

CDM-EB95-AA-A02

Status of CDM MAP 2017 implementation

Version 01.0



United Nations
Framework Convention on
Climate Change

COVER NOTE

1. Procedural background

1. The clean development mechanism (CDM) two-year business plan 2016–2017 and one-year management plan (MAP) 2016 were adopted at the eighty-seventh meeting of the Executive Board of the CDM (hereinafter referred to as the Board).¹ The CDM MAP 2017 was adopted at the ninety-second meeting of the Board.²

2. Purpose

2. The purpose of this document is to provide an update to the Board on the achievements to date against the Board's two goals, the associated objectives, and the specific operational activities and projects documented in the CDM MAP 2017. The mid-year review of the status of the CDM MAP implementation allows the Board to assess the secretariat's implementation of the CDM MAP 2017 and offer guidance on refining, as needed, the direction of future work and the associated budget for the latter half of the year.

3. Key issues and proposed solutions

3. As detailed in the document, progress as at 31 May 2017 indicates that work related to the 58 operational activities and six projects included in the CDM MAP 2017 is progressing in accordance with the 2017 workplan of the Board.
4. A total of 88 products are forecast to be delivered in 2017. After the approval of the Board workplan for 2017, the Board, at its ninety-fourth meeting, provided 10 additional mandates, resulting in nine additional products for delivery in 2017. As at 31 May 2017, a total of 39 products had been delivered against the workplan. This corresponds to 40 per cent against a linear projected rate of 41.4 per cent for the first five-month reporting period.

4. Impacts

5. The Board's review of the CDM MAP 2017 implementation at its ninety-fifth meeting, and its subsequent guidance regarding the future direction and priorities for the secretariat's support of the CDM, will provide input to the work planned for the remainder of the year.

5. Subsequent work and timelines

6. The outcomes of the review, including related guidance on priorities for the remainder of the year, will inform the draft two-year business plan and MAP 2018–2019.

¹ See CDM-EB87-A01-INFO < <https://cdm.unfccc.int/Reference/Notes/index.html> >.

² See CDM-EB92-A01-INFO < <https://cdm.unfccc.int/Reference/Notes/index.html> >.

6. Recommendations to the Board

7. The Board may take note of the status of the CDM MAP 2017 as at 31 May 2017 and consider as appropriate the outcomes of the review to inform the draft CDM business plan and MAP for the biennium 2018–2019 scheduled for consideration at the ninety-seventh meeting of the Board.

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1. Introduction

1. The clean development mechanism (CDM) two-year business plan 2016–2017 and one-year management plan (MAP) 2016, adopted at the eighty-seventh meeting of the Executive Board of the CDM (hereinafter referred to as the Board),³ and the CDM MAP 2017,⁴ adopted at the ninety-second meeting of the Board, together document the vision, goals and objectives of the CDM and the approach, activities and resource requirements needed to support the effective execution of the goals and objectives in 2017.
2. This status of the CDM MAP 2017 implementation report, covering the period from 1 January to 31 May 2017, details the operational activities and projects underway in support of the goals and associated objectives contained in the CDM MAP 2017 and provides information on the position of the secretariat's Sustainable Development Mechanisms (SDM) programme that supports the CDM, as at 31 May 2017, with respect to financial and human resources.

2. Progress report on operational activities, projects and resources utilized

3. The mid-year review reports on the 58 operational activities and six projects included in the CDM MAP 2017. Of the 58 operational activities, 30 have volume data forecasts associated with them (e.g. number of expected cases, assessments, stakeholder queries, requests). For these 30 operational activities, table 2 in the appendix lists the projected annual volume data in the approved MAP 2017 and the actual volumes processed during the five-month reporting period under consideration.
4. Information regarding the work performed and products delivered under each of the 58 operational activities and six projects, using the framework of the two goals and associated objectives from the CDM MAP 2017, is provided in the sections that follow.

2.1. Goal 1: Enable the implementation of mitigation activities and ensure the trusted certification of their outcomes efficiently and transparently

2.1.1. Objective 1a: Operate efficient project and entity assessment processes

CDM registry

5. As shown in figure 1 below, during the reporting period 1,168 forwarding and cancellation transactions for certified emission reductions (CERs) have been completed against the annual forecasted volume of 3,000 transactions. This corresponds to 39 per cent against a linear projected rate of 41.4 per cent for the five-month reporting period. Additionally, 631 changes to modalities of communications (MoCs) (35 per cent) have been completed against the annual forecasted volume of 1,800 change requests.

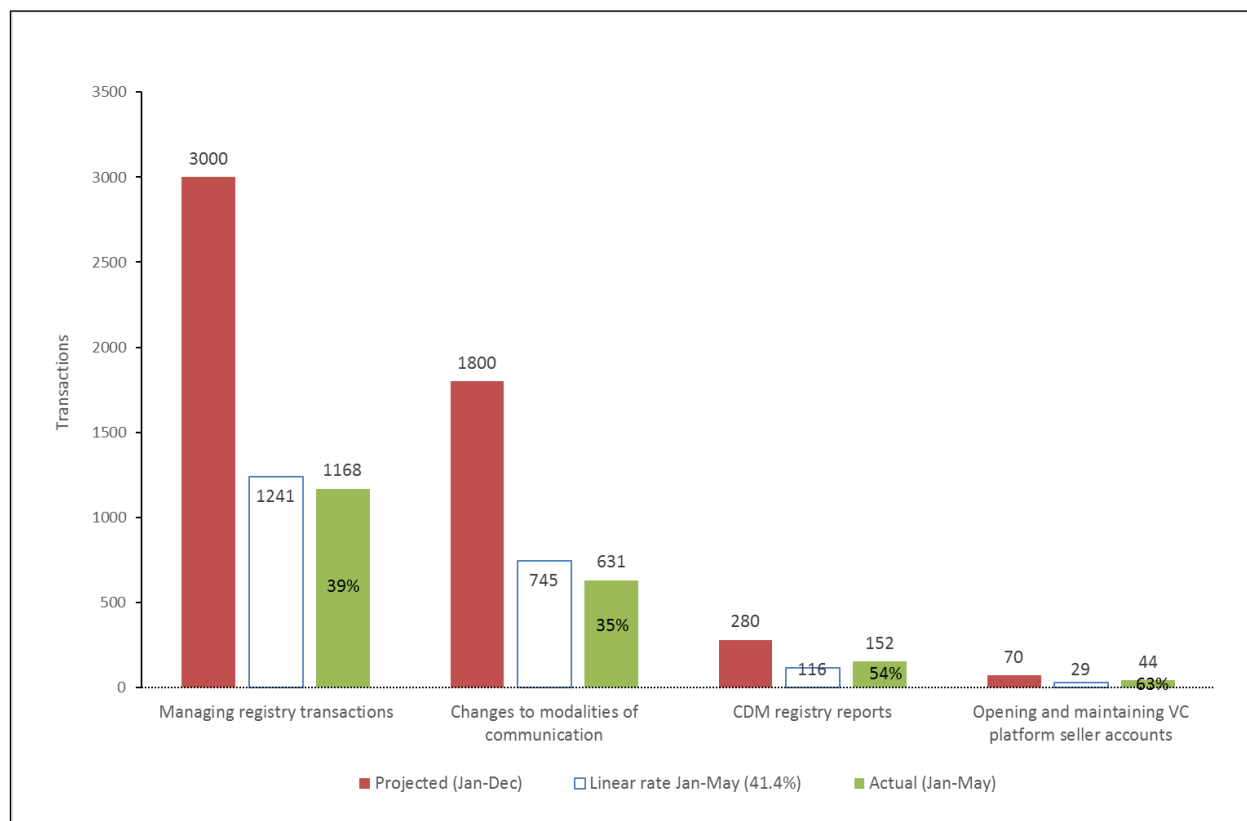
³ See CDM-EB87-A01-INFO <<https://cdm.unfccc.int/Reference/Notes/index.html>>.

⁴ See CDM-EB92-A01-INFO <<https://cdm.unfccc.int/Reference/Notes/index.html>>.

6. The volume data for CDM registry-related activities are slightly lower than the linear projected volume (41.4 per cent) for the period under review. This is expected because, as observed in previous years' reporting (2014, 2015 and 2016),⁵ requests related to registry transactions and changes to MoCs are not equally distributed across the 12 months of the year. Volume data are expected to align with the annual forecasts as the year progresses. Activities related to the CDM registry are on track and progressing per the approved work plan.
7. In relation to the CDM registry reporting, 152 reports (54 per cent), including designated national authority (DNA) reports, monthly Board reports and reports to the World Bank, have been completed against the annual forecasted volume of 280 reports.
8. In relation to opening and maintaining voluntary cancellation platform seller accounts, five voluntary cancellation seller accounts were opened under the reporting period, bringing the total number of accounts to 44 (63 per cent) against a forecasted volume of 70 seller accounts to be reached by the end of 2017. Targeted outreach activities will continue to take place in the second half of the year and may increase interest in the opening of seller accounts.
9. The number of voluntary cancellations has increased as compared to the same five-month reporting period in 2016, although fewer CERs have been cancelled; 444 voluntary cancellation transactions for a total of 4.6 million CERs have been processed as at 31 May 2017, as compared to 5.7 million CERs during January through May 2016. In April 2017, the secretariat launched a partnership with Carbon Trade Exchange (CTX) which is expected to increase the voluntary cancellation trend by reaching out to new actors in the climate action domain.
10. The cancellations through the voluntary cancellation platform reached just over 61,000 CERs during the first five months of 2017, as compared to fewer than 10,000 CERs for the same five-month period in 2016.
11. During the reporting period, the Board considered a concept note on the share of proceeds (SOP) to cover administrative expenses, including a comprehensive review of the SOP practice and approaches affecting the collection of the SOP. The Board decided at its ninety-fourth meeting to further consider the issue and requested the secretariat to prepare a revised concept note based on the discussions of the Board. The work is ongoing, in accordance with the current Board-approved workplan.
12. The electronic interface enabling the submission and approval of changes to MoCs was revised during the reporting period to reflect the newly approved CDM project cycle procedure.

⁵ See:
2014 MAP Mid-Year Review (CDM-EB80-A01-INFO, Appendix, table 1),
<https://cdm.unfccc.int/EB/report/index_old_html>;
2015 MAP Mid-Year Review (CDM-EB85-AA-04, section 2.1.1, figure 1),
<https://cdm.unfccc.int/EB/report/index_old_html>;
2016 MAP Mid-Year Review (CDM-EB90-AA-A08, section 2.1.1, figure 1),
<<https://cdm.unfccc.int/EB/report/>>.

Figure 1. CDM registry transactions (January–May 2017)



Project assessments

13. The details of all project assessments processed during the reporting period are included in table 1 and figure 2.

Table 1. Project assessments for the reporting period under review (January–May 2017)

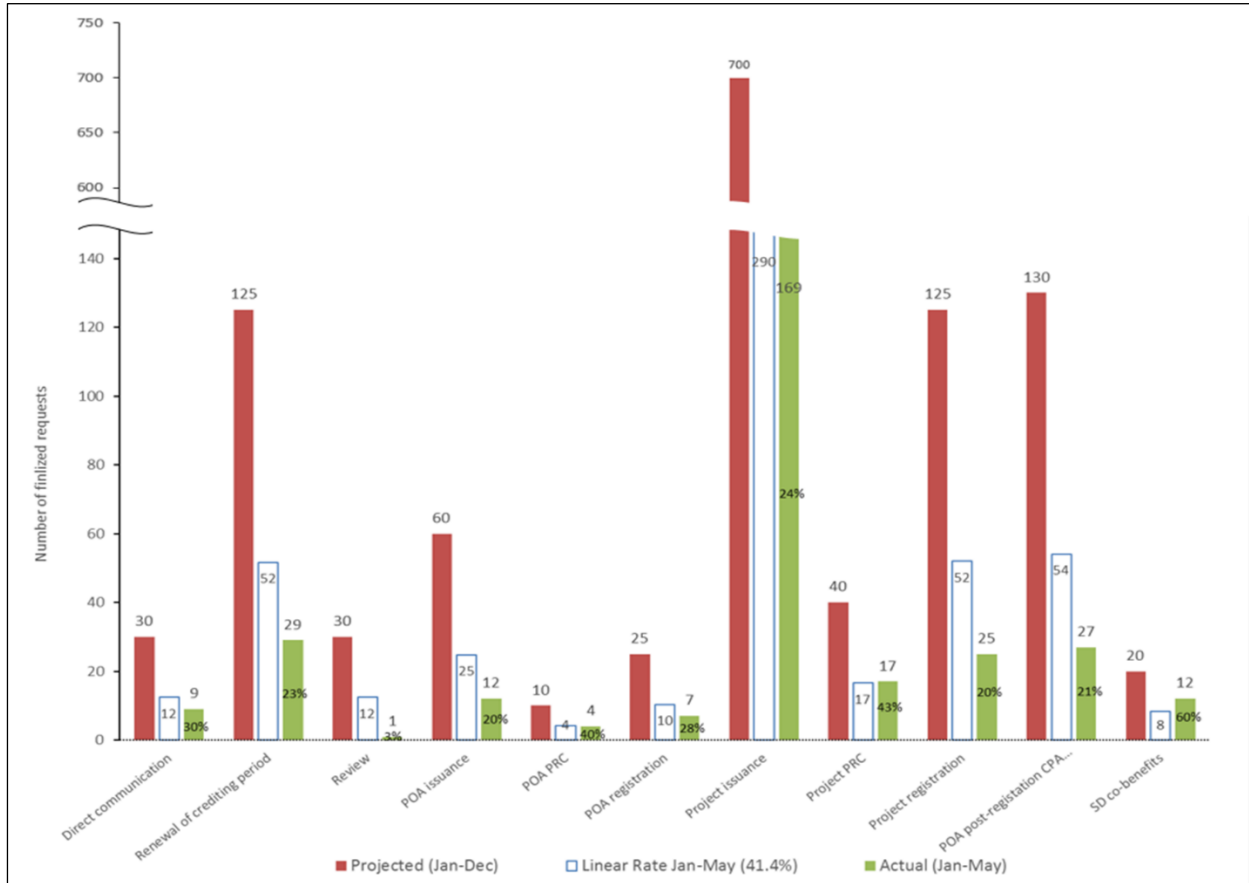
Activity	Projected annual volume MAP 2017	Linear rate (Jan-May 2017)	Actual volume (Jan-May 2017)
Requests for project issuance	700	292	169
Requests for programme of activities (PoA) issuance	60	25	12 ^a
Requests for project registration	125	52	25
Requests for PoA registration	25	10	7
Requests for project post registration changes (PRC)	40	17	17
Requests for PoA PRC	10	4	4
Requests for renewal of crediting period	125	52	29
Requests for review	30	12	1
Requests direct communication	30	12	9
PoA post-registration component project activities (CPAs) inclusion requests	130	54	27

^(a) These include the processing of 60 component project activities (CPAs).

