

**CDM-EB100-AA-A01**

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# Status of CDM MAP 2018-2019 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 and management plan 2018-2019 was adopted at the ninety-seventh meeting of the Executive Board of the CDM (hereinafter referred to as the Board).<sup>1</sup>

### 2. Purpose

2. The purpose of this document is to provide an update to the Board on the progress made towards achieving the goals, objectives, operational activities and projects, as established in the CDM management plan (MAP) 2018-2019. The mid-year review of the first year of the CDM MAP 2018-2019 will allow the Board to assess the secretariat's implementation of the CDM MAP and offer guidance on refining the direction of future work, if needed.

### 3. Impacts

3. The Board's review of the CDM MAP 2018-2019 implementation at its one-hundredth meeting, and its subsequent guidance regarding the future direction and priorities of the secretariat's support of the CDM, will provide input to the work planned for the remainder of the year.

### 4. Recommendations to the Board

4. The Board may take note of the status of the CDM MAP 2018-2019 as at 30 June 2018 and advise any mid-course adjustments that may be required.

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<sup>1</sup> See CDM-EB97-A01-INFO <<https://cdm.unfccc.int/Reference/Notes/index.html>>.

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## **1. Introduction**

1. The clean development mechanism (CDM) two-year business and management plan 2018-2019, adopted at the ninety-seventh meeting of the Executive Board of the CDM (hereinafter referred to as the Board), documents the goals and objectives of the CDM and the approach, activities and resources required to support the effective execution of the goals and objectives in 2018 and 2019.
2. This document describes the status of implementation of CDM management plan (MAP) 2018-2019 for the period 1 January through 30 June 2018, the activities and projects underway and the financial and human resources of the secretariat's Sustainable Development Mechanisms programme (SDM), which supports the Board and operation of the CDM.

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

3. This mid-year review reports on the 58 operational activities and six projects. Of the total of 64 CDM MAP activities, 31 have volume data forecasts associated with them (e.g. number of expected cases, assessments, stakeholder queries, etc.). For these 31 activities, table 2 in the Appendix lists both the projected annual volume data in the approved CDM MAP 2018-2019 and the actual volumes processed during the six-month reporting period under consideration.
4. The following section is a comprehensive reporting on the work performed, progress made and products delivered under each of the 58 operational activities and six projects in CDM MAP 2018-2019.

### **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**

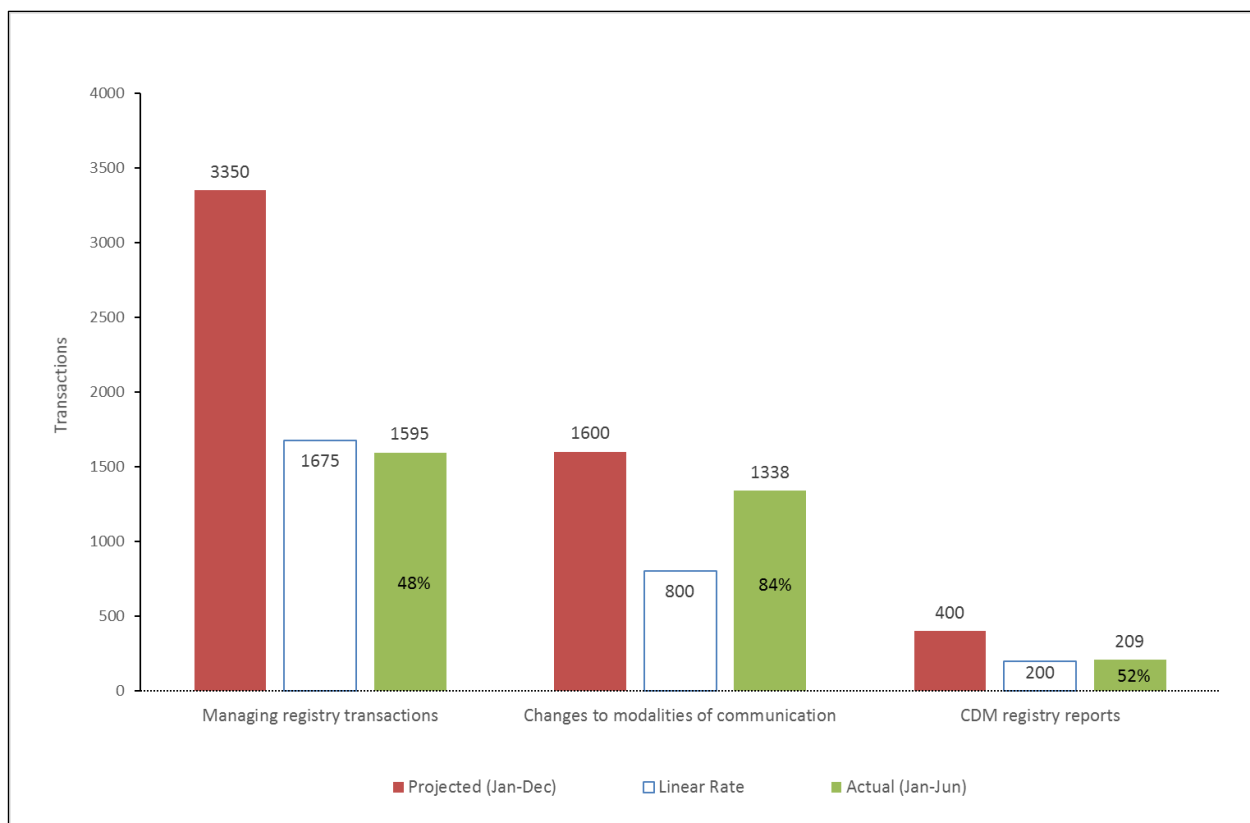
##### **CDM registry**

5. As shown in figure 1 below, during the reporting period 1,595 forwarding and cancellation transactions for certified emission reductions (CERs) were completed against the annual forecasted volume of 3,350 transactions. This corresponds to 48 per cent against a linear projected rate of 50 per cent for the six-month reporting period. Additionally, 1,338 changes to modalities of communication (84 per cent) were completed against the annual forecasted volume of 1,600 change requests.
6. The overall volume data for CDM registry-related activities are slightly higher than the linear projected volume (50 per cent) for the period under review. Volume data are expected to slightly exceed the annual forecasts as the year progresses.
7. In relation to the CDM registry reporting, 209 reports (52 per cent), including designated national authority (DNA) reports, monthly Board reports and reports to the World Bank, were completed against the annual forecasted volume of 400 reports.
8. Five voluntary cancellation seller accounts were opened under the reporting period, bringing the total number of accounts to 57 against a forecasted volume of 85 seller

accounts to be reached by the end of 2018. Outreach activities planned for the second half of the year may increase interest in the opening of seller accounts.

9. The number of voluntary cancellations recorded during the reporting period as well as the volumes of CERs cancelled is following an increasing trend compared to the first six months of 2017. A total of 807 voluntary cancellation transactions were performed for a total of 5.88 million CERs as at 30 June 2018, as compared to 568 voluntary cancellations and 4.93 million CERs for the same reporting period in 2017. Information about voluntary cancellation undertaken in national registries is not available. In April 2018, the secretariat launched a partnership with Colonial Bourses, similar to the existing partnership with Carbon Trade exchange, to reach out to new actors in the climate action domain.
10. The cancellations through the voluntary cancellation platform reached 73,482 CERs during the first six months of 2018, as compared to 65,668 CERs for the same six-month period in 2017 (12% increase).
11. Processes and systems were upgraded to embed the two major changes regarding the collection of the Share of Proceeds (SOP) approved by the Board at EB95. The revised systems were delivered on schedule, respectively on 1 January 2018 (partial payment of SOP for CERs lying in the pending account of the CDM registry), and on 1 June 2018 (payment of SOP prior to the commencement of the completeness check of requests for issuance).
12. Work on PROJ255 Stranded CERs on the development of options to deal with CERs that were accumulated in the pending account of the CDM registry and for which SOP is due, will begin in the second half of the year.

**Figure 1. CDM registry operation (January–June 2018)**



### 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 (January–June 2018)**

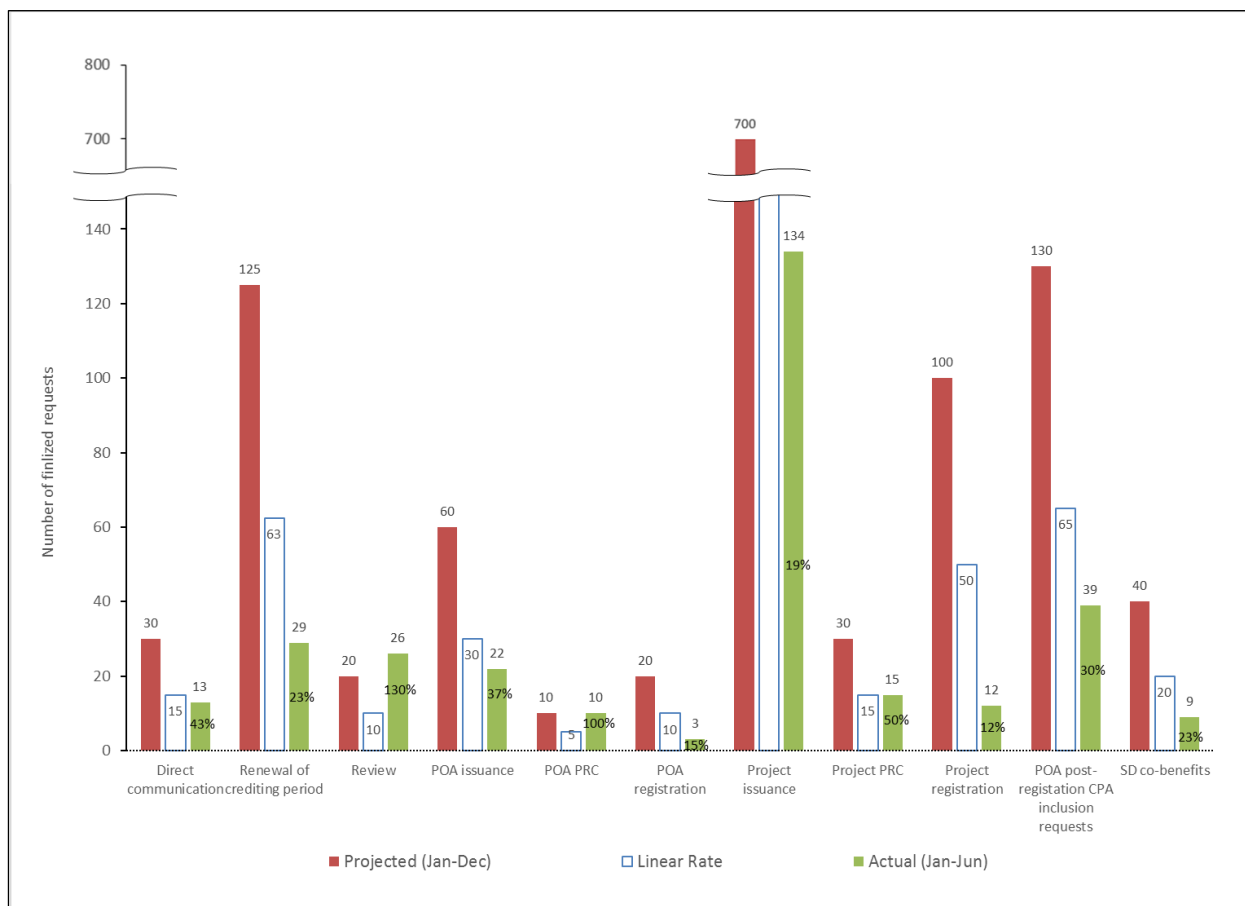
Activity	Projected annual volume MAP 2018	Linear rate (Jan-Jun 2018)	Actual volume (Jan-Jun 2018)
Requests for project issuance	700	350	134
Requests for programme of activities (PoA) issuance	60	30	22
Request for project registration	100	50	12
Request for PoA registration	20	10	3 <sup>1</sup>
Requests for project post registration changes (PRC)	30	15	15
Request for PoA PRC	10	5	10
Request for renewal of crediting period	125	63	29
Request for review	20	10	26

<sup>1</sup> These include the processing of 40 CPAs.

<b>Activity</b>	<b>Projected annual volume MAP 2018</b>	<b>Linear rate (Jan-Jun 2018)</b>	<b>Actual volume (Jan-Jun 2018)</b>
<b>Request for direct communication</b>	<b>30</b>	15	13
<b>PoA post-registration component project activities (CPAs) inclusion requests</b>	<b>130</b>	65	39

14. Of the total CERs issued, 2,573,771 CERs were issued for programmes of activities (PoAs).
15. Figure 2 shows the nine sustainable development co-benefit reports received during the reporting period. In total, nine were published against the annual forecasted volume of 40 reports (received and published).
16. In summary, table 1 indicates that volume data for seven project assessment-related activities are lower than the linear projected volume (50 per cent), one is equal to the linear projected volume and two are significantly higher than the linear projected volume for the period under review. It is observed that the data regarding actual volumes are slightly lower than the linear rate, and may be due to the fact that, since 1 June 2018 the SOP for issuance requests is being collected upfront. The slight decline is expected and it is hoped that submissions may increase after a couple of months. Overall the volumes are expected to align with the annual projections as the year progresses.
17. During the reporting period, the waiting times for commencement of project assessments were consistently below 15 days, within the limits as defined by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP).

