

CDM-2018SC-INFO01

Regular report

Annual report on stakeholder communications

Version 01.0



United Nations
Framework Convention on
Climate Change

TABLE OF CONTENTS	Page
1. INTRODUCTION	3
2. ANALYSIS OF COMMUNICATIONS	3
2.1. Scope	3
2.2. Communications by stakeholder type	3
2.3. Main topics	4
2.3.1. Letters to the Board	4
2.3.2. Substantive queries to the secretariat	4
3. IMPACT OF STAKEHOLDER COMMUNICATIONS ON THE REGULATORY FRAMEWORK AND/OR OPERATIONS OF THE CLEAN DEVELOPMENT MECHANISM.....	6
3.1. Improving the rules and regulations of the clean development mechanism	7
3.1.1. Share of proceeds.....	7
3.1.2. Renewal of crediting period	7
3.1.3. Partial payment of shares of proceeds	7
3.1.4. Requirement of post-registration changes for programmes of activities.....	8
3.2. Improving operational activities.....	8
3.2.1. Programme of activities workflow	8
3.2.2. Making information publicly available on the UNFCCC CDM website	8
4. CONCLUSION.....	8

1. Introduction

1. At its sixty-second meeting, the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) adopted the “Procedure: direct communication with stakeholders” and subsequently revised the procedure at its eighty-second meeting.¹ The procedure requires the secretariat to submit an annual report to the Board on all communications received through the dedicated interface on the United Nations Framework Convention on Climate Change (UNFCCC) CDM website, including letters to the Board, emails, and input received during workshops and events.
2. The report covers the period from 1 January 2018 to 31 December 2018 and includes a summary and analysis of communications to the Board and the secretariat.

2. Analysis of communications

2.1. Scope

3. The scope of the analysis includes: (i) stakeholder communications related to improving the understanding and application of CDM rules; and (ii) feedback on existing CDM rules. Stakeholder communications that are “case-specific” (e.g. dealing with the processing of cases relating to registration, issuance, accreditation, methodologies or standardized baselines) fall outside the scope.²
4. During the reporting period, a total of 361 stakeholder communications were received and processed. Of these, 20 were letters to the Board and 341 were emails to the secretariat. In addition, during the reporting period 244 emails were received and processed by the Regional Collaboration Centres (RCCs), details of which are included in the RCC operation report (July – December 2018).³

2.2. Communications by stakeholder type

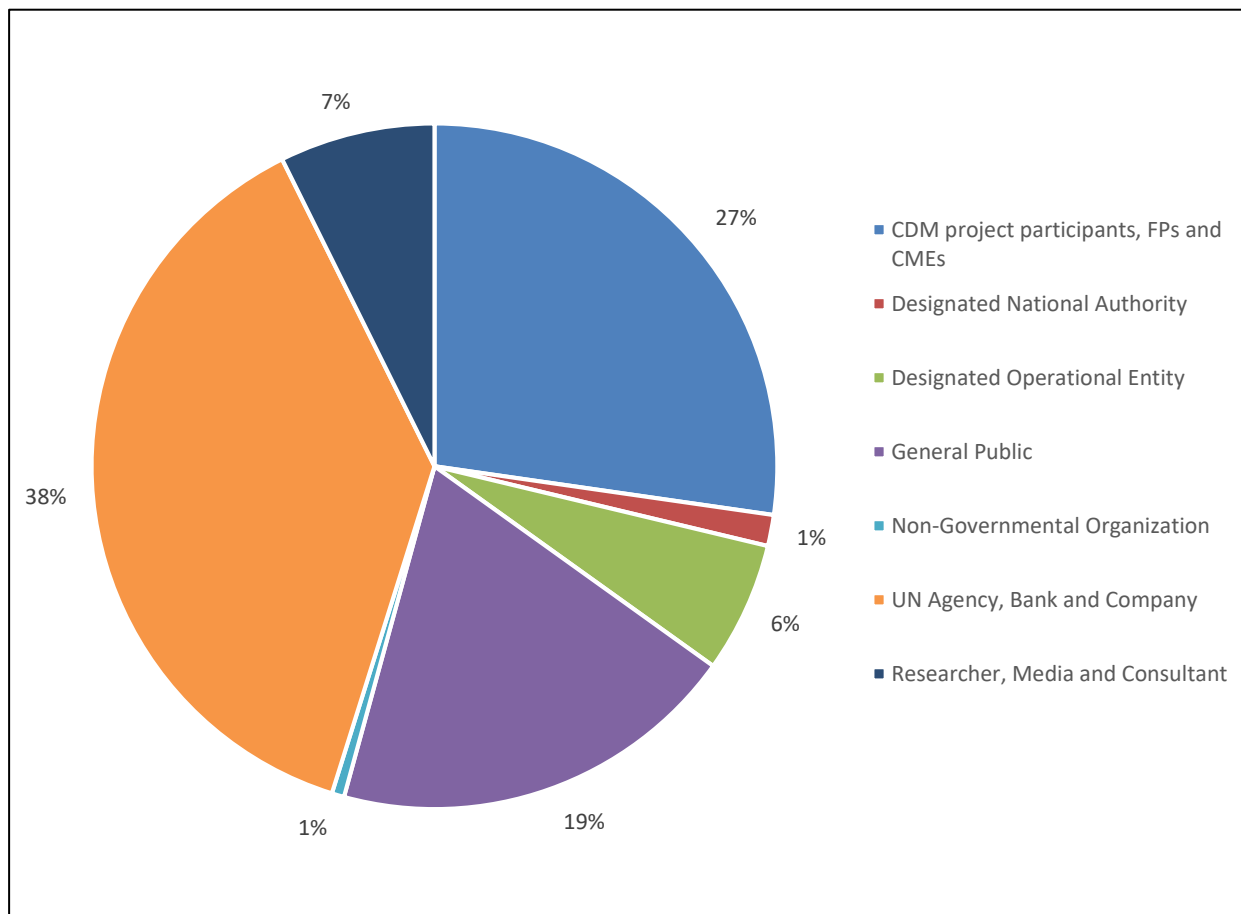
5. CDM project participants, focal points and coordinating/managing entities (CMEs), designated national authorities (DNAs), designated operational entities (DOEs), the general public, non-governmental organizations, United Nations agencies, development banks, companies, researchers, the media and consultants were among the submitters (see Figure 1 below).