14. Of the total CERs issued, 1,110,703 CERs were issued for programmes of activities (PoAs).
15. Figure 2 shows the 12 sustainable development co-benefit reports received during the reporting period. In total, 13 have been published against the annual forecasted volume of 20 reports received and published. Regarding the technical assistance to DNAs on guiding tools for monitoring sustainable development, 57 requests were received during the reporting period.
16. In summary, table 1 and figure 2 indicate that nine of the volume data for project assessment-related activities are lower than a linear projected volume (41.4 per cent), one is equal to the linear projected volume and one is slightly higher than the linear projected volume for the period under review. The trends in the data collection, as compared to the previous years' reporting (2014, 2015 and 2016),⁶ indicate that the project assessment work is on track and that the volumes received and processed are expected to align with the annual projections as the year progresses.
17. At its ninety-second meeting, the Board requested the secretariat to monitor closely the trend of submissions and the waiting times and to deploy measures, as appropriate, with a view to keeping the waiting time within the limits as defined by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP). Based on this mandate, additional measures were put in place during the reporting period, resulting in waiting times consistently below 15 days. Figure 3 indicates the pendency in days during the reporting period.

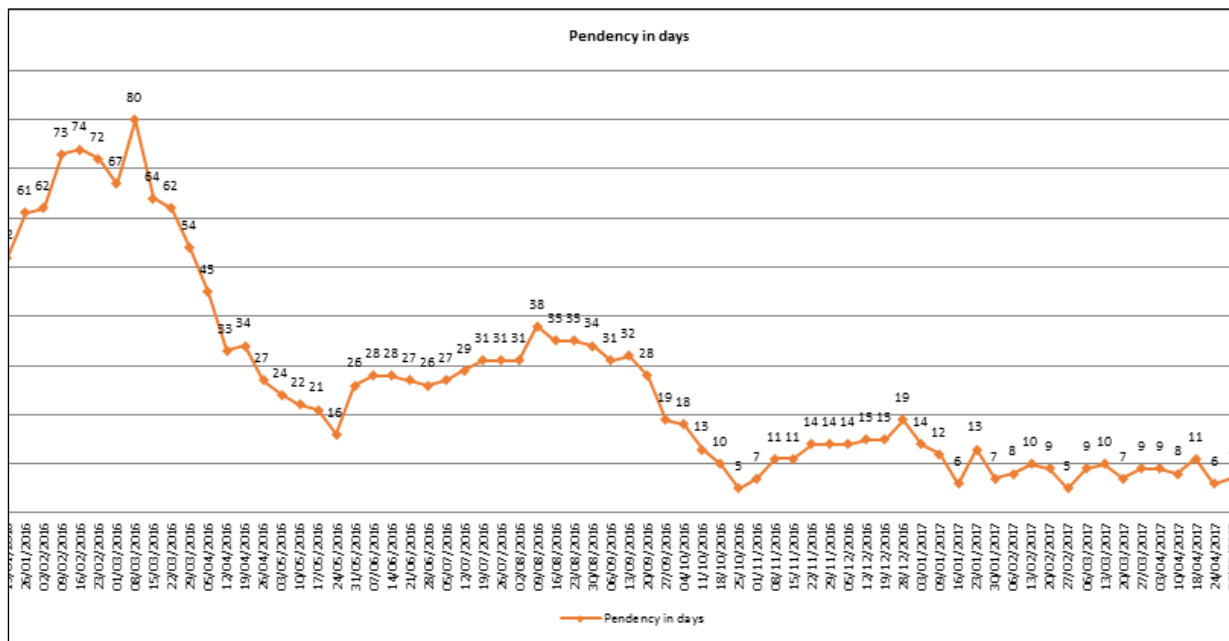
⁶ See:
2014 MAP Mid-Year Review (CDM-EB80-A01-INFO, Appendix, table 1),
<https://cdm.unfccc.int/EB/report/index_old.html>;
2015 MAP Mid-Year Review (CDM-EB85-AA-04, section 2.1.1, figure 2),
<https://cdm.unfccc.int/EB/report/index_old.html>;
2016 MAP Mid-Year Review (CDM-EB90-AA-A08, section 2.1.1, figure 2),
<<https://cdm.unfccc.int/EB/report/>>.

Figure 2. Type and number of project assessments processed against annual forecasts and the linear projected volume for the period under review (January–May 2017)



Note: Programme of activities (PoA), Post-registration changes (PRC), Component project activity (CPA), Sustainable development (SD).

Figure 3. Pendency in days as reported weekly, January (January–May 2017)



Entity assessments

18. There are currently 32 accredited Designated Operational Entities (DOEs), down from 36 in 2016.
19. As shown in figure 4, during the reporting period there were eight performance assessments conducted⁷ against the annual forecasted volume of 12 assessments. This corresponds to 66.7 per cent against a linear projected rate of 41.4 per cent for the first five-month reporting period. Five regular surveillance assessments and spot checks were conducted against the annual forecasted volume of 17 regular surveillance assessments and spot checks (29.4 per cent). There were seven initial accreditation or re-accreditation requests processed against the annual forecasted volume of 11 requests (63.6 per cent).⁸ The trends in the data collection, as compared to the previous years' reporting (2014, 2015

⁷ The figure includes seven verification performance assessments and one validation performance assessment.

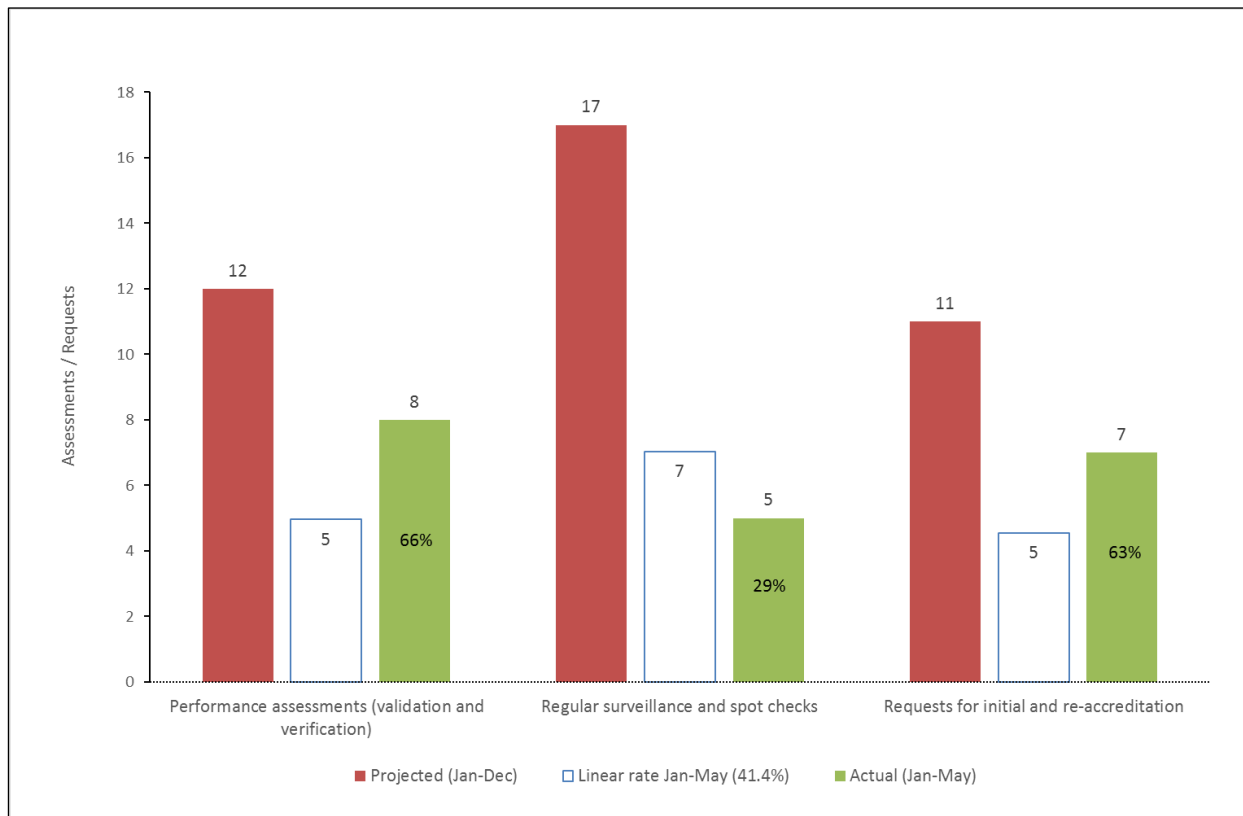
⁸ For assessments involving on-site visits (i.e. verification performance assessments and regular surveillance assessments), the reporting figures include only those assessments for which the last day of the on-site visit falls within in the reporting period. In the case of desk reviews (i.e. validation performance assessments), the reporting figures include only those contained in the draft assessment report completed during the reporting period.

- and 2016),⁹ indicate that entity assessment work is on track and that volumes received and processed are expected to align with the annual projections as the year progresses.
20. Activities related to the calibration of the entity assessment team leads – including organizing the calibration sessions, providing training on accreditation standards and procedures, and updating team leads on the existing regulations – will be conducted after the CDM Accreditation Panel (CDM-AP) meeting in October 2017.
 21. In summary, in relation to objective 1a, table 1 of the MAP 2017 allocates 16 per cent of the annual approved budget to the 16 operational activities delivering services and products in support of this objective.¹⁰ Table 1 in the appendix shows that, as at 31 May 2017, 6 per cent of the annual budgeted resources had been utilized against the activities associated with this objective, which is in line with the projected linear rate of 6 per cent for the five-month reporting period. The CDM Registry and Entity and Project Assessment work are on track and progressing in accordance with the established timelines in the current Board workplan.

⁹ See:
2014 MAP Mid-Year Review (CDM-EB80-A01-INFO, Appendix, table 1),
<https://cdm.unfccc.int/EB/report/index_old_html>;
2015 MAP Mid-Year Review (CDM-EB85-AA-04, section 2.1.1, figure 3),
<https://cdm.unfccc.int/EB/report/index_old_html>;
2016 MAP Mid-Year Review (CDM-EB90-AA-A08, section 2.1.1, figure 3),
<<https://cdm.unfccc.int/EB/report/>>.

¹⁰ For the indicative allocation of resources by objective see CDM-EB92-A01-INFO, table 1
<<http://cdm.unfccc.int/Reference/Notes/index.html>>.

Figure 4. Type and number of entity assessments processed against annual project volumes and the linear projected volume for the period under review (January–May 2017)



2.1.2. Objective 1b: Operate an effective regulatory framework resulting in reduced transaction costs for participants in the mechanism

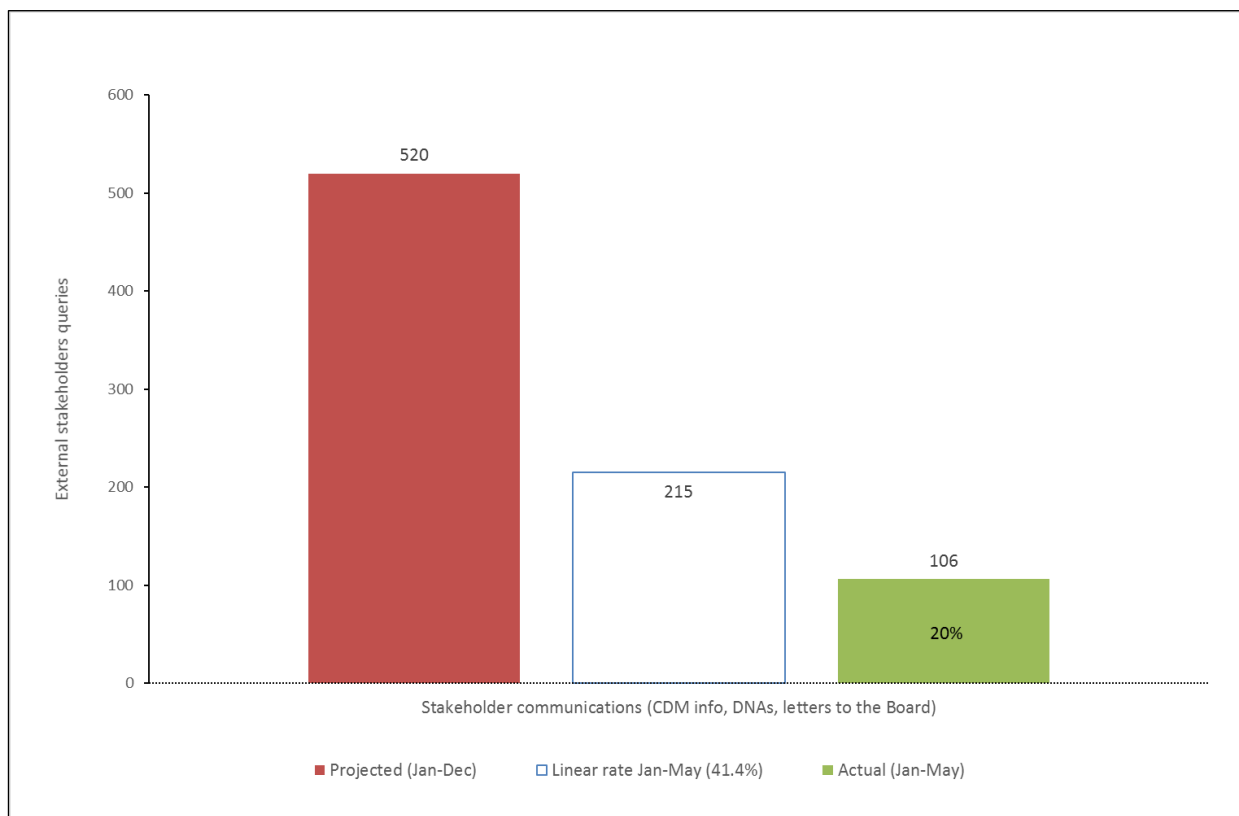
Communications

22. To help maintain interest and engagement in the CDM as an effective tool in the international response to climate change, media queries were responded to, members of the media were briefed and offered interviews, and original content was developed. Tables 3 and 4 of the appendix list the stories created or sourced and published on the UNFCCC Newsroom and UNFCCC CDM website, respectively. These stories were further promoted using social media.