**Figure 2. Type and number of project assessments processed against annual forecasts and the linear projected volume for the period under review (January–June 2018)**



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

### Entity assessments

18. There are currently 30 accredited Designated Operational Entities (DOEs), down from 31 DOEs at the end of 2017.
19. As shown in figure 3, during the reporting period there were nine performance assessments conducted<sup>2</sup> against the annual forecasted volume of 12 assessments. This corresponds to 75 per cent against a linear projected rate of 50 per cent for the first six-month reporting period. Three regular surveillance assessments and spot checks were conducted against the annual forecasted volume of five regular surveillance assessments and spot checks (60 per cent). Six re-accreditation and one initial accreditation assessments for DOEs/Accredited Independent Entities (AIEs) were under process during

<sup>2</sup> The figure includes nine verification performance assessments.



- the reporting period against the annual forecasted volume of 10 requests (70 per cent).<sup>3</sup> The trends in the data collection, as compared to the previous years' reporting (2015, 2016 and 2017),<sup>4</sup> 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. During the reporting period, a DOE calibration workshop was organized by the secretariat in Bonn on 28 May 2018. The workshop was attended by 10 entities, with 17 participants from Asia, Europe and Latin America. This workshop aimed to strengthen the capacity of DOEs and provided opportunities for sharing validation and verification experiences among DOEs and the secretariat with regard to the application of the revised CDM regulations approved by the CDM Executive Board. The standards and procedures for stand-alone CDM project activities and PoAs were discussed, in particular post-registration changes (PRCs), sampling, and registration and issuance of PoAs. Technical issues regarding CDM validation and verification were also discussed and clarified. The workshop also had a briefing session on the recent revision to the CDM accreditation standards and procedures. As the DOEs also work on CDM projects on the ground and are aware of project-specific problems faced by them, the workshop provided an excellent platform and opportunity for the secretariat to understand practical field-level concerns regarding the latest revised CDM standards and procedures and their implementation.
  21. Activities related to the calibration of the CDM accreditation roster of experts for Lead Assessors – including organizing the calibration sessions, providing training on revised accreditation standards and procedures, and updating Lead Assessors on the revised CDM regulations, are on track and will be conducted in conjunction with the 82<sup>nd</sup> meeting of the CDM Accreditation Panel (CDM-AP-82) in October 2018.
  22. In summary, in relation to objective 1a, table 1 of the CDM MAP 2018-2019 allocates 17 per cent of the annual approved budget to the 17 operational activities and one project activity delivering services and products in support of this objective.<sup>5</sup> Table 1 in the Appendix shows that, as at 30 June 2018, 7 per cent of the annual budgeted resources were utilized against the activities associated with this objective, which is slightly lower than the projected linear rate of 8.5 per cent for the six-month reporting period, indicating that work pertaining to CDM Registry and Project and Entity assessment is on track and progressing in accordance with the established timelines.

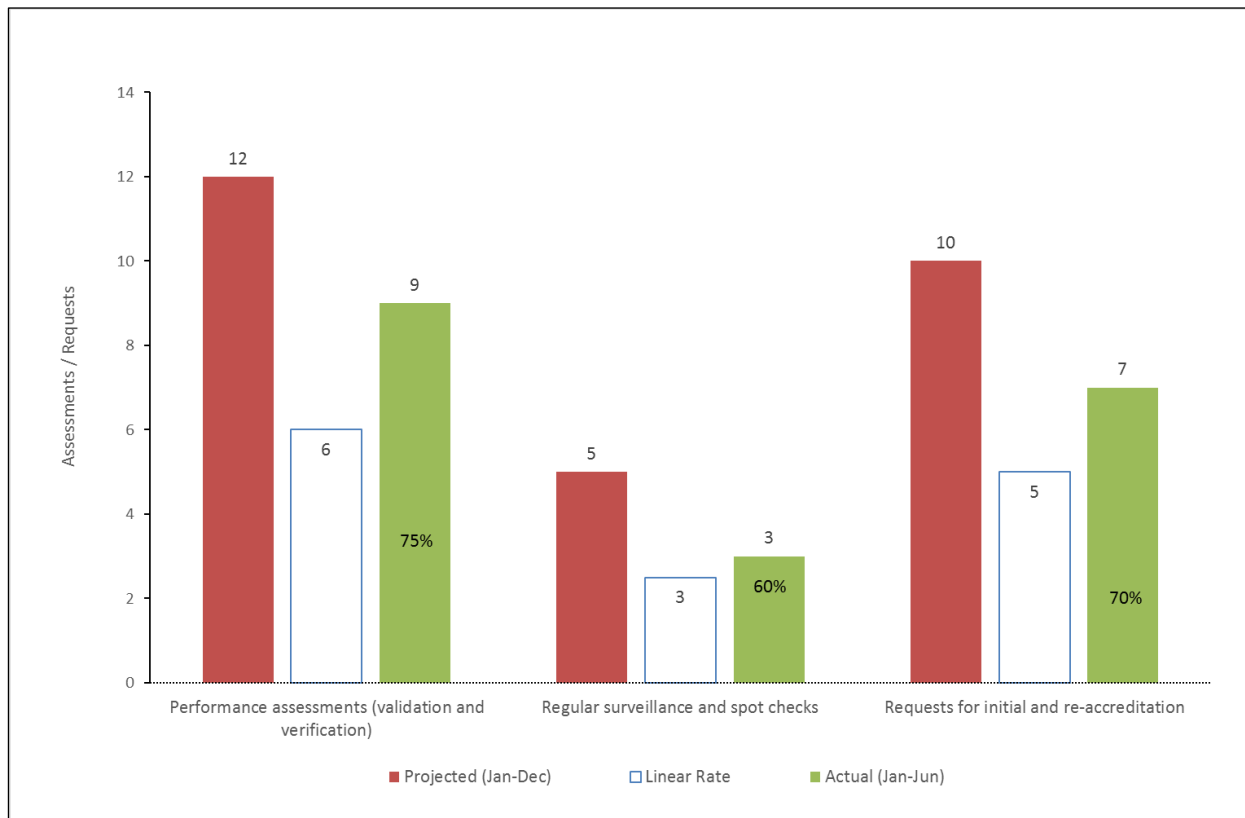
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<sup>3</sup> For assessments involving on-site visits (i.e. verification performance assessments and regular surveillance assessments), the reporting figures include only those assessments for which the last day of the on-site visit falls within in 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.

<sup>4</sup> See:  
2015 MAP Mid-Year Review (CDM-EB85-AA-04, section 2.1.1, figure 3) at <[https://cdm.unfccc.int/EB/report/index\\_old.html](https://cdm.unfccc.int/EB/report/index_old.html)>;  
2016 MAP Mid-Year Review (CDM-EB90-AA-A08, section 2.1.1, figure 3) at <<https://cdm.unfccc.int/EB/report/>>;  
2017 MAP Mid-Year Review (CDM-EB95-AA-A02, section 2.1.1, figure 3).

<sup>5</sup> For the indicative allocation of resources by objective, see CDM-EB97-A01-INFO, appendix, tables 1 and 2 at <<http://cdm.unfccc.int/Reference/Notes/index.html>>.

**Figure 3. Type and number of entity assessments processed against annual volumes and the linear projected volume for the period under review (January–June 2018)**



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

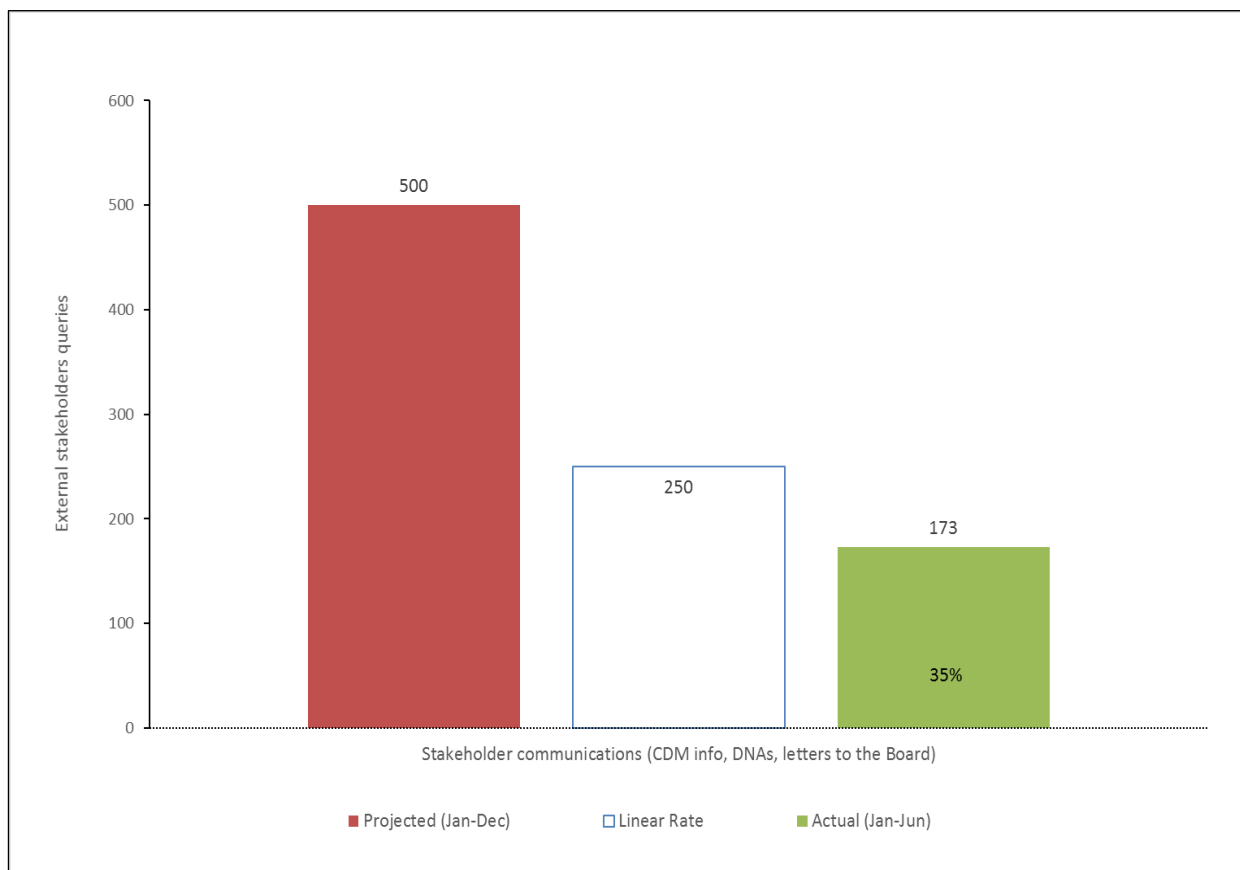
**Communications**

23. Communication focused on showcasing the CDM as a functioning, still-evolving and improving tool available to Parties as well as non-Party stakeholders, for example as part of efforts to increase the use of CERs through the Climate Neutral Now initiative. Tables 3 and 4 of the Appendix list the stories created or sourced and published on the UNFCCC Newsroom and UNFCCC CDM website. These stories were further promoted using social media.

**External queries**

24. As shown in figure 4, during the reporting period a total of 173 CDM-related queries from stakeholders were processed, including 11 communications addressed to the Board and 162 communications addressed to the secretariat. This corresponds to 35 per cent of the annual forecasted volume and is lower than a linear volume of projected queries (50 per cent) for the six-month reporting period. An additional 376 queries of an administrative nature (e.g. log-in troubleshooting, updating contact database) were processed by the secretariat.

**Figure 4. External stakeholder queries processed against the annual forecast and a linear projected volume for the period under consideration (January–June 2018)**



### Market and policy analysis

25. During the reporting period, the secretariat continued to gather intelligence on developments in global carbon markets. This work was undertaken through direct engagement with policy makers, attendance at relevant global and regional carbon market events, and review of formal and informal policy documents and announcements by various regulatory authorities. The secretariat used this intelligence to update the Board on developments in the UNFCCC process in relation to the Kyoto Protocol and Paris Agreement, including updates on carbon-pricing mechanisms globally, recent policy developments in different regions and international sectors, and the potential role of the CDM. A regular update was provided to the Board at its ninety-ninth meeting and the next is scheduled for its one hundred and first meeting. This information will allow decisions by the Board across its work programme to be informed by broader on-going developments.
26. At its ninety-ninth meeting, the Board considered the invitation from the International Civil Aviation Organization (ICAO) secretariat to the informal testing of sample programmes against draft Emissions Unit Eligibility Criteria of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). The Board responded through a letter containing summaries of the CDM processes and procedures. Accordingly, the secretariat sent the response in May 2018.

### **Secretariat interactions with stakeholders**

27. On behalf of the Board and its support structures, 18 calls for public input were sought relating to methodological issues and issues included in the annotated agenda and related annexes of the ninety-eighth and ninety-ninth meetings of the Board.<sup>6</sup>
28. During the reporting period, the Board met the DNA Forum (at EB99), the DOE/AIE Coordination Forum (at EB98 and EB99, as well as through its support structure (AP80)).
29. The 19th Global DNA Forum and a one-day training for DNAs will take place from 19 to 21 September 2018 in Bonn, Germany. Work in preparing for the forum is proceeding in accordance to the internal planning timelines.

