

CDM-EB97-A12-PROC

Procedure

CDM business and management plan
preparation, approval and monitoring

Version 01.0



United Nations
Framework Convention on
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1. Introduction

1.1. Background

1. The two-year clean development mechanism (CDM) business and management plan (BMAP) is the document approved by the Executive Board of the CDM (hereinafter referred to as the Board) that captures the Board's strategy, goals and objectives for a two-year period and provides the estimated resourcing needs for the proposed work to be performed by the secretariat, panels and working groups in order to operate the CDM according to the goals and objectives.
2. The BMAP periodic review reports detail the work that is underway to support the achievement of deliverables for the activities and projects documented in the BMAP. The reports help the Board to monitor the implementation of the BMAP by providing information on the status of the planned deliverables and the position of the secretariat's Sustainable Development Mechanisms (SDM) programme with respect to financial and human resources. The periodic review reports are an opportunity for the Board, if necessary, to make adjustments to the work and associated resourcing approved in the MAP.

1.2. Purpose

3. This document outlines the procedure for developing and presenting the CDM two-year BMAP to the Board for their consideration.

2. Definitions and abbreviations

2.1. Abbreviations

- (a) **CMP** – Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.
- (b) **ETS** – Effort tracking system for planning, monitoring and reporting against the SDM programme of work. An internal (to the secretariat) system that captures and reports data on staff effort (amount of time spent by staff), volumes of work delivered and lessons learned against the activities and projects included in the MAP.
- (c) **Operational activity** – Ongoing processes that deliver operational outputs which, in many cases, have defined deadlines.
- (d) **Project** – A planned set of interrelated tasks to be executed over a fixed period and within certain cost and other limitations.
- (e) **UMOJA** – United Nations SAP Enterprise Resource Planning (ERP) software for managing United Nations business processes (human resources, budget, etc.).

3. Scope, applicability and effective date

3.1. Scope

4. This standard operating procedure describes the activities carried out by the secretariat and the Board in preparing, approving, monitoring and reviewing the two-year CDM BMAP.

5. The procedure does not provide instructions for or guidance on generating, analysing, monitoring or reporting on the data gathered through the ETS or UMOJA.

3.2. Applicability

6. This procedure applies to the secretariat and the Board.

3.3. Effective date

7. This procedure is effective 1 January 2018.

4. Preparing the CDM BMAP

4.1. CDM strategic planning session

8. A strategic planning session is organized by the secretariat on behalf of the Board, kicking off the preparation of the two-year BMAP. Normally, the session is organized in the 18th month of the 24-month cycle of the current BMAP, but strategic sessions can be organized as required to deliberate on any issue.

9. The CDM strategic planning session provides an opportunity for the Board to take stock of the CDM as it stands, reflect on the expectations for the mechanism in the future and provide guidance to the secretariat in preparing the next BMAP, including input on achieving the goals and objectives of the CDM in the upcoming two-year period.

10. Information and input to the planning session includes guidance from the CMP; the status of implementation reports for the current BMAP; reviews of the external environment; input received from stakeholders on their needs; an examination of applicable lessons learned, including relevant risks, constraints and assumptions; and an exploration of questions such as:

- (a) What is the role of the CDM of the future?
- (b) What are the short, medium and long-term objectives in the Board's strategic management of the CDM?
- (c) What are the key elements of context that need to be taken into account in the next two years?

4.2. Building the CDM BMAP

11. At the conclusion of the strategic planning session, the secretariat begins to prepare a first draft of the two-year BMAP, starting with translating the Board's discussions into goals and objectives.

12. For each goal and objective, the BMAP defines the approach, activities and resource requirements. Specifically, the BMAP:
 - (a) Includes the goals and objectives agreed upon by the Board as relevant for the two-year period;
 - (b) Links to each of the goals and objectives specific operational activities and projects, including estimated volumes of outputs, deliverables and resource requirements (staff and non-staff costs);
 - (c) Provides information on the programme budget including income, expenditure and budget comparison tables, the balance of carryover from previous years, a breakdown of the proposed budget by object of expenditure, and projected year-end balances and forecasting tables;
 - (d) Includes information on how resources are allocated and the strategy for ensuring the prudent management of resources over time.
13. The secretariat also issues a call for input to secretariat team leads, project managers, and the Board to collect input on operational activities, continuing projects and new project ideas for inclusion in the confidential draft MAP (which will be presented to the Board in its second-to-last Board meeting of the year), in addition to conducting a data gathering and data analysis process to identify:
 - (a) Operational activities and projects that should continue;
 - (b) Operational activities and projects that are no longer worth continuing and should be dropped;
 - (c) New projects for inclusion;
 - (d) Estimates of staff months (P and G efforts) and non-staff costs required in relation to each operational activity and project included.
14. During the development of the BMAP, the SDM management committee conducts a number of internal reviews to ensure:
 - (a) The alignment of proposed operational activities and projects with the Board's goals and objectives;
 - (b) All CMP and Board mandates are accounted for;
 - (c) Prudent allocation of staff and financial resources, including sufficient accompanying data to allow the Board to understand the basis for the estimated allocations;
 - (d) Potential issues and risks are identified and managed;
 - (e) Information provided in the document is presented in a way that allows easy understanding of what resources are proposed, facilitating discussion among the Board with minimal explanatory interventions required by the secretariat.
15. Tools supporting the preparation of the BMAP include the secretariat's ETS, the financial system UMOJA, the SDM monthly financial reports and the project and operational activity dashboards. Board members can, at any time, request the secretariat to provide

data from the these systems relating to volumes, staff effort, non-staff costs or deliverables.

