

CDM-2019Q2-INFO01

Status of CDM MAP 2018-2019 implementation (1 Jan – 30 Jun 2019)

First and Second Quarter, 2019

Version 01.0



United Nations
Framework Convention on
Climate Change

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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 2019.¹
2. This document describes the status of implementation of CDM management plan (MAP) 2018–2019 for year two, covering the period 1 January through 30 June 2019, the activities and projects underway and the financial and human resources of the secretariat's Sustainable Development Mechanisms (SDM) programme, which supports the Board and operation of the CDM.
3. Section 3.2 (Expenditure from 1 January to 30 June 2019) of this document includes a comparison of the biennium budget 2018–2019 and the expenditure for the 18-month period from 1 January 2018 to 30 June 2019 (in USD).
4. For the 2018 year, the mid-year and end-year status of implementation of the CDM MAP 2018–2019 review reports are available on the CDM website.²

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

5. The 2019 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). 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 (1 January to 30 June 2019) under consideration.
6. 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

7. As shown in figure 1, during the reporting period 3,603 requests for registry transactions³ were processed against the 2019 annual forecasted volume of 3,350. Thus, at mid-year,

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

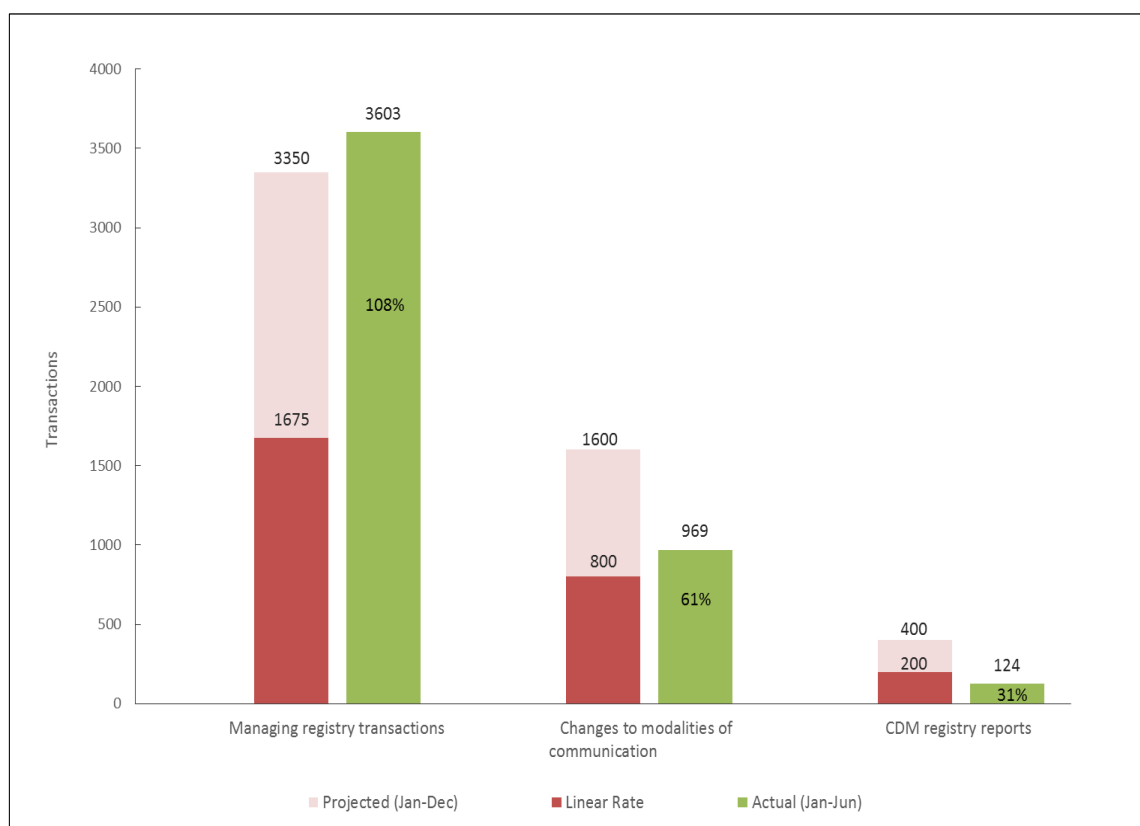
² See CDM-EB100-AA-A01 (mid-year 2018 review report) and CDM-EB102-AA-A01 (end-year 2018 review report <<https://cdm.unfccc.int/EB/report/>>.

³ Includes requests or orders for issuances, forwarding and cancellation of certified emission reductions (CERs) and the opening of accounts in the CDM registry.

the volume processed corresponds to 108 per cent of the annual forecast. Additionally, 969 changes to modalities of communication (MoC) were processed against the annual forecasted volume of 1,600, corresponding to 61 per cent of the annual forecast.

8. Overall, the CDM registry operational volumes are significantly higher than the linearly projected volumes for the reporting period (50 per cent at mid-year). This trend is expected to continue in the second half of 2019. With respect to CDM registry transactions, the main driver is the growing use of the voluntary cancellation platform. The MoC numbers are largely driven by submissions from the World Bank, which is updating information for projects financed by its climate funds. Comparing the volumes for the reporting period to the same period in 2018, there is an increase in processed transaction requests (1,505 transaction requests by June 2018 versus 3,603 for the reporting period) and a decrease in the changes to MoC (1,338 by June 2018 versus 969 change requests for the reporting period).
9. In relation to the CDM registry reporting function, 124 reports (31 per cent), including designated national authority (DNA) reports, CDM Executive Board monthly reports and reports to the World Bank, were produced against the annual forecasted volume of 400 reports. Comparing the volume data to the first six months of 2018, there is a decrease in the reports produced (from 209 reports in 2018). Volumes for 2019 are expected to align with forecasts as the year progresses.

Figure 1. CDM registry operations (January–June 2019)



10. During the first six months of 2019, nine voluntary cancellation seller accounts were opened, and one account was closed, bringing the total number of accounts to 67 against a forecasted volume of 105 active seller accounts by the end of 2019. The CERs available

for listing on the platform through the current accounts exceeded 4 million at the end of the period, which is sufficient for the current level of operations. Supply-side activities to bring more projects on the platform are planned according to short-term operational forecasts to ensure stable and sufficient offering of units.

11. The cancellations through the voluntary cancellation platform reached 315,751 CERs during the first six months of 2019, as compared to 73,643⁴ CERs for the same six-month period in 2018 (more than a fourfold increase).
12. Looking more closely at all voluntary cancellations recorded during the reporting period through both tracks (CDM registry regular track and the voluntary cancellation platform), a comparison against the same period in 2018 shows an increasing number of cancellation requests, while the total number of CERs cancelled has decreased (from 5.9 million CERs in 2018 to 4.7 million CERs in 2019). This reflects the growing proportion of voluntary cancellations through the platform, where transaction sizes are considerably smaller in comparison to the regular track transactions.
13. Regarding the project dealing with “stranded CERs” for which the share of proceeds for administration remains outstanding (PROJ255), the Board, at its 102nd meeting, considered a concept note providing options for dealing with CERs that have accumulated in the pending account of the CDM registry. The Board decided not to undertake further work on the options and, all together, on the matter for the time being.

Project assessments

14. The total CERs issued over the reporting period is 21,525,306, of which 3,687,745 were issued for programmes of activities (PoAs) and 17,837,561 were issued for project activities.
15. In terms of caseload, details of the project assessments processed during the reporting period are included in table 1 and figure 2.