External queries

23. As shown in figure 5, during the reporting period a total of 106 CDM-related queries from stakeholders were processed, including 10 communications addressed to the Board and 96 communications addressed to the secretariat. This corresponds to 20 per cent of the annual forecasted volume and is lower than a linear volume of projected queries (41.4 per cent) for the five-month reporting period. An additional 200 queries of an administrative nature (e.g. log-in troubleshooting, updating contact database) were processed by the secretariat.

Figure 5. External stakeholder queries processed against the annual forecast and a linear projected volume for the period under consideration (January–May 2017)



Market and policy analysis

24. During the reporting period, the Board was updated on developments in the UNFCCC process in relation to the Kyoto Protocol and Paris Agreement, including updates on carbon-pricing mechanisms, recent policy developments in different regions, and the potential role of the CDM. Regular updates are scheduled for this year, including at the ninety-fifth and ninety-seventh meetings of the Board.

Secretariat interactions with stakeholders

25. On behalf of the Board and its support structures, 10 calls for public input were sought relating to *methodological issues* and *issues included in the annotated agenda and related annexes of the ninety-third and ninety-fourth meetings of the Board*.¹¹
26. The 18th Global DNA Forum will take place from 19 to 20 September 2017 in Bonn, Germany. Work in preparing for the forum is proceeding in accordance to the internal planning timelines.

¹¹ See Call for public inputs archives: < http://cdm.unfccc.int/public_inputs/index.html>.

Servicing of the regulatory body and its panels and working groups

27. During the reporting period, the Board approved the calendar of 2017 meetings and the workplans of the Board and its panels and working groups. Two meetings of the Board (EB93 and EB94) and three meetings of the panels and working groups – the seventy-seventh meeting of the CDM-AP, the fifty-third meeting of the Small-Scale Working Group (SSC WG53) and the seventy-second meeting of the Methodology Panel (MP72) – were concluded. Table 2 includes information on the number of documents under consideration by the Board and its panels and working group during the reporting period.
28. The Board approved its workplan at its first Board meeting in this calendar year. In addition to the activities in the approved CDM MAP 2017, the workplan covers the eight additional mandates provided by the CMP at its twelfth session to the Board (see table 5 of the appendix). These additional CMP mandates were absorbed into the work streams approved in the CDM MAP 2017.
29. A total of 88 products are forecast to be delivered in 2017. After the approval of the Board workplan for 2017, the Board, at its ninety-fourth meeting, provided 10 additional mandates (see table 6 of the appendix), resulting in nine additional products for delivery in 2017.
30. As shown in table 3, as at 31 May 2017, a total of 39 products had been delivered against the workplan. This corresponds to 40 per cent against a linear projected rate of 41.4 per cent for the first five-month reporting period. Although product delivery is not distributed equally across the 12 months of the year, the data indicate that work is proceeding per workplans.
31. During the reporting period, the Board considered a concept note on the structure of the methodologies-related expert groups under the Board and decided, at its ninety-third meeting, to merge the MP with the SSC WG by expanding the scope of work of the MP.
32. At its ninety-fourth meeting, the Board considered a concept note on the possible scenarios for a reduction in number of methodologies-related experts and nominated 12 experts to the renewed MP.
33. At this same meeting, the Board appointed five experts as members of the CDM-AP and 21 experts as members of the Registration and Issuance Team (RIT) for a period of one year and two years, respectively.

Table 2. Documents under consideration by the Board and its panels and working group for the reporting period under review (January–May 2017)

Meeting body	No. of meetings	Product	Total documents
Executive Board of the clean development mechanism	2	Annotations, meeting reports, annexes, information notes, financial reports, synthesis reports and related regulatory documentation, etc. (standardized baselines, forms, etc.)	74
Accreditation Panel	1	Meeting reports and annexes (plus electronic consultations)	3
Methodologies Panel	1	Meeting reports and annexes (plus electronic consultations)	19
Small Scale Working Group	1	Meeting reports and annexes (plus electronic consultations)	10
TOTAL			106

Table 3. Products delivered against the Board 2017 workplan (January–May 2017)

MAP 2017 Objective	Product	Products delivered
1 (a) - Operate efficient project and entity assessment processes	<ul style="list-style-type: none"> • Share of proceeds for administration - Concept EB93; • Consideration of cases for registration, issuance and other project and PoA related submissions - Final EB93; • Consideration of cases for registration, issuance and other project and PoA related submissions - Final EB94. 	3
1 (b) - Operate an effective regulatory framework resulting in reduced transaction costs for participants in the mechanisms	<ul style="list-style-type: none"> • Interaction with the Chair (DOE/AIE Coordination Forum) - Info EB93 • 2017 workplans of panels and WGs (to all codes under servicing of panels/working groups) - Final EB93 • Panel and WG meeting reports - Final EB93 • Merging of MP and SSC WG for cost and process efficiency reasons - Concept EB93 • Selection of Chair/Vice Chair for EB - Final EB93 • Selection of Chairs/Vice Chairs for panels and working groups (WGs) - Final EB93 • Selection of CDM EB Finance Committee (EBFC) members - Final EB93 • Calendar of meetings - Final EB93 • EB workplan - Final EB93 • Assessment planning - Concept (secretariat/panel/WG joint recommendation) EB93 • Revised accreditation procedure - Final EB93 • PoA standard, PoA VVS and PoA cycle procedure - Final EB93 • Revised CDM project standard, validation and verification standard and project cycle - Final EB93 	22

MAP 2017 Objective	Product	Products delivered
	<ul style="list-style-type: none"> • Analysis on streamlining the registration and issuance processes by reviewing the past and current procedures - Info EB93 • EB workplan - Info EB94 • Panel and WG meeting reports - Final EB94 • Merging of MP and SSC WG for cost and process efficiency reasons - Concept EB94 • Selection of panel/WG members - Final EB94 • Selection of RIT members - Final EB94 • Interaction with Co-Chairs (Global DNA Forum)- Info EB94 • Interaction with the Chair (DOE/AIE Coordination Forum) - Info EB94 • Revised Glossary: CDM terms - Draft EB94 	
<p>1 (c) - Develop simplified and user-friendly standards and procedures that increase efficiency and ensure environmental integrity</p>	<ul style="list-style-type: none"> • Development of standards with a methodological framework for specific project types (energy-efficient appliances for residential application) - Final (through panel/WG report, preceded by call) EB94 • Digitized project and programme design document forms for CDM project activities and PoAs - Info EB94 • Methodology specific simplified additionality (positive list) - Concept (secretariat/panel/WG joint recommendation) EB94 • Consolidated small-scale and microscale additionality tools with updated positive lists - Final (through panel/WG report, preceded by call) EB94 • Cost-effective approaches for monitoring – Revision to methodologies, tools and regulations - Concept (secretariat/panel/WG joint recommendation) EB94 • Various top-down revised/new methodologies and tools mandated by the Board - Final (through panel/WG report, preceded by call) EB94 • Methodologies for biofuel activities - Final (through panel/WG report, preceded by call) EB94 • Assessment of whether the existing approved methodologies have used the principle of discounting emission reductions - Info (panel/WG input) EB94 • Revised methodological TOOL 04: "Emissions from solid waste disposal sites" - Final (through panel/WG report) EB94 	9

MAP 2017 Objective	Product	Products delivered
2 (a-c) Facilitate the acceptance of CERs for compliance purposes; Enhance the use of the CDM for voluntary purposes; Further develop the CDM as a key tool for monitoring, reporting and verifying the outcomes of mitigation finance	<ul style="list-style-type: none"> • Further development of the platform so as to make it more user-friendly- Concept EB93 • Increasing voluntary cancellation of CERs - Concept EB93 • Support to international climate finance institutions (IFI) - Concept EB94 	3
Cross-cutting	<ul style="list-style-type: none"> • Improving the user-friendliness of the UNFCCC CDM website - Concept EB93 • Implementation report of CDM loan scheme - Info EB93 	2
Total		39

Accreditation system

34. During the reporting period, 35 entities were supported, including two entities requesting voluntary withdrawal and one entity whose accreditation had expired. The annual forecasted volume for the period was 36 entities. The support included day-to-day activities related to the administration of the accreditation workflow.
35. During the reporting period, three regular surveillance assessments and two re-accreditation assessments were launched. Their corresponding workplans were processed in accordance with the CDM Accreditation Procedure.
36. The Board placed two entities under observation and partially suspended one other entity. An additional assessment to lift the under-observation status of one entity was conducted to assess the evidence of the implementation of actions to correct the open non-conformities. The Board lifted the partial suspension of one entity.
37. During the reporting period, the Board considered a concept note on performance assessments and inactive DOEs and adopted the revised "CDM accreditation procedure", which clarifies that the launching of the performance assessments is subject to a DOE making at least one submission of a request for registration, or at least one monitoring report publicly available during the five-year accreditation term. Regarding the validity of the provision of one performance assessment per 20 months, as contained in footnote seven, inserted in paragraph 76 of the procedure, the Board agreed on a minimum of three mandatory performance assessments in the five-year accreditation term for any DOE.
38. No complaints from stakeholders were received during the reporting period against DOEs or accredited independent entities (AIEs).
39. In relation to a request by the CMP to the Board to analyse the overall cost for DOEs, the Board agreed at its ninety-third meeting to consult the CDM-AP and the DOE/AIE Coordination Forum, and to launch a survey to analyse overall costs incurred by the DOEs for maintaining their services and possibilities for the reduction of costs. The secretariat will conduct this analysis and present the results for the Board's consideration. The work is on schedule, and progress made will be reported to the Board at its ninety-sixth meeting.

Regulatory framework management and regulatory policy improvement

40. The Board, at its ninety-third meeting, adopted two sets of revised framework regulatory documents for the CDM; one set for project activities and the other set for PoAs, based on the existing regulations and incorporating various simplification and streamlining measures agreed by the Board since mid-2015:
- (a) Revised regulatory documents for project activities:
 - (i) CDM project standard for project activities;
 - (ii) CDM validation and verification standard for project activities;
 - (iii) CDM project cycle procedure for project activities;
 - (b) Revised regulatory documents for PoAs:
 - (iv) CDM project standard for PoAs;
 - (v) CDM validation and verification standard for PoAs;
 - (vi) CDM project cycle procedure for PoAs.
41. In conjunction with the six framework regulatory documents listed in paragraph 40, the Board adopted a revised “Standard: sampling and surveys for the CDM project activities and programmes of activities” and a revised “Glossary: CDM terms” at its ninety-third and ninety-fourth meetings, respectively.
42. The Board agreed to make the regulatory documents referred to in paragraph 40 above effective as of 1 June 2017, with an arrangement for a smooth transition to the new regulatory framework, outlined in the implementation plan, as agreed by the Board at its ninety-third meeting.
43. During the reporting period, staff resources were shifted to this area of work to ensure that the regulatory documents were completed and that the preparation for the operationalization of the new regulatory framework, including the revision of various process forms and checklists, and the modification to the information technology (IT) workflow, was proceeding per established timelines.
44. In summary, in relation to objective 1b, table 1 of the MAP 2017 allocates 25 per cent of the annual approved budget to the 18 operational activities delivering services and products in support of this objective.¹² Table 1 in the appendix shows that, as at 31 May 2017, 10 per cent of the total annual budgeted resources for the CDM MAP 2017 had been utilized against the activities associated with this objective, which is equal to a projected linear rate of 10 per cent for the five-month reporting period. The work under this objective is on track and progressing in accordance with the established timelines in the current Board-approved workplan.

¹² For the indicative allocation of resources by objective, see CDM-EB92-A01-INFO, appendix, table 1 <<http://cdm.unfccc.int/Reference/Notes/index.html>>.

2.1.3. Objective 1c: Develop simplified and user-friendly standards and procedures that increase efficiency and ensure environmental integrity

Methodologies

45. Figure 6 below provides data for the five-month reporting period relating to methodologies work. During the reporting period, the following requests for clarification, deviation, revision, new submissions and micro-scale additionality were processed:

- (a) Six requests for clarification, one request for revision of methodology and three new methodologies that were fully concluded;
- (b) Three requests for clarification and one request for revision of methodology that were under process.

