

CDM-2017SC-INFO01

Regular report

Annual report on stakeholder communications

Version 01.0



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1. Introduction

1. At its sixty-second meeting, the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) adopted the “Procedure: direct communication with stakeholders” and subsequently revised the procedure at its eighty-second meeting. The procedure requires the secretariat to submit an annual report to the Board on all communications received through the dedicated interface on the UNFCCC CDM website, including letters to the Board, emails, and inputs received during workshops and events.
2. The report covers the period from 1 January 2017 to 31 December 2017 and includes a summary and analysis of communications to the Board and the secretariat.

2. Analysis of communications

2.1. Scope

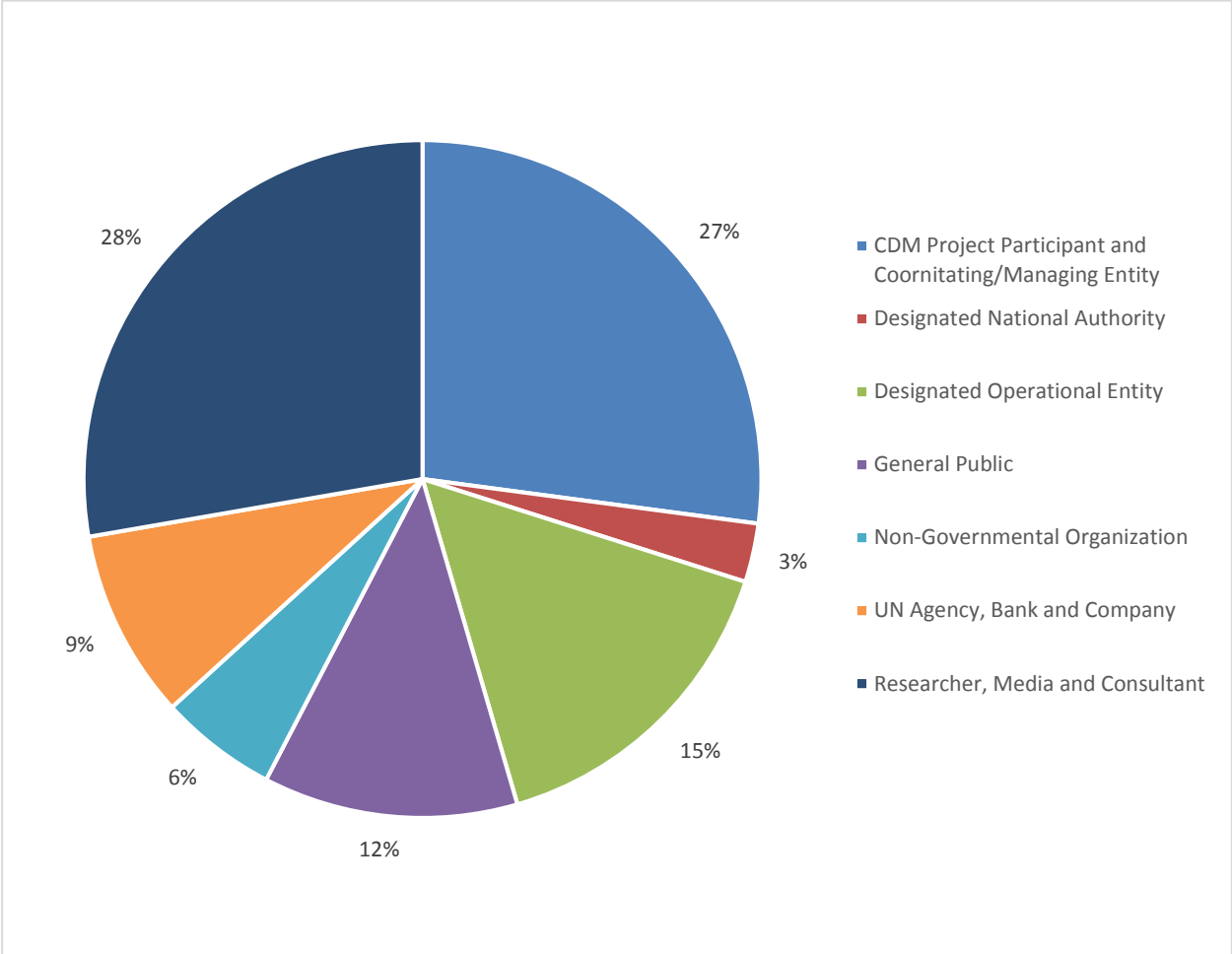
3. The scope of the analysis includes: (i) stakeholder communications related to improving the understanding and application of CDM rules; and (ii) feedback on existing CDM rules. Stakeholder communications that are “case-specific” (e.g. dealing with the processing of cases relating to registration, issuance, accreditation, methodologies or standardized baselines) fall outside the scope.¹
4. During the period under review, a total of 530 stakeholder communications were received and processed. Of these, 33 were letters to the Board, 288 were emails to the secretariat and 209 were emails to the regional collaboration centres (RCCs).

