

CDM-EB86-A01-INFO

Project proponent survey results

Version 01.0



United Nations
Framework Convention on
Climate Change

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1. Introduction

1. The Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) at its eighty-fourth meeting requested the secretariat to launch a survey for project participants after its revision taking into account the inputs provided by the Board. The Board further requested the secretariat to limit the invitation to the survey to project participants only and use cost-effective means to that end. The results of this survey are to be made available to the Board for its consideration before sharing with any third party.
2. At its eighty-sixth meeting, the Board took note of the results of a survey conducted among project participants on the status of CDM project activities and programmes of activities (PoAs). The Board agreed to make the aggregate results of the survey undertaken publicly available.

2. Survey method and results

2.1. Survey distribution and e-mail response rate

3. A commercial online survey platform <www.surveymonkey.com> was used to collect responses to questions presented to the Board at EB 84. In order to notify all relevant project participants, an e-mail containing a link to the online survey was sent via the secretariat's Sustainable Development Mechanisms customer relationship management system to minimize human error in e-mail address assignment and to avoid participants with more than one CDM project receiving multiple e-mails.
4. Some 6,080 e-mails were sent to the latest e-mail addresses available to the secretariat of primary and secondary focal points of all the registered CDM project participants¹ on 20 July 2015, with a deadline to respond by 2 August 2015. A follow-up reminder was sent on 30 July 2015.
5. Of the 6,080 e-mails sent, 1,237 never reached the recipient, as confirmed by an automatic reply for invalid e-mail addresses. No attempt was made to reach the 20 per cent failed by making contact via other channels, e.g. telephonically.
6. A total of 1,299 raw responses were received from the online survey. In addition, a spreadsheet containing information on 99 projects and PoAs was received from a financial institution by e-mail. The financial institution is the focal point and has emission reduction purchase agreements (ERPAs) for all these projects, which are also all in operation.

2.2. Quality assurance and project response rate

7. Nevertheless, in several cases multiple responses were received for the same project. Some of these were, for example, due to several attempts to complete the survey (restarts), and others may have been from separate focal points of the same project who

¹ On 26 August 2015, these represented 7,662 registered CDM project activities and 285 registered PoAs.

responded independently. After merging complementary and duplicate responses corresponding to 709 unique projects or PoAs were collated.

8. A further quality control measure was undertaken to ensure plausibility of responses. For example, if information provided was contradictory, namely a response indicated the project had not issued certified emission reductions (CERs) when in reality it had, the response was considered invalid. Responses for 29 projects were removed from the data set resulting in information for 680 projects, consisting of 600 project activities and 80 PoAs.
9. The survey gathered information on 9 per cent of all registered projects, 7 per cent of registered project activities and 28 per cent of registered PoAs.

2.3. Representativeness of survey responses

10. The responses are likely to show bias towards projects that are still actively engaged with the CDM, especially with the inclusion of the project portfolio of the financial institution. With regard to regions, project types and scales, the distributions of the projects that responded to the survey were compared to those of all registered projects.
11. **Regions.** Compared to all projects registered under the CDM, a larger portion of projects from Africa and fewer from Asia provided information in the survey. Correspondingly a significantly higher proportion of projects from least developed countries responded (6 per cent versus 2 per cent) as did projects from small island developing States (1.4 per cent versus 0.6 per cent).

Table 1. Regional distribution

Region	Fraction among responding projects	Fraction among all CDM projects
Asia	67%	83%
Americas	23%	13%
Europe	1.2%	0.4%
Africa	9.1%	4.1%
Oceania	0.1%	0.2%

12. **Project types.** The largest number of projects that provided information in the survey came from the wind sector (22 per cent). However, this is not representative for the entire CDM as over 30 per cent of projects are wind projects. In addition, almost twice the amount of landfill gas projects (9 per cent) versus the entire CDM (5 per cent) provided a response.
13. **Project scales.** A slightly larger proportion of responding projects (49 per cent) were small-scale as compared to the entire registry of projects (41 per cent).

2.4. Summary of survey responses

14. The percentages provided below for each answer are based on the total projects or PoAs that answered that specific question, because for most questions the secretariat did not receive answers from all 680 projects.