### **Servicing of the regulatory body and its panels and working groups**

30. At its first meeting of the calendar year, the Board adopted its workplan and that of its panels, and approved the calendar of meetings. During the reporting period, two meetings of the Board (EB98 and EB99), two of the CDM Accreditation Panel (AP80 and AP81) and two of the Methodologies Panel (MP75 and MP76) were concluded. Table 8 of the Appendix includes information on the number of documents under consideration by the Board during the reporting period.
31. In addition to the activities in the approved CDM MAP 2018-2019, the workplan covers the three additional mandates<sup>7</sup> to the Board provided by the CMP at its thirteenth 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 2018-2019.
32. As per the workplan approved by the Board at its ninety-eighth meeting,<sup>8</sup> 69 products are forecasted to be delivered in 2018. During the reporting period, the Board provided 11 additional mandates (see table 6 of the Appendix), resulting in three additional products for delivery in 2018.
33. As shown in table 9 of the Appendix, as at 30 June 2018, a total of 36 products were delivered against the workplan. This is in line with the projected linear rate of 50 per cent for the first six-month reporting period. Although product delivery is not distributed equally across the 12 months of the year, the data indicate that work is proceeding as per workplans.
34. At its ninety-eighth meeting, the Board agreed to extend the terms of office of the members of the CDM-AP, the MP, the Afforestation Reforestation Working Group and the Carbon Capture and Storage Working Group for one year until the end of August 2019. At this same meeting, the Board appointed four of its members to evaluate the performance of the Registration and Issuance Team experts for 2018.

### **Accreditation system**

35. During the reporting period, 32 entities were supported, including one entity requesting initial accreditation and one entity whose accreditation was withdrawn by the Board. The

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<sup>6</sup> See Call for public inputs archives at <[http://cdm.unfccc.int/public\\_inputs/index.html](http://cdm.unfccc.int/public_inputs/index.html)>.

<sup>7</sup> Decision 3/CMP.13, paragraph 1–3

<sup>8</sup> See CDM-EB98-A01 at <<http://cdm.unfccc.int/UserManagement/FileStorage/IO9HX5V7E3TU6SYCJMD8RQFWBP10LA>>.

annual forecasted volume for the period was 31 entities. The support included day-to-day activities related to the administration of the accreditation workflow.

36. During the reporting period, 14 assessments were launched, of which two were regular surveillance assessments, four were re-accreditation assessments and eight were performance assessments. Their corresponding workplans were processed in accordance with the CDM Accreditation Procedure.
37. The Board placed one entity under suspension as the entity failed to appropriately close non-conformities raised during the last performance assessment. An additional assessment to lift the suspension status of this entity was launched. Finally, the Board withdrew the accreditation status of the entity. The Board will present these recommendations for consideration by the CMP at its 14th session.
38. During the reporting period, the Board took note of the synthesis report of the annual activity reports submitted by the DOEs for the period 1 July 2016 to 30 May 2017.
39. To increase transparency on the DOEs profile page on the CDM website, at its ninety-eighth meeting the Board agreed to make available additional information related to the status of DOEs, such as suspension, withdrawal, re-accreditation and expiry of accreditation.
40. At its ninety-ninth meeting the Board considered the information that is currently being collected from the DOEs for their annual activity report and requested the secretariat, in consultation with the CDM-AP and DOE Coordination Forum, to develop a concept note with a view to simplifying the data collection process from the DOEs for the next reporting period.
41. During the reporting period, the Board considered a recommendation from the CDM-AP on the appropriateness of the procedure for DOE performance monitoring and agreed to continue to keep the procedure on hold and continue with the temporary arrangement, as mentioned in the regulatory framework management section below.
42. No complaints from stakeholders were received during the reporting period.

#### **Registration & issuance system**

43. During the reporting period, the work on the development of the new PoA workflow progressed as planned. The PoA monitoring report and PoA issuance request workflows were deployed in the 1st quarter 2018 (Phase 1). Work on Phase 2 of the PoA workflow commenced in the 2nd quarter 2018 covering development of specific workflows for post-registration changes (for both for PoA and CPAs), renewal of PoAs, renewal of crediting period for projects and CPAs, PoA issuance review, and PoA registration (including review). Phase 2 is expected to deliver several products by year end, and the project is likely to close during the first half of 2019. With the deployment of PoA monitoring reports and PoA issuance request workflows, the efficiency of processing PoA issuance submissions increased considerably, and manual interventions have decreased, thus reducing the possibility of errors. Further, as referenced in the entity assessments section of this report, during the DOE calibration workshop, this newly deployed workflow was well received and highly appreciated by the participants.
44. In relation to Registration and Issuance system support, activities have been conducted to support the project assessment including all complementary system support work such as uploading of summary notes, monitoring reports, issuance reports, Board objections,

rejections rulings, updated documents related to direct communication, and queries from project participants.

### **Regulatory framework management**

45. The Board, at its ninety-eighth meeting, adopted the revised “CDM accreditation standard”, which included a revision of the provisions of on-site evaluation of DOE personnel and incorporated clarifications issued by the Board at its eighty-sixth meeting.
46. At the same meeting, the Board adopted the revised “CDM accreditation procedure”, which included the extension until 2020 of the temporary arrangement of reduced frequency of performance assessments of DOEs, i.e. minimum three mandatory performance assessments in the five-year accreditation cycle for any DOE, and the revision of the modalities for performance assessments of verification activities.
47. The Board issued an amendment to the “CDM validation and verification standard for programmes of activities” at the same meeting. The amendment removed an irrelevant footnote that had inadvertently been retained when the document was revised from the previous version.
48. At its ninety-ninth meeting, the Board considered a joint concept note from secretariat and the MP on changes to the CDM rules of post-registration changes to CDM project activities, PoAs or CPAs, and agreed to have the changes be reflected in the next revision of the relevant CDM regulatory documents.
49. At the same meeting the Board considered a concept note on the process for renewal of crediting period of CDM project activities and the PoA period, which included proposals to simplify and improve the current process. Regarding the consequence of the gap period in the PoA period renewal, the Board agreed to not allow new CPA inclusion or renewal during the gap period and requested the secretariat to reflect the agreed change in the relevant CDM regulatory documents.<sup>9</sup>
50. Further, the Board considered a concept note on simplification of the process for the development and approval of standardized baselines and agreed to reflect the changes in the next revision of the relevant CDM regulatory documents.
51. The Board adopted the revised “Procedure: Submission and consideration of microscale renewable energy technologies for automatic additionality” to update the definition of “special underdeveloped zones” and correct the titles of the documents referenced in the procedure.
52. In summary, in relation to objective 1b, table 1 of the CDM MAP 2018-2019 allocates 25 per cent of the annual approved budget for 2018 to the 17 operational activities delivering services and products in support of this objective.<sup>10</sup> Table 1 in the Appendix shows that, as at 30 June 2018, 10 per cent of the total budgeted resources for 2018 were utilized against the activities associated with this objective, which is slightly lower than the projected linear rate of 12.5 per cent for the six-month reporting period. The work under

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<sup>9</sup> Revised regulatory PoA documents will be presented at EB100 as per approved EB Workplan CDM-EB98-A01 <[cdm.unfccc.int/UserManagement/FileStorage/IO9HX5V7E3TU6SYCJMD8RQFWBP10LA](http://cdm.unfccc.int/UserManagement/FileStorage/IO9HX5V7E3TU6SYCJMD8RQFWBP10LA)>.

<sup>10</sup> For the indicative allocation of resources by objective, see CDM-EB97-A01-INFO, Appendix, table 1 and 2 at <<http://cdm.unfccc.int/Reference/Notes/index.html>>.

this objective is on track and progressing in accordance with the established timelines in the current Board-approved workplan.

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

#### Methodologies

53. During the reporting period, the Board adopted one new methodology<sup>11</sup> and approved the revision of four methodologies and tools.<sup>12</sup> Approval of these methodological standards will facilitate the implementation of project activities for renewable energy, energy efficiency and transport. Approval will also streamline the provisions for additionality demonstration.
54. Figure 5 below provides data for the six-month reporting period relating to methodologies work. During the reporting period, the following requests for clarification and revision were processed:
  - (a) Nine requests for clarifications were fully concluded;
  - (b) Two requests for clarification and one request for revision of methodology were under process.
55. A total of 12 methodology requests<sup>13</sup> were processed against the annual forecasted volume of 15 requests.<sup>14</sup>
56. During the reporting period, details of the processing of standardized baselines were as follows:
  - (a) Two standardized baseline submissions were approved during the reporting period;<sup>15</sup>
  - (b) 18 standardized baselines were under process.<sup>16</sup>

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<sup>11</sup> AMS.III.BM Lightweight two- and three-wheeled personal transportation.

<sup>12</sup> ACM0006: Electricity and heat generation from biomass; TOOL04: Emissions from solid waste disposal sites; AMS-III.AJ: Recovery and recycling of materials from solid wastes; Methodological TOOL21: Demonstration of additionality of small-scale project activities.

<sup>13</sup> **Requests completed:** 3 submitted in 2017: AM\_CLA\_0276, CLA\_TOOL\_0026 and SSC\_731; and 6 submitted in 2018 reporting period: AM\_CLA\_0278, SSC\_732, SSC\_733, SSC\_734, SSC\_735 and SSC\_736. **Requests under process:** 3 submitted in 2018 reporting period: SSC\_737, SSC\_738 and SSC\_739.

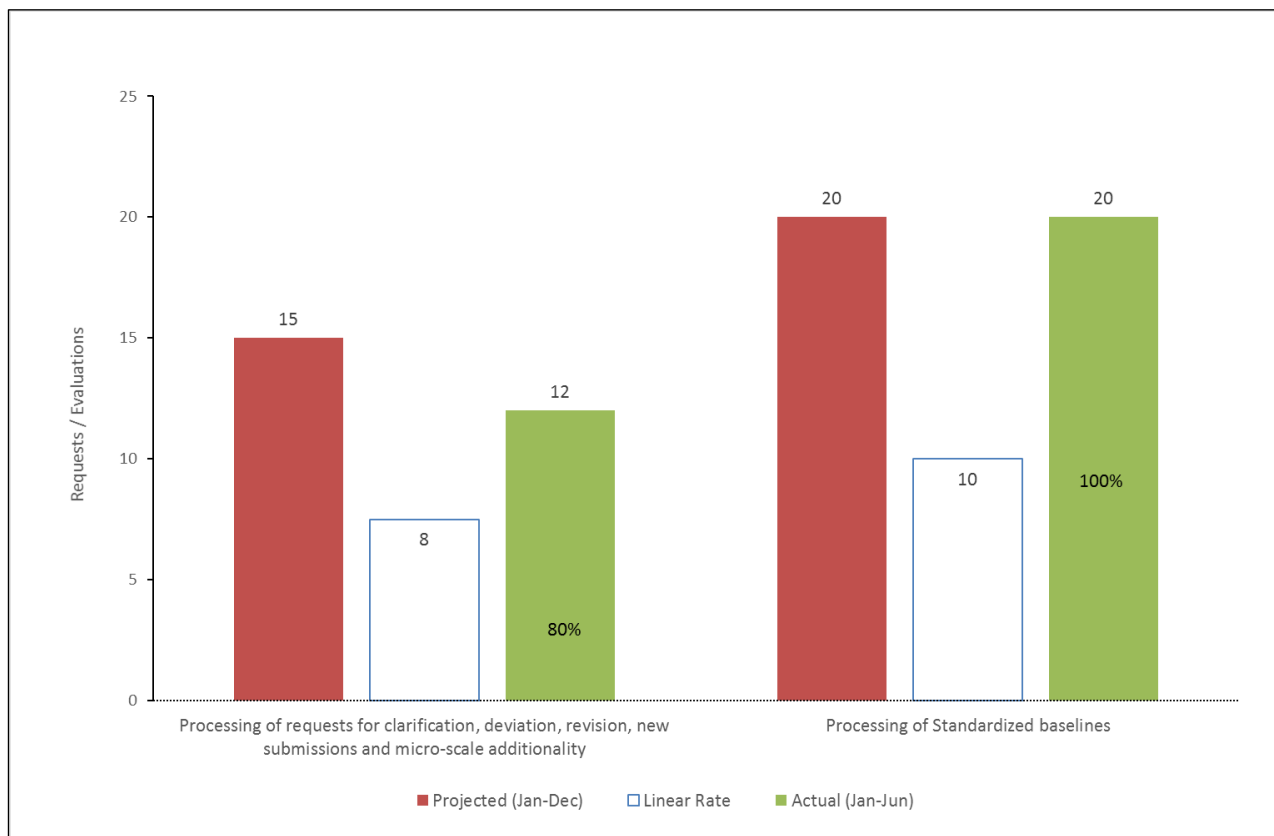
<sup>14</sup> The number also includes submissions from earlier reporting periods but still under process. This is because these items require additional work during the current reporting period.