A total of 14 methodology requests¹³ were processed against the annual forecasted volume of 19 requests.¹⁴

46. During the reporting period, details of the processing of standardized baselines were as follows:

- (a) Four standardized baseline submissions were approved during the reporting period;¹⁵
- (b) 21 standardized baselines were under process.¹⁶

A total of 25 standardized baselines were processed against the annual forecasted volume of 20. Although there appears to be more processing work under the standardized baselines than projected, not all require a high level of effort, since some are only awaiting final feedback from the DNAs.

¹³ **Requests completed:** 9 submitted in 2016: CLA_TOOL_0025, SSC_727, SSC_726, SSC_725, SSC_724, SSC_723, NM0375, SSC-NM101, SSC-NM100; and 1 submitted in 2017 reporting period: SSC_728. **Requests under process:** 4 submitted in 2017 reporting period: AM_CLA_0276, AM_CLA_0277, SSC_730 and SSC_729.

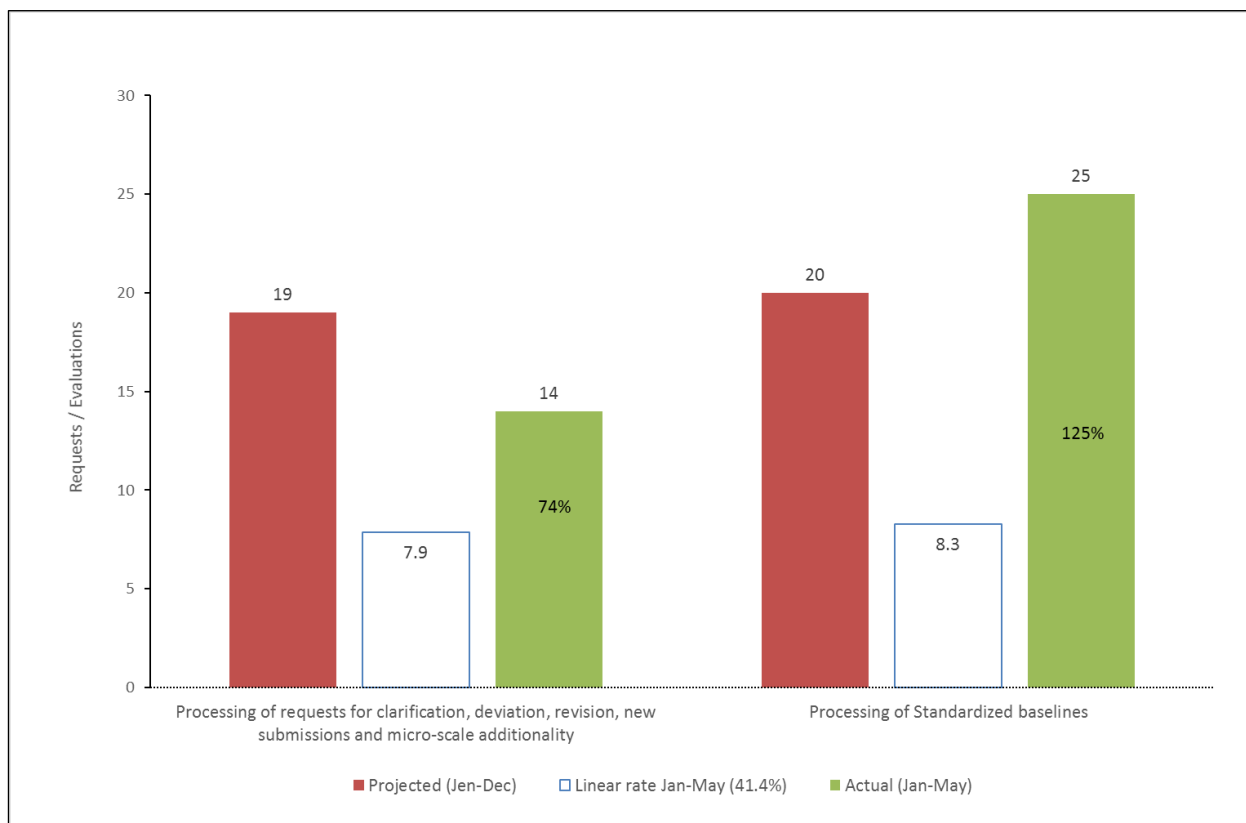
¹⁴ The number also includes new methodologies and standardized baselines submitted during earlier reporting periods but still under process. This is because these items require additional work during the current reporting period, in response to feedback from the assessment process, new guidance from the Board or other choices that the submitter makes.

¹⁵ See Approved Standardized Baselines ASB0032, ASB0033, ASB0034 and ASB0035 at <https://cdm.unfccc.int/methodologies/standard_base/2015/sb4.html>.

¹⁶ See standardized baselines under process:

- (a) Bottom-up: PSB0002, PSB0013, PSB0020, PSB0021, PSB0027, PSB0031, PSB0032, PSB0039, PSB0040 and PSB0041 (submitted during previous reporting periods and under process). <https://cdm.unfccc.int/methodologies/standard_base/2015/sb2.html>. ASU_002 (submitted during the reporting period for update and under process). <https://cdm.unfccc.int/methodologies/standard_base/2015/sb115.html>;
- (b) Top-down: TSB0002, TSB0004, TSB0006, TSB0008, TSB0009 and TSB0011 at <https://cdm.unfccc.int/methodologies/standard_base/2015/sb5.html>. Further, during the reporting period, the Board approved the development of four additional Standardized Baselines in the transport and power sectors at the request of DNAs from underrepresented countries.

Figure 6. Methodology requests and processing of standardized baselines against annual forecast (January–May 2017)



47. During the reporting period, the Board adopted two new methodologies (AM0119, AMS-II.T)¹⁷ and approved the revision of seven methodologies and tools (ACM0001, ACM0006, ACM0017, TOOL04, AMS-III.AH, AMS-III.AJ, TOOL21)¹⁸. Approval of these standards will facilitate the implementation of project activities for energy efficiency, including in power distribution networks, waste management (including recycling of materials). Approval will also streamline the provisions for additionality demonstration.

48. The three approved projects under objective 1c delivered the following:

- (a) **Further development of the standardized baselines framework.** The Board considered two information notes:
 - (i) Determination of standardized baselines for energy efficient-appliances - refrigerators and air conditioners;

¹⁷ AM0119: SF6 emission reductions in gas-insulated metal-enclosed switchgear; AMS-II.T: Emission reduction through reactive power compensation in power distribution network.

¹⁸ ACM0001: Flaring or use of landfill gas; ACM0006: Electricity and heat generation from biomass; ACM0017: Production of biofuel; Methodological TOOL04: Emissions from solid waste disposal sites; AMS-III.AH: Shift from high carbon-intensive fuel mix ratio to low carbon-intensive fuel mix ratio; AMS-III.AJ: Recovery and recycling of materials from solid wastes; Methodological TOOL21: Demonstration of additionality of small-scale project activities.

- (ii) Road-testing of the: Tool to determine standardized baseline for energy-efficient refrigerators and air-conditioners.

The Board also provided guidance to address any remaining issues and conclude the work. Progress on all products associated with this project is shown in table 4 below. Work is proceeding in accordance with the latest Board-approved workplan;

Table 4. Further development of the standardized baselines framework (January–May 2017)

Product title/short description	% complete	Forecasted delivery 2017
Revision of guidelines for establishment of sector specific standardized baseline	50%	EB96
Development of standards with a methodological framework for specific project types (energy-efficient appliances for residential application)	75%	EB94, EB 97 ^(a) [through panel/WG]
Development of standards with a methodological framework for specific project types (energy efficiency in buildings)	25%	EB97 [through panel/WG]

(a) New mandate received. See CDM-EB94, paragraph 35

- (b) **Development of new methodologies to broaden the applicability of the CDM.** Progress on all products associated with this project is shown in table 5 below. Work is proceeding in accordance with the latest Board-approved workplan;

Table 5. Development of new methodologies to broaden the applicability of the clean development mechanism (January–May 2017)

Product title/short description	% complete	Forecasted delivery 2017
Use of the CDM in urban sectors	50%	EB97 [through panel/WG]
Methodology for lightweight, two-or three-wheeled personal transportation infrastructure	75%	EB96 [through panel/WG]
Improved operation of public transportation	25%	EB97 [through panel/WG]
Methodological options for developing 'agriculture CDM'	75%	EB96 [through panel/WG]
Methodologies for biofuel activities	75%	EB94, EB97 [through panel/WG]

- (c) **Simplification of methodologies.** During the five-month reporting period the Board considered:

- (i) An information note on the status of work on digitization of methodology-specific design document forms and requested the secretariat to provide updates on the web-based methodological digitization tool and a demonstration of the final product;
- (ii) An information note on the use of the principle of discounting in existing approved methodologies and found that generally consistent approaches

- have been used. The Board mandated further work to the MP to assess one specific case of a methodology and to propose a revision, if necessary;
- (iii) A concept note on methodology-specific simplified additionality (positive list) and decided to improve, through the CDM website, the visibility of methodologies containing simplified provisions for additionality;
 - (iv) A concept note on cost-effective and context-appropriate approaches for monitoring, reporting and verification. The Board adopted the revised standard “Sampling and survey for CDM project activities and programmes of activities”, enabling surveys to cover multiple PoAs or project activities. The Board mandated further work for inclusion of procedures to manage data gaps in the methodological tools and expand the use of tiered approaches in methodologies with respect to monitoring requirements, using criteria such as the size of the emission reduction estimates of a project activity or a PoA;
 - (v) An information note on considerations on small- and microscale additionality provisions and expanded the positive list of technologies for additionality. The Board also mandated further work to develop alternative criteria to replace the criteria for the positive list of technologies based on the size of the unit;
 - (vi) Progress on all products associated with this project is shown in table 6 below and is proceeding in accordance with the latest Board-approved workplan.

Table 6. Simplification of methodologies (January–May 2017)

Product title/short description	% complete	Forecasted delivery 2017
Digitized project and programme design document forms for CDM project activities and PoAs	80%	EB94, EB95 ^(a) , EB96 ^(a)
Further work on additionality incl. probabilistic approaches for additionality	50%	EB96
Methodology specific simplified additionality (positive list)	100%	EB94
Revised methodological tool 02: “Combined tool to identify the baseline scenario and demonstrate additionality”	50%	EB96 [through panel/WG]
Revised methodological tool 27: “Investment analysis”	0%	EB97 [through panel/WG]
Consolidated small-scale and microscale additionality tools with updated positive lists	75%	EB94, EB96 [through panel/WG]
Cost-effective approaches for monitoring – Revision to methodologies, tools and regulations	75%	EB94, EB97 ^(b)
Non-binding best practice examples in the methodologies	25%	EB96, EB97 [through panel/WG]
Method to develop fraction of non-renewable biomass (fNRB) values	50%	EB96 [through panel/WG]
Various top-down revised/new methodologies and tools mandated by the Board	50%	EB94, EB96, EB97 [through panel/WG]

^(a) New mandate received. See CDM-EB94, paragraph 32

^(b) New mandate received. See CDM-EB94, paragraph 34

Partnership - Operations of the Regional Collaboration Centres

49. The Regional Collaboration Centres (RCCs) continue to prioritize the work in least developed countries (LDCs) and underrepresented countries (with 10 or less registered CDM projects as at 31 December 2010).
50. A new RCC opened in Panama City on 31 March 2017. The centre, operated by the UNFCCC secretariat in partnership with CAF – Development Bank of Latin America, replaces the former RCC located in Bogota. It is expected that the location will help the RCC to better deliver against its mandate, considering the larger availability of organizations based in Panama, including several United Nations (UN) agencies.
51. A side-event entitled “Catalysing Implementation of Paris Agreement: The Regional Collaboration Centres experience” was held on 12 May 2017 at the forty-sixth session of the UNFCCC subsidiary bodies (SBs). Five panellists shared examples of the effective and timely CDM-related support provided by the RCCs, leading to a discussion on potential new areas of support that RCCs could provide, including catalysing climate action, if additional non-CDM funds were made available.

RCC on-site support to projects

52. During the reporting period, direct technical support was provided at the regional level to increase participation in the CDM. As at 31 May 2017, the RCCs had supported 114 CDM projects/PoAs against the annual forecasted volume of 214 projects/PoAs. The support has impacted various categories of stakeholders and has resulted in eight projects progressing at least one step in the CDM project cycle. In addition, the RCCs responded to 148 queries, including clarifications on CDM requirements, the use of the CDM in climate finance, and queries relating to the CDM loan scheme.

RCC on-site support to the bottom-up development of standardized baselines

53. During the reporting period, RCCs provided support to the development of 15 bottom-up standardized baselines against the annual forecasted volume of 20. Of these, 11 standardized baselines are from the DNAs of underrepresented countries, seven are newly added to the standardized baseline pipeline (i.e. work started during the reporting period), and the remaining eight are from previous years but are now at different stages, requiring additional support during the reporting period. In addition, during the reporting period, the RCCs facilitated the commencement of work for five new top-down standardized baselines. Because of the support provided by the RCCs, four additional standardized baselines were approved by the Board; all are from DNAs of underrepresented countries.
54. Table 1 in the appendix shows that, as at 31 May 2017, 6 per cent of the total annual budgeted resources for the MAP 2017 had been utilized against the five activities and three projects associated with this objective, which is just slightly lower than a projected linear rate of 7 per cent for the five-month reporting period. The work under Objective 1c is on track and progressing in accordance with the established timelines in the current Board-approved workplan.