¹ See the latest version of the procedure at <https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20150224183036545/eb_proc03.pdf>.

² Stakeholder queries and communications received during CDM workshops and events planned and organized by the Regional Collaboration Centres are included in the analysis provided in this report, including in section 3 on impact.

³ See RCC operation report at <<https://cdm.unfccc.int/EB/report/>>.

Figure 1. Per cent of communications by stakeholder type



2.3. Main topics

2.3.1. Letters to the Board

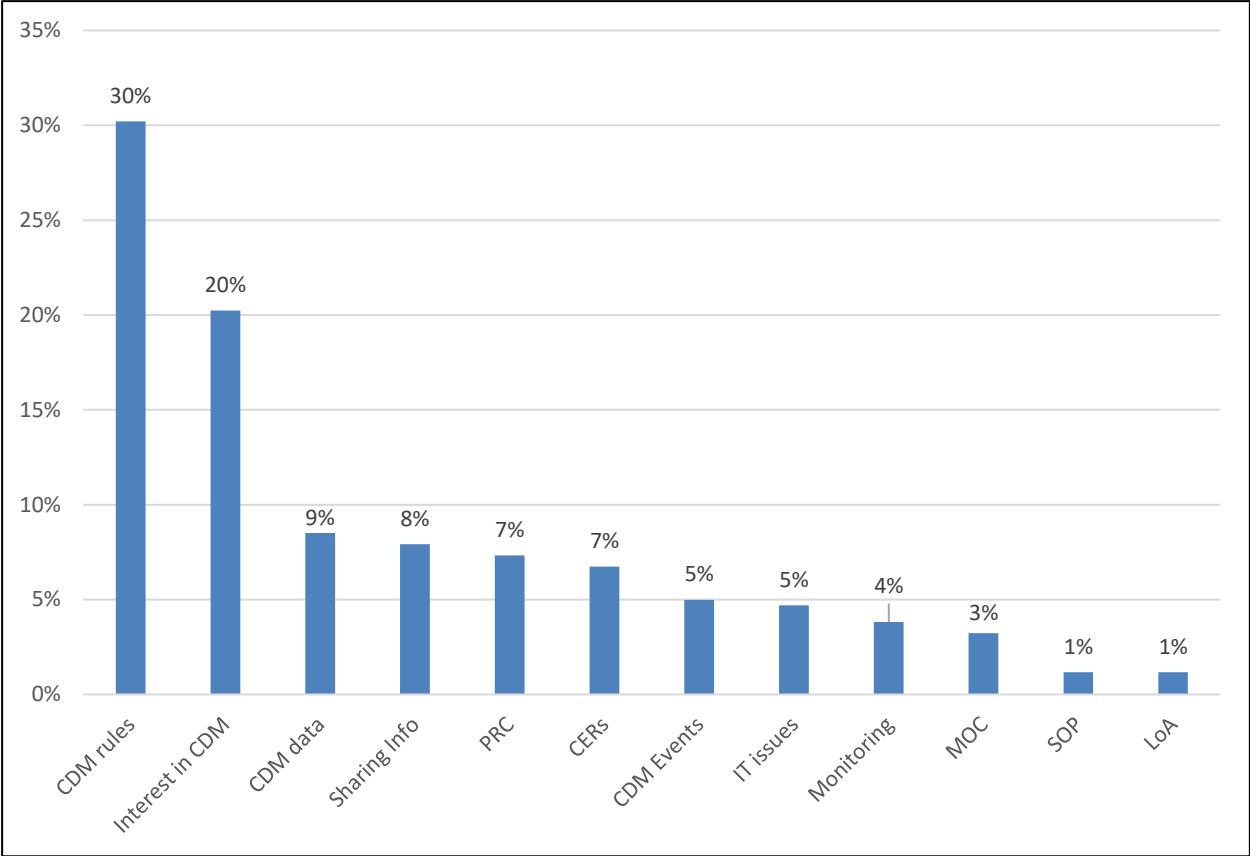
6. There were four letters to the Board related to each of the topics: (i) CDM registry, including share of proceeds; (ii) de/re-registration of a CDM project activity; and (iii) post-registration change, including renewal of crediting period. Two letters to the Board were related to each of the topics: (i) concerns about a project activity/programme of activities (PoA); (ii) interest/participation in the CDM; and (iii) request to expand applicability of the standard. And lastly, one each related to accreditation and the local stakeholder consultation.

