 2010.

Activities undertaken   From the beginning of the year until 7 December 2009 the CDM Registry processed a total of 474 issuances of CERs; instructed 1502 external transfers to national registry accounts, and made 491 transfers from the pending account to other internal accounts. Following approval of new procedures for modalities of communication (MOC) between project participants and the Board at EB45 in February 2009, there was a steady increase in the number of related requests for changes to MOC statements, which were submitted by focal points through a newly established on-line interface.

Progress was made in the development of revised procedures to provide further consistency in the definition of terms and procedures including modifications to the F-CDM-MOC standard form for consideration by the Board at EB52 in February 2010. Progress was made in the implementation of a full-scale on-line interface for submission of changes to the MOC is in progress and a new 'action-based' interface which will allow project participants to directly update information was deployed to production on 1 December 2009. While awaiting feedback from users the secretariat continues to test and modify new features which will lead into the next phase of development expected in the first half of 2010.

Enhancements to the CDM Registry forwarding process were implemented on 6 October 2009; notable elements included extension of the web service interface with additional automated functions to expedite completion of transactions for both operator and user.

Work is continuing with an external software provider who is assisting the secretariat in developing a reporting tool/application to facilitate the generation of reports, including the monthly reports prepared for the Board and DNAs.

Further to the nomination of the World Bank as Trustee of the Share of Proceeds Adaptation Fund at CMP4, a total of 40 transactions were originated from this account.

- - - - -