2.2. Communications by stakeholder type

5. CDM project participants, coordinating/managing entity, designated national authorities (DNAs), designated operational entities (DOEs), general public, non-governmental organizations, UN agencies, development banks and companies, and researchers, media and consultants were among the submitters.

¹ Stakeholder queries and communications received during CDM workshops and events planned and organized by the Regional Collaboration Centres are included in the analysis provided in this report, including in section 3 on impact.

Figure 1. Per cent of communications by stakeholder type

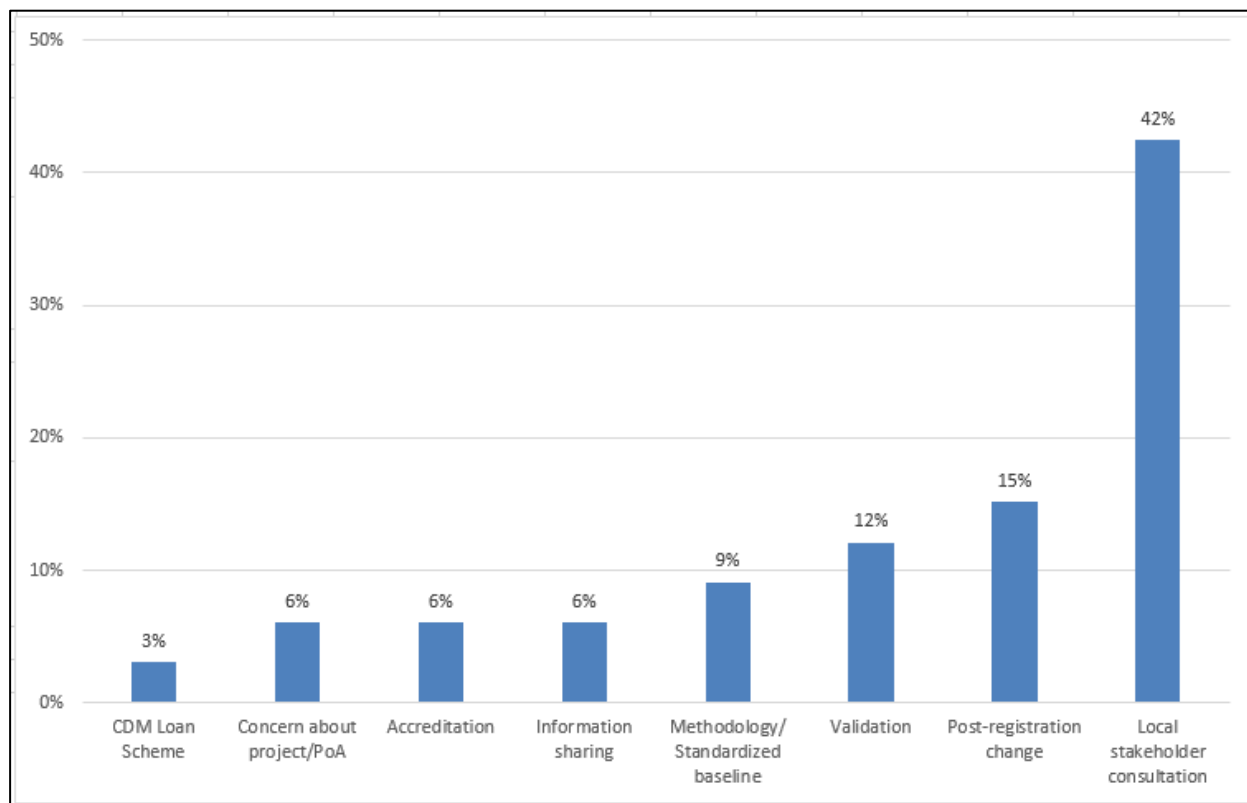


2.3. Main topics

2.3.1. Letters to the Board

- 6. Letters to the Board were primarily related to: (i) the CDM Loan Scheme; (ii) concern about a project activity/programme of activities (PoA); (iii) accreditation; (iv) information sharing with the Board about greenhouse gas emission reduction initiatives; (v) applicability of methodologies/standardized baselines; (vi) validation; (vii) post-registration change; and (viii) requests for exemption from the requirement of completing the local stakeholder consultation before the start date of the project activity/PoA.