Table 1. Project assessments (January–June 2019)

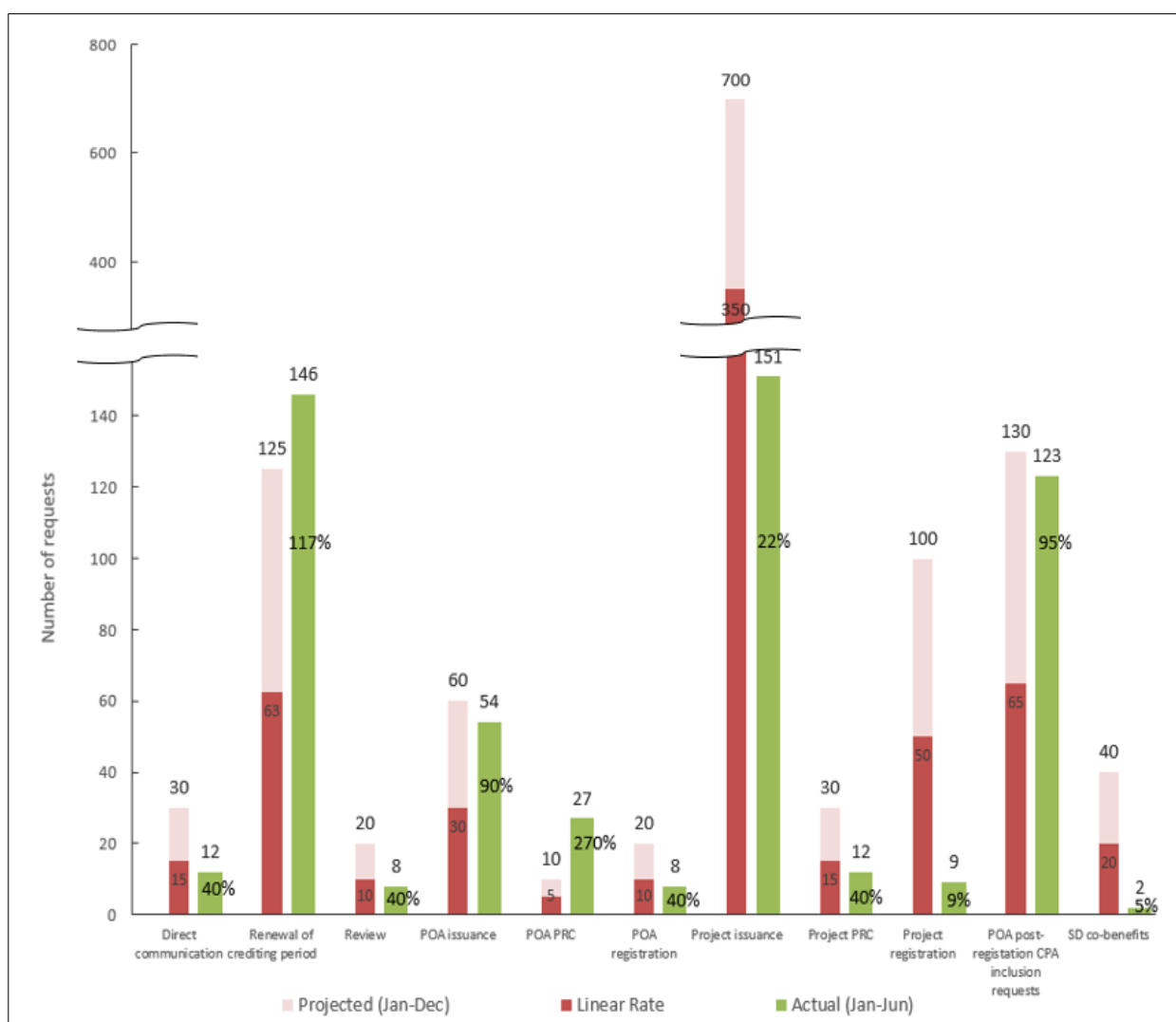
| Activity | Projected annual volume MAP 2019 | Projected linear rate (Jan–Jun 2019) | Actual volume (Jan–Jun 2019) |
|--------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------|------------------------------|
| Requests for project issuance | 700 | 350 | 151 |
| Requests for programme of activities (PoA) issuance covering component project activities (CPAs) | 60 | 30 | 54 ⁵ |
| Request for project registration | 100 | 50 | 9 |
| Request for PoA registration | 20 | 10 | 7 |
| Requests for project post registration changes (PRCs) | 30 | 15 | 12 |
| Request for PoA PRCs | 10 | 5 | 27 |

⁴ 73,482 CERs were reported in CDM-EB100-AA-A01 (mid-year 2018 review report) due to a technical issue. The number cited in this mid-year report is the correct number.

⁵ These included the processing of 128 CPAs.

| Activity | Projected annual volume MAP 2019 | Projected linear rate (Jan–Jun 2019) | Actual volume (Jan–Jun 2019) |
|--------------------------------------------------------------------|----------------------------------|--------------------------------------|------------------------------|
| Request for renewal of crediting period of projects and PoA period | 125 | 63 | 146 |
| Request for review (all types) | 20 | 10 | 8 |
| Request for direct communication | 30 | 15 | 12 |
| PoA post-registration CPA inclusion requests | 130 | 65 | 123 |

Figure 2. Type and number of project assessments processed against annual forecasts and the linear projected volume for the period under review (January–June 2019)



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

16. As seen from Table 1 some activities like requests for PoA issuance, PoA PRC, renewal of crediting period and CPA inclusion have higher volume data reported against the linearly projected volumes, whereas some activities like project registration and issuance have lower volumes. Notably high are the requests for PoA issuance, which are among the most complex and effort intensive requests to process, and the requests for renewal of crediting period, following the change of the rules and the introduction of an ultimate deadline for renewal.
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 Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP).
18. Two sustainable development co-benefit reports were received and published during the reporting period against the annual forecast of 40 reports. The forecast for 2019 is not likely to be achieved and this low trend is expected to remain going forward.