<sup>15</sup> See Approved Standardized Baselines ASB0011-2018 and ASB0038-2018 at <[https://cdm.unfccc.int/methodologies/standard\\_base/2015/sb4.html](https://cdm.unfccc.int/methodologies/standard_base/2015/sb4.html)>.

<sup>16</sup> See standardized baselines under process:

- (a) Bottom-up: PSB0002, PSB0013, PSB0020, PSB0021, PSB0027, PSB0031, PSB0032, PSB0039, PSB0040, PSB0041, PSB0043, PSB0044 and PSB0045 (submitted during previous reporting periods and under process) at [https://cdm.unfccc.int/methodologies/standard\\_base/2015/sb2.html](https://cdm.unfccc.int/methodologies/standard_base/2015/sb2.html).
- (b) Top-down: TSB0002, TSB0006, TSB0008, TSB0011 and TSB0012 at <[https://cdm.unfccc.int/methodologies/standard\\_base/2015/sb5.html](https://cdm.unfccc.int/methodologies/standard_base/2015/sb5.html)>.

**Figure 5. Methodology requests and processing of standardized baselines against annual forecast (January–June 2018)**



57. The four approved projects under objective 1(c) delivered the following:

- (a) **PROJ256 Digitization of methodologies for web-based generation of project design documents and monitoring templates.** Progress on products associated with this project is shown in table 2 below. Work is proceeding in accordance with the latest Board-approved workplan;

**Table 2. PROJ256 Digitization of methodologies for web-based generation of project design documents and monitoring template (January–June 2018)**

Product title/short description	% complete	Forecasted delivery 2018
Integration of ACM0002 into digitized system	30%	Jan.- Dec.
Progress report	80%	EB100
Road testing of digitized ACM0002	0%	Sept.- Dec.



- (b) **PROJ110 Further development of the standardized baselines framework.** The Board considered a concept note on the simplification of the process for the development and approval of standardized baselines and agreed on a few areas for improvement in the regulatory documents related to standardized baselines and decided to maintain the current provision regarding the preparation of assessment reports.
- (i) Progress on all products associated with this project is shown in table 3 below. Work is proceeding in accordance with the latest Board-approved workplan;

**Table 3. PROJ110 Further development of the standardized baselines framework (January–June 2018)**

Product title/short description	% complete	Forecasted delivery 2018
Revision of Guidelines for establishment of sector-specific standardized baselines	90%	EB100 [through MP report]
Development of standards with a methodological framework building energy efficiency improvement (new tool)	90%	EB100 [through MP report]
Simplification of the process for the development and approval of standardized baselines	90%	EB100

- (c) **PROJ244 Development of new methodologies to broaden the applicability of the CDM.** The Board considered one concept note on extending the applicability of CDM methodologies for recycling materials that have a higher footprint, and agreed not to initiate work in this area.
- (i) The Board also approved upon recommendation from the MP:
- a. “AMS.III.BM: Methodology for lightweight two- and three-wheeled personal transportation”, which applies to project activities that shift the mode of transport of urban passenger to mechanical bicycles, e-bikes, tricycles or e-tricycles;
  - b. “AMS-I.H: Biofuel production and use for energy generation in stationary applications”;
  - c. “AMS-III.AK: Biofuel production and use for transport application”.
- (ii) During the reporting period, work was carried out on development of methodologies in new areas of the transport sector covering two- and three-wheeled personal transportation e.g., (bicycle) and improved operation of public transportation (e.g. traffic management measures).
- (iii) In addition, during the reporting period, work was carried out on the standardization of methods in broadly applicable methodologies covering cities (with particular focus on energy efficiency measures in residential, commercial and institutional buildings), transport and agriculture. Options to use reliable data collected by national authorities and national, regional or

international codes or certification systems (e.g. building energy codes) were integrated.

- (iv) 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, with a slight delay expected in one product (i.e. agriculture CDM).

**Table 4. PROJ244 Development of new methodologies to broaden the applicability of the clean development mechanism (January–June 2018)**

Product title/short description	% complete	Forecasted delivery 2018
Methodologies for biofuel activities	100%	EB98 [through MP report]
Methodologies for recycling materials that have higher carbon footprints (concept note)	100%	EB99
Methodology for lightweight, two- or three-wheeled personal transportation infrastructure	100%	EB99 [through MP report]
Improved operation of public transportation	90%	EB100 [through MP report]
Methodological options for developing 'agriculture CDM'	75%	EB101 [through MP report]
Use of the CDM in urban sectors	50%	EB101 [through panel/WG]

- (d) **PROJ223 Simplification of methodologies.** During the six-month reporting period the Board considered:

- (i) A concept note on the prioritization of methodologies for revision to include non-binding best-practice examples. The Board mandated further work to revise methodologies to include non-binding best-practice examples in four methodologies (ACM006, AMS-II.G, ACM0019, AMS-I.C)<sup>17</sup> and requested that feedback be collected from users to identify further simplification. The Board mandated work to revise the methodological tool “TOOL06: project emission from flaring” to include non-binding best-practice examples;
- (ii) An information note on the analysis of methodologies for application of “TOOL02: combined tool to identify the baseline scenario and demonstrate additionality”, and agreed to maintain the current approach of referring to both Combined Tool and “TOOL01: tool for demonstration and assessment of additionality” in methodologies;
- (iii) A recommendation of the MP on the approval of the draft revised methodology “ACM0002: Grid-connected electricity generation from renewable sources” which extends the validity of the positive list by one year. The Board approved the revision of ACM0002 and mandated further work to develop options for updating positive lists;

<sup>17</sup> ACM006: Electricity and heat generation from biomass; AMS-II.G: Energy efficiency measures in thermal applications of non-renewable biomass; ACM0019: N2O abatement from nitric acid production; AMS-I.C: Thermal energy production with or without electricity.

- (iv) A recommendation of the MP on the approval of the revised “TOOL21: Demonstration of additionality of small-scale project activities” including an expanded positive list. The Board approved the revision of TOOL21 and mandated further work to evaluate the appropriateness of the threshold on “TOOL19: Demonstration of additionality of microscale project activities” and add positive lists of technologies in four methodologies;
- (v) Progress on all products associated with this project is shown in table 5 below and is proceeding in accordance with the latest Board-approved workplan.

**Table 5. PROJ223 Simplification of methodologies (January–June 2018)**

Product title/short description	% complete	Forecasted delivery 2018
Analysis of methodologies for the application of TOOL02 “Combined tool to identify the baseline scenario and demonstrate additionality”	100%	EB99 [through MP report]
Revised methodological TOOL27 “Investment analysis”	40%	EB101 [through MP report]
Non-binding best practice examples in the methodologies	65%	EB100, EB101 <sup>(a)</sup> [through MP report]
Small-scale and microscale additionality tools with revised criteria for positive list	100%	EB99 [through MP report]
Various top-down revised/new methodologies and tools mandated by the Board	65%	EB99, EB100, EB101 [through MP report]

<sup>(a)</sup> New mandate received. See CDM-EB99, paragraph 28.

58. In relation to objective 1c, table 1 of the CDM MAP 2018-2018 allocates six per cent of the 2018 approved budget to the two operational activities and four projects delivering services and products in support of this objective.<sup>18</sup> Table 1 in the Appendix shows that, as at 30 June 2018, two per cent of the total budget resources for 2018 was utilized against the activities associated with this objective, which is slightly lower than the projected linear rate of 3 per cent for the six-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 the demand for, and participation in, the clean development mechanism**

### **Partnerships and engagement activities**

59. During the reporting period, activities relating to partnerships and engagement activities in support of the CDM MAP 2018-2019 goals and objectives included:

- (a) Strategic missions, including participation in:
  - (i) International Standards Organisation working group meetings relevant to the CDM;

<sup>18</sup> For the indicative allocation of resources by objective, see CDM-EB97-A01-INFO, Appendix, tables 1 and 2 at <<http://cdm.unfccc.int/Reference/Notes/index.html>>.

- (ii) ICAO working group meetings to ensure that the development of the CORSIA rulebook takes into consideration the CDM;
  - (iii) Innovate4Climate (formerly Carbon Expo);
  - (iv) Africa Carbon Forum;
  - (v) Sustainable Innovation in Sport 2018 and Dialogue on golf's voluntary industry standard and metrics to promote the use of CERs as a means to reduce the climate footprint within the sports sector;
  - (vi) International experts' workshop/meetings on "Standardized Baseline Update and National MRV";
  - (vii) Green Finance as mandated by the Board under agenda item "Financing and use of the CDM by international finance institutions".
- (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**

60. The Nairobi Framework<sup>19</sup> coordination and regional activities, which have a specific focus on promoting the use of CDM and other market-based instruments in Africa, least developed countries and small island developing states, included the following activities during the six-month reporting period:
- (a) A series of coordination meetings were held on-line and on the side-lines of the Innovate4Climate event in May 2018 in Frankfurt, Germany. The overall objective of the meeting was to bring together partners and cooperating organizations, including senior directors, to review the workplan and results achieved and agree on other practical and operational arrangements for delivery of work under the Nairobi Framework Partnership (NFP);
  - (b) The NFP partners and cooperating organizations reaffirmed their commitment to continue the partnership and agreed to continue broadening demand for, and participation in the CDM by showcasing the CDM to a wider audience, for example, through the regional climate weeks.<sup>20</sup>

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<sup>19</sup> See Nairobi Framework at <[http://cdm.unfccc.int/Nairobi\\_Framework/index.html](http://cdm.unfccc.int/Nairobi_Framework/index.html)>.

<sup>20</sup> Africa Climate Week in Nairobi from 9 to 13 April 2018; Asia Pacific Climate Week in Singapore from 10 to 13 July 2018; Latin American and Caribbean Climate Week in Montevideo from 20 to 23 August 2018.

### **Support to stakeholders/capacity building**

61. 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-eighth and ninety-ninth meetings of the Board;
  - (b) One conference call with the DNA Forum;
  - (c) CDM-related events organized during the Africa Climate Week held from 11 to 13 April 2018 in Nairobi, Kenya;
  - (d) A side-event entitled “The CDM Toolbox” held on 30 April 2018 at the forty-eighth session of the UNFCCC subsidiary bodies. The event took stock of elements available in the CDM toolbox and discussed their possible use in the context of continued mitigation action and implementation of the Paris Agreement.

### **Public policy development**

62. During the reporting period, the secretariat continued to gather and analyse reports and information regarding the evolution and direction of carbon-pricing instruments globally. These 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 potential use of the CDM in emerging emission trading systems and in the aviation and maritime transport sectors. As part of this work the secretariat continued to develop its contacts with policy-makers and relevant experts globally to ensure that the Board is informed of the latest developments impacting the operation of the CDM. During the reporting period, one update was provided to the Board.

### **Operation and further development of the voluntary cancellation platform**

63. The platform for voluntary cancellation of CERs is available online. So far, the platform has been visited from most of the countries in the world, with contributors from 80 countries completing cancellations. The total number of CERs cancelled through the platform since its launch in September 2015, is 270,683.
64. With respect to the further development of the voluntary cancellation platform to make it more user-friendly, a new version of the user interface of the platform is in development and is planned for release in August of 2018. The new interface will feature industry best standards for usability, enhanced capabilities and a new carbon footprint calculator. The translation of the platform to Spanish is also underway and will be released in 2018.
65. During the reporting, period the Board took note of an update of other on-going work related to technical improvements of the platform. The Board requested the secretariat to develop an update on the promotional activities related to the voluntary cancellation platform, to review the information provided by the project participants on the platform, and to enhance the communication regarding the offsetting during conferences.<sup>21</sup>

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<sup>21</sup> Updates will be presented at EB100 as per approved EB workplan.

### **Improvement of the CDM to make it attractive for result based finance**

66. During the reporting period, work was undertaken to facilitate the use of CDM grid emission factors by international financial institutions. The broadening of applicability of existing methodologies with high greenhouse gas (GHG) mitigation potential in the areas of waste management including recovery and recycling was undertaken. Improvements of existing methodologies for low GHG-intensive water-purification and improved cook stoves were made including best-practice examples. Work was initiated to improve the methodologies for GHG mitigation in the urban context.
67. Improvements to the tools for demonstration of additionality of small-scale and micro scale project activities were made to include simplified but reliable methods to determine positive lists of technologies for automatic additionality besides broadening the scope of the tool.

### **Use of the CDM in climate finance**

68. At its ninety-ninth meeting, the Board considered an information note<sup>22</sup> on support to international finance institutions, noting the progress of the on-going support provided by the secretariat in collaboration with the Regional Collaboration Centres (RCCs) on the activities agreed at the Board's ninety-seventh meeting.<sup>23</sup> Further updates will be provided, in accordance with the approved workplan, at the one hundred and first Board meeting in November.