- 7. Figure 2 below shows the most frequent topics of enquiry.

Figure 2. Letters to the Board by topic



8. Table 1 summarizes the main resolution/outcome for each main topic included in letters to the Board.

Table 1. Letters to the Board by topic and resolution/outcome

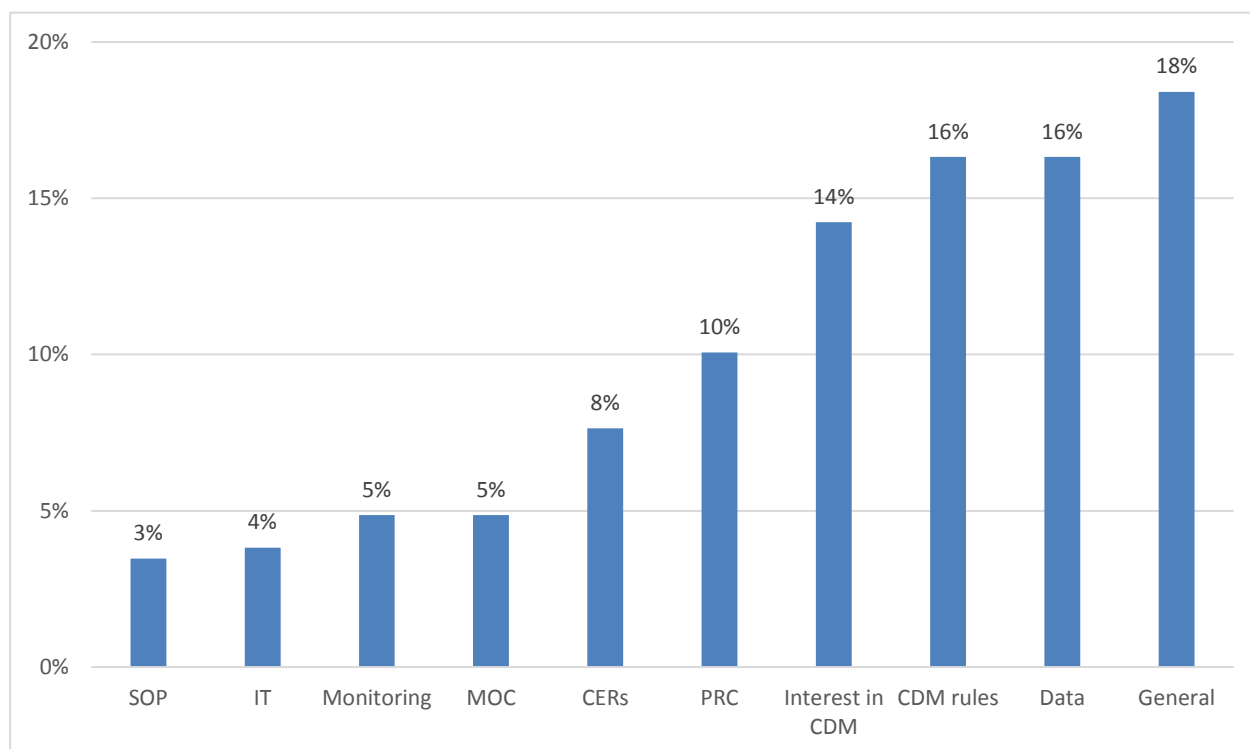
Reporting year: 1 January 2017 to 31 December 2017		
Most common topics	Issues raised	Resolution/outcome
CDM Loan Scheme	Case-specific submission	Redirection of communications to the implementing agency of the CDM Loan Scheme
Concern about project/PoA	Alleged environmental concerns, not implementing PoA in accordance with the registered project/ PoA documentation	Clarification provided on DOE's on-site verification role
Accreditation	Use of external individuals in technical review, on-site assessment	Clarification provided on accreditation standard/procedure
Information sharing	Informing the Board about emission reduction projects in transport sector	Information noted and feedback provided to consider the CDM