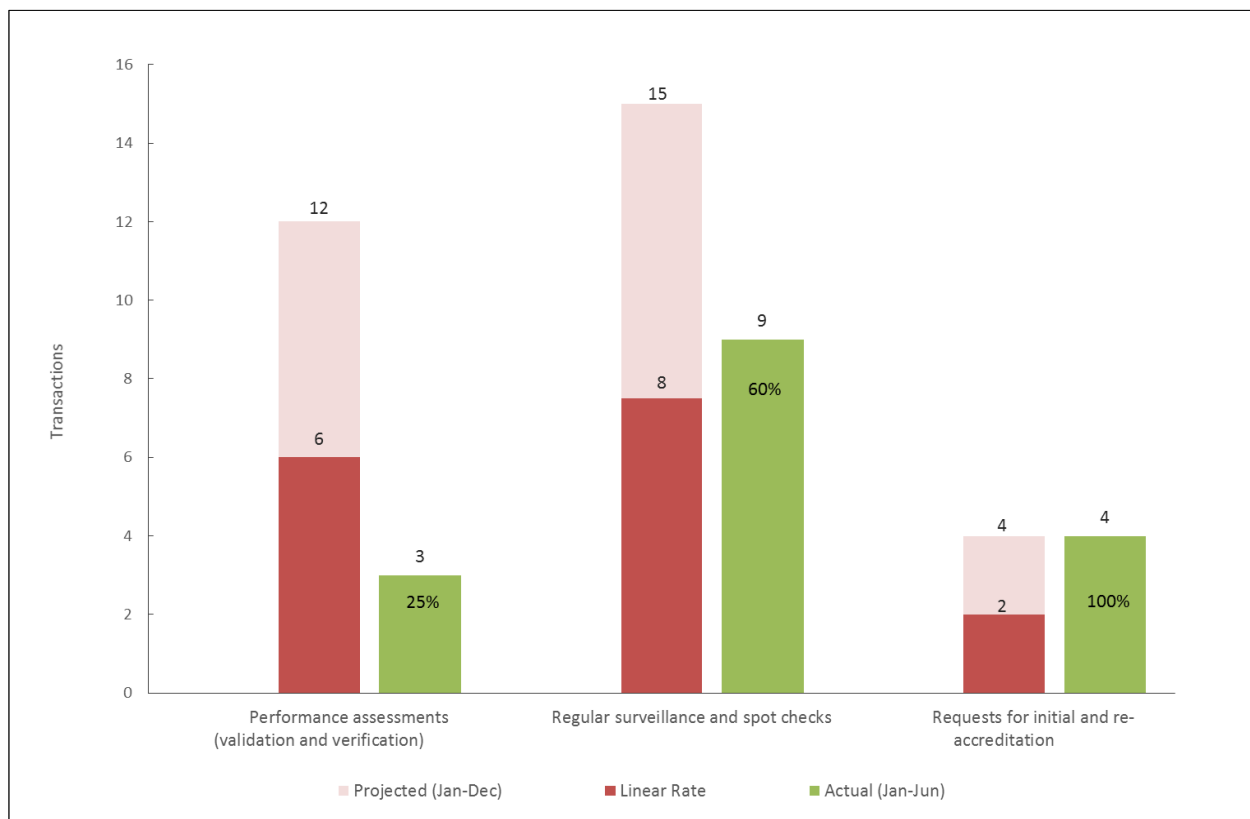
Entity assessments

19. There are currently 31 accredited Designated Operational Entities (DOEs).
20. As shown in figure 3, during the reporting period three performance assessments were conducted⁶ against the annual forecasted volume of 12 assessments. This corresponds to 25 per cent against a linear projected rate of 50 per cent for the first six months of 2019. Nine regular surveillance assessments and spot checks were conducted against the annual forecasted volume of 15 regular surveillance assessments and spot checks (60 per cent). The Board accredited one new DOE, and three re-accreditation assessments for DOEs/Accredited Independent Entities (AIEs) were concluded during the reporting period against the annual forecasted volume of four requests (two for initial accreditation and two for re-accreditation) (100 per cent).⁷

⁶ The figure includes three verification performance assessments.

⁷ 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 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.

Figure 3. Type and number of entity assessments processed against annual volumes and the linear projected volume for the period under review (January–June 2019)



21. During the reporting period, work was conducted to organize a DOE calibration workshop in Seoul, Korea in October 2019. The workshop will provide an opportunity for DOEs to share validation and verification experiences with the secretariat and other workshop participants regarding the application of the CDM regulations approved by the Board. The standards and procedures for stand-alone CDM project activities and PoAs will be discussed, along with any technical issues regarding CDM validation and verification, and will allow for the secretariat to better understand practical field-level concerns regarding the CDM standards and procedures and their implementation.
22. Activities related to the calibration of the CDM accreditation roster of experts for Lead Assessors, including organizing the calibration sessions, providing training on accreditation standards and procedures, and updating Lead Assessors on the CDM regulations, are on track and will be conducted in conjunction with the 85th meeting of the CDM Accreditation Panel (CDM-AP-85) in October 2019.
23. In summary, in relation to objective 1a, table 1 of the CDM MAP 2018–2019 allocates 18 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.⁸ Table 1 in the Appendix shows that, as at 30 June 2019, 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 9 per cent for the six-month reporting period.

⁸ 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>>.

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

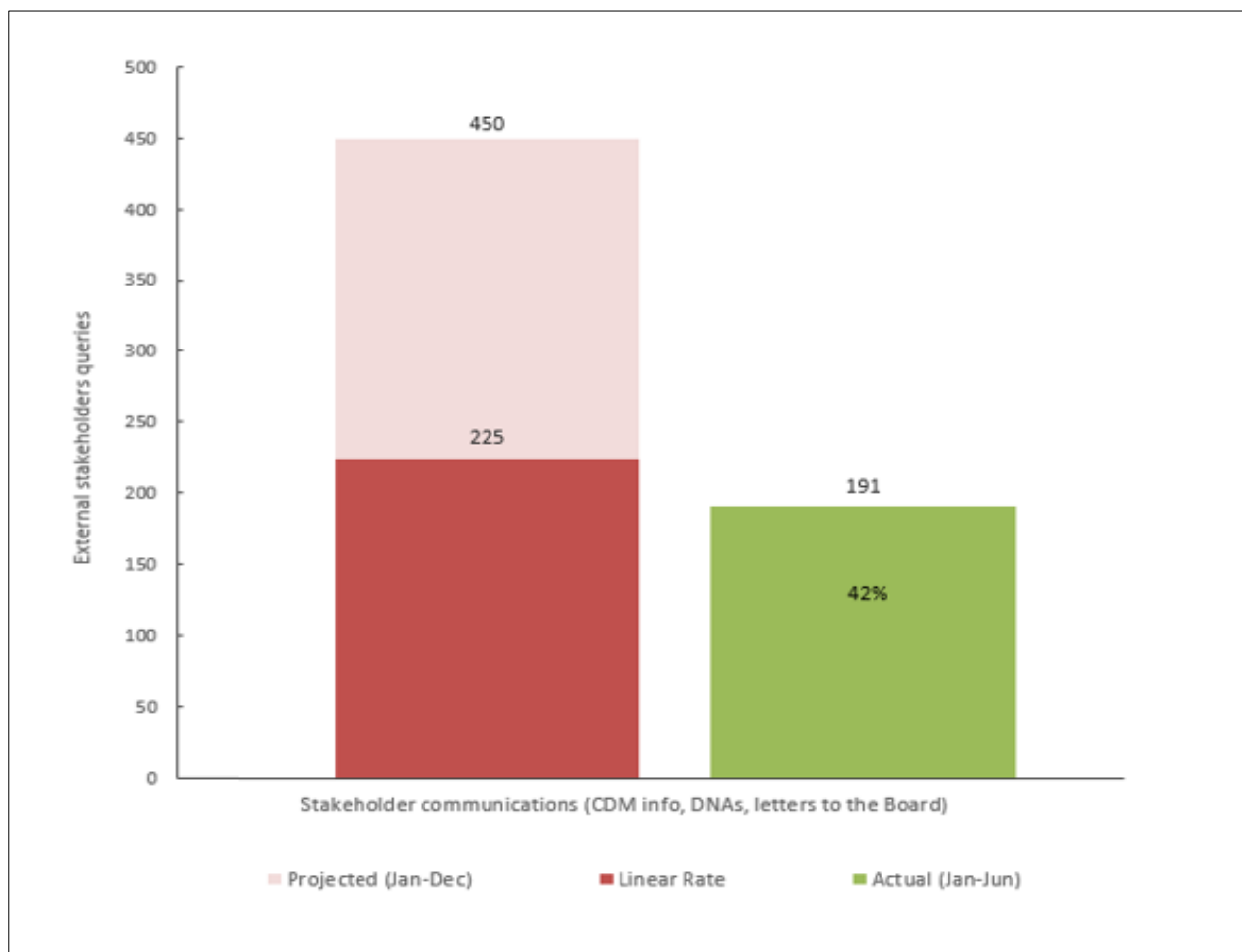
Communications

24. Communications focused on showcasing the CDM as a functioning, 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

25. As shown in figure 4, during the reporting period a total of 191 CDM-related queries from stakeholders were processed, including six communications addressed to the Board and 185 communications addressed to the secretariat. This corresponds to 42 per cent of the annual forecasted volume and is slightly lower than a linear volume of projected queries (50 per cent) for the six-month reporting period. An additional 456 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 2019)



Market and policy analysis

- 26. During the reporting period, the secretariat continued to gather intelligence on developments in global carbon markets. 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 EB 103⁹, and the next is scheduled for EB 105. This information will allow decisions by the Board across its work programme to be informed by broader on-going developments.

⁹ See the powerpoint slides provided at EB103 here: <https://unfccc.events.azureedge.net/media/pdfs/133ba1a4-552e-4049-b6e1-c75b16af81f2/6e61d6fd-1dce-42fd-a2a2-967071df4755.pdf>.

Secretariat interactions with stakeholders

27. On behalf of the Board and its support structures, 10 calls for public input were sought relating to methodological issues and issues included in the annotated agenda and related annexes prepared for EB 102 and EB 103.¹⁰
28. During the reporting period, the Board met with the DNA Forum (at EB 103) and the DOE/AIE Coordination Forum (at EB 102) representatives and took note of forums' inputs.
29. The 20th Global DNA Forum and technical workshop on new carbon credit opportunities took place from 12 to 14 June 2019 in Bonn, Germany.