2.2. Goal 2: Nurture policies to broaden demand for, and participation in, the clean development mechanism

Partnerships – Engagement Activities

55. During the reporting period, activities relating to partnerships and engagement activities in support of the CDM MAP 2017 goals and objectives included:

- (a) Strategic missions, including participation in:
 - (i) International Standards Organisation working group meetings relevant to the CDM;
 - (ii) International Civil Aviation Organization (ICAO) working group meetings to ensure the development of the ICAO Carbon Offsetting and Reduction System for International Aviation (CORSIA) rulebook takes into consideration the CDM;
 - (iii) International experts workshop on "Making MRV work: Implementing MRV to meet countries' mitigation and sustainable development goals in the livestock sector";
 - (iv) Expert meeting on the methodology to integrate a wood fuel module into household surveys;
 - (v) International Carbon Reduction and Offset Alliance workshop: Scaling voluntary action within the framework of the Paris Agreement to strengthen messaging about carbon markets in the Paris Agreement;
 - (vi) Sustainable Innovation in Sport 2017 and Football for Hope Forum 2017 to promote the Climate Neutral Now initiative within the sports sector;
 - (vii) Mission to United Nations Office for Project Services in relation to the oversight of the CDM Loan Scheme;
 - (viii) Innovate4Climate (former Carbon Expo);
- (b) Interactions during the margins of planned secretariat events, meetings and missions (for example, meetings with carbon market policymakers, CDM project developers and bilateral development agencies involved in CDM development);
- (c) Telephone and video calls; and
- (d) Other exchanges with intergovernmental organizations, non-governmental organizations, governments, financial institutions and businesses.

Nairobi Framework coordination and regional activities

56. The Nairobi Framework¹⁹ coordination and regional activities, which have a specific focus on promoting the use of CDM and other market-based instruments in Africa, least

¹⁹ See Nairobi Framework at <http://cdm.unfccc.int/Nairobi_Framework/index.html>.

developed countries (LDCs) and small island developing States, included the following activities during the five-month reporting period:

- (a) A series of coordination meetings were held in the side-lines of the Innovate4Climate event in Barcelona hosted by the World Bank group in May 2017. The overall objective of the meeting was to bring together partners and cooperating organizations, including senior directors, to: review the results of the Nationally Determined Contributions (NDCs) study (see point (b) below), update the medium-term strategy and workplan, and agree on other practical and operational arrangements for delivery of work under the Nairobi Framework Partnership (NFP);
- (b) The NFP agreed to undertake a survey and analysis of barriers and potential enabling measures to introduce market approaches and financial instruments in countries with NDCs that have indicated the potential use of such measures at national or international levels. The study aims to provide country analysis related to the use of market instruments, which will be key for identifying future roles the CDM could play in the post-Paris scenario. The preliminary outcome of this study provided the basis for a joint work programme presented at the high-level meeting mentioned above under point (a). The final report is due in July.

Support to stakeholders/capacity building

57. During the reporting period, the support provided to DOEs, DNAs and other stakeholders and capacity-building activities included:
 - (a) Two conference calls with the DOE/AIE Coordination Forum that took place following the ninety-third and ninety-fourth meetings of the Board;
 - (b) One conference call with the DNA Forum in preparation for the forum's interaction with the Board at its ninety-fourth meeting.

Public policy development

58. During the reporting period, the secretariat continued to gather and analyse reports and information regarding the evolution and direction of carbon-pricing instruments globally. This will be used as a basis for future updates to the Board and as inputs for strategic decision-making by the Board relating to how the CDM may best respond to the evolving post-Paris context, including supporting the use of the CDM in emerging emission trading systems and in the aviation and maritime transport sectors. During the reporting period, two updates were provided to the Board.

Operation and further development of the voluntary cancellation platform

59. With respect to the further development of the voluntary cancellation platform to make it more user-friendly, the Board considered the concept note "Technical support for the online platform for voluntary cancellation of certified emission reductions". The concept note included:
 - (a) Updates on the use of the platform, improvements to the platform's project pages relating to sustainable development co-benefits, activities related to the platform search engine optimizations, and exchanges with external entities to facilitate the cancellation of CERs;

- (b) Results of the independent evaluation of the user-friendliness of the platform and the measures to address the issues found.

The Board approved the work on improving the design of the platform. This work will begin in the third quarter of 2017.

60. Targeted outreach to project developers was undertaken during reporting period, to increase the supply of CERs to the platform. In addition, a partnership with the CTX exchange platform was finalized in April 2017 and is currently being operationalized. This is expected to generate an increase in voluntary cancellations through the platform.

Improvement to the CDM for partnerships

61. Reduced uncertainty about investments and increased investors' confidence are key elements required to make the CDM more attractive for result-based finance. During the reporting period, work was carried out on the standardization of methods and benchmarking in CDM methodologies, including progress on provisions to address data gaps and tiered approaches to monitoring, such that the rigour of the requirements is proportionate to the size of installations or emission reductions projected.
62. The development and demonstration of frameworks for the standardization and benchmarking of energy efficiency in the refrigeration and air-conditioning sector was undertaken, including the possibility to use data from labelling schemes, thereby simplifying the data collection requirements.
63. The applicability of existing methodologies with high greenhouse gas mitigation potential in the areas of waste recovery and energy efficiency in power distribution were broadened; improvements to the tool for identifying baseline and demonstrating additionality was undertaken; and the positive list of technology/measures for automatic additionality was broadened to enhance access to energy for rural communities.

Use of the CDM in climate finance

64. At its ninety-fourth meeting, the Board considered a concept note on financing and use of the CDM by international finance institutions, noting the progress of the ongoing support provided by the secretariat on the activities agreed at its ninety-first meeting.²⁰ Further updates will be provided, in accordance with the approved workplan, at the ninety-sixth Board meeting in September.
65. During the reporting period, the two approved projects under objective 2 delivered the following:
- (a) **Increasing the demand for CERs in the aviation sector:** The project aims to enhance the readiness and increase the demand for CERs through outreach activities encouraging pre-2020 early action. During the reporting period, the secretariat participated in IETA-IATA Aviation Carbon Market regional workshops held in Nairobi, Geneva, Miami and Singapore. These workshops focused on sharing best practices and lessons learned on carbon markets and MRV compliance, and provided an outreach platform to airlines to explain how CERs

²⁰ See CDM-EB91-AA-A02
<<http://cdm.unfccc.int/UserManagement/FileStorage/7BL6UQ4DMSYZRN9JVEOTFG3A052HIC>>.

can support early action under CORSIA, and how the on-line voluntary cancellation platform for CERs provides an easy and direct way to cancel CERs. The secretariat will organize a side event at the Africa Carbon Forum in Benin in June to further encourage project developers and other stakeholders to be aware of the potential demand for CERs under CORSIA;

- (b) **Increasing voluntary cancellation of CERs:** This project seeks to promote the voluntary cancellation of CERs for product integration and branding, and to promote the CDM to sports associations, Fortune Global 500 companies and international organizations. The project reaches out to businesses and organizations encouraging them to reduce their climate footprint using CDM and CERs, and includes targeted sector-specific awareness and promotional campaigns (sports, retail, airports, aviation, meetings and event organizers). During the reporting period:
- (i) approximately 300 of the Fortune 500 companies were contacted;
 - (ii) the first integration partner, CTX, started to promote voluntary cancellation of CERs;
 - (iii) four airports became climate-neutral;
 - (iv) preparations for making COP23 climate-neutral were initiated;
 - (v) cooperation with UNEP and other UN organizations to promote climate neutrality towards other international organizations started.
66. An update about the potential to work with the integration of voluntary offsetting in the web pages of companies selling on-line services such as travel and hotel bookings, as well as outreach and promotion efforts through social media, will be provided at a future Board meeting.
67. During the reporting period, 4.6 million CERs were voluntarily cancelled, of which 1.5 million CERs were converted to Korean offset credits, and 246,754 CERs were cancelled for transfer to Verified Carbon Standard (VCS) credits. The remaining 2.9 million CERs were cancelled for other climate-neutral purposes. When compared to the same five-month period in 2016, during which 5.7 million CERs were voluntarily cancelled, of which 5.2 million CERs were converted to Korean offset credits and 470,000 CERs were cancelled for other purposes, there is an increase of more than 600 per cent for voluntary cancellation not related to other offset schemes.
68. In summary, in relation to goal 2 on nurturing policies to broaden demand for and participation in the CDM, table 1 of the MAP 2017 allocates 12 per cent of the annual budgeted resources to the seven operational activities and two projects delivering services and products in support of goal 2 and its three objectives.²¹ During the reporting period, 4 per cent of the total annual budgeted resources in the MAP 2017 were been spent on the activities associated with this goal, which is slightly lower than the projected linear rate of 5 per cent for the five-month reporting period. Work under this goal is on track and progressing in accordance with the established timelines in the current Board-approved workplan.

²¹ For the indicative allocation of resources by objective, see CDM-EB92-A01-INFO, appendix, table 1 <<http://cdm.unfccc.int/Reference/Notes/index.html>>.

2.3. Cross-cutting activities

Communications engagement and marketing

69. In addition to stories being published on the UNFCCC Newsroom and UNFCCC website (see tables 3 and 4 in the appendix), eight CDM-related news releases and advisories were disseminated and promoted via targeted media lists.
70. A daily press round-up on issues relevant to the work of the Board was disseminated, as well as a monthly digest including reports and analysis on carbon markets and mechanisms. As was the practice in 2016, the daily press round-up was incorporated into the general daily news email compiled by the secretariat's Communications and Outreach programme.
71. The UN_CarbonMechs social media channels were maintained, promoting CDM-related topics. As at end May 2017, UN_CarbonMechs had 6,901 Twitter followers and 7,464 Facebook "likes".
72. Communications work was carried out in support of key events, including EB93 and EB94, the inaugural Innovate4Climate conference in Barcelona, Spain, the Africa Carbon Forum 2017 in Cotonou, Benin (28-30 June 2017), and the sessions of the UNFCCC SBs. Communications prior to and during the SBs included the promotion of two side events - "CDM and NDCs – the way forward" and "Catalysing implementation of the Paris Agreement - the Regional Collaboration Centre experience".
73. Table 7 indicates the progress achieved during the five-month reporting period on communications and marketing activities.

Table 7. Communications engagement and marketing (January–May 2017)

Product title	% Complete	Forecasted delivery 2017
1. New Nairobi Framework Partnership website (microsite) < https://nfpartnership.org/ >	100%	January 2017
2. New Regional Collaboration Centre Panama webpage (further to RCC Panama opening in March 2017)	100%	April 2017
3. New Regional Collaboration Centre Bangkok brochure (created by RCC Bangkok consultant)	100%	March 2017
4. Stories on the UNFCCC Newsroom/clean development mechanism websites		Ongoing

Human resources, skills development and learning

74. During the reporting period, and in line with secretariat practice, a staff training plan has been developed related to the CDM MAP 2017. The training plan includes targeted capacity-building in the areas of:
- (a) Data analytics and results-based measurement;
 - (b) Prince 2 Foundation for project management;
 - (c) Social media marketing to enhance skills for direct outreach to partner organizations and clients in private and non-private sectors;

- (d) Agenda 2030 for Sustainable Development and its Sustainable Development Goals.

75. In relation to the prudent management of SDM resources, and specifically improving internal processes for ensuring optimal resource utilization, a new Skills, Knowledge and Abilities database was developed. This database will help SDM move closer to a matrix-style management system by leveraging in-house skills and experience, retaining institutional knowledge and ensuring that staff with the right skills, knowledge and abilities can be quickly assigned to operational activities and projects. The database will also assist in identifying the most urgent human resource gaps and support the Board in filling those gaps.

Finance

76. During the reporting period, the finance team processed 199 financial and procurement transactions, 690 travel-related transactions and 127 expense reports related to the operations of the CDM. Additionally, five monthly monitoring reports and one quarterly report were produced.

77. During the period under review, the SDM programme participated in a financial and performance audit of the secretariat carried out from 3 to 13 April 2017. The audit report has not yet been received by the Board of Auditors. Details on the financial status of the CDM Trust Fund are included in section 3 of this report.

Intra-secretariat engagement agreement

78. During the reporting period, IT operational activities supported under the information technology engagement agreement included:

- (a) **Application, maintenance and support to CDM systems** including: authoring tool used for preparing and cataloguing the documentation of the Board and its panel and working groups (52 change requests); maintenance of the CDM registry (2 issues resolved); CDM-Information System content management system (296 change requests: Accreditation Process:46, Methodologies:25, Web Content:35, Issuance:37, PRC:17, PoA Registration:27, Renewal of Crediting Period:14, Registration:12 and others:83); SDM-IS collaboration platform (10 issues resolved related to CDM Registry and POA issuance);
- (b) **Meeting and workshop support:** provided during CDM-AP77, EB93, MP72, SSC WG53 and EB94;
- (c) **Data centre hosting services:** business as usual and recovery services for CDM-IS content management system, CDM-Registry and CDM mailing lists;
- (d) **Licenses:** business as usual services in support of specialized software including Mind manager (30 licenses), MS project (55 licenses) and MS Visio (71 licenses).

79. During the reporting period, IT projects supported under the engagement agreement included:

- (a) **Simplified processing tools for CDM stakeholders:** Development of a web-based system to enable computer-assisted generation of PDD, PoA-DD or CPA-DD and computer-assisted development and submission of standardized

baselines. Work is progressing on joint testing of the system by SDM and the vendor, and the initial round of fixing defects (bugs) is underway. A presentation to the Board of the system is envisioned for EB96;

- (b) **Sustainable Development Tool (Version 3 Enhancement):** Completion of the redesign and simplification of the system security. An initial version has been uploaded on the test environment, and the test cases began on 5 June 2017. A prototype will be shown to the Board during EB95;
- (c) **Programme of Activities Lifecycle:** Development of workflows to enable the implementation of PoA project cycle procedure, including renewal of crediting period workflow improvement. The scope of the work has been defined and a business requirements analysis conducted. The project will be completed in phases. Phase 1 has been initiated and will deliver the critical components of the Monitoring Report and Issuance workflows. An initial discussion with the interested vendors has taken place and the process has been launched for hiring an external vendor for project implementation;
- (d) **Simplification of the CDM:** To enhance the system to support the changes to the newly approved versions of procedures, namely the Project Cycle Procedure (PCP) for project activities and PCP for PoAs. The MoC module was deployed to production during the last week of May 2017 and is live on CDM-IS. Further development and testing work will be completed for all other components under this project. The project is expected to be completed in July 2017.