Reporting year: 1 January 2017 to 31 December 2017		
Methodology/Standardized baseline	Applicability of methodologies/standardized baselines; updating of standardized baseline	Clarification provided on applicability condition of methodologies/standardized baselines; response given to request related to updating of standardized baseline
Validation	Request for clarification on validation reports for inclusion of component project activities; change of DOE during validation	Clarification provided on validation report (details in section 3.1 below); response given to request related to change of DOE during validation
Post-registration change	Change of ownership of project activity; change of eligibility criteria; request to change scale from small-scale PoA to large-scale PoA; request to elaborate the requirement of post-registration changes for PoA	Clarification provided on specific post-registration change cases; took note of the request to elaborate the requirement of post-registration changes for PoA (details in section 3.1 below)
Local stakeholder consultation (LSC)	Timing of LSC: seeking exemption from the requirement of completing the LSC before the start date of the project activity/ PoA	Exemption granted by the Board, as appropriate

2.3.2. Substantive queries to the secretariat

9. Queries to the secretariat were primarily related to: (i) share of proceeds (SOP); (ii) information technology (IT) workflow issues; (iii) monitoring; (iv) modalities of communication (MOC); (v) certified emission reductions (CERs) (cancellation, carry-over and issuance of CERs); (vi) post-registration changes (PRC), including renewal of crediting period; (vii) interest/participation in the CDM; (viii) request for clarification on CDM rules (e.g. prior consideration of the CDM, local stakeholder consultation, validity/applicability of methodologies, letter of approval, accreditation); (ix) request for CDM data and analysis; and (x) general, administrative and/or operational issues.
10. Figure 3 shows the most frequent topics of enquiry.

Figure 3. Queries to the secretariat by topic



11. Table 2 summarizes the main resolution/outcome for each main topic.

Table 2. Queries to the secretariat by topic and resolution/outcome

Reporting year: 1 January 2017 to 31 December 2017		
Most common topics	Issues raised	Resolution/outcome
Registration fee SOP	Request for clarification on fee structure; partial payment of SOP	Reference to existing rules and requirements; new partial payment rules adopted by the Board (details in section 3.1 below)
IT workflow issues	Erroneous uploading of project documentation; PoA workflow	Resolution of IT issues raised by the users of UNFCCC CDM website/workflow; launch of new PoA workflow (details in section 3.2 below)
Monitoring issues	Enquiries on on-site inspection; preparation of monitoring reports	Reference to existing rules and requirements
Modalities of communication	General queries related to changes to the “Modalities of communication statement”	Provision of general information and links to how-to guides available on the UNFCCC CDM website

Reporting year: 1 January 2017 to 31 December 2017		
CERs (cancellation, carry-over, issuance)	Requests concerning the voluntary cancellation of CERs and CERs in general; procedural requests (deadlines and process); batch issuance; partial forwarding; deadlines; and errors in issuance dates	Provision of general information
Post-registration changes	Request for clarification of post-registration change and renewal of crediting period rules and requirements	Reference to existing rules and requirements
Interest/participation in the CDM	Enquiries on the carbon market, eligibility to participate in the CDM, carbon pricing, offsetting, how to procure CERs, grants for projects, sharing of project ideas, etc.	Provision of general information
CDM rules and regulations	Enquiries on the CDM rules and regulations related to prior consideration of the CDM, local stakeholder consultation, validity/ applicability of methodologies, letter of approval, and accreditation	Reference to existing rules and requirements; provision of general information on accreditation status of DOEs (details in section 3.2 below)
CDM data and analysis	Request for CDM data and analysis for research purposes	Provision of general information
General, administrative and/or operational issues	General inquiries related to where to find CDM-related information; media queries; and concern about CDM project/PoA	Provision of general information; reference to existing rules and requirements; advice to contact another relevant institution or body (e.g. DNA)