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 2019 reporting period, two meetings of the Board (EB 102 and EB 103), two of the CDM Accreditation Panel (CDM-AP 83 and CDM-AP 84) and two of the Methodologies Panel (MP 78 and MP 79) 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 two additional mandates¹¹ to the Board provided by the CMP at its fourteenth session (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 EB 102,¹² 62 products were forecasted to be delivered in 2019. During the reporting period, the Board provided eight additional mandates (see table 6 of the Appendix), resulting in three additional products for delivery in 2019. Considering adjustments made to the updated workplan at EB 103 in June, there are 64 forecasted products for delivery.
33. As shown in table 9 of the Appendix, as at 30 June 2019, a total of 34 products were delivered against the workplan. This is slightly higher than 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 the approved workplans.
34. At EB 103, the Board appointed five experts as members of the CDM-AP, 12 experts as members of the MP and 23 experts for the Registration and Issuance Team (RIT) with terms of service from 1 September 2019 to 31 December 2021.
35. At EB 103, the Board also agreed to extend the terms of office of the members of the Afforestation Reforestation Working Group and the Carbon Capture and Storage Working Group, as originally appointed by the Board at its eighty-fifth meeting, to 31 December 2021.

¹⁰ See Call for public inputs archives at <http://cdm.unfccc.int/public_inputs/index.html>.

¹¹ Decision 4/CMP14, paragraphs 4–5.

¹² See CDM-EB102-A01 at <<http://cdm.unfccc.int/UserManagement/FileStorage/1Z37BMO2G6RD5V9INY4KW8CQJXLTHF>>.

Accreditation system

36. During the reporting period, 31 entities were supported, including the handling of one complaint. The support included day-to-day activities related to the administration of the accreditation workflow.
37. During the reporting period, 13 assessments were launched, of which three were regular surveillance assessments, four were re-accreditation assessments and six were performance assessments. Their corresponding workplans were processed in accordance with the CDM accreditation procedure.
38. During the reporting period, the Board accredited one new entity and re-accredited three entities. The Board will present these recommendations for consideration by the CMP at its 15th session.
39. At EB102, the Board considered a concept note, prepared in consultation with the CDM-AP and the DOE Coordination Forum, on the simplification of information collected from DOEs for the DOE annual activity report. The Board agreed to revise the DOE annual activity report form (CDM-AAR-FORM) based on the proposals included in the concept note.
40. 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 2017 to 30 June 2018.¹³

Registration and issuance system

41. Information system support activities for project and PoA cycles, including uploading of monitoring reports, summary notes, Board objections, rejections rulings, updated documents related to direct communication, and queries from project participants, were carried out according to the established procedures.
42. The CDM information system continues to be enhanced with additional capabilities and workflows. On-going activities in this regard include: defining requirements; testing and handling of deployments; overseeing the implementation of change requests; and managing relations with the Information and Communication Technology (ICT) department.

Regulatory framework management

43. The Board, at its 102nd meeting (EB 102), reclassified the guideline on establishment of standardized baselines for afforestation and reforestation project activities under the CDM and adopted it as a standard.
44. Also at EB 102, the Board decided that for the purpose of resubmission of a request for registration, issuance, post-registration changes or renewal of crediting period that applied the previous version of the CDM project standards, verification and validation standards and project cycle procedures for project activities and programmes of activities (ver.01.0) in the initial submission, such resubmission may continue to apply the previous version if it was made by 30 June 2019; otherwise, the resubmission shall apply the latest version.

¹³ CDM-2018SYN-INFO01, Synthesis report of the annual activity reports submitted by the designated operational entities 2017–2018. Available at < <https://cdm.unfccc.int/EB/report/>>.

45. The Board, at EB 103, agreed that the renewal of the PoA period is not a precondition for issuance of CERs of CPAs whose crediting periods have not expired by the end of the PoA period. The Board clarified that a request for issuance of a PoA may cover the monitoring results of such CPAs in any monitoring period until the expiry of their crediting periods irrespective of the timing of the renewal of the PoA period.
46. In summary, in relation to objective 1b, table 1 of the CDM MAP 2018–2019 allocates 27 per cent of the annual approved budget for 2019 to the 17 operational activities delivering services and products in support of this objective.¹⁴ Table 1 in the Appendix shows that, as at 30 June 2019, 11 per cent of the total budgeted resources for 2019 were utilized against the activities associated with this objective, which is slightly lower than the projected linear rate of 13.5 per cent for the six-month reporting period. The work under this objective is on track and progressing in accordance with the established timelines in the current Board-approved workplan.

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

Methodologies

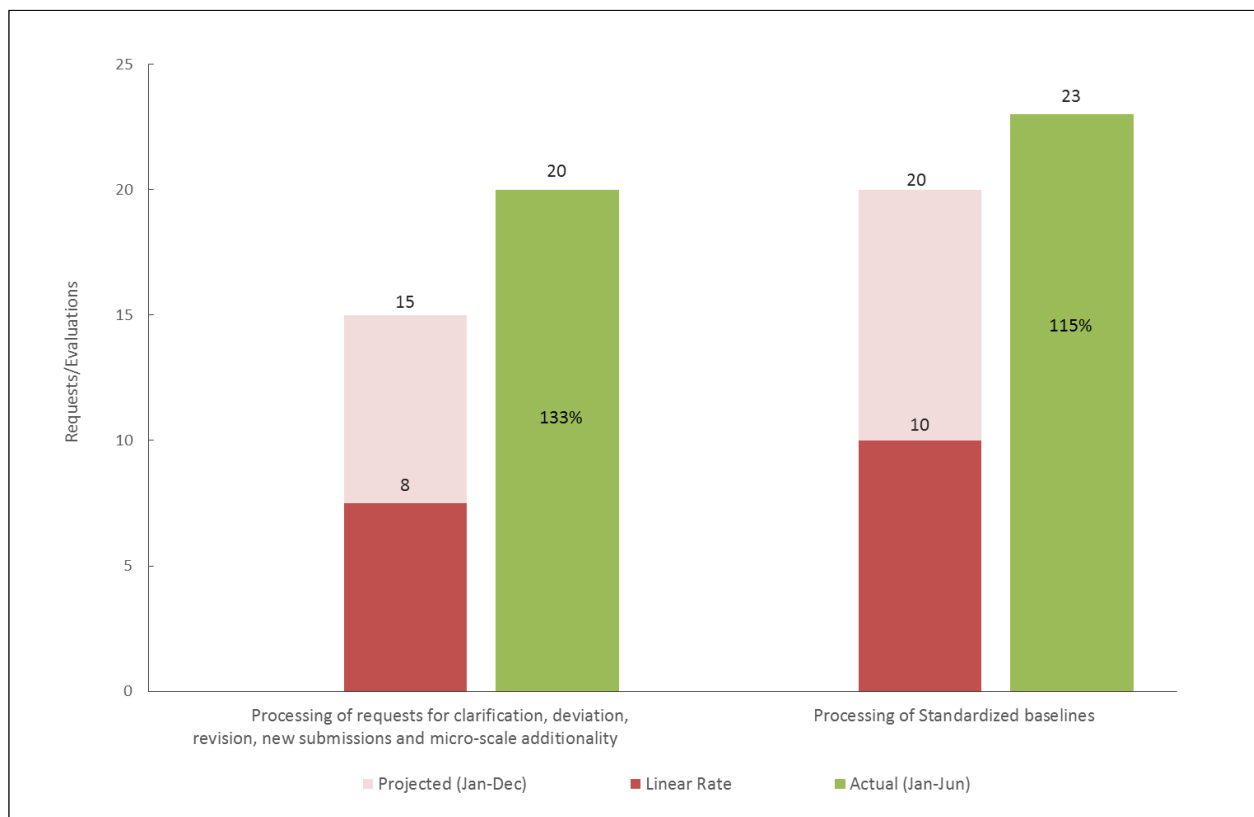
47. During the reporting period, the Board adopted one new methodology¹⁵ and approved the revisions of 13 methodologies and tools.¹⁶
48. Figure 5 below provides data for the six-month reporting period relating to methodologies work.