2.3.2. Substantive queries to the secretariat

7. Queries to the secretariat were primarily related to: (i) request for clarification on CDM rules and regulation (e.g. prior consideration of the CDM, local stakeholder consultation, validity/applicability of methodologies, accreditation); (ii) interest/participation in the CDM; (iii) requests for CDM data and analysis; (iv) sharing of information; (v) post-registration changes, including renewal of crediting period and change of start date of crediting period; (vi) certified emission reductions (CERs) (cancellation, carry-over and issuance of CERs); (vii) CDM events; (viii) information technology workflow issues; (ix) monitoring issues; (x) modalities of communication; (xi) share of proceeds (SOP); and (xii) letter of approval.

8. Figure 3 shows the most frequent topics of enquiry.

Figure 2. Queries to the secretariat by topic



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

Table 1. Queries to the secretariat by topic and resolution/outcome

Reporting year: 1 January 2018 to 31 December 2018		
Most common topics	Issues raised	Resolution/outcome
CDM rules and regulations	Enquiries on the CDM rules and regulations related to the prior consideration of the CDM, local stakeholder consultation, and validity/applicability of methodologies and accreditation	Reference to existing rules and requirements; provision of general information on accreditation status of designated operational entities (details in section 3.1 below)
Interest/participation in the CDM	Enquiries on the carbon market, eligibility to participate in the CDM, carbon pricing, offsetting, how to procure/sell CERs, grants for projects and eligibility of forestry projects in the CDM	Provision of general information
CDM data and analysis	Request for CDM data and analysis for research purposes	Provision of general information

Reporting year: 1 January 2018 to 31 December 2018		
Sharing of information	Sharing of project ideas, new technologies and concerns about a project activity/PoA	Information received is noted
Post-registration changes	Request for clarification of post-registration change and renewal of crediting period rules and requirements; change in the start date of the crediting period	Reference to existing rules and requirements (details in section 3.1 below)
Certified emission reductions (CERs) (cancellation, carry-over, issuance, balance)	Requests concerning the voluntary cancellation of CERs and CERs in general; procedural requests (deadlines and process)	Provision of general information
CDM events	Enquiries on regional carbon forums and CDM training	Reference to the United Nations Framework Convention on Climate Change (UNFCCC) clean development mechanism (CDM) and Nairobi Framework Partnership websites
Information technology (IT) workflow issues	Erroneous uploading of project documentation; programme of activities (PoA) workflow; issues with access to the CDM page; change of DNA contact details	Resolution of IT issues raised by the users of the UNFCCC CDM website/workflow; launch of new PoA workflow (details in section 3.2 below)
Monitoring issues	Enquiries on on-site inspection; preparation of monitoring reports	Reference to existing rules and requirements
Modalities of communication	General queries related to changes to the “Modalities of communication statement”	Provision of general information and links to how-to guides available on the UNFCCC CDM website
Registration fee (share of proceeds) (SOP)	Request for clarification on fee structure; partial payment of SOP	Reference to existing rules and requirements; new partial payment rules adopted by the Board (details in section 3.1 below)
Letter of approval (LoA)	Enquiries related to status of designated national authority (DNA), issuance of LoA	Reference to relevant information