80. Further details on project priorities, mandates, timelines and budgets are provided in Table 7 of the appendix of this report. Table 8 indicates the expenditure for services received under the IT engagement agreement during the five-month reporting period.

Table 8. Information technology services expenditure for the five-month reporting period (January–May 2017)

Services received	Expenditure (USD)
Operational	
Application, maintenance and support to CDM systems	117 689
System infrastructure services (data hosting services)	69 166
Service desk support for Sustainable Development Mechanisms workshops/meetings	12 614
Licenses	16 416
Subtotal IT Operational	215 885
Projects	
Simplified processing tools for CDM stakeholders (SPT)	59 962
Sustainable Development Tool (Version 3 Enhancement)	40 980
Subtotal Projects	100 941
TOTAL*	316 826

* Actual charges reported by ICT department.

Internal communications

81. During the reporting period, six internal newsletters were prepared and published, informing staff of the progress under the operational activities and projects, including important milestones, achievements and goals related to the CDM MAP 2017. In addition,

seven secretariat-wide news articles were prepared and published to ensure information sharing and cross-programme collaboration.

Information, knowledge and records management

82. During the reporting period, work to transfer the Board's physical records to the UNFCCC archive continued, and 46 metres of records were evaluated for transfer to the UNFCCC official archives.
83. The cataloguing and indexing of the Board's regulatory documents (including the documentation of its supporting meeting bodies) has included the indexing of 126 documents, which ensures transparency and access to regulatory decisions via the public Catalogue of Decisions database.
84. In conjunction with the approval of the new regulatory framework and to ensure a smooth transition to this framework, two new web pages were prepared and made available to stakeholders.
85. The Board considered a concept note on improving the user-friendliness of the UNFCCC CDM public website and approaches to overhaul its outdated structure. The Board decided at its ninety-third meeting to maintain the website as it is and asked the secretariat to include a new project related to this work with an updated concept note for consideration in the MAP 2018-2019.

Management and meetings

86. Several active internal processes and meeting bodies contributed to the planning, implementation, monitoring and reporting of the operational activities and projects supporting the two goals and three objectives included in the MAP 2017.

Planning, monitoring and reporting

87. The Board receives regular reports relating to the implementation of its MAP for consideration on a regular basis. These reports provide information on progress made in specific areas and are considered in between meetings. The following reports, delivered during the five-month reporting period, are available on the UNFCCC CDM website:
 - (a) Fourth quarter 2016: Financial resources report;²²
 - (b) Regional Collaboration Centre report (Jun-Dec 2016);²³
 - (c) First Quarter 2017: Financial resources report;²⁴
 - (d) Annual key performance indicators report.²⁵

²² See CDM-2016Q4-INFO01 <<https://cdm.unfccc.int/EB/report>>.

²³ See CDM-2016RCC-INFO02 <<https://cdm.unfccc.int/EB/report>>.

²⁴ See CDM-2017Q1-INF01 <<https://cdm.unfccc.int/EB/report>>.

²⁵ See CDM-2016KPI-INFO01 <<https://cdm.unfccc.int/EB/report>>.

88. At its ninety-third meeting, the Board agreed to increase the duration of the MAP from a one-year to a two-year plan. This measure was taken to better project and manage the resources needed and ensure a longer time frame for projected resource needs.

Secretariat-wide responsibilities

89. During this reporting period, the SDM programme actively engaged in its secretariat-wide responsibilities, which include contributions to several UNFCCC internal processes and meeting bodies.
90. In summary, in relation to the cross-cutting activities, table 1 of the MAP 2017 allocates 26 per cent of the budgeted resources to the 11 cross-cutting operational activities and one project activity delivering services and products across the two goals and six objectives.²⁶ During the reporting period, 10 per cent of the annual budgeted resources were spent on the activities associated with this objective (see table 1 in the appendix), which is slightly lower than the linear rate of 11 per cent for the five-month reporting period.

3. Financial update

3.1. Status of income and expenditure to support CDM activities from 1 January to 31 May 2017

3.1.1. Income

91. Table 9 shows the balance brought forward from 2016 and the income received in the period from 1 January to 31 May 2017.

Table 9. Income received in 2017, including carry-over from 2016 (in USD)²⁷

Carry-over figure from 2016 (A)^(a)	102 390 607
Income received in 2017	
Accreditation fees	22 500
Fees from the accreditation process	100 582
Registration fees ^(b)	95 939
Methodology fees ^(c)	—
Share of proceeds (SOP) ^(d)	3 066 176
Subtotal – Income: 1 January–31 May 2017 (B)	3 285 197
Current balance of 2016 carry-over and 2017 income (A + B)	105 675 804

Note: USD 45 million held in reserve (EB45, 2009) is not included in the above figures.

^(a) The carry-over balance presented in this table is not equivalent to the balance available at 31 March 2017 documented in table 1, section 1.1, of the 2017 Q1 financial report (CDM- 2017Q1-INFO01). The difference is due to the posting of audit adjustments in the closing of the 2016 accounts;

²⁶ See CDM-EB92-A01-INFO, appendix, table 1 <<https://cdm.unfccc.int/Reference/Notes/index.html>>.

²⁷ The data presented in this report are subject to change, as the financial period remains open at the time the report is being finalized.

- (b) This fee is based on the average annual issuance of certified emission reductions (CERs) over the first crediting period and calculated as a share of proceeds to cover administrative expenses, as defined in decision 7/CMP.1, paragraph 37. Projects with annual average emission reductions of less than 15,000 tonnes of carbon dioxide equivalent are exempt from the registration fee, and the maximum fee applicable is USD 350,000. This fee is a prepayment of the share of proceeds to cover administrative expenses;
- (c) A non-refundable submission fee of USD 1,000 is payable at the time a new methodology is proposed. If the proposal leads to an approved methodology, the project participants receive a credit of USD 1,000 against the payment of the registration fee or a prepayment of the share of proceeds;
- (d) The share of proceeds, payable at the time of issuance of CERs, is USD 0.10 per CER issued for the first 15,000 CERs for which issuance is requested in each calendar year, and USD 0.20 per CER issued for amounts in excess of 15 000 CERs.
92. The total fees received as at 31 May 2017 amounted to USD 3.3 million (see table 9). A projected income of USD 9.0 million for 2017 was included in the CDM MAP 2017.²⁸ The total fees received during the same period last year (January–May 2016) were USD 2.3 million.²⁹
93. CERs remain in pending accounts for which forwarding has not been requested. The CERs have a value in terms of fees of approximately USD 51.1million. The secretariat has already performed all related tasks with the exception of forwarding for the corresponding projects. Under the current CDM rules, secretariat resources invested in CDM projects that do not complete the forwarding stage of the cycle cannot be recovered. Under the prevailing market conditions, the secretariat does not expect to recover the corresponding fees in 2017.
94. The total interest accrued in the CDM Trust Fund from prior years to 31 May 2017 amounted to USD 11.5 million and is included in the carry-over and balance reported in table 9. The accrued interest is currently ear-marked to fund the CDM Loan Scheme to support the development of CDM project activities in countries with fewer than 10 such activities registered, in accordance with decision 3/CMP.6, paragraph 65. The 2017 budget related to the administration of the loan scheme amounts to USD 201,000.
95. In accordance with the CMP decision,³⁰ the CDM Loan Scheme is now in a phase of ensuring that existing loans are completed and loan funds repaid in accordance with the terms of the loan agreements. The secretariat continues to oversee the performance of the implementing agency, UNOPS. Based on the first quarterly report in 2017 presented by UNOPS, 12 loans, out of a total of 53 active loans, are in the process of being cancelled, and two are in the process of being written off.

3.1.2. Expenditure

96. Table 10 below shows the expenditure incurred and the utilization rate for the reporting period.

²⁸ As per the CDM MAP 2017 (CDM-EB92-A01-INFO, table 10).

²⁹ As per status of CDM MAP 2016 implementation (CDM-EB90-AA-08, table 7).

³⁰ See decision 3/CMP.12, paragraph 16.

Table 10. Comparison of budget and expenditure for the period from 1 January to 31 May 2017 (in USD)

United Nations object of expenditure	Budget 2017 a	Expenditure (Jan–May 17) b ^(a)	Difference (a-b) c	% Rate of expenditure vs. budget (b/a) d
Staff ^(a)	10 400 000	4 012 228	6 387 772	38.6
Consultants ^(b)	614 500	109 545	504 955	17.8
Expert fees ^(c)	316 200	72 024	244 176	22.8
Expert travel ^(d)	225 000	82 244	142 756	36.6
Travel of representatives: designated national authorities (DNAs) ^(e)	400 800	6 379	394 421	1.6
Travel of representatives: EB ^(f)	513 760	209 944	303 816	40.9
Travel of staff ^(g)	357 800	117 744	240 056	32.9
Training ^(h)	20 000	6 323	13 677	31.6
Operating expenses ⁽ⁱ⁾	781 000	53 630	727 370	6.9
Regional Collaboration Centre (RCC) operations ^(j)	588 400	272 625	315 775	46.3
Total cost of ownership (TCO) ^(k)	1 535 000	775 422	759 578	50.5
Engagement agreement (Information and Communication Technology) ^(l)	1 118 072	250 741	867 331	22.4
Mobile communications ^(m)	18 800	1 718	17 082	9.1
Supplies and material ⁽ⁿ⁾	81 300	43 112	38 188	53.0
Grants (EB) ^(o)	376 500	301 300	75 200	80.0
Subtotal	17 347 132	6 314 979	11 032 153	36.4
13% programme support ^(p)	2 255 127	820 947	1 434 180	36.4
Total	19 602 259	7 135 926	12 466 333	36.4

(a) Staff costs include staff salaries, general temporary assistance (GTA) costs and staff-related costs such as dependency allowance, education grant, rental subsidy, home leave travel, travel on appointment and separation, overtime payments, etc.;

(b) Consultant costs include consultants and individual contractor fees and associated travel costs;

(c) Expert fees refer to panel and working group attendance fees and case fees;

(d) Expert travel refers to ticket costs and daily subsistence allowance (DSA) of panel and working group members;

(e) Travel of representatives from designated national authorities (DNA) includes ticket costs and DSA for participants;

(f) Travel of representatives to EB meetings includes ticket costs, DSA and 40 per cent additional DSA for members/alternate members attending meetings of the Board and the EB events at the United Nations Framework Convention on Climate Change (UNFCCC) sessions;

- (g) Travel of staff includes ticket costs, DSA, terminal expenses and miscellaneous expenses;
 - (h) Training includes attendance and/or course fees, ticket costs and DSA;
 - (i) Operating expenses include rental of equipment, shipping and transport costs, maintenance costs and other logistical costs normally associated with meetings;
 - (j) Regional Collaboration Centre (RCC) operation costs include costs relating to administering the RCCs and RCC staff missions, including travel and mission subsistence allowance (MSA) costs;
 - (k) Total Cost of Ownership (TCO): Service programmes in the secretariat (Information and Communication Technology (ICT), Conference Affairs Services (CAS) and Administrative Services (AS)) render services to all secretariat activities funded from both core and non-core sources of funding (such as the CDM Trust Fund). The purpose of TCO charges is to ensure the allocation of costs of these support services to the sources of funding to which they relate. In 2017, the TCO charge per capita of EUR 15,144 is applied;
 - (l) Engagement agreement (ICT) includes IT costs related to the support of the six CDM MAP projects and the maintenance of the operational IT infrastructure required to operate the CDM project activity cycle workflows (e.g. registry, project submission work flows, etc.);
 - (m) Mobile communications costs are official mobile telephone charges for mobile phone services and do not include the charges incurred on the regular office telephones (those are covered through TCO);
 - (n) Supplies and material costs include the acquisition of hardware, supplies, software and subscriptions;
 - (o) Grants (EB) include support to individual members/alternate members of the Board for: (i) secretarial/administrative support (temporary secretarial staff and related services, printing, stationery and consumable materials, telephone and internet costs, insurance to cover the loss or theft of laptops); and (ii) IT-related expenses (laptop and software, printers);
 - (p) In accordance with the financial procedures of the United Nations, 13 per cent of overhead charges are payable on all UNFCCC trust funds to cover administrative services provided by the United Nations Office at Geneva and the UNFCCC secretariat;
 - (q) Expenditure includes obligations.
97. Column (d) in table 10 shows the rate of expenditure as a percentage of the total 2017 budget for each cost category. The linear rate of expenditure for the period 1 January to 31 May 2017 is 41.4 per cent.
98. Consultant costs amount to 17.8 per cent of the 2017 budget for this object of expenditure, which is lower than the linear rate of expenditure (41.4 per cent). Priority is given to ensuring the full use of available staff resources over consultants or temporary hires, taking into account the expertise required and the optimal use of staff-related expertise versus external resource use.
99. Expert fees amount to 22.8 per cent of the projected 2017 budget for this object of expenditure, which is lower than the linear rate of expenditure (41.4 per cent). This is because the total number of meetings for the regulatory bodies and their supporting panels and working groups is not equally distributed across the year. Expenditure is expected to align more closely with the original projections as the year progresses.
100. Expert travel amounts to 36.6 per cent of the projected 2017 budget for this object of expenditure, which is lower than the linear rate of expenditure (41.4 per cent). This is because the total number of meetings of the CDM-AP, MP and SSC WG are not equally distributed across the year. The AP, MP and SSC WG held one meeting each, as at 31 May 2017. Expenditure is expected to align with the original projections as the year progresses.