¹⁴ 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>>.

¹⁵ AMS.III.BN: Efficient operation of public transportation.

¹⁶ AM0086: Distribution of low greenhouse gas-emitting water purification systems for safe drinking water; TOOL06: Project emissions from flaring; TOOL30: Calculation of the fraction of non-renewable biomass; AMS-III.AV: Low greenhouse gas-emitting safe drinking water production system; AMS-II.T: Emission reduction through reactive power compensation in power distribution network; ACM0001: Flaring or use of landfill gas; ACM0014: Treatment of wastewater; AM0031: Bus rapid transit projects; AM0117: Introduction of a new district cooling system; AMS I.A: Electricity generation by the user; AMS-I.C: Thermal energy production with or without electricity; AMS-III.G: Landfill methane recovery; AMS-III.H: Methane recovery in wastewater treatment.

Figure 5. Methodology requests and processing of standardized baselines against annual forecast (January–June 2019)



49. During the reporting period, the following new methodologies, requests for clarification and revisions were processed or are under process:
- (a) Two proposed new methodologies are under process;¹⁷
 - (b) Fifteen requests for clarifications¹⁸ were fully concluded and one request for clarification is under process;¹⁹
 - (c) Two requests for revisions²⁰ are under process.

¹⁷ SSC-NM102 and SSC-NM103 submitted in 2018.

¹⁸ AM_CLA_280, AM_CLA_281, CLA_TOOL_0027, CLA_TOOL_0028, CLA_TOOL_0029, SSC_744, SSC_745, SSC_746, SSC_747, SSC_748, SSC_749, SSC_751, SSC_752, SSC_753, SSC_754.

¹⁹ SSC_755.

²⁰ REV_TOOL_0004, SSC_750. In addition, there are other on-going requests for revision of methodologies, all under PROJ223.

50. A total of 20 methodology requests²¹ were processed against the annual forecasted volume of 15 requests.²²
51. During the reporting period, details of the processing of standardized baselines were as follows:
- (a) One standardized baseline submission was approved during the reporting period;²³
 - (b) 22 standardized baselines were under process.²⁴
52. The 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.** At its 102nd meeting, the Board took note of a progress report on the digitization of the methodology “ACM0002: Grid-connected electricity generation from renewable sources” and requested the secretariat to undertake the road-testing of the tool. Progress on products associated with this project is shown in table 2 below.

Table 2. PROJ256: Digitization of methodologies for web-based generation of project design documents and monitoring template (January–June 2019)

| Product title/short description | % complete | Forecasted delivery |
|---------------------------------------------------------------------------------|------------|---------------------|
| Progress report on implementation of IT elements | 100 | EB102 |
| Digitalization of ACM0002 up to preparation of the PDD by single user | 100 | EB 102 |
| Progress report on the road testing of digitalized ACM 0002 with multiple users | 50 | EB 105 |
| Completion of road testing of digitalized ACM 0002 with multiple users | 0 | EB 107 |

²¹ Requests completed: six submitted in 2018: AM_CLA_280, AM_CLA_281, CLA_TOOL_0027, SSC_744, SSC_745 and SSC_746; and ten submitted in 2019 reporting period: AM_REV_0259, CLA_TOOL_0028, CLA_TOOL_0029, SSC_747, SSC_748, SSC_749, SSC_751, SSC_752, SSC_753 and SSC_754. Requests under process: three submitted in 2019 reporting period: REV_TOOL_0004, SSC_750 and SSC_755.

²² 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.

²³ See Approved Standardized Baselines ASB0042-2019 at <https://cdm.unfccc.int/methodologies/standard_base/2015/sb4.html>.

²⁴ See standardized baselines under process:

- (a) Bottom-up: PSB0002, PSB0013, PSB0020, PSB0021, PSB0027, PSB0031, PSB0032, PSB0039 and PSB0040 (submitted during previous reporting periods and under process); PSB0046, PSB0047, PSB0048, PSB0049 and PSB0050 (submitted during the reporting period) at https://cdm.unfccc.int/methodologies/standard_base/2015/sb2.html.
- (b) Top-down: TSB0002, TSB0006, TSB0008, TSB0011, TSB0012 and TSB0013 (submitted during previous reporting periods and under process); TSB0014 and TSB0015 (submitted during the reporting period) at <https://cdm.unfccc.int/methodologies/standard_base/2015/sb5.html>.

- (b) **PROJ244: Development of new methodologies to broaden the applicability of the CDM.** During the six-month reporting period, the Board approved the new methodology “AMS.III.BN: Efficient operation of public transportation” and considered two concept notes on the use of the CDM in the urban sector. Progress on products associated with this project are shown in table 3 below.

Table 3. PROJ244: Development of new methodologies to broaden the applicability of the CDM (January–June 2019)

| Product title/short description | % complete | Forecasted delivery 2019 |
|---------------------------------------------|------------|---------------------------------------------|
| Use of the CDM in urban sector | 80 | EB105 [through panel/working group (WG)] |
| Improved operation of public transportation | 100 | EB102 [through panel/WG] |

- (c) **PROJ223: Simplification of methodologies.** During the six-month reporting period, the Board considered two concept notes on the methodological approaches for calculating emission reductions from project activities, resulting in the reduced use of non-renewable biomass in households, providing guidance to the MP. Progress on products associated with this project is shown in table 4 below.

Table 4. PROJ223: Simplification of methodologies (January–June 2019)

| Product title/short description | % complete | Forecasted delivery 2019 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------------------------|
| Methodological approaches for calculating emissions reductions from project activities, resulting in the reduced use of non-renewable biomass in household | 80 | EB105 [through MP report] |
| Revised methodological TOOL27 “Investment analysis” | 40 | EB105 [through MP report] |
| Various top-down revised/new methodologies and tools and best-practice examples mandated by the Board | 60 | EB105 [through MP report] |

53. In relation to objective 1c, table 1 of the CDM MAP 2018–2019 allocates 5 per cent of the 2019 approved budget to the two operational activities and four projects delivering services and products in support of this objective.²⁵ Table 1 in the Appendix shows that, as at 30 June 2019, 2 per cent of the total budget resources for 2019 was utilized against the activities associated with this objective, which is slightly lower than the projected linear rate of 2.5 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.

²⁵ 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>>.

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

Partnerships and engagement activities

54. 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;
 - (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) Meeting of the G7 Carbon Markets Platform;
 - (v) Meeting of the OECD's Climate Change Expert Group;
 - (vi) Meeting of the World Bank's Partnership for Market Readiness;
 - (vii) Congress on energy transition and climate change in the Caribbean to support CDM stakeholder bottom-up and top-down standardized baselines, use of CDM tool, finance for CDM projects, and to respond to CDM queries and promote Climate Neutral Now;
 - (viii) Green Finance as mandated by the Board under agenda item "Financing and use of the CDM by international finance institutions".
- (b) Interactions during 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;
- (d) Other exchanges with intergovernmental organizations, non-governmental organizations, governments, financial institutions and businesses.