### **Nurturing demand for CDM and voluntary cancellation of CERs**

69. During the reporting period activities to nurture demand for CDM and voluntary cancellation of CERs included:
- (a) Partnership with Fédération Internationale de Football Association (FIFA) to encourage fans travelling to the FIFA World Cup in Russia to offset their climate footprint with CERs. FIFA invited football fans to join a climate campaign, to win tickets for the final match. For each ticketholder signing up on FIFA.com, FIFA committed to offset 2.9 tonnes of carbon dioxide equivalents (tCO<sub>2e</sub>). Normally FIFA prefers to invest in projects in the host country of the game. However, as there are no CDM projects in Russia, FIFA will still offset at least 20 per cent of emissions that they themselves are responsible for, from the CDM. The exact numbers of projects have not yet been made known;
  - (b) Discussions were held with FIFA, Formula E, International Olympic Committee (IOC), National Football League, National Hockey League, Wembley Stadium and other international sports organizations to establish a campaign to address the climate impact from sports, and to promote climate action, including offsetting with CERs. Currently, a guideline to address climate footprint for IOC's international federations is being developed jointly with IOC, featuring CDM as a preferred option to address unavoidable emissions;
  - (c) Discussions with leading fashion brands, such as Adidas, C&A Foundation, International Fashion Corporation, H&M, Hugo Boss, Kering, Levis&Co., Outdoor

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<sup>22</sup> See CDM-EB99-AA-A01 at <https://cdm.unfccc.int/UserManagement/FileStorage/MCOA3SPN5JHT4IKL60Q9WVR7XGZUFY>.

<sup>23</sup> See CDM-EB97-AA-A01 at <http://cdm.unfccc.int/UserManagement/FileStorage/CAENSVLD92BP7IRM48W1UQ5XOGHKT6>.

Industry Association, Primark, Puma, Sustainable Apparel Coalition and VF Corporation, to establish an initiative to address the climate impact from fashion, including through offsets with CERs, and to promote climate action towards the large customer base of fashion. On-going direct outreach to individual companies and organizations resulted in several new companies and organizations signing up to becoming climate-neutral, including by offsetting with CERs. These include Banco de Credito de Bolivia, Banque Nationale de Paris Paribas, the International Paralympic Committee, SAP SE, Statkraft, Sustainable Museums of Hawaii and the World Travel and Tourism Organization, and approximately 20 other private sector organizations;

- (d) On-going discussions with online travel booking companies, such as Amadeus, Expedia and SkyScanner, to explore opportunities to integrate or link the Voluntary Cancellation Platform as an offset provider within their systems. This is a long-term discussion which should yield initial results by the end of 2018;
- (e) Cooperation with other UN organizations to continue the initiative to bring the entire UN system into climate neutrality, including through offsetting with CERs, by 2020. In 2017 the United Nations reported that 39 out of 67 reporting UN entities were climate-neutral, offsetting some 700,000 tCO<sub>2</sub>e with CERs;
- (f) Cooperation with Airport Council International (ACI) to encourage airports to reduce and offset their climate footprints with CERs. Currently 237 airports in 66 countries welcoming 3.3 billion passengers annually are enrolled in the ACI Airport Carbon Accreditation, with 30 airports having achieved full climate neutrality including through cancellation of CERs. Examples of airports that recently achieved the climate neutral level include Amsterdam Schiphol, Brussels and Geneva airports;
- (g) Successful outreach to 32 international organizations to encourage them to set a target to become climate-neutral by measuring, reducing and offsetting emissions using CERs. Discussions are on-going with some 30+ organizations, with more organizations to be engaged in the second half of the year;
- (h) Cooperation with organizers of events, to encourage them to measure, reduce and offset with CERs the climate impact from events (e.g. meetings, concerts, festivals, etc.). Events that have become climate-neutral by using CERs in the reporting period included the DeeJay Matoma's "One in a million" tour, the forty-seventh session of the IPCC (IPCC-47), the Indian Dance Festival and the Bollywood, Intercultural Festival in Finland and the Rhino Ark Challenge. Collaborations are being explored with Events Council International, Positive Impact Events, and conversations are on-going to make the Global Environmental Facility meetings, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services Plenary, the Oceans Summit, and the resumed SB48 in Bangkok climate-neutral;
- (i) Preparations for the social media marketing campaign, to be launched when the new version of the Voluntary Cancellation Platform is released. Activities undertaken include planning and research of modalities and penetration of different social media platforms, lessons learning from previous campaigns, definition of target audiences and surveying of prospective clients, and conducting a comparative scenario test run to optimize the nature and impact of social media advertisements. The campaign is intended to generate up to half a million visits to

the Voluntary Cancellation Platform. Combined with the launch of new optimized features of the platform, this is expected to generate significantly increased visits to the platform and increased cancellation of CERs. The campaign is currently scheduled to be launched in late August and to run until mid-October.

70. During the reporting period, 5.88 million CERs were voluntarily cancelled, of which 2.17 million CERs were converted to Korean offset credits, 1.50 million CERs for the Colombian tax scheme and 0.06 million CERs were cancelled for transfer to Verified Carbon Standard credits. The remaining 2.15 million CERs were cancelled for other climate-neutral purposes. Information about voluntary cancellations undertaken in national registries is not available.

### **Regional Collaboration Centre operations**

71. The RCCs continue to prioritize the work in least developed countries (LDCs) and underrepresented countries (i.e. with 10 or less registered CDM projects as at 31 December 2010).<sup>24</sup>
72. A side-event entitled “Supporting climate action on the ground: Initiatives, opportunities and collaborations” was held on 7 May 2018 at the forty-eighth session of the UNFCCC subsidiary bodies. Six panellists showcased examples of on-the-ground initiatives including support to the CDM stakeholders. During the side-event, RCC Highlights 2017<sup>25</sup> was launched.

### **RCC on-site support to projects**

73. During the reporting period, direct technical support was provided at the regional level to increase participation in the CDM. As at 30 June 2018, the RCCs had supported 116 CDM projects/PoAs against the annual forecasted volume of 214 projects/PoAs. The support resulted in eight projects progressing at least one step in the CDM project cycle. In addition, the RCCs responded to 126 queries received from stakeholders requesting clarifications on CDM requirements.

### **RCC on-site site support to bottom-up standardized baselines**

74. During the reporting period, RCCs provided support to the development of 34 bottom-up standardized baselines against the annual forecasted volume of 20. Of these, 28 standardized baselines are from the DNAs of underrepresented countries, 18 are newly added to the standardized baseline pipeline (i.e. work started during the reporting period), and the remaining 16 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 continued to support the work for five top-down standardized baselines for which the work started in 2017.
75. In summary, in relation to goal 2 and its three objectives on nurturing demand for, and participation in, the CDM, table 1 of the CDM MAP 2018-2019 allocates 26 per cent of the 2018 budgeted resources to the 11 operational activities delivering services and products

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<sup>24</sup> See Biannual regular report on RCC operation at <https://cdm.unfccc.int/EB/report/>.

<sup>25</sup> [https://unfccc.int/sites/default/files/resource/RCC\\_Highlights\\_2017.pdf](https://unfccc.int/sites/default/files/resource/RCC_Highlights_2017.pdf).



in support of this goal.<sup>26</sup> During the reporting period, 11 per cent of the 2018 budgeted resources were spent on the activities associated with this goal, which is lower than the projected linear rate of 13 per cent for the six-month reporting period. Work under this goal is on track and progressing in accordance with the established timelines in the current Board-approved workplan.

## **2.3. Cross-cutting activities**

### **Communications engagement and marketing**

76. In addition to stories being published on the UNFCCC Newsroom and UNFCCC website (see tables 3 and 4 in the Appendix), CDM-related news releases and advisories were disseminated and promoted via social media.
77. A daily press round-up on issues relevant to the work of the Board was disseminated, incorporated into the general daily news email compiled by the secretariat's Communications and Outreach programme.
78. The UN\_CarbonMechs social media channels were maintained, promoting CDM-related topics. As at the end of June 2018, UN\_CarbonMechs had 7,569 Twitter followers and 8,560 Facebook "likes".
79. Communications work was carried out in support of key events, including Africa Climate Week and Africa Carbon Forum in Nairobi, Kenya in April, and the sessions of the Convention subsidiary bodies, specifically side-events relating to the CDM and the RCCs, in May. Planning, coordination and production of communications materials in support of Asia-Pacific Climate Week and Asia-Pacific Carbon Forum (held in July 2018 in Singapore) was undertaken, including leading the communications work of the Nairobi Framework Partnership.
80. Support work was carried out on secretariat communication activities such as:
  - (a) The development of the UNFCCC 2017 Annual Report launched in May this year.<sup>27</sup>
  - (b) The revamping of the UN Climate Change secretariat (UNFCCC) website. Enhancements have been made to the public access to CDM information through use of more modern and user-friendly technology.<sup>28</sup>
81. Table 6 indicates the progress achieved during the six-month reporting period on communications and marketing activities.

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<sup>26</sup> For the indicative allocation of resources by objective, see CDM-EB97-A01-INFO, Appendix, table 1 and 2 at <<http://cdm.unfccc.int/Reference/Notes/index.htm>>.

<sup>27</sup> See <<https://unfccc.int/news/un-climate-change-launches-first-ever-annual-report>>.

<sup>28</sup> See <<https://unfccc.int/>>.

**Table 6. Communications engagement and marketing (January–June 2018)**

Product title	% Complete	Forecasted delivery 2018
1. Communication in support of Africa Climate Week and Africa Carbon Forum	100%	April 2018
2. Communication in support of Asia-Pacific Climate Week and Asia-Pacific Carbon Forum	80%	July 2018
3. Production of a document (downloadable pdf file and online report) on the achievements of the CDM	15%	August 2018

82. During the reporting period, the approved project under cross-cutting activities delivered the following:

**PROJ257 CDM Achievements:** The project seeks to communicate the achievements of the CDM and promote the use of the CDM and its CERs, and encourage consideration of the use of market-based approaches to incentivize climate action. At its ninety-ninth meeting, the Board provided guidance on approaches to convey the achievements of the CDM. The work is on track.

**Human resources, skills development and learning**

83. During the reporting period, and in line with secretariat practice, a staff training plan was developed. The training plan includes targeted capacity-building in the areas of:
- (a) Prince 2 Foundation and Practitioner for project management;
  - (b) Climate and renewable energy finance;
  - (c) Information technology infrastructure library management;
  - (d) Change management skills.
84. To maximize the outcome from capacity-building programmes, secretariat focused on the areas where a larger number of staff skills need be enhanced, as opposed to concentrating on individual capacity-building programmes.

**Finance (including budget, expert payments, fee payments and procurement)**

85. During the reporting period, the finance administration team processed 287 financial and procurement-related transactions, 520 travel-related transactions and expense reports related to the operations of the CDM. Additionally, five monthly monitoring reports and one quarterly report were produced.
86. During the reporting period, the Board took note of an update on the administrative support provided to the members and alternate members of the Board.

### **Intra-secretariat engagement agreements (IT)**

87. During the reporting period (Jan-Jun 2018), IT operational activities supported under the information technology engagement agreement included:

- (a) **CDM systems application, maintenance and support** including:
  - (i) Authoring tool used for preparing and cataloguing the documentation of the Board and its panel and working groups (1 support issue);
  - (ii) CDM registry operational maintenance, software maintenance and security (2 issues resolved);
  - (iii) CDM-Information System manual interventions, operational change requests for CDM, and roster of expert system support (1 Business Process Activity, 2 Change Requests, 12 Content Management updates, 116 Manual Interventions, 25 user administration, 17 user help);
  - (iv) Simplified Processing Tool application support and maintenance (contract cost EUR 19,750 per quarter) plus minimal cost for oversight from UNFCCC ICT;
  - (v) Sustainable Development Tool system change and maintenance, including minor bug fixes and enhancements prioritized in the backlog. The major item completed was improvements to the co-benefits website (work continued from 2017);
  - (vi) Stakeholder Interaction System change and maintenance, including minor bug fixes and enhancements prioritized in the backlog (work continued from 2017);
- (b) **Meeting and workshop support:** support was provided to the meetings of the AP, MP, DOE and the Board;
- (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 desktop and specialized software;
- (e) Projects completed in 2017 such as Sustainable Development Tool, Simplified Processing Tool and PoA Lifecycle Phase 1 were transitioned into operation.

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

- (a) **PoA Lifecycle, including Accreditation assessment for PoA & Renewal of Crediting Period work flow improvement:** Development of workflows to enable the implementation of PoA project cycle procedure, including renewal of crediting period workflow improvement. Work conducted on the implementation of mandated SOP changes were also successfully delivered. The partial SOP payment functionality was developed and went live in January 2018. SOP collection prior to commencement of assessment of Issuance requests for both PoAs and project activities was developed and went live in May 2018.

89. Further details on project priorities, mandates, timelines and budgets are provided in table 7 of the Appendix of this report. Table 7 below indicates the expenditure for services received under the IT engagement agreement during the six-month reporting period.

**Table 7. Information technology services expenditure for the six-month reporting period (January-June 2018)**

Services received	Expenditure (USD)
Operational	
<b>Application, maintenance and support to CDM systems</b>	257 932
<b>System infrastructure services (data hosting services)</b>	171 634
<b>Service desk support for workshops/meetings</b>	13 188
<b>Licenses</b>	20 570
Subtotal IT Operational	<b>463 324</b>
Projects	
PoA Lifecycle (phase II), including <ul style="list-style-type: none"> <li>• <b>Accreditation assessment for PoA</b></li> <li>• <b>Renewal of Crediting Period Work flow improvement,</b></li> <li>• <b>Implementation mandated SOP changes (phase I &amp; II)</b></li> </ul>	278 935*
Subtotal Projects	<b>278 935</b>
TOTAL	<b>742 259</b>

\*This amount has been obligated.