3. Impact of stakeholder communications on the regulatory framework and/or operations of the CDM

12. Letters to the Board and queries to the secretariat received through the stakeholder communications process are responded to in accordance with the “Procedure: Direct Communication with stakeholders” and within 35 and 15 calendar days, respectively. Swift responses on stakeholder queries seeking clarification on CDM rules and regulations by RCCs operating in the region, consideration of most of the letters by the Chair of the Board and handling of stakeholder queries centrally by a dedicated team in the secretariat, streamlined the stakeholder communications process. The information received through this process is reviewed and assessed regularly and supports the continuous improvement of CDM regulations and operations. Additionally, annual reports are published on the UNFCCC CDM website² on the following key performance indicators related to stakeholder communications:

- (a) Proportion of communications to the Board processed within the specified timelines;

² <<https://cdm.unfccc.int/EB/report/>>.

- (b) Proportion of communications to the secretariat processed within the specified timelines;
 - (c) Proportion of communications escalated to the Chair of the Board by a stakeholder after a response is received from the secretariat;
 - (d) Proportion of stakeholders using the correct channels of communication.
13. As a result of the monitoring and continuous improvement processes, significant work was carried out during the reporting period. Much of this work took place under projects related to regulatory development and PoA workflow. The improvements described in this section were primarily accelerated by stakeholder feedback, as outlined in Table 1 and Table 2 above.

3.1. Improving the CDM rules and regulations

3.1.1. Partial payment of SOP

14. Communications were received from stakeholders that made proposals on partial payment of SOP.
15. The Board, at its ninety-sixth meeting, approved changes to the CDM project cycle procedures with respect to the SOP for administration. The changes entered into force on 1 January 2018³ and further changes will enter into force in 2018.

3.1.2. Validation and verification report forms

16. Following the entering into force of the new CDM regulatory documents (CDM project cycle procedure, CDM project standard and CDM validation and verification standard for project activities and PoAs), DOEs enquired about the availability of new validation and verification report forms corresponding to these new regulatory documents. In addition, DOEs identified inconsistency in some existing forms and suggested changes to these forms.
17. The secretariat expeditiously prepared the new validation and verification forms and made them available to the DOEs/public. Furthermore, editorial revisions were made to address inconsistencies in the forms.

3.1.3. Requirement of post-registration changes for PoAs

18. Project developers requested the Board to elaborate the requirement of post-registration change for PoAs during future revisions of CDM regulatory documents so that the coordinating/managing entity can add a small/large-scale methodology and multiple technologies in registered PoAs having a small-scale methodology and a single technology.
19. The Board took note of the request to elaborate the requirement of post-registration changes, which will be considered at a future revision of CDM regulatory documents.

³ <https://cdm.unfccc.int/Registry/guidance/index.html#Partial_SOP>.

3.2. Improving operational activities

3.2.1. PoA workflow

20. Stakeholders raised concerns regarding the inconvenience and difficulty faced in submitting the registration and issuance requests for PoAs.
21. The new PoA workflow for issuance is expected to be made available to external stakeholders by the end of January 2018. The PoA workflow for registration is also expected to be available in 2018.

3.2.2. Making information publicly available on the UNFCCC CDM website

22. Project developers requested accreditation status information (e.g. via the DOEs' profile page on the UNFCCC CDM website), as such information is not available and accessible to the public.
23. The Board, at its ninety-seventh meeting, considered recommendations from the Clean Development Mechanism Accreditation Panel (CDM-AP) regarding making information publicly available on the UNFCCC CDM website, on the accreditation status of DOEs. The Board requested the secretariat to consult the DOE/accredited independent entity Coordination Forum on this matter and present the proposed changes at a future meeting. The secretariat completed the process of seeking views from the DOEs in January 2018.

4. Conclusion

24. The feedback received from stakeholders resulted in the identification of areas for improvement with respect to CDM regulations and operational activities and/or acceleration of the improvement work. Many of the stakeholder concerns were addressed through a combination of operational and regulatory improvements, e.g. introduction of the new CDM regulatory framework in the context of the simplification and streamlining of the CDM. Any future work to address new areas for improvement will require further analysis and an assessment of options.

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Document information

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