Nairobi Framework coordination and regional activities

55. During the reporting period, the Nairobi Framework²⁶ coordination and regional activities focused on building and enhancing the capacity of DNAs to become fully operational and to develop CDM project activities, promote investment opportunities for projects, improve information-sharing, outreach and training, and strengthen inter-agency coordination included:

- (a) A series of coordination meetings held on-line and on the side-lines of the Africa Climate Week in Accra, Ghana in March 2019. The objective of the meeting convened during Africa Climate Week was to bring together partners and cooperating organizations, including senior directors, to review the results

²⁶ See Nairobi Framework at <http://cdm.unfccc.int/Nairobi_Framework/index.html>.

achieved during the event, and agree on practical and operational arrangements to improve the delivery of work under the Nairobi Framework Partnership (NFP). It was agreed that a rulebook would be designed to transparently designate roles and responsibilities for each organization and determine the expected deliverables toward which each partner would contribute. It was also agreed that a core group of “global partners” and a group of “regional members” would be established and that the NFP Terms of Reference would be revised to incorporate a definition of core partners;

- (b) The NFP partners and cooperating organizations reaffirming their commitment to continue the partnership and agreeing to continue broadening the demand for, and participation in, the CDM by showcasing the CDM to a wider audience, for example, through the regional climate weeks;²⁷
- (c) The publishing of the NFP Annual Report 2018, documenting the activities completed by partner agencies and cooperating organizations of the NFP during 2018;²⁸
- (d) Joint efforts of NFP partners and cooperating organizations, including organizing the Africa Climate Week, the Asia Pacific Climate Week in Bangkok from 2 to 6 September 2019 and the Latin American and Caribbean Climate Week in Salvador from 19 to 23 August 2019. During these events, sessions, side-events and workshops about the CDM and carbon markets are held involving DNAs, project participants, potential investors and regional experts.

Support to stakeholders/capacity-building

56. 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 101st and 102nd meetings of the Board;
 - (b) CDM-related events organized during the Africa Climate Week;
 - (c) Global DNA Forum meeting and technical workshop on new carbon-crediting opportunities held from 12 to 14 June 2019 in Bonn, Germany;
 - (d) A side-event entitled “CDM for ambitious climate policy” held on 17 June 2019 at the fiftieth session of the UNFCCC subsidiary bodies. The event reflected on the role of the CDM for ambitious climate policy, whether in domestic climate policies or through emission reduction facilities, and also examined the implication and ratification status of the Doha Amendment.

Public policy development

57. During the reporting period, the secretariat continued to gather and analyse reports and information regarding the evolution and direction of carbon-pricing instruments globally. This work was undertaken through direct engagement with policymakers, attendance at relevant global and regional carbon market events, and review of formal and informal

²⁷ For the regional climate weeks, see <<https://www.regionalclimateweeks.org/>>.

²⁸ The report is available at <<https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20190207182511909/2018%20NFP%20Status%20Report.pdf>>.

policy documents and announcements by various regulatory authorities. The main focus of this engagement was to support 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 policymakers and relevant experts globally to ensure that the Board is informed of the latest developments impacting the operation of the CDM.

Operation and further development of the voluntary cancellation platform

58. The platform for voluntary cancellation of CERs operates online 24/7.²⁹ So far, the platform has been visited by most of the countries in the world, with contributors from 57 countries completing cancellations in the reporting period. The total number of CERs cancelled through the platform since its launch in September 2015 is 868,036.
59. In March 2019, the platform was released in the Spanish language, in addition to the English and French versions. By May 2019, the bank transfer payment process had been significantly enhanced through dedicated pathways for purchasers and providers of offsets, including automation for the dispatching of payment instructions for confirmed orders. The significant increase in order numbers necessitated the automation of the transaction approval process and attestation dispatch, with respective works carried out on the CDM registry and the platform. As a result of the automation deployed in June 2019, significant gains in the platform support effort were realized, enabling the existing resources to operate the platform efficiently at current and potentially growing order volumes. The platform's service provider developed and released a French and a Spanish version of the online quiz of 2018 for a social media campaign relaunch. The new social media campaign was launched towards the end of Quarter 2, 2019. Despite initial strong results, Facebook suspended the sponsored part of the campaign on the grounds of new rules aiming at preventing possible foreign interference with policies in the national domain.
60. During the reporting period, the Board took note of a progress update on, and a demonstration of, the online platform for voluntary cancellation of CERs version 2.0 and requested the secretariat to provide further information on the development and operational costs related to the platform.³⁰

Improvement of the CDM to make it attractive for results-based finance

61. 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 standardized baselines for afforestation and reforestation were made, including updates to the tool to calculate fraction of non-renewable biomass. Work to improve the methodologies for GHG mitigation in the urban context continued.

²⁹ The platform is available at <<https://offset.climateutralnow.org/>>.

³⁰ This information will be presented at EB104 as per the approved EB workplan.

Financing and use of the CDM by international finance institutions

62. At EB 103, the Board considered an information note³¹ on financing and use of the CDM by international finance institutions and noted the progress of on-going support provided by the secretariat in collaboration with the Regional Collaboration Centres (RCCs).

Nurturing demand for the CDM and voluntary cancellation of CERs

63. During the reporting period, activities to nurture demand for the CDM and voluntary cancellation of CERs included:
- (a) Support to the implementation of the United Nations (UN) system's climate-neutral commitment, with a focus on compensating unavoidable emissions through the cancellation of CERs. While the effort to make the UN system climate-neutral has been on-going for several years, supported by UNFCCC and coordinated by the Greening the Blue initiative³² in UN Environment, the Secretary General of the United Nations has requested the full implementation and achievement of the climate-neutral goal for all 68 UN organizations by the Secretary-General's Climate Summit by 23 September, 2019. If this is achieved, an estimated 1.4 million CERs will be cancelled;
 - (b) Collaboration with the Alliance for Development and Climate,³³ an initiative hosted by the German federal government to encourage German companies and organizations to become climate-neutral, including through the use of CERs. The Alliance was launched in June 2019 and has currently received some 330 commitments, including from some major German corporations. Discussions are underway to seek to replicate this approach to other countries, as a voluntary approach for companies and organizations to support climate action;
 - (c) Continuous outreach to companies and organizations to commit to climate neutrality and to compensate for unavoidable emissions with CERs. Some 86 new organizations made the Climate Neutral Now commitment in the reporting period. Outreach efforts have been targeted at sports organizations, which has resulted in new commitments, including the International Olympic Committee, the International Paralympic Committee, International Federation of Association Football, Yankees, National Basketball Association, the World Sailing Federation, Tokyo 2020, Paris 2024, Rugby League World Cup 2021, Wimbledon, US Tennis Association (US Open), Tennis Australia (Australian Open), the French Tennis Federation Roland Garros, Eisbären Berlin and Los Angeles Galaxy, to promote climate action, including the use of CERs to compensate for unavoidable emissions;
 - (d) Collaboration with fashion companies including, Adidas, Burberry, C&A Foundation, International Fashion Corporation, H&M, Hugo Boss, Kering, Levi Strauss, Outdoor Industry Association, Nike, Puma and VF Corporation, to develop roadmaps to address their climate footprint in operations and supply chains, including by exploring the use of CERs to compensate for unavoidable emissions;

³¹ See CDM-EB103-AA-A01 at <<http://cdm.unfccc.int/UserManagement/FileStorage/6E3VO8C4ZXSHPF0UDMW9BK5G12AJT>>.

³² See <<http://www.greeningtheblue.org>>.

³³ <https://allianz-entwicklung-klima.de/>

- (e) Preparation of the second iteration of a social media campaign to encourage individuals to become climate-neutral by measuring, reducing and offsetting their climate footprint. Building on lessons learned from the first iteration in 2018, a new video is being produced and the online quiz has been translated into French and Spanish to reach a wider audience, following the 2019 translation of the Voluntary Cancellation Platform website. At the same time, a new restriction imposed by Facebook on campaigns – namely the categorization of the issue of climate change as a social and/or political issue as per the wishes of a list of countries – has presented new challenges. The secretariat is working to overcome these issues;
- (f) Cooperation with Airport Council International (ACI) to encourage airports to reduce and offset their climate footprints with CERs. At the annual general meeting of ACI in June 2019, the ACI committed to reach full climate neutrality for all participating airports by 2050, thereby aligning itself with the Paris Agreement. ACI members currently use some 864,000 CERs to compensate for unavoidable emissions;
- (g) Cooperation with the credit card company, Doconomy, to launch its new credit card for which emissions from every purchase are calculated and every cardholder is invited to offset their climate footprint with CERs from the Voluntary Cancellation Platform. The credit card will have its official launch at Climate Week in New York in September 2019;
- (h) In the Momentum for Change awards (UNFCCC), an award category is dedicated to climate neutrality and innovative ways of using CERs to achieve climate neutrality, to further raise awareness of the benefits associated with using CERs for climate action. Winners will be announced at COP 25;
- (i) Collaboration with Huella Chile, Huella Perú, Costa Rica Climate Neutral programmes, Lvdoya (China) and W Foundation (Republic of Korea) to promote climate action through the use of CERs;
- (j) Cooperation with organizers of events to encourage them to measure, reduce and offset with CERs the climate impact of their events (e.g. meetings, concerts, festivals). Collaboration is being explored with Events Council International and 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, and the Secretary-General's Climate Summit climate-neutral through the use of CERs.