### Internal communications

90. During the reporting period, eight 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 2018-2019. In addition, ten secretariat-wide news articles were prepared and published to ensure information sharing and cross-programme collaboration.

### Information, knowledge and records management

91. During the reporting period, work to transfer the Board's physical records to the UNFCCC archive continued, and 15 linear metres of methodological records were appraised, indexed, packaged and prepared for transfer to the UNFCCC official archives.
92. A series of record training sessions for secretariat staff was carried out and will continue throughout the year to ensure awareness of and compliance with UN records and information management policies and guidelines.
93. The cataloguing and indexing of the Board's regulatory documents (including the documentation of its supporting meeting bodies) included the indexing of approximately 100 documents, which ensures transparency and access to regulatory decisions via the public Catalogue of Decisions database.
94. An overall review and streamlining of the CDM Rules & Reference pages resulted in the removal of some outdated webpages and the linking of amendments with original documents to ensure consistency and understanding amongst stakeholders. In addition, Tool reference numbers were included to help users find, locate and refer to the 30 tools currently available in conjunction with methodologies.

### **Management and meetings**

95. 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 six objectives included in the CDM MAP 2018-2019.

### **Planning, monitoring and reporting**

96. The Board receives regular reports relating to the implementation of its CDM 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 six-month reporting period, are available on the UNFCCC CDM website:
- (a) Fourth quarter 2017: Financial resources report;<sup>29</sup>
  - (b) Regional Collaboration Centre report (Jun-Dec 2017);<sup>30</sup>
  - (c) First Quarter 2018: Financial resources report;<sup>31</sup>
  - (d) Annual key performance indicators report.<sup>32</sup>

### **Secretariat-wide responsibilities**

97. During this reporting period, the SDM programme, being an integral part of the secretariat, fulfilled its secretariat-wide responsibilities including contributions to several UNFCCC internal processes and meeting bodies.
98. In summary, in relation to the cross-cutting activities, table 1 of the CDM MAP 2018-2019 allocates 26 per cent of the budgeted resources for 2018 to the 11 cross-cutting operational activities and one project activity delivering services and products across the two goals and six objectives.<sup>33</sup> During the reporting period, 15 per cent of the annual budgeted resources were spent on the activities associated with this objective (see table 1 in the Appendix), which is higher than the linear rate of 13 per cent for the six-month reporting period.

## **3. Financial update**

### **3.1. Status of income and expenditure to support CDM activities from 1 January to 30 June 2018**

#### **3.1.1. Income**

99. Table 8 shows the balance brought forward from 2017 and the income received in the period from 1 January to 30 June 2018.

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<sup>29</sup> See CDM-2017Q4-INFO01 <<https://cdm.unfccc.int/EB/report>>.

<sup>30</sup> See CDM-2017RCC-INFO02 at <<https://cdm.unfccc.int/EB/report>>.

<sup>31</sup> See CDM-2018Q1-INF01 at <<https://cdm.unfccc.int/EB/report>>.

<sup>32</sup> See CDM-2017KPI-INFO01 at <<https://cdm.unfccc.int/EB/report>>.

<sup>33</sup> See CDM-EB92-A01-INFO, Appendix, table 1 at <<https://cdm.unfccc.int/Reference/Notes/index.html>>.

**Table 8. Income received in 2018, including carry-over from 2017 (in USD) <sup>34</sup>**

Carry-over figure from 2017 (A)	90 014 749
Income received in 2018	
Accreditation fees	89 948
Fees from the accreditation process	60 800
Registration fees <sup>(a)</sup>	92 809
Methodology fees <sup>(b)</sup>	—
Share of proceeds (SOP) <sup>(c)</sup>	3 953 568
<b>Subtotal – Income: 1 January–30 Jun 2018 (B)</b>	<b>4 197 125</b>
<b>Current balance of 2017 carry-over and 2018 income (A + B)</b>	<b>94 211 871</b>

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

- (a) This fee is based on the average annual issuance of CERs over the first crediting period and calculated as an SOP to cover administrative expenses, as defined in decision 7/CMP.1, paragraph 37. Projects with annual average emission reductions of less than 15,000 tCO<sub>2</sub>e are exempt from the registration fee, and the maximum fee applicable is USD 350,000. This fee is a prepayment of the SOP to cover administrative expenses;
- (b) 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 SOP;
- (c) The SOP, 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.

100. The total fees received as at 30 June 2018 amounted to USD 4.2 million (see table 8). A projected income of USD 9.0 million for 2018 was included in the MAP 2018-2019.<sup>35</sup> The total fees received during the same period last year (January–June 2017) were USD 3.9 million.<sup>36</sup>
101. CERs for which forwarding was not requested remained in the pending account of the CDM registry. The secretariat has already performed all related tasks with the exception of forwarding from the corresponding project issuances. The corresponding SOP amounts to approximately USD 58.8 million. New rules were approved by the Board in 2017 and implemented in 2018, which might enable a portion of this amount to be recovered and prevent it from growing further. The new rules enable the partial payment of the SOP for already approved issuances (applicable since 1 January 2018) and require the payment of the SOP prior to the processing of the request for issuance for future issuances (applicable from 1 June 2018).
102. In accordance with decision 3/CMP.6, paragraph 65, the accrued interest is currently earmarked to fund the CDM Loan Scheme to support the development of CDM project

<sup>34</sup> The data presented in this report are subject to change, as the financial period remains open at the time the report is being finalized.

<sup>35</sup> As per the MAP 2018-2019 (CDM-EB97-A01-INFO, table 12).

<sup>36</sup> As per status of MAP 2016 implementation (CDM-EB90-AA-08, table 7).

activities in countries with fewer than 10 such activities registered. In accordance with the CMP decision,<sup>37</sup> 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, United Nations Office for Project Services (UNOPS). Based on the second quarterly report in 2018 presented by UNOPS, 191 applications were received since the inception of the CDM Loan Scheme. A total of 78 loans were approved, of which 63 loans progressed to signature of the loan agreements. Out of these 63 loans:

- (a) 15 are closed (funds never released or funds fully repaid);
- (b) 19 are deemed to be on track for repayment in 2018;
- (c) 29 are too delayed to reasonably meet their milestones, and are therefore being cancelled or have been cancelled;
- (d) Of the 29 delayed loans, three are being written off by UNOPS, having received the requisite agreement in principle from UNFCCC.

103. The loan scheme is expected to close by the end of 2018, with financial closure taking place in 2019.

### 3.1.2. Expenditure

104. Table 9 below shows the expenditure incurred and the utilization rate for the reporting period.

**Table 9. Comparison of budget and expenditure for the period from 1 January to 30 June 2018 (in USD)**

Expenditure classification	Budget 2017	Expenditure (Jan–Jun 18)	Difference	% Rate of expenditure vs. budget
	a	b <sup>(a)</sup>	(a-b) c	(b/a) d
Staff <sup>(a)</sup>	10 801 200	5 033 998	5 767 202	46.6
Consultants <sup>(b)</sup>	424 700	123 657	301 043	29.1
Expert fees <sup>(c)</sup>	218 200	55 612	162 588	25.5
Expert travel <sup>(d)</sup>	206 400	113 427	92 973	55.0
Travel of representatives <sup>(e)</sup>	450 800	82 395	368 405	18.3
Travel of representatives - EB <sup>(f)</sup>	420 500	232 024	188 476	55.2
Travel of staff <sup>(g)</sup>	362 100	208 185	153 915	57.5
Training <sup>(h)</sup>	20 000	12 398	7 602	62.0
Operating expenses <sup>(i)</sup>	684 700	144 319	540 381	21.1
RCC operations <sup>(j)</sup>	588 400	361 775	226 625	61.5
Total cost of ownership <sup>(k)</sup>	1 510 000	1 073 365	436 635	71.1
Engagement agreement (ICT) <sup>(l)</sup>	1 240 286	463 324	776 962	37.4

<sup>37</sup> See decision 3/CMP.12, paragraph 16.

Expenditure classification	Budget 2017	Expenditure (Jan–Jun 18)	Difference	% Rate of expenditure vs. budget
	a	b <sup>(a)</sup>	(a-b) c	(b/a) d
Mobile telecommunications <sup>(m)</sup>	15 100	4 614	10 486	30.6
Supplies and material <sup>(n)</sup>	77 500	54 094	23 406	69.8
Grants (EB) <sup>(o)</sup>	376 500	335 300	41 200	89.1
<b>Subtotal</b>	<b>17 396 386</b>	<b>8 298 487</b>	<b>9 097 899</b>	<b>47.7</b>
<b>13% programme support<sup>(p)</sup></b>	<b>2 261 530</b>	<b>1 078 803</b>	<b>1 182 727</b>	<b>47.7</b>
<b>Total</b>	<b>19 657 916</b>	<b>9 377 290</b>	<b>10 280 626</b>	<b>47.7</b>

- (a) Staff costs include staff salaries, general temporary assistance costs and staff-related costs such as dependency allowance, education grant, rental subsidy, home leave travel, travel on appointment and separation, and overtime payments;
- (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 includes ticket cost and DSA for participants in the CDM meetings and workshops including the DNA forum;
- (f) Travel of representatives - EB 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 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;
- (j) RCC operation costs include costs related to administering the RCCs, RCC staff missions, including travel and mission substantial allowance costs, RCC Global Forum and Roundtable;
- (k) Total Cost of Ownership (TCO) - Service programmes in the secretariat (Information and Communication Technology (ICT) 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 2018, the TCO charge per capita of EUR 13,950 is applied;
- (l) Engagement agreement (ICT) includes IT costs related to the support the 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);
- (m) Mobile telecommunications 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) Programme support - 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.
105. Column (d) in table 9 shows the rate of expenditure as a percentage of the total 2018 budget for each cost category. The linear rate of expenditure for the period 1 January to 30 Jun 2018 is 50 per cent.
106. Staff costs amount to 46.6 per cent of the 2018 budget for this object of expenditure which is lower than the linear rate of expenditure (50 per cent). Higher staff costs are expected in the quarter three due to processing of staff benefits and entitlements. Expenditure is expected to align with the original projections as the year progresses.
107. Consultant costs amount to 29.1 per cent of the 2018 budget for this object of expenditure, which is lower than the linear rate of expenditure (50 per cent). Most consultancies in the management plan are being taken on board during quarter three, and expenditure is therefore expected to align with the original projections as the year progresses.
108. Expert fees amount to 25.5 per cent of the projected 2018 budget for this object of expenditure, which is significantly lower than the linear rate of expenditure (50 per cent). This is because fees related to the panel meetings in June 2018 are still in process. Expenditure is expected to align more closely with the original projections as the year progresses.
109. Expert travel amounts to 55 per cent of the projected 2018 budget for this object of expenditure, which is higher than the linear rate of expenditure (50 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.
110. Travel of representatives amounts to 18.3 per cent of the projected 2018 budget for this object of expenditure, which is significantly lower than the linear rate of expenditure (50 per cent). Expenditure is expected to align with the original projection after the 2018 DNA Global Forum takes place.
111. Travel of EB members amounts to 55.2 per cent of the 2018 budget for this object of expenditure, which is higher than the linear rate of expenditure (50 per cent). This reflects the inclusion of some travel expenditures already processed that relate to the Board meeting in August 2018.
112. Travel of staff amounts to 57.5 per cent of the 2018 budget for this object of expenditure, which is slightly higher than the linear rate of expenditure (50 per cent). The over-expenditure includes travel costs related to entity assessments; if excluded, travel of staff amounts to 35.6 per cent of 2018 budget, which is significantly lower than the linear rate of expenditure (50 per cent). Expenditure is expected to align with the original projections as the year progresses.
113. Training costs amount to 62 per cent of the 2018 budget for this object of expenditure, which is higher than the linear rate of expenditure (50 per cent). This reflects the training schedule in the approved training plan, which scheduled more events in first six months. Expenditure is expected to align with the original projections as the year progresses.

114. Operating expenses amount to 21.1 per cent of the 2018 budget for this object of expenditure, which is significantly lower than the linear rate of expenditure (50 per cent). More expensive events are expected in second half of the year and expenditure is expected to align with the original projections as the year progresses.
115. RCC operations costs amount to 61.5 per cent of the 2018 budget for this object of expenditure, which is higher than the linear rate of expenditure (50 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.
116. TCO costs amount to 71.1 per cent of the 2018 budget for this object of expenditure, which is significantly higher than the linear rate of expenditure (50 per cent). This is because expenditure includes the commitments for costs related to quarter 3 of the year. Expenditure is expected to align with the original projections as the year progresses.
117. Engagement agreement costs (ICT) amount to 37.4 per cent of the 2018 budget for this object of expenditure, which is lower than the linear rate of expenditure (50 per cent). Expenditure (not including the obligation of USD 278,935, as shown in table 7) is expected to align with the original projections as the year progresses.
118. Mobile telecommunications costs are 30.6 per cent of the 2018 budget for this object of expenditure, which is significantly lower than the linear rate of expenditure (50 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.
119. Supplies and materials costs amount to 69.8 per cent of the 2018 budget for this object of expenditure, which is higher than the linear rate of expenditure (50 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.
120. The expenditure for EB grants amounts to 89.1 per cent of the 2018 budget for this object of expenditure, which is significantly higher than the linear rate of expenditure (50 per cent). This is because almost all the 2018 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 30 June 2018)

121. Table 10 below shows the balance of the CDM Trust Fund as at 30 June 2018.

**Table 10. Income and expenditure status, as at 30 June 2018 (in USD)**

Carry-over figure from 2017 (A)	90 014 749
<b>Status of funds for the period Jan-Jun 2018</b>	
Income: 1 January–30 Jun 2018 (B)	4 197 125
<b>Current balance of 2017 carry-over and 2018 income (A+B)</b>	<b>94 211 871</b>
Expenditure: 1 January–30 Jun 2018 (C)	9 377 290
<b>Balance available at 30 Jun 2018 (A+B-C)</b>	<b>84 834 581</b>

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

122. Table 11 below shows the income and expenditure trend for the period January to June for the years 2016, 2017 and 2018.