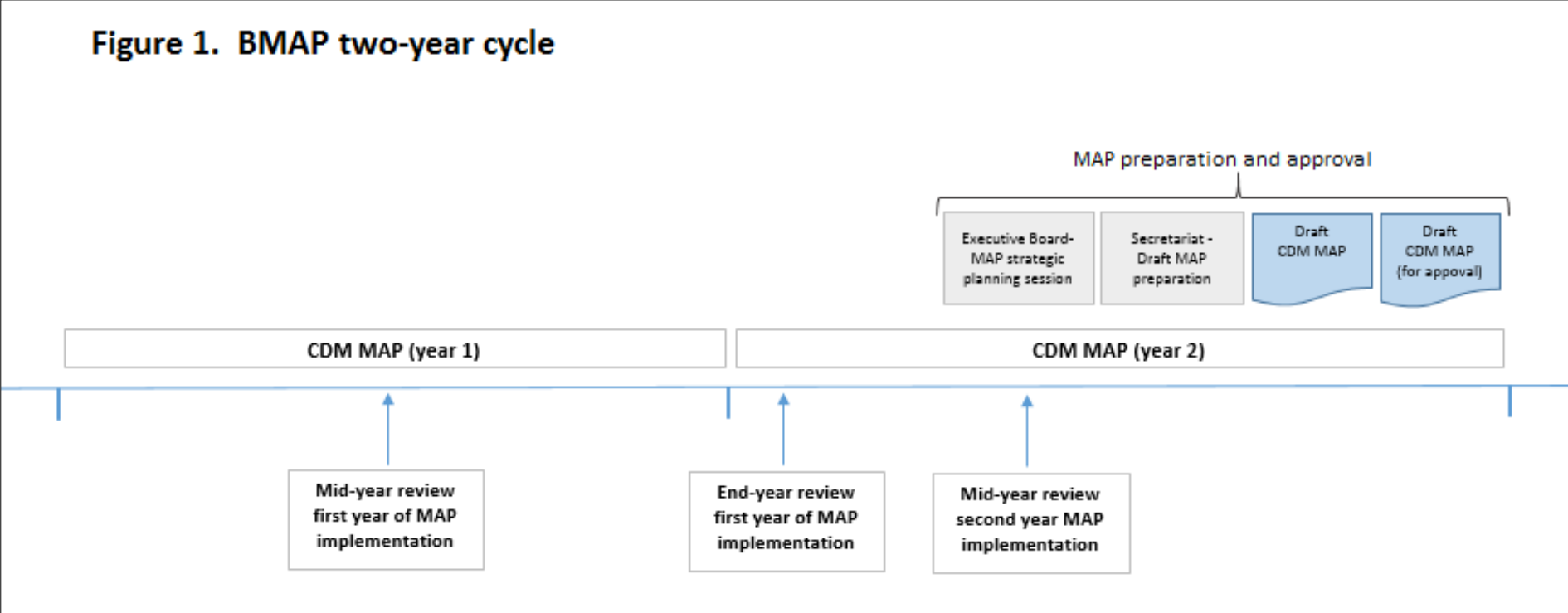
5. Approving the BMAP

16. The BMAP approval process follows a two-step approach:
 - (a) A **confidential draft BMAP** is included in the annotated agenda of the second-to-last Board meeting of the year. The purpose of the document is to seek the Board's guidance on the structure and content;
 - (b) The secretariat takes note of the inputs from the Board and produces a revised **draft BMAP for final approval** in the annotations of the agenda for the last Board meeting of the year. After approval by the Board, the document is included and published as an annex to that meeting report. The BMAP will be implemented at the beginning of the next calendar year.
17. This two-step approach aims at providing the Board with ample opportunity to discuss the draft BMAP and allows for the secretariat to incorporate important feedback before a final consideration for approval by the Board.

6. Monitoring, reviewing and reporting

18. Regular reports on the status of implementation of the two-year BMAP shall be prepared by the secretariat (see figure). The purpose of the reports is to allow the Board an opportunity to assess the secretariat's implementation of the BMAP and offer guidance on refining, as needed, the direction of future work and the associated budget as close as possible to the:
 - (a) Mid-year of the first year of BMAP implementation; (shall inform the Board meeting at its mid-year meeting in the first MAP year)
 - (b) End-year of the first year of BMAP implementation (shall inform the first Board meeting of the next MAP year);
 - (c) Mid-year of the second year of BMAP implementation (shall inform the CDM strategic planning session in the second MAP year);
19. The review report shall include information on achievements made against the Board's goals, associated objectives, and specific operational activities and projects included in the BMAP and provide information on the programme budget including income, expenditure and how resources were allocated during the reporting period.

Figure 1. BMAP two-year cycle



Document information

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