101. Travel of representatives (DNA) amounts to 1.6 per cent of the projected 2017 budget for this object of expenditure, which is significantly lower than the linear rate of expenditure (41.4 per cent). The small expenditure reflects the processing of late claims related to the 2016 DNA Forum. Expenditure is expected to align with the original projection after the 2017 DNA Global Forum takes place.
102. Travel of EB members amounts to 40.9 per cent of the 2017 budget for this object of expenditure, which is slightly lower than the linear rate of expenditure (41.4 per cent). Most of the expenditure relates to travel of EB members to EB 93 and EB 94.
103. Travel of staff amounts to 32.9 per cent of the 2017 budget for this object of expenditure, which is lower than the linear rate of expenditure (41.4 per cent). This reflects the lower number of meetings taking place outside of Bonn during the reporting period. Expenditure is expected to align with the original projections as the year progresses.
104. Training amounts to 31.6 per cent of the 2017 budget for this object of expenditure, which is lower than the linear rate of expenditure (41.4 per cent). This reflects the training schedule in the approved training plan. Expenditure is expected to align with the original projections as the year progresses.
105. Operating expenses amount to 6.9 per cent of the 2017 budget for this object of expenditure, which is significantly lower than the linear rate of expenditure (41.4 per cent). This is because the total number of meetings of the regulatory bodies and their supporting panels and working groups during the calendar year is not equally distributed across the quarters of the year. Expenditure is expected to align with the original projections as the year progresses.
106. RCC operations costs amount to 46.3 per cent of the 2017 budget for this object of expenditure, which is higher than the linear rate of expenditure (41.4 per cent). This is because the costs related to RCC activities are not equally distributed across the year. Expenditure is expected to align with the original projections as the year progresses.
107. Total cost of ownership (TCO) costs amount to 50.5 per cent of the 2017 budget for this object of expenditure, which is higher than the linear rate of expenditure (41.4 per cent). This is because expenditure includes the allocation of costs covering a six-month period. Expenditure is expected to align with the original projections as the year progresses.
108. Engagement agreement costs (ICT) amount to 22.4 per cent of the 2017 budget for this object of expenditure, which is lower than the linear rate of expenditure (41.4 per cent). Expenditure is expected to align with the original projections as the year progresses and vendors are procured to carry out the IT project work.
109. Mobile communications costs are 9.1 per cent of the 2017 budget for this object of expenditure, which is significantly lower than the linear rate of expenditure (41.4 per cent). This reflects a lower cost of mobile communications when staff are supporting meetings and events held in Bonn. Expenditure is expected to align with the original projections as the year progresses and staff are assigned to support meetings and events outside of Bonn.
110. Supplies and materials costs amount to 53.0 per cent of the 2017 budget for this object of expenditure, which is higher than the linear rate of expenditure (41.4 per cent). The higher rate of expenditure reflects the subscription commitments that extend to year end. Expenditure is expected to align with the original projections as the year progresses.

111. The expenditure for EB grants amounts to 80.0 per cent of the 2017 budget for this object of expenditure, which is significantly higher than the linear rate of expenditure (41.4 per cent). This is because almost all the 2017 grant requests have been processed in the system and funds have been fully committed against this item of expenditure.

3.1.3. Summary of financial position (income and expenditure status, as at 31 May 2017)

112. Table 11 below shows the balance of the CDM Trust Fund as at 31 May 2017. The expenditure of USD 7.1 million exceeds the income for the period ending 31 May 2017 of USD 3.3 million, resulting in a deficit of USD 3.8 million (see table 12) in the reporting period.

Table 11. Income and expenditure status, as at 31 May 2017 (in USD)

Carry-over figure from 2016 (A)	102 390 607
Status of funds for the period Jan-May 2017	
Income: 1 January–31 May 2017 (B)	3 285 197
Current balance of 2016 carry-over and 2017 income (A+B)	105 675 804
Expenditure: 1 January–31 May 2017 (C)	7 135 926
Balance available at 31 May 2016 (A+B-C)	98 539 878

Note: USD 45 million held in reserve (EB45, 2009) is not included in the above figures.

113. Table 12 below shows the income and expenditure trend for the period January to May for the years 2015, 2016 and 2017.

Table 12. Income and expenditure trend, as at 31 May 2017 (in USD)

	As at 31 May 2015	As at 31 May 2016	As at 31 May 2017
Income	4 171 747	2 256 660	3 285 197
Expenditure	10 923 494	7 507 012	7 135 926
Income minus expenditure	(6 751 747)	(5 250 351)	(3 850 729)

4. Human resources

114. The SDM programme has total human resources of 93 staff available, consisting of 87 that are funded through the CDM, four through Joint Implementation and two through the core UNFCCC budget. These resources are used to deliver on the CDM MAP activities as well as other tasks for which SDM is responsible.

115. To ensure a prudent and efficient deployment and management of SDM resources to address work priorities, the SDM management committee undertook an analysis at the programme level to determine which functional areas required additional resources to meet evolving demands, considering the approved CDM MAP 2017, the Board workplan for 2017 and the 10 additional mandates provided by the Board at its ninety-fourth

meeting. Thus, during the reporting period, a redeployment process was undertaken resulting in four posts shifted as follows:

- (a) Two posts deployed to Regulatory Implementation Unit to provide technical and procedural support to project assessments;
- (b) Two posts deployed to Strategy and Relationship Management Unit, to support the work of the Climate Neutral Now initiative activities.

5. Conclusions and recommendations

- 116. The mid-year review, as at 31 May 2017, indicated that approved operational activities and projects were being delivered in accordance with MAP 2017.
- 117. The Board may take note of the status of the CDM MAP 2017 as at 31 May 2017 and consider as appropriate the outcomes of the review to inform the draft CDM Business Plan and MAP for the biennium 2018-2019, scheduled for consideration at the ninety-seventh meeting of the Board.

Appendix. Reporting data (January–May 2017)

Table 1. Resources spent against the two goals and six objectives in the approved MAP 2017 during the five-month reporting period (January–May 2017)

Objective	Title of objective	Staff months	Staff costs (USD)	Non-staff costs (USD)	Total costs (USD)	% of resources allocated to objective	% of resources spent	Linear rate for period Jan.–May
1 (a)	Operate efficient project and entity assessment processes	74.3	896 860	56 275	953 135	16%	6%	6%
1 (b)	Operate an effective regulatory framework resulting in reduced transaction costs for participants in the mechanisms	63.4	766 074	722 984	1 489 059	25%	10%	10%
1 (c)	Develop simplified and user-friendly standards and procedures that increase efficiency and ensure environmental integrity	55.8	674 175	275 204	949 379	17%	6%	7%
2 (a-c)	Facilitate the acceptance of certified emission reductions (CERs) for compliance purposes; Enhance the use of the clean development mechanism (CDM) for voluntary purposes; Further develop the CDM as a key tool for monitoring, reporting and verifying the outcomes of mitigation finance	41.7	504 172	120 194	624 366	12%	4%	5%
	Other activities (cross cutting)	96.9	1 170 947	352 671	1 523 618	26%	10%	11%

Table 2. Volume of operational activities and projects completed in comparison with annual forecasted volumes (January–May 2017)

Objective 1 (a)

MAP 2017 activity	Units	Projected annual volume in MAP (Jan.–Dec. 2017)	Actual volume (Jan.–May 2017)
Changes to modalities of communication and transactions	Registry Transactions	3000	1168
	Changes to modalities of Communication	1800	631
CDM registry reports	Reports	280	152
Opening and maintaining VC platform seller accounts	Accounts	70	44
Requests for direct communication, renewal of crediting period, and review	Requests for direct communication	30	9
	Requests for renewal of crediting period	125	29
	Requests for review (registration and issuance)	30	1
Requests for POA issuance	Requests	60	12
Requests for POA PRC	Requests	10	4
Requests for POA registration	Requests	25	7
Requests for project issuance	Requests	700	169
Requests for project PRC	Requests	40	17
Requests for project registration	Requests	125	25
POA post-registration CPA inclusion requests	CPA inclusions	130	27
Sustainable Development Co-benefits including reporting and promotional activities	Reports	20	12
Performance assessments (validation and verification)	Performance assessment (validation)	3	1
	Performance assessment (verification)	9	7
Regular surveillance and spot checks	Regular surveillance assessments	16	5
	Spot checks assessments	1	0

MAP 2017 activity	Units	Projected annual volume in MAP (Jan.–Dec. 2017)	Actual volume (Jan.–May 2017)
Requests for initial and re-accreditation	Requests for initial accreditation	1	0
	Requests for re-accreditation	10	7

Objective 1 (b)

MAP 2017 activity	Units	Projected annual volume in MAP (Jan.–Dec. 2017)	Actual volume (Jan.–May 2017)
Stakeholder communications (CDM info, DNAs, letters to the Board)	Transactions	520	106
Global DNA Forum	Event	1	0
A/R Working Group	Meetings	0	0
Accreditation Panel	Meetings	3	1
CCS Working Group	Meetings	0	0
Methodologies Panel	Meetings	3	1
Small-scale Working Group	Meetings	3	1
Support to the Executive Board	Meetings	5	2
Entity administration	Entities	36	35
Entity assessment planning	Assessments	36	17

Objective 1 (c)

MAP 2017 activity	Units	Projected annual volume in MAP (Jan.–Dec. 2017)	Actual volume (Jan.–May 2017)
Processing of requests for clarification, deviation, revision, new submissions and micro-scale additionality	Clarification requests	6	9
	Deviations requests	3	0
	Processing of micro-scale additionality	0	0
	New submission request	5	3
	Revision requests	5	2
Processing of Standardized baselines	Evaluations	20	25
RCC Operations	Events/Missions	9	4
RCCs-On-site support to projects	Supported projects	214	114

MAP 2017 activity	Units	Projected annual volume in MAP (Jan.–Dec. 2017)	Actual volume (Jan.–May 2017)
RCC Support to Bottom-up Standardized Baselines	Supported standardized baselines	20	15

Table 3. Stories promoted on the UNFCCC Newsroom website

Story	Date (2017)	Link
1. Top Companies Work to Put a Price on Carbon	25 May 2017	
2. UNFCCC and CTX Collaborate on Global Climate Neutrality In Support of UN's Climate Neutral Now Initiative (also on CDM website)	19 April 2017	< https://www.cdp.net/en//articles/media/worlds-first-investment-grade-carbon-pricing-for-power-sector-launched-by-industry-heavyweights >
3. L'action climatique pour le développement durable en Afrique - 9e Forum africain du carbone, Cotonou, Bénin, 28-30 juin 2017	10 April 2017	< http://newsroom.unfccc.int/climate-action/unfccc-and-ctx-collaborate-on-global-climate-neutrality-initiative/ >
4. Showcasing Climate Action on Four Wheels Follow Young Climate Ambassadors Cycling Across Europe	4 April 2017	< http://newsroom.unfccc.int/fr/action-climatique/forum-africain-du-carbone-2017-cotonou/ >
5. Promoting climate action on the ground in Latin America - RCC established in Panama City (Spanish newsroom: Abierto el Centro Regional de Colaboración en Panamá para promover la acción climática en América Latina)	31 March 2017	< http://newsroom.unfccc.int/climate-action/showcasing-climate-action-on-four-wheels/ >
6. Singapore to Adopt Carbon Tax from 2019	28 February 2017	< http://newsroom.unfccc.int/es/noticias/inauguracion-del-centro-regional-de-colaboracion-de-panama/ >
7. UN's Clean Development Mechanism Improved Can Be Used to Make Tourism Sector More Sustainable	23 February 2017	< https://www.nccs.gov.sg/climate-change-and-singapore/domestic-actions/reducing-emissions/carbon-pricing >
8. CDM Project Helps Secure Clean Water	23 February 2017	< http://newsroom.unfccc.int/climate-action/cdm-board-adopts-full-package-of-simplified-procedures-to-increase-efficiency/ >
9. Developing Countries Urgently Need Finance to Green Power Sectors - New Survey Conducted by UNFCCC Secretariat	7 February 2017	< http://newsroom.unfccc.int/climate-action/?page=7 > (link to the CDM video < https://youtu.be/GF_8D4AFgFU >)

Story	Date (2017)	Link
10. France Issues USD 7.5 Billion in Green Bonds	25 January 2017	< http://newsroom.unfccc.int/climate-action/developing-countries-urgently-need-finance-to-green-their-power-sectors/ >
11. Microsoft's Carbon Fee – a Shining Example of Corporate Climate Action	23 January 2017	< https://phys.org/news/2017-01-france-issues-green-bonds-bln.html >
12. Industry Initiative on Carbon Pricing to Meet Paris Goals	16 January 2017	< http://newsroom.unfccc.int/climate-action/how-microsofts-carbon-fee-is-driving-climate-action-forward/ >
13. Athens International Airport Goes Carbon Neutral	13 January 2017	< https://www.cdp.net/en/articles/media/industry-leads-new-initiative-to-revolutionize-carbon-pricing-for-investors >

Table 4. Stories and advisories published on the CDM website

Story	Date (2017)	Link
1. Executive Board fine-tunes details ahead of CDM simplifications	4 May 2017	< https://cdm.unfccc.int/press/newsroom/latestnews/releases/2017/22025_index.html >
2. Signing of Memorandum of Understanding for the Africa Carbon Forum 2017	26 April 2017	< https://cdm.unfccc.int/press/newsroom/latestnews/releases/2017/22024_index.html >
3. 9th Africa Carbon Forum, Cotonou, Benin, 28 - 30 June 2017	10 April 2017	< https://cdm.unfccc.int/press/newsroom/latestnews/releases/2017/22023_index.html >
4. UN Climate Convention and CTX to collaborate on Global Climate Neutrality Initiative	10 April 2017	http://newsroom.unfccc.int/climate-action/unfccc-and-ctx-collaborate-on-global-climate-neutrality-initiative/ >
5. Promoting climate action on the ground in Latin America - RCC established in Panama City	31 March 2017	< https://cdm.unfccc.int/press/newsroom/latestnews/releases/2017/22022_index.html >
6. CDM Board adopts full package of simplified procedures to increase efficiency	23 February 2017	< https://cdm.unfccc.int/press/newsroom/latestnews/releases/2017/22021_index.html >
7. The CDM Board elects its Chair and Vice-Chair for 2017	20 February 2017	< https://cdm.unfccc.int/press/newsroom/latestnews/releases/2017/31103_index.html >
8. CDM project helps secure clean water	23 February 2017	< https://youtu.be/GF_8D4AFgFU >
9. Developing countries urgently need finance to green power sectors	7 February 2017	http://newsroom.unfccc.int/climate-action/developing-countries-urgently-need-finance-to-green-their-power-sectors/ >