**Table 11. Income and expenditure trend, as at 30 June 2018 (in USD)**

	As at 30 June 2016	As at 30 June 2017	As at 30 June 2018
Income	3 360 816	3 914 103	4 197 125
Expenditure	8 570 954	8 223 043	9 377 290
Income minus expenditure	<b>(5 210 138)</b>	<b>(4 308 940)</b>	<b>(5 180 165)</b>
Income as a rate of projected income of USD 9 million	<b>37.3%</b>	<b>43.5%</b>	<b>46.6%</b>
Expenditure as a rate of the annual budget	<b>43.7%</b>	<b>41.9%</b>	<b>47.7%</b>

#### 4. Human resources

123. The SDM programme of the secretariat 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.
124. To ensure prudent management of resources, interns were recruited without any cost implications, in accordance with UN rules and regulations to support the work on the implementation of the CDM MAP 2018-2019, with effort level of 30 staff-months of support provided in total during the reporting period. In addition, efforts were made to engage with fellowship programmes to support the work related to CDM MAP implementation, for example with the United Nation Italian Fellowship Programme. In some cases short-term resources were temporarily hired instead of fixed and long-term staff in order to meet the needs of work to support the implementation of CDM MAP 2018-2019.

#### 5. Conclusions and recommendations

125. The mid-year review, as at 30 June 2018, indicates that approved operational activities and projects are being delivered in accordance with the CDM MAP 2018-2019.
126. The Board may take note of the status of the CDM MAP 2018-2019 as at 30 June 2018.

## Appendix 1. Reporting data (January–June 2018)

**Table 1. Resources spent against the two goals and six objectives in the approved MAP 2018-2019 during the six-month reporting period (January–June 2018)**

Objective	Title of objective	Staff months	Non-staff costs (USD)	% of resources allocated to objective	% of resources spent	Linear rate for period Jan.–Jun.
1 (a)	Operate efficient project and entity assessment processes	68.4	94 435	17%	7%	8.5%
1 (b)	Operate an effective regulatory framework resulting in reduced transaction costs for participants in the mechanisms	55.9	823 482	25%	10%	12.5%
1 (c)	Develop simplified and user-friendly standards and procedures that increase efficiency and ensure environmental integrity	20.2	1 547	6%	2%	3%
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	80.1	600 070	26%	11%	13%
	Cross cutting activities including: communications, information technology, finance, planning, monitoring and reporting	113.4	671 590	26%	15%	13%

**Table 2. Volume of operational activities and projects completed in comparison with annual forecasted volumes (January–June 2018)**

**Objective 1 (a) – Operate efficient project and entity assessment processes**

<b>MAP 2018-2019 activity</b>	<b>Units</b>	<b>Projected annual volume in MAP (Jan.–Dec. 2018)</b>	<b>Actual volume (Jan.–Jun. 2018)</b>
Changes to modalities of communication and transactions	Registry Transactions	<b>3350</b>	1595
	Changes to modalities of Communication	<b>1600</b>	1338
CDM registry reports	Reports	<b>400</b>	209
Opening and maintaining VC platform seller accounts	Accounts	<b>85</b>	57
Requests for direct communication, renewal of crediting period, and review	Requests for direct communication	<b>30</b>	13
	Requests for renewal of crediting period	<b>125</b>	29
	Requests for review (registration and issuance)	<b>20</b>	26
Requests for POA issuance	Requests	<b>60</b>	22
Requests for POA PRC	Requests	<b>10</b>	10
Requests for POA registration	Requests	<b>20</b>	3
Requests for project issuance	Requests	<b>700</b>	134
Requests for project PRC	Requests	<b>30</b>	15
Requests for project registration	Requests	<b>100</b>	12
POA post-registration CPA inclusion requests	CPA inclusions	<b>130</b>	39
Sustainable Development Co-benefits including reporting and promotional activities	Reports	<b>40</b>	9
Performance assessments (validation and verification)	Performance assessment (validation)	<b>3</b>	0
	Performance assessment (verification)	<b>9</b>	9
Regular surveillance and spot checks	Regular surveillance assessments	<b>3</b>	3
	Spot checks assessments	<b>2</b>	0

MAP 2018-2019 activity	Units	Projected annual volume in MAP (Jan.–Dec. 2018)	Actual volume (Jan.–Jun. 2018)
Requests for initial and re-accreditation	Requests for initial accreditation	1	1
	Requests for re-accreditation	9	6
Calibrate assessment team leads	Workshop	1	0
DOE calibration workshop	Workshop	1	1

**Objective 1 (b) – Operate an effective regulatory framework resulting in reduced transaction costs for participants in the mechanism**

MAP 2018-2019 activity	Units	Projected annual volume in MAP (Jan.–Dec. 2018)	Actual volume (Jan.–Jun. 2018)
Stakeholder communications (CDM info, DNAs, letters to the Board)	Transactions	500	173
Global DNA Forum	Event	1	0
Accreditation Panel	Meetings	3	2
Methodologies Panel	Meetings	3	2
Support to the Executive Board	Meetings	4	2
Entity administration	Entities	31	32
Entity assessment planning	Assessment	26	14
R&I system support	Tasks	2600	1200

**Objective 1 (c) – Develop simplified user-friendly standards and procedures that increase efficiency and ensure environmental integrity**

MAP 2018-2019 activity	Units	Projected annual volume in MAP (Jan.–Dec. 2018)	Actual volume (Jan.–Jun. 2018)
Processing of requests for clarification, deviation, revision, new submissions and micro-scale additionality	Clarification requests	8	11
	Deviations requests	1	0
	Processing of micro-scale additionality	2	0
	New submission request	2	0
	Revision requests	2	1
Processing of Standardized baselines	Evaluations	20	20

MAP 2018-2019 activity	Units	Projected annual volume in MAP (Jan.–Dec. 2018)	Actual volume (Jan.–Jun. 2018)
PROJ256 Digitization of methodologies for web based generation of project design documents and monitoring templates	Methodology digitization	1	0

**Objective 2 (a) Facilitate the acceptance of certified emission reductions (CERs) for compliance purposes; Objective 2 (b) Enhance the use of the clean development mechanism (CDM) for voluntary purposes; Objective 2 (c) Further develop the CDM as a key tool for monitoring, reporting and verifying the outcomes of mitigation finance**

MAP 2018-2019 activity	Units	Projected annual volume in MAP (Jan.–Dec. 2018)	Actual volume (Jan.–Jun. 2018)
RCC Operations	Events	9	6
RCCs-On-site support to projects	Supported projects	214	116
RCC Support to Bottom-up Standardized Baselines	Supported standardized baselines	20	34

**Table 3. Stories promoted on the UNFCCC Newsroom website**

Story	Date (2018)	Link
1. Environmental Companies in Mexico and Spain Take the Climate Neutral Now Pledge	5 June 2018	<a href="https://unfccc.int/news/environmental-companies-in-mexico-and-spain-take-the-climate-neutral-now-pledge">https://unfccc.int/news/environmental-companies-in-mexico-and-spain-take-the-climate-neutral-now-pledge</a>
2. Dates of Asia Pacific Climate Week Announced in Critical Year for Climate Action	27 May 2018	<a href="https://unfccc.int/news/dates-of-asia-pacific-climate-week-announced-in-critical-year-for-climate-action">https://unfccc.int/news/dates-of-asia-pacific-climate-week-announced-in-critical-year-for-climate-action</a>
3. New Market Listing Broadens Access to Certified Emission Reduction Credits	25 May 2018	<a href="https://unfccc.int/news/new-market-listing-broadens-access-to-certified-emission-reduction-credits">https://unfccc.int/news/new-market-listing-broadens-access-to-certified-emission-reduction-credits</a>
4. Middle School Steps Up Climate Action with Climate Neutral Now	23 May 2018	<a href="https://unfccc.int/news/middle-school-steps-up-climate-action-with-climate-neutral-now">https://unfccc.int/news/middle-school-steps-up-climate-action-with-climate-neutral-now</a>
5. Regional Collaboration Centres and Partners Help Deliver Paris Goals	14 May 2018	<a href="https://unfccc.int/news/regional-collaboration-centres-and-partners-help-deliver-paris-goals">https://unfccc.int/news/regional-collaboration-centres-and-partners-help-deliver-paris-goals</a>
6. CDM Can Inspire, Inform, Outfit Any New Mechanism Under Paris Agreement	3 May 2018	<a href="https://unfccc.int/news/cdm-can-inspire-inform-outfit-any-new-mechanism-under-paris-agreement">https://unfccc.int/news/cdm-can-inspire-inform-outfit-any-new-mechanism-under-paris-agreement</a>
7. Bicycle Projects Can Now Earn Saleable Credits under UN's Clean Development Mechanism	28 April 2018	<a href="https://unfccc.int/news/bicycle-projects-can-now-earn-saleable-credits-under-un-s-clean-development-mechanism">https://unfccc.int/news/bicycle-projects-can-now-earn-saleable-credits-under-un-s-clean-development-mechanism</a>

Story	Date (2018)	Link
8. FIFA World Cup and the UN Score Climate Action Goal	18 April 2018	<a href="https://unfccc.int/news/2018-fifa-world-cup-and-the-un-score-climate-action-goal">https://unfccc.int/news/2018-fifa-world-cup-and-the-un-score-climate-action-goal</a>
9. Africa Strives to Turn Climate Threat into Sustainable Development Opportunities	12 April 2018	<a href="https://unfccc.int/news/africa-strives-to-turn-climate-threat-into-sustainable-development-opportunities">https://unfccc.int/news/africa-strives-to-turn-climate-threat-into-sustainable-development-opportunities</a>
10. Ministers, UN and African Officials Set for Africa Climate Week	29 March 2018	<a href="https://unfccc.int/news/ministers-un-and-african-officials-set-for-africa-climate-week">https://unfccc.int/news/ministers-un-and-african-officials-set-for-africa-climate-week</a>
11. Applications for the 2018 Momentum for Change Awards Now Open	22 February 2018	<a href="https://unfccc.int/news/applications-for-the-2018-momentum-for-change-awards-now-open">https://unfccc.int/news/applications-for-the-2018-momentum-for-change-awards-now-open</a>
12. 10th Africa Carbon Forum Headlines First Africa Climate Week	19 February 2018	<a href="https://unfccc.int/news/10th-africa-carbon-forum-headlines-first-africa-climate-week">https://unfccc.int/news/10th-africa-carbon-forum-headlines-first-africa-climate-week</a>
13. Fiji Forum Made Climate Neutral Using UN Methodology	16 February	<a href="https://unfccc.int/news/fiji-forum-made-climate-neutral-using-un-methodology">https://unfccc.int/news/fiji-forum-made-climate-neutral-using-un-methodology</a>
14. Galapagos, Geneva Airports Go Carbon Neutral	13 February 2018	<a href="https://unfccc.int/news/galapagos-geneva-airports-go-carbon-neutral">https://unfccc.int/news/galapagos-geneva-airports-go-carbon-neutral</a>
15. Africa Climate Week to Shape, Drive Climate Action	12 February 2018	<a href="https://unfccc.int/news/africa-climate-week-to-shape-drive-climate-action">https://unfccc.int/news/africa-climate-week-to-shape-drive-climate-action</a>
16. UN Works with Global Hotel Industry to Reduce Emissions	31 January 2018	<a href="https://unfccc.int/news/un-works-with-global-hotel-industry-to-reduce-emissions">https://unfccc.int/news/un-works-with-global-hotel-industry-to-reduce-emissions</a>
17. Norwegian DJ Goes on Climate Neutral Tour	26 January 2018	<a href="https://unfccc.int/news/norwegian-dj-goes-on-climate-neutral-tour">https://unfccc.int/news/norwegian-dj-goes-on-climate-neutral-tour</a>
18. UN Partners with French Start-up to Fight Emissions from Car Traffic	25 January 2018	<a href="https://unfccc.int/news/un-partners-with-french-startup-to-fight-emissions-from-car-traffic">https://unfccc.int/news/un-partners-with-french-startup-to-fight-emissions-from-car-traffic</a>
19. Fashion Industry, UN Pursue Climate Action for Sustainable Development	22 January 2018	<a href="https://unfccc.int/news/fashion-industry-un-pursue-climate-action-for-sustainable-development">https://unfccc.int/news/fashion-industry-un-pursue-climate-action-for-sustainable-development</a>
20. UN Supports Blockchain Technology for Climate Action	22 January 2018	<a href="https://unfccc.int/news/un-supports-blockchain-technology-for-climate-action">https://unfccc.int/news/un-supports-blockchain-technology-for-climate-action</a>
21. Pakistan Explores Carbon Pricing	19 January 2018	<a href="https://unfccc.int/news/pakistan-explores-carbon-pricing">https://unfccc.int/news/pakistan-explores-carbon-pricing</a>