15. The projects that provided a response fall into these three main categories:

Table 2. Project category

Category	Number	Per cent
Project activities with at least one monitoring report for issuance of CERs	343	50%
Project activities that never submitted a monitoring report for the issuance of CERs	257	38%
PoAs	80	12%

16. Most projects report operating with a CDM monitoring plan (61 per cent) and only a few are abandoned (1 per cent):

Table 3. Current status of projects

Status	Per cent
Not implemented	6%
Construction started	4.4%
Not operating	1%
Operating (with CDM monitoring plan)	62%
Operating (without CDM monitoring plan)	13%
Abandoned	1%

17. Fifty-three per cent of the projects reported being a part of an underlying facility. Of these, 81 per cent reported that facility to be operating and 19 per cent reported that facility to be not operating. Note that from the comments provided it is evident that several respondents may not have understood the question correctly.
18. Many projects (42 per cent) stated having no barriers for implementation/operation of the CDM project, whereas half of the projects (50 per cent) stated low CER prices as such a barrier:

Table 4. Barriers for implementation/operation

Barrier	Per cent
Low CER prices (ex post finance)	50%
None; project is implemented	42%
Costs related to CDM procedures and requirements	28%
Technical barriers	12%
Access to up-front finance	11%
Uncertainty concerning CDM procedures and requirements	10%
Administrative barriers (e.g. with local institutions, obtaining permits, etc.)	6%
Access to knowledge (e.g. skills to work without a consultant, consultant skill, etc.)	5%
Availability of third parties (DOE, DNA, UNFCCC, etc.)	5%
Political situation (e.g. instability)	4%
Data availability (local and technology-specific data)	4%

19. Only 33 per cent of projects reported having an ERPA. Forty-six per cent reported having no ERPA, and 4 per cent reported that an ERPA is being negotiated. Fourteen per cent did not answer the question, and 2 per cent did not know or provided inconsistent replies.
20. When asked for the reason(s) why the CDM project did not request (initial) issuance of CERs, the following reasons were given:

Table 5. Reasons for not requesting CER issuance

Reason	Per cent
Low CER prices	55%
None; issuance was/is being requested	30%
No buyer for CERs	24%
Monitoring, reporting and verification (MRV) and issuance costs are too high	20%
First monitoring period still ongoing	11%
CDM MRV procedures and requirements are too complicated	9%
Greenhouse gas (GHG) mitigation activity is not yet operational	9%
Technical issues with monitoring equipment/system	4%
Project not mitigating or not monitoring	3%
No need for issuance; CDM registration was required for other reasons	1%
Rejection of monitoring report or issuance request by the CDM Executive Board	1%

21. When asked for reasons for CDM registration other than CER issuance, 35 per cent stated that it helped securing additional finance, 24 per cent are considering requesting issuance of CERs in the future, 14 per cent cited the project's credibility (advertisement) as a reason, and 6 per cent stated that it helps with a land ownership issue.
22. When asked which other sources of finance the project benefits from, 55 per cent of the replies gave no such sources. Of those that did, they indicated the following sources:

Table 6. Other sources of finance

Source of finance	Per cent
Revenues from sales of electricity or heat	46%
Savings from reduced fuel or fertilizer use	20%
Not known	20%
Low-interest loan	13%
Non-CDM carbon mechanism	7%
Official Development Aid	5%
Zero to low-interest credit	4%

23. Of all responses, 19 per cent reported to be involved with another crediting mechanism. Of these, the most common were Gold Standard (35 per cent) and Verified Carbon Standard (VCS) (26 per cent). Other mechanisms all had 6 per cent or less.

Appendix. Questionnaire on CDM project status

About the questionnaire

Dear Sir/Madam,

Thank you in advance for your participation.

If you wish any information to remain confidential, please indicate this at the end of the survey.

UNFCCC Secretariat
Martin-Luther-King-Str. 8
Bonn, Germany
Email: info@unfccc.int

Type of project

***1. Please select one of the following options:**

- Project has never submitted a monitoring report for the issuance of CERs
- Project has submitted at least one monitoring report for issuance of CERs
- Project is a programme of activities (PoA)

Reference (no monitoring)

***2. Select a registered CDM project activity (no monitoring report)**

Ref

Ref menu

If not found enter project reference number or title here

Reference (monitoring)

***3. Select a registered CDM project activity (with monitoring report)**

Ref

Ref menu

If not found enter project reference number or title here

Reference (PoA)

***4. Select a CDM programme of activities (PoA)**

Ref

Ref menu

If not found enter project reference number or title here

***5. Is there a plan to add more CPAs for the PoA?**

- Yes (specify hurdles to overcome, if any)
- No (specify reason)

Details

Project status

***6. What is the current expected physical implementation status of the CDM project?**

	Currently	in 6 months	in 12 months	in 18 months	in 24 months
Not implemented, and construction not started (e.g. feasibility stage, seeking investment)					
Not implemented, but construction started					
Fully implemented but not operating					
Fully implemented, operating but without executing CDM monitoring plan					
Fully implemented, operating with executing CDM monitoring plan					
Abandoned					
Dismantled					