Regional Collaboration Centre operations

64. The RCCs continue to prioritize the work in least developed countries and underrepresented countries (i.e. with 10 or less registered CDM projects as at 31 December 2010).³⁴

Regional Collaboration Centre support to projects and programmes of activities

65. During the reporting period, direct technical support was provided at the regional level to increase participation in the CDM. As at 30 June 2019, the RCCs had supported 151 CDM projects and PoAs against the annual forecasted volume of 214 projects and PoAs. The

³⁴ See Biannual regular report on RCC operation at <https://cdm.unfccc.int/EB/report/>.

support resulted in nine projects progressing at least one step in the CDM project cycle. In addition, the RCCs responded to 74 queries received from stakeholders requesting clarifications on CDM requirements.

Regional Collaboration Centre support to standardized baselines

66. During the reporting period, RCCs supported the development of 37 bottom-up standardized baselines,³⁵ of which approximately 70 per cent originated from DNAs of underrepresented countries.³⁶ As a result of the support provided by RCCs in the previous years, three proposed standardized baselines³⁷ were successfully submitted to the secretariat and the Board approved one standardized baseline (ASB0042-2019: Standardized baseline - Honduran Grid Emission Factor (version 01.0)).
67. In addition, the RCCs continued to support the work for five top-down standardized baselines for which the work started in 2018. From the beginning of the RCCs' operations in 2013 until 30 June 2019, the development of 143 standardized baselines have been directly supported, of which 42 have been approved by the Board.
68. 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 24 per cent of the 2019 budgeted resources to the 11 operational activities delivering services and products in support of this goal.³⁸ During the reporting period, 12 per cent of the 2019 budgeted resources were spent on the activities associated with this goal, which is in line with the projected linear rate 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

69. In addition to stories being published on the UN Climate Change main website and UNFCCC CDM website (see tables 3 and 4 in the Appendix, respectively), all CDM-related stories published on the main site were promoted via the secretariat's main social media account and select advisories were promoted on the UN CarbonMechs account.
70. The secretariat's main social media accounts and website are the major online assets used to promote the CDM, principally the work on raising demand and promoting the CDM in the context of promoting climate neutrality, with the message: measure, reduce, compensate, repeat. The UN CarbonMechs social media channels are maintained for those with a special interest in the CDM, including media. As at the end of June 2019, UN CarbonMechs had 7,780 Twitter followers and 9,800 Facebook "likes".

³⁵ Seven new and 30 continuations from the previous reporting period.

³⁶ The list of countries with 10 or fewer registered CDM projects as of 31 December 2010 is available at https://cdm.unfccc.int/methodologies/standard_base/cdmprojects.pdf.

³⁷ PSB0048, PSB0049 and PSB0050.

³⁸ 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.htm>.

71. News items relevant to the work of the Board were collected and incorporated in the daily news email compiled by the secretariat's Communications and Outreach programme.
72. Communications work was carried out in support of key events, including Africa Climate Week and the sessions of the Convention's subsidiary bodies in June.³⁹ Planning, coordination and production of communication materials in support of the Latin America and Caribbean Climate Week and of the Asia-Pacific Climate Week are well underway.⁴⁰
73. Communications engagement and marketing carried out by the RCCs, especially their support to the Regional Climate Weeks, regular e-newsletters, workshop support and capacity-building work related to the CDM, are described elsewhere in this report.
74. In 2016, the secretariat launched Momentum for Change,⁴¹ an initiative to recognize and promote climate action. Under the Momentum for Change pillar – Climate Neutral Now – organizations, companies and governments achieving real results transitioning to climate neutrality, including through use of offsets, are invited to submit their work for consideration.⁴²
75. The most inspiring, innovative and successful activities are selected as Momentum for Change Lighthouse Activities and are recognized and celebrated during the COP and at other key events, such as the Regional Climate Weeks.⁴³
76. Table 5 below indicates the progress achieved on communications and marketing activities during the six-month reporting period.

Table 5. Communications engagement and marketing (January–June 2019)

| Product title | % Complete | Forecasted delivery 2019 |
|---------------------------------------------------------------------------------------------------------------------|------------|--------------------------|
| 1. Communication in support of Africa Climate Week | 100 | March 2019 |
| 2. Communication in support of Latin America and Caribbean Climate Week 2019 | 50 | August 2019 |
| 3. Communication in support of Asia-Pacific Climate Week | 15 | September 2019 |
| 4. Communication in support of Climate Neutral Now pillar of the Global Climate Action Awards (Momentum for Change) | 20 | December 2019 |
| 5. Communication in support of the Voluntary Cancellation Platform and Climate Neutral Now | 40 | December 2019 |

³⁹ To see a video of the Board's side event at the fiftieth sessions of the subsidiary bodies, CDM for Ambitious Climate Policy, visit <<https://bit.ly/2YdUdwV>>.

⁴⁰ See <<https://www.regionalclimateweeks.org/>> and <<https://unfccc.int/news/salvador-hall-turns-into-climate-city-to-host-lac-climate-week>>.

⁴¹ Momentum for Change < <https://unfccc.int/climate-action/momentum-for-change>>.

⁴² Climate Neutral Now < <https://unfccc.int/climate-action/momentum-for-change/climate-neutral-now>>.

⁴³ For a list of winning activities in this category, please visit <<https://unfccc.int/climate-action/momentum-for-change/climate-neutral-now>>. See a short video of last year's winners at <<https://vimeo.com/305472800>>.

Human resources, skills development and learning

77. 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) Development of resource mobilization and partnerships;
 - (b) Statistical processes and quality control techniques;
 - (c) Results-based monitoring and evaluation;
 - (d) Climate and renewable energy finance;
 - (e) UNDP standard procurement training (Chartered Institute of Procurement and Supply);
 - (f) Implementing information management on SharePoint and Office 365;
 - (g) Change management for employees and managing people through change.
78. To maximize the outcome from capacity-building programmes, the secretariat focused on areas where a number of staff skills could be enhanced through small group training, as opposed to concentrating on individual capacity-building learning opportunities (five staff undertook specific training related to their job description in areas of administrative support, communications, regulatory development and statistical analysis).

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

79. During the reporting period, the finance administration team processed 287 financial and procurement-related transactions, 520 travel-related transactions and 23 expense reports related to the operations of the CDM. Additionally, five monthly monitoring reports and one quarterly report were produced.
80. During the reporting period, the Board considered a financial report on its financial situation, as requested by CMP in its decision 4/CMP.14, paragraph 5, and provided guidance to the secretariat.