3. Impact of stakeholder communications on the regulatory framework and/or operations of the clean development mechanism

10. Letters to the Board and queries to the secretariat received through the stakeholder communications process are responded to in accordance with the “Procedure: Direct communication with stakeholders” and within 35 and 15 calendar days, respectively. The information received through this process is reviewed and assessed regularly and supports the continuous improvement of CDM regulations and operations. Additionally,

annual reports are published on the UNFCCC CDM website⁴ on the following key performance indicators related to stakeholder communications:

- (a) Proportion of communications to the Board processed within the specified timelines;
- (b) Proportion of communications to the secretariat processed within the specified timelines;
- (c) Proportion of communications escalated to the Chair of the Board by a stakeholder after a response is received from the secretariat;
- (d) Proportion of stakeholders using the correct channels of communication.

3.1. Improving the rules and regulations of the clean development mechanism

3.1.1. Share of proceeds

- 11. Communications were received during this reporting period from stakeholders requesting the removal of penalties due to withdrawal/rejection of a request for issuance as well as consideration by the Board of options to lessen the burden from upfront payments of SOP to small project developers (i.e. different treatment for small companies, not for small-scale CDM project activities).
- 12. The Board took note of the requests, which may be considered, without any prejudice to any decision, during a future revision of the CDM regulatory document containing the fee schedule.

3.1.2. Renewal of crediting period

- 13. Communications were received during this reporting period from stakeholders seeking guidance on next steps after the notification of intention to renew is submitted in time and implication of delay in submission of such notification.
- 14. The Board, at its ninety-ninth meeting, considered a concept note on the process for renewal of crediting period for CDM project activities and for renewal of PoA period, which included proposals to simplify and improve the current process. The Board had the agreed changes reflected in the revision of the relevant CDM regulatory documents approved at the 101st meeting of the Board.

3.1.3. Partial payment of shares of proceeds

- 15. Communications were received during the previous reporting period from stakeholders that made proposals on the partial payment of SOP.
- 16. The new rules approved by the Board for partial payment of SOP on already approved issuances and upfront payments of SOP on new issuances were implemented in Q1 (1 January) and Q2 (1 June), respectively.

⁴ <<https://cdm.unfccc.int/EB/report/>>.

3.1.4. Requirement of post-registration changes for programmes of activities

17. Project developers requested the Board, during the previous reporting period, to develop the requirements for post-registration changes to PoAs during future revisions of CDM regulatory documents so that the CME can add a small or large-scale methodology and multiple technologies in registered PoAs that have a small-scale methodology and a single technology.
18. The Board, at its ninety-ninth meeting, considered a joint concept note from the secretariat and the Methodologies Panel on changes to the CDM rules for post-registration changes to CDM project activities, PoAs or component project activities (CPAs), and had the changes reflected in the revision of the relevant CDM regulatory documents approved at the 101st meeting of the Board.

3.2. Improving operational activities

3.2.1. Programme of activities workflow

19. Stakeholders raised concerns during the previous reporting period regarding the inconvenience and difficulty faced in submitting the registration and issuance requests for PoAs.
20. The workflows for PoA monitoring report and PoA issuance request were deployed in the first quarter of 2018 (Phase 1). With the deployment of these workflows, the efficiency of processing PoA issuance submissions increased considerably, and manual interventions have decreased, thus reducing the possibility of errors. Work on Phase 2 of the PoA workflow commenced in the second quarter of 2018, covering the development of specific workflows for post-registration changes (for both for PoAs and CPAs), the renewal of PoAs, the renewal of the crediting period for projects and CPAs, PoA issuance review, and PoA registration (including review).

3.2.2. Making information publicly available on the UNFCCC CDM website

21. During the previous reporting period, project developers requested accreditation status information (e.g. via the profile page of the DOE on the UNFCCC CDM website), as such the information was not available and accessible to the public.
22. The Board, at its ninety-eighth meeting, considered an information note on the accreditation information of applicant entities/DOEs available on the UNFCCC CDM website and agreed to the proposed changes on making additional information available on the website.

4. Conclusion

23. The feedback received from stakeholders helped in the identification of areas for improvement with respect to CDM regulations and operational activities and/or the acceleration of improvement work. Many of the stakeholder concerns were addressed through a combination of operational and regulatory improvements, for example a revision of the CDM regulatory documents in the context of the simplification and streamlining of post-registration changes, including the process for renewal of crediting period.

Document information

<i>Version</i>	<i>Date</i>	<i>Description</i>
01.0	6 February 2019	Initial publication.

Decision Class: Operational
Document Type: Information note
Business Function: Governance
Keywords: EB, communications, reporting procedures, transparency