Other (please specify)

***7. Is the underlying facility (i.e. the facility which hosts the CDM project) under operation? (i.e. generating outputs such as goods or services)?
For example, the landfill is the underlying facility of a CDM landfill gas flaring project; the cement facility is the underlying facility of a CDM feedstock switch project.**

- The CDM project is standalone – there is no underlying facility (e.g. grid connected wind farms)
- No
- Not known
- Yes (specify the underlying facility

***8. What barriers exist that hinder(ed) the physical implementation or operation of the CDM project?**

- None, project is implemented
- Technical barriers
- Political situation (e.g. instability)
- Administrative barriers (e.g. with local institutions, obtaining permits, etc.)
- Access to knowledge (access to skilled people, ability to work without a consultant, skill of the consultant, etc.)
- Uncertainty concerning CDM procedures and requirements
- Costs related to CDM procedures and requirements
- Availability of third parties (DOE, DNA, UNFCCC, etc.)
- Data availability (local and technology-specific data)
- Access to up-front finance
- Low CER prices (ex post finance)

Other (please specify)

***9. Has the project a signed Emission Purchase Agreement (ERPA) with a CER buyer?**

- Yes
- No
- Under negotiation
- Not known

If an ERPA is signed or negotiated, please provide details such as duration, buyer and CER price.

***10. What are (were) the reason(s) for the CDM project not to request (initial) issuance of CERs?**

- None, issuance was / is being requested
- No need for issuance, CDM registration was required for other reasons
- GHG mitigation activity is not yet operational
- First monitoring period still on-going
- Technical issues with monitoring equipment/system
- Rejection of monitoring report or issuance request by the CDM Executive Board
- CDM monitoring, reporting and verification (MRV) procedures and requirements are too complicated
- MRV and issuance costs are too high
- Low CER prices
- No buyer for CERs
- Project not mitigating or not monitoring

Any other reasons please specify

***11. If CDM registration of the project was required for other reasons besides issuance of CER, please select the most suitable option:**

- Useful/needed to gain additional project finance
- Provided credibility for non-financial reasons (advertising)
- Required to assist with determining/gaining land-ownership
- Assisted in overcoming other national regulatory requirements
- Possible future need for CERs
- No particular reason

Any other reasons please specify

***12. What type of immediate support is required for CDM project implementation &/or GHG monitoring under CDM?**

- Identify financial support (financial support programmes)
- Direct marketing of CERs (credit purchase programmes)
- Capacity building on how to further engage with CDM process
- CDM process reform to enable the project to go ahead
- CDM methodology revision to enable the project to go ahead
- Not known

Any other (please specify)

***13. Does or had the project benefit from finance, revenues or cost savings additional to the sale of CERs (please indicate the source and relative contribution (%) to capital cost, in terms of NPV)?**

	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	N/A
Low-interest loan											
Zero to low-interest credit											
Revenues (e.g. from sales of electricity or heat,											
Savings (e.g. from reduced fuel or fertilizer use)											
Official Development Aid (concessional in character with a grant element of at least 25%)											
Non CDM carbon mechanism											
Not known											

Any other sources please specify & incl. %

Instruments

***14. Is the project activity planning to be registered / listed, already registered / listed, or issuing units, under another market instrument, registry or standard?**

- Yes
 No

Other (please specify)

Select instrument

***15. If yes under which instrument, registry or standard?**

	Listed	Registering	Registered	Issuing/ issued	Cancelled	N/A
ISO 1406-2						
Plan Vivo						
Carbon Fix						
Social Carbon						
ACR Carbon Standard						
CCB						
Gold Standard						
GC LUF						
Pacific Carbon Standard						
ACS Registry						
CAR Registry						
VCS Registry						
China Emission Trading System						
Not on the list						

Provide the name if it is not listed

Contact details

***16. If you wish any of the above information to remain confidential and not be shared outside the UNFCCC secretariat, please indicate this here**

***17. What is your role with regards the CDM?**

- Project owner
- CDM Project developer (e.g. project performance-based remuneration)
- CDM Consultant (e.g. fixed remuneration per service)
- CER buyer
- DOE (validation and/or verification service provider)
- DNA
- Interested person

***18. Please provide the following contact information (for verification & follow up purposes only)**

Title (Ms., Mr., Dr.)	<input type="text"/>
Name	<input type="text"/>
Surname	<input type="text"/>
Organisation	<input type="text"/>
Tel number (incl. country code)	<input type="text"/>
Email address	<input type="text"/>

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