Table 5. Additional mandates provided to the Board by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its twelfth session

CMP12 mandate	Mandate from the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP)	Related 2017 MAP project or routine activity
3/CMP.12, para. 4	Encourages the Executive Board to continue its activities in response to decision 6/CMP.11, paragraphs 7 ("Also encourages the Executive Board to continue exploring options for using the clean development mechanism as a tool for other uses and report back to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its twelfth session") and 8 ("Further encourages the Executive Board to explore the opportunities for the financing of the clean development mechanism through international climate financing institutions, such as the Green Climate Fund, and report back to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its twelfth session");	Activity Group: Partnerships
3/CMP.12, para. 5	Also encourages the Executive Board to continue the simplification of the clean development mechanism, with the aim of further simplifying and streamlining, in particular the registration and issuance processes, and methodologies, while maintaining environmental integrity;	Project (246): Simplification and streamlining of the CDM
3/CMP.12, para. 6	Requests the Executive Board to analyse the overall cost for designated operational entities and to report back to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its thirteenth session (November 2017);	Activity Group: Accreditation system
3/CMP.12, para. 8	Encourages the Executive Board to explore possibilities for reducing the transaction costs of monitoring by expanding the use of tiered approaches offering a choice between conservative default values and direct measurements;	Project (223): Simplification of methodologies
3/CMP.12, para. 9	Also encourages the Executive Board to continue its activities in response to decision 6/CMP.11, paragraph 14; ("Encourages the Executive Board to continue the development of digitized project and programme design document forms for clean development mechanism project activities and programmes of activities;")	Project (223): Simplification of methodologies
3/CMP.12, para. 10	Invites the Executive Board to further work on the development of simplified clean development mechanism methodologies and standardized baselines, while maintaining environmental integrity, in collaboration with regional collaboration centres;	Activity Group: Methodologies

CMP12 mandate	Mandate from the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP)	Related 2017 MAP project or routine activity
3/CMP.12, para. 15	Requests the implementing agency and the secretariat to work closely with loan recipients that wish to continue under the CDM Loan Scheme to help those recipients to identify ways to progress through the project cycle, including adjusting loan agreement terms, if appropriate;	Activity Group: Partnerships
3/CMP.12, para. 18	Requests the Executive Board to continue to ensure the prudent management of the resources of the clean development mechanism and its ability to perform its duties in maintaining and developing the mechanism up to the end of the true-up period of the second commitment period of the Kyoto Protocol.	Activity Group: Servicing of regulatory body

Table 6. Additional mandates provided by the Board at its ninety-fourth session

Reference	EB94 mandate	Project/routine – product 2017
EB94 report para. 31	The Board took note of information on discounting in existing approved methodologies. In this context, the Board requested the MP to analyze and, if appropriate, revise the monitoring provision in the methodology "ACM0023: Introduction of an efficiency improvement technology in a boiler", to address the issue of estimating emission reductions for periods when an efficiency improvement technology is not applied in accordance with the manufacturer's specifications.	Activity Group: Methodologies
EB94 report para. 32	The Board took note of the status of the work on the digitization of methodology-specific design document forms, and requested the secretariat to provide a brief update on the development of the web-based methodological digitization tool at its next meeting. The Board further requested a demo of the final product with the digitization of one methodology, at its ninety-sixth meeting.	Project (223): Simplification of methodologies

Reference	EB94 mandate	Project/routine – product 2017
EB94 report para. 34	<p>The Board considered the concept note on cost-effective and context-appropriate approaches for monitoring, reporting and verification, and requested the secretariat, the MP, and SSC WG, to jointly include best practice examples covering monitoring aspects into the methodological tools and sampling guidelines. The Board also requested the secretariat, the MP, and the SSC WG to explore tiered approaches in methodologies relevant to the urban context, when these methodologies are being revised. The Board adopted the revised "Standard: Sampling and surveys for CDM project activities and programmes of activities" to include an option to undertake a common survey for a group of PoAs, as contained in annex 2 to this report.</p>	<p>Project (223): Simplification of methodologies; and Project (244): Development of new methodologies to broaden the applicability of the CDM</p>
EB94 report para. 35	<p>The Board considered the draft new methodological tool: "TOOL00XX: Determination of standardized baselines for energy efficient refrigerators and air conditioners", and requested the MP and the SSC WG to further work on the draft new tool and develop a draft new methodology that is compatible with the tool. In doing so, the MP and the SSC WG shall address the following issues:</p> <ul style="list-style-type: none"> (a) Allow for refrigerator testing requirements with "IEC standard IEC 62552-1:2015 Household refrigerating appliances - Characteristics and test methods"; (b) Include additional guidance on accounting for any minimum efficiency performance standard in the host country; (c) Include provisions to address autonomous efficiency improvements of appliances and to ensure that the service level of project and baseline equipment are comparable; (d) Reconsider guidance in the case of replacement baseline on the definition of new baseline when the lifetime of the replaced refrigerator has expired; (e) Further assess the proposed efficiency thresholds against the CDM modalities and procedures; (f) Carry out road testing for the air-conditioner component in collaboration with relevant organizations that have expressed interest to contribute (i.e. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and the Gulf Organization for Research & Development (GORD)). 	<p>Project (110): Further development of standardized baselines framework</p>

Reference	EB94 mandate	Project/routine – product 2017
EB94 report para. 38	<p>The Board considered a revision to the methodological tool “TOOL07: Tool to calculate the emission factor for an electricity system”, and requested the MP to re-submit a draft revision of the tool for the Board's consideration at a future meeting by:</p> <ul style="list-style-type: none"> (a) Further exploring alternative criteria for determining the transmission constraints; (b) Addressing inconsistent applications of the definitions in the revised tool (i.e. isolated system, dispatch area); (c) Further clarifying the hierarchy of the requirements regarding the delineation of the grid systems (i.e., mandated versus voluntary). 	Project (223): Simplification of methodologies
EB94 report para. 39	<p>The Board requested the MP to update default efficiency factors in the methodological tool "TOOL09: Determining the baseline efficiency of thermal or electric energy generation systems" on a regular basis (i.e. every two or three years), based on publicly available information.</p>	Project (223): Simplification of methodologies
EB94 report para. 40	<p>The Board requested the MP to revise the methodology "ACM0019: N2O abatement from nitric acid production", to further clarify the definition of the historical baseline emission factor for projects that had previously applied AM0028 or AM0034 during the first crediting period.</p>	Activity Group: Methodologies
EB94 report para. 46	<p>The Board requested the SSC WG to review and update the global default factors contained in the methodologies “AMS-III.AJ: Recovery and recycling of materials from solid wastes” and “AMS-III.BA: Recovery and recycling of materials from E-waste”, taking into account recent publications and scientific information.</p>	Project (223): Simplification of methodologies
EB94 report para. 47	<p>The Board agreed not to merge the methodological tools "TOOL19: Demonstration of additionality of microscale project activities" and "TOOL21: Demonstration of additionality of small-scale project activities" and to retain three years as the frequency for reviewing the positive list of technologies contained in TOOL21. Furthermore, the Board requested the MP, the SSC WG and the secretariat to jointly explore options for replacing the unit size criterion in the positive list (i.e. provision in paragraph 11(c) of TOOL21) with an expanded positive list of technologies in TOOL21 that includes specific distributed unit technologies that would provide services to households/communities/small- and medium-sized enterprises.</p>	Project (223): Simplification of methodologies

Reference	EB94 mandate	Project/routine – product 2017
EB94 report para. 51	The Board considered a proposed approach for handling future expressions of interest from designated national authorities (DNAs) to develop top-down standardized baselines, and requested the secretariat to provide a revised proposal, for its consideration at a future meeting, taking into account the Board's guidance.	Activity Group: External Queries Activity Group: Methodologies, processing of standardized baselines

Table 7. Overview of the status of ICT projects approved in the CDM MAP 2017¹

Priority ²	Project	Mandate/Objective	Project History	Timeline	Budget (USD)	Expenditure to date (30 May 2017)
1.	Simplified processing tools for CDM stakeholders	<p>Mandate: EB87, the Board requested the secretariat <i>to develop the methodological digitization tool using a web-based system.</i></p> <p>The tool will enable:</p> <ol style="list-style-type: none"> 1. The computer-assisted generation of PDD, PoA-DD or CPA-DD, including a tool to propose the appropriate 	<p>Approved in the CDM MAP 2016 and on-going.</p> <p>Project initiated in 2016 including: project planning, procurement and selection of external vendor. The IT work started in Sept 2016 and is expected to be completed by the end of Aug 2017. After which, maintenance and</p>	Sep 2016 - Aug 2017	461,117	<ul style="list-style-type: none"> • 58,750 USD spent in 2016 for project services rendered; • 59,962 USD spent from Jan – May 2017 for project services rendered; • 323,000 accrued as expense for services being provided by

¹ Two projects: “PoA Lifecycle, including Accreditation assessment for PoA” and “Renewal of Crediting Period WF improvement” were merged, as both are closely interlinked. The IT work of the resulting single project is planned to start after the project “Simplified processing tools for CDM stakeholders”, to leverage IT components delivered by the latter. In the project “PoA Lifecycle, including Accreditation assessment for PoA & Renewal of Crediting Period WF improvement”, there are 23 business process areas that span the entire PoA lifecycle. The project has been structured in phases; the first phase will focus on delivering all the reusable components of the subsequent phases. This reduces delivery risks, incorporates learning from early phases and improve the overall competitiveness of the offers from external vendors to deliver the entire scope. The deprioritized projects are:

- “SIGNAL – database system”: The secretariat’s staff had developed an internal system to support the needs in this area. The plan is to further use that system and reassess later the need for more advanced features through an externally developed solution;
- “Momentum for change”: The existing and evolving IT solutions of the secretariat allows to address the IT needs in this area without recourse to external vendors.

² In the first quarter of 2017, the ICT portfolio was prioritized based on:

- urgency to deliver the projects;
- inter-dependency between the projects;
- capacity of the ICT programme and external vendors to develop the solutions;
- availability of budget, considering the quotations for projects involving external vendors.

		<p>methodology elements or standardized baselines to use;</p> <p>2. The automatic generation of the template of monitoring report corresponding to a generated PDD, PoA-DD or CPA-DD;</p> <p>3. The computer-assisted development and submission of Standardized Baselines.</p>	<p>support phase of IT solution will start.</p> <p>Information note, to report on project progress, will be shared at EB 95 and the delivered system presented at EB 96.</p>			<p>vendor till end of August 2017.</p>
2.	<p>Sustainable Development Tool (Version 3 Enhancement)</p>	<p>Mandate: Decision 6/CMP.11, paragraph 22, the CMP encouraged the Board to improve the user-friendliness of the SD-tool. In response to the CMP mandate, The Board approved the MAP2016/2017 activity “<i>Sustainable development co-benefits, including reporting and promotional activities</i>”. At EB90, several improvements in terms of: workflow efficiency, usability and search-ability were agreed by the EB.</p> <p>The SD-tool is a voluntary tool use by project participants to report on the sustainable development co-benefits of their projects and programme of activities.</p>	<p>Approved in CDM MAP 2017.</p> <p>Delivery of a prototype is planned for EB95 and delivery of the full operational system is planned for Sep 2017.</p>	Jan - Sep 2017	93,000	<ul style="list-style-type: none"> 40,980 USD spent from Jan-May 2017 for project services rendered.

3.	PoA Lifecycle, including Accreditation assessment for PoA & Renewal of Crediting Period WF improvement	<p>Mandate: EB 81, paragraph 50 references IT work to implement POA-related regulatory documents.</p> <p>The project is being implemented based on the need for a better and usable system for both internal and external stakeholders, including:</p> <ol style="list-style-type: none"> 1. Development of Workflows to enable the implementation of PoA project cycle procedure (25 to 30 processes). 2. Extranets and microsites for internal and external stakeholders. 3. Support for automated email messages for workflows. 4. Checklists for CC/IRC and other checks as required by procedures. 	<p>Approved in CDM MAP 2017.</p> <p>Scope of phase 1 includes:</p> <ol style="list-style-type: none"> (i) Monitoring Reporting and Requesting for Issuance process areas, (ii) Delivering these process areas in a framework that can easily be re-used for other process areas in future phases; (iii) Incorporating learnings from Phase 1 and delivering a release plan and fixed price estimate for future phases. 	Jan 2017- Dec 2018	350,000 (to be confirmed with selected vendor)	<ul style="list-style-type: none"> • No non-staff expenditure to date. Staff time has been used to complete planning phase and procurement of external vendor.
4.	Simplification of the CDM	<p>Mandate: <i>Implementation plan for new CDM regulations</i> (CDM-EB93-A11, para 5)</p> <p>To develop and enhance the system to support the changes to the newly approved versions of procedures, namely- the Project Cycle Procedure (PCP) for Project Activity and PCP for PoAs.</p>	<p>Approved in CDM MAP 2017.</p> <p>Phase 1: MoC workflow updated, tested and deployed to production.</p> <p>Phase 2: Major changes to registration and issuance modules have been completed and is being tested to go into deployment and will be done by each workflow process.</p>	Mar - Aug 2017	35,000	<ul style="list-style-type: none"> • 8,712 USD (expenditure is covered under "Application Maintenance and Support to CDM system").

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