**Table 4. Stories and advisories published on the CDM website**

<b>Story</b>	<b>Date (2018)</b>	<b>Link</b>
1. Validators, verifiers share notes on latest CDM rules	28 May 2018	<a href="https://cdm.unfccc.int/newsroom/latestnews/releases/2017/05115_index.html">https://cdm.unfccc.int/newsroom/latestnews/releases/2017/05115_index.html</a>
2. New market listing broadens access to CERs	25 May 2018	<a href="https://unfccc.int/news/new-market-listing-broadens-access-to-certified-emission-reduction-credits">https://unfccc.int/news/new-market-listing-broadens-access-to-certified-emission-reduction-credits</a>
3. CDM Board approves cycling methodology at 99th meeting	27 April 2018	<a href="https://unfccc.int/news/bicycle-projects-can-now-earn-saleable-credits-under-un-s-clean-development-mechanism">https://unfccc.int/news/bicycle-projects-can-now-earn-saleable-credits-under-un-s-clean-development-mechanism</a>
4. CDM Board elects Chair, Vice-Chair	27 Feb 2018	<a href="https://cdm.unfccc.int/newsroom/latestnews/releases/2017/05114_index.html">https://cdm.unfccc.int/newsroom/latestnews/releases/2017/05114_index.html</a>

**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 thirteenth session**

<b>CMP13 mandate</b>	<b>Mandate from the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP)</b>	<b>Related MAP 2018-2019 project or routine activity</b>
3/CMP.13, para. 1	Requests the Executive Board to continue to simplify the process for the development and approval of standardized baselines and to support designated national authorities in developing standardized baselines upon the request of the designated national authorities;	Project (110): Further development of standardized baselines framework
3/CMP.13, para. 2	Encourage the Executive Board to continue its cooperation with financial institutions in response to decision 6/CMP.11, paragraph 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: Use of CDM in climate finance
3/CMP.13, para. 3	Recognize the support provided to stakeholders in the clean development mechanism through the Regional Collaboration Centres, and request the Executive Board to continue to support clean development mechanism project development via the regional collaboration centres and to report back to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fourteenth session (December 2018).	Activity Group: RCCs-On-site support to projects

**Table 6. Additional mandates provided by the Board at its ninety-eight ninety-ninth session**

Reference	EB 98 and EB 99 mandates	Project/routine – product 2018
EB98 report para. 43	The Board considered an information note on applicant entities/DOE's accreditation information available on the UNFCCC CDM website and agreed to the proposed changes on making additional information available on the website.	Activity Group: Accreditation System
EB99 report para. 6	The Board requested the secretariat to review the appropriateness of information provided by the project participant to be posted on the online platform regarding other standards; suggested enhancing the accuracy of communications related to offsetting during conferences; The Board requested an update on the promotional activities on voluntary cancellation at a future meeting.	Activity Group: Nurturing demand for CDM and voluntary cancellation of CERs
EB99 report para. 8	The Board requested the secretariat to prepare the draft annual report to the CMP at its fourteenth session for consideration by the Board at its next meeting.	Activity Group: Servicing of regulatory bodies
EB99 report para. 9	The Board considered information that is currently collected from DOEs for the DOE annual activity reports and requested the secretariat to prepare a concept note on simplifying the information to be collected from DOEs. The concept note is to be prepared in consultation with the CDM-AP and DOE/AIE Coordination Forum and presented at the first meeting of the Board in 2019 with a view to finalize the information to be collected from the DOEs in time for the next reporting period (1 July 2018 to 30 June 2019).	
EB99 report para. 23	With regard to paragraph 22 above (PRC concept), the Board requested the secretariat to prepare regulatory texts reflecting these agreed rules and include them in draft revised PS, VVS and PCP for project activities and programmes of activities, which will be presented to the Board at its next meeting, for its consideration. The Board further agreed that, in deciding the effective date of these new rules, sufficient time should be given to stakeholders to minimize adverse impacts on existing or planned post-registration changes.	
EB99 report para. 24	The Board considered the concept note on the change to the process for renewal of crediting period of CDM project activities and the PoA period and agreed on the following: (a) With regard to the step of submitting the intention of renewal and consequence of delay for doing so and associated administrative process, the Board requested the secretariat to provide statistical information on the number of relevant cases and propose more options, with the analysis of pros and cons of each option, and present them in a revised concept note to the Board at a future meeting. The Board also requested the secretariat to conduct a call for public input on possible improvements for the process of renewing the crediting period of CDM project activities and the PoA period, to aid its consideration.	Activity Group: Regulatory framework management

Reference	EB 98 and EB 99 mandates	Project/routine – product 2018
	(b) With regard to the consequence of "gap period" in the PoA period renewal process, the Board agreed in general to the proposed change to correct the current regulatory provision so that during the "gap period" no new CPA may be included, and existing CPAs renewed during the "gap period" may seek post-registration change once the PoA period is renewed. The Board requested the secretariat to reflect the agreed change in the relevant regulatory documents, and present them to the Board at its next meeting in conjunction with the planned revision of the PS, VVS and PCP for consideration.	
EB99 report para. 26	With reference to paragraph 25 above [simplification of the process for the development and approval of standardized baselines], the Board requested the secretariat to prepare draft regulatory provisions for its consideration at a future meeting.	Project (110): Further development of standardized baseline framework
EB99 report para. 28	The Board considered the concept note on further prioritizing methodologies for revision to include non-binding best-practice examples, and requested the MP to revise the methodologies, as identified in the concept note, to include non-binding best-practice examples. Specifically, the Board requested that the revision of "ACM0006: Electricity and heat generation from biomass" and "AMS-II.G: Energy efficiency measures in thermal applications of non-renewable biomass" be prioritized and thereafter revise "ACM0019: N2O abatement from nitric acid production" and "AMS-I.C: Thermal energy production with or without electricity". In addition, the Board requested the secretariat and the MP to undertake additional efforts to receive feedback from the users of the methodologies to identify bottlenecks that could be addressed through best-practice examples and simplification of the methodologies.	Project (223): Simplification of methodologies
EB99 report para. 30	The Board approved a major revision of the methodology "ACM0002: Grid-connected electricity generation from renewable sources" [...] requested the MP to prepare a concept note including options for updating positive lists of technologies contained in methodologies, addressing issues such as grace periods, process and criteria for updating.	Project (223): Simplification of methodologies
EB99 report para. 31	The Board requested the MP to revise the methodological tool "TOOL06: Project emissions from flaring", in addition to on-going work to include non-binding best-practice examples in the tool, to: [...].	Project (223): Simplification of methodologies
EB99 report para. 35	The Board [...] requested the MP to assess, in the same way as was done for TOOL21, the appropriateness of the thresholds in the methodological tool "TOOL19: Demonstration of additionality of microscale project activities". The Board further requested the MP to add positive lists of technologies together with a market penetration check (5% threshold) in each of the following methodologies: "AMS-I.E: Switch from non-	Project (223): Simplification of methodologies

Reference	EB 98 and EB 99 mandates	Project/routine – product 2018
	renewable biomass for thermal applications by the user" and "AMS-II.G: Energy efficiency measures in thermal applications of non-renewable biomass", clean and energy efficient cook stoves; "AMS-I.J: Solar water heating systems (SWH)", solar water heaters; and "AMS-III.AR: Substituting fossil fuel based lighting with LED/CFL lighting systems", solar lamps. In doing so, the MP shall propose more guidance on penetration check (e.g. whether to consider equipment stock in use, market share or annual sale of equipment, applicable vintages, geographic locations).	

**Table 7. Overview of the status of ICT projects approved in the MAP 2018-2019**

Priority	Project	Mandate/Objective	Project History
1.	<b>PoA Lifecycle, including Accreditation assessment for PoA &amp; Renewal of Crediting Period WF improvement</b>	<p><b>Mandate:</b> 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"> <li>1. Development of Workflows to enable the implementation of PoA project cycle procedure (25 to 30 processes).</li> <li>2. Extranets and microsities for internal and external stakeholders.</li> <li>3. Support for automated email messages for workflows.</li> <li>4. Checklists for CC/IRC and other checks as required by procedures.</li> </ol>	<p>Phase 1 of this project was successfully completed on time and inside budget, including:</p> <ol style="list-style-type: none"> <li>(i) Monitoring Reporting process areas (went live quarter 3 2017)</li> <li>(ii) Requesting for Issuance process areas (went live quarter 4 2017)</li> </ol> <p>Development of Phase 2 will commence in 2018 and will be delivered in multiple releases, with high priority process areas delivered first. Phase 2 will continue until quarter 2 2019 in line with the 2019 MAP allocation.</p>

**Table 8. Documents under consideration by the Board for the reporting period under review (January–June 2018)**

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.)	27
Accreditation Panel	2	Meeting reports and annexes (plus electronic consultations)	5
Methodologies Panel	2	Meeting reports and annexes (plus electronic consultations)	23
<b>TOTAL</b>			<b>55</b>

**Table 9. Products delivered against the Board 2018 workplan (January–June 2018)**

2018 Objective	Product	Products delivered
1 (a) - Operate efficient project and entity assessment processes	<ul style="list-style-type: none"> <li>• Consideration of cases for registration, issuance and other project and PoA related submissions - Final EB98</li> <li>• Consideration of cases for registration, issuance and other project and PoA related submissions - Final EB99</li> </ul>	2
1 (b) - Operate an effective regulatory framework resulting in reduced transaction costs for participants in the mechanisms	<ul style="list-style-type: none"> <li>• 2018 workplans of panels and WGs - Final EB98</li> <li>• Calendar of meetings - Final EB98</li> <li>• Carbon market and policy update - Info EB99</li> <li>• DOE performance monitoring - Info (through CDM-AP report) EB98</li> <li>• EB report to CMP - Concept EB99</li> <li>• EB workplan 2018 - Final EB98</li> <li>• EB workplan 2018 - Info EB99</li> <li>• Interaction with DNA Forum Co-Chairs - Info EB99</li> <li>• Interaction with DOE Forum Chair - Info EB98</li> <li>• Interaction with DOE Forum Chair - Info EB99</li> <li>• Panel and WG meeting reports - Final EB98</li> <li>• Panel and WG meeting reports - Final EB99</li> </ul>	23

2018 Objective	Product	Products delivered
	<ul style="list-style-type: none"> <li>• Post-registration changes in CDM project activities and PoAs – Concept (secretariat/panel/WG joint recommendation) EB99</li> <li>• Regulatory provisions for the renewal of crediting periods –Concept EB99</li> <li>• Revised CDM accreditation procedure – Final (panel/WG input) EB98</li> <li>• Revised CDM accreditation standard – Final (panel/WG input) EB98</li> <li>• Selection of Chair/Vice Chair for EB - Final EB98</li> <li>• Selection of Chairs/Vice Chairs for panels and working groups (WGs) - Final EB98</li> <li>• Selection of members for RIT roster of experts' performance evaluation group - Final EB98</li> <li>• Selection of panel/WG members - Final EB98</li> <li>• Synthesis report of the annual activity reports by DOEs - Info EB99</li> <li>• UNFCCC CDM website info about DOE accreditation status - Info (CDM-AP input) EB98</li> <li>• UNFCCC CDM website info about DOE accreditation status - Info EB99</li> </ul>	
<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"> <li>• Project 223: Analysis of methodologies for the application of the combined tool to identify the baseline scenario and demonstrate additionality - Info (through panel/WG report) EB99</li> <li>• Project 244: Methodologies for biofuel activities (AMS-III.AK, I.H) - Final (through panel/WG report, preceded by call) EB98</li> <li>• Project 244: Methodologies for recycling materials that have higher carbon footprints - Concept (panel/WG input) EB99</li> <li>• Project 244: Methodology for lightweight, two- or three-wheeled personal transportation infrastructure - Final (through panel/WG report) EB99</li> <li>• Project 110: Simplification of the process for the development and approval of standardized baselines - Concept (panel/WG input) EB99</li> <li>• Project 223: Small-scale and microscale additionality tools with updated positive lists - Tool 21 - Final (through panel/WG report) EB99</li> <li>• Project 223: Small-scale and microscale additionality tools with updated positive lists - Tool 21 - Info (through panel/WG input, preceded by call) EB98</li> <li>• Project 223: Various top-down revised/new methodologies and tools mandated by the Board - Final (through panel/WG report, preceded by call) EB99</li> </ul>	8

2018 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"> <li>• Further development of the voluntary cancellation platform to make it more user-friendly - Info EB99</li> <li>• Support to international climate finance institutions (IFI) - Info EB99</li> </ul>	2
Cross-cutting	<ul style="list-style-type: none"> <li>• Project 257: Communicating the achievements of the CDM - Info EB99</li> </ul>	1
<b>Total</b>		<b>36</b>

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### Document information

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