Intra-secretariat engagement agreements (information technology)

81. During the reporting period, information technology (IT) operational activities supported under the IT 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 (4 support issues);
 - (ii) CDM registry operational maintenance, software maintenance and security (2 issues resolved and voluntary cancellation platform Application Programming Interface assessment);
 - (iii) CDM-Information System manual interventions, operational change requests for CDM, and roster of expert system support (3 Business Process Activities, 11 Change Requests, 28 Content Management updates, 206 Manual Interventions, 39 user administration, 36 user help);

- (iv) Simplified Processing Tool application service management for delivery of regression test and bug fixes, overall support and maintenance plus minimal cost for oversight from UNFCCC ICT;
 - (v) Sustainable Development Tool system change and maintenance, including minor bug fixes, operational maintenance such as backups and monitoring, software maintenance such as patching and upgrades and security management;
 - (vi) Stakeholder Interaction System change and maintenance, including minor bug fixes and enhancements prioritized in the backlog (work continued from 2018);
- (b) **Meeting and workshop support:** support was provided to the meetings of the CDM-AP, MP, DOE and the Board;
 - (c) **Data centre hosting services:** business-as-usual and recovery services for CDM-Information System content management system, CDM-Registry and CDM mailing lists;
 - (d) **Licenses:** business-as-usual services in support of desktop and specialized software (e.g. Qlik, Survey Monkey, Adobe Premiere Pro).
82. IT projects supported under the engagement agreement PoA lifecycle and PA renewal of crediting period included the following:
- (a) PoA accreditation assessment workflow (as part of the PoA lifecycle project) and revisions to the project renewal of crediting period and the project post-registration changes workflows were released in March 2019. In addition, enhancements to the PoA post-registration change submissions (when combined with issuance requests) were released in April 2019. An additional release with further functionalities and fixes to critical issues related to the project renewal of crediting period workflow was completed in late April 2019;
 - (b) The remaining part of PoA lifecycle project phase II is planned for user-acceptance testing in the next quarter and will include PoA renewal period and CPA renewal of crediting period, post-registration changes, standard request for review workflow and PoA registration workflow additional functionalities. Work has been initiated for PoA renewal and CPA renewal of crediting period.
83. Further details on project priorities, mandates, timelines and budgets are provided in table 7 in the Appendix.
84. Table 6 below indicates the expenditure for services received under the IT engagement agreement during the six-month reporting period.

Table 6. Information technology services expenditure for the six-month reporting period (January–June 2019)

| Services received | Expenditure (USD) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Operational | |
| Application, maintenance and support to CDM systems | 300 779 |
| System infrastructure services (data hosting services) | 90 398 |
| Service desk support for workshops/meetings | 6 400 |
| Licenses | 2 655 |
| Subtotal IT Operational | 400 232 |
| Projects | |
| PoA Lifecycle (phase II), including <ul style="list-style-type: none"> • Accreditation assessment for PoA Renewal of Crediting Period Work flow improvement | 219 955* |
| Subtotal Projects | 219 955 |
| TOTAL | 620 187 |

*This amount has been obligated.

Internal communications

85. During the reporting period, six internal newsletters were prepared and published, informing staff of the progress under the operational activities and projects, including important milestones, achievements and goals related to the CDM MAP 2018–2019. In addition, 10 secretariat-wide news articles were prepared and published to ensure information-sharing and cross-programme collaboration.

Information, knowledge and records management

86. During the reporting period, over 2 terabytes of CDM electronic files were transferred as part of a secretariat-wide SharePoint migration project to a cloud-based system. In addition to archiving the physical records to the UNFCCC archives, a project is in the planning stages to transfer the meeting records of the Board, its panels and working groups into the secretariat's electronic records management system (HP Records Manager (HPRM) system)) to preserve and maintain these records in a secured, trusted and searchable electronic recordkeeping system.
87. The cataloguing and indexing of the Board's regulatory documents (including the documentation of its supporting meeting bodies) included the indexing of approximately 106 documents, which ensures transparency and access to regulatory decisions via the public Catalogue of Decisions database.⁴⁴

Management and meetings

88. 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.

⁴⁴ Searchable Catalogue of CDM-EB decisions available at <http://cdm.unfccc.int/Reference/catalogue/search>.

Planning, monitoring and reporting

89. 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) Status of CDM MAP 2018–2019 implementation (Year 2018);⁴⁵
 - (b) Annual key performance indicators report;⁴⁶
 - (c) Regional Collaboration Centre report (Jun–Dec 2018);⁴⁷
 - (d) United Nations platform for voluntary cancellation of certified emission reductions;⁴⁸
 - (e) Synthesis report of the annual activity reports submitted by the designated operational entities 2017–2018;⁴⁹
 - (f) Annual report on stakeholder communications.⁵⁰
90. During EB 102, the Board took note of the status of the CDM management plan 2018-2019 implementation for the 2018 year.

Secretariat-wide responsibilities

91. 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.
92. 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 2019 to the 11 cross-cutting operational activities and one project activity delivering services and products across the two goals and six objectives.⁵¹ During the reporting period, 16 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.

⁴⁵ See CDM-EB102-AA-A01 at <<https://cdm.unfccc.int/EB/report>>.

⁴⁶ See CDM-2018KPI-INFO01 at <<https://cdm.unfccc.int/EB/report>>.

⁴⁷ See CDM-2018RCC-INFO02 at <<https://cdm.unfccc.int/EB/report>>.

⁴⁸ See CDM-2018VC-INFO02 at <<https://cdm.unfccc.int/EB/report>>.

⁴⁹ See CDM-2018SYN-INFO01 at <<https://cdm.unfccc.int/EB/report>>.

⁵⁰ See CDM-2018SC-INFO01 at <<https://cdm.unfccc.int/EB/report>>.

⁵¹ See CDM-EB92-A01-INFO, Appendix, table 1 at <<https://cdm.unfccc.int/Reference/Notes/index.html>>.

3. Financial update

3.1. Status of income from 1 January to 30 June 2019

93. Table 7 shows the balance brought forward from 2018 and the income received in the period from 1 January to 30 June 2019.

Table 7. Income received in 2019, including carry-over from 2018 (in USD) ⁵²

| | |
|-------------------------------------------------------------------|-------------------|
| Carry-over figure from 2018 (A) | 83 451 173 |
| Income received in 2019 | |
| Accreditation fees | 44 980 |
| Fees from the accreditation process | 58 629 |
| Registration fees ^(a) | 30 000 |
| Methodology fees ^(b) | — |
| Share of proceeds (SOP) ^(c) | 6 209 263 |
| Subtotal – Income: 1 January–30 Jun 2019 (B) | 6 342 872 |
| Current balance of 2018 carry-over and 2019 income (A + B) | 89 794 045 |

Note: USD 45 million held in reserve (EB 45, 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 tCO₂e 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.

94. The total fees received as at 30 June 2019 amounted to USD 6.3 million (see table 7). This is 70 per cent of the projected income of USD 9.0 million for 2019.⁵³ The total fees received during the same period last year (January–June 2019) were USD 4.2 million (49 per cent).⁵⁴ Projected income is expected to be achieved or exceeded by year end.

95. CERs held in the CDM registry at the end of June 2019 amounted to 435.7 million. The secretariat has already performed all related tasks (with the exception of forwarding) for the corresponding issuance requests. SOP for administration due on CERs held in the pending account of the CDM registry amounted to USD 56.5 million at the end of the reporting period. This is a decrease of USD 4.4 million in comparison to August 2018, when the outstanding SOP for administration peaked at USD 60.9 million. The decrease

⁵² The data presented in this report are subject to change, as the financial period remains open at the time the report is being finalized.

⁵³ As per the MAP 2018–2019 (CDM-EB97-A01-INFO, table 12).

⁵⁴ As per status of MAP 2019 implementation (CDM-EB100-AA-A01, table 8).

is a consequence of the rules approved by the Board in 2018 for partial payment of SOP on already approved issuances and upfront payment of SOP on issuances submitted after 1 June 2018.

96. 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 activities in countries with fewer than 10 such activities registered. In accordance with the CMP decision,⁵⁵ 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 2019 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) 17 are closed (funds never released or funds fully repaid);
 - (b) 17 are deemed to be on track for repayment in 2019;
 - (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, 18 are being, or have been, written off by UNOPS, having received the requisite agreement in principle from UNFCCC. Remaining loans are under recovery by UNOPS.
97. The loan scheme is expected to close all operations by the end of 2019.

3.2. Expenditure from 1 January to 30 June 2019

98. Table 8 below shows the expenditure incurred and the utilization rate for the 2019 reporting period. The additional table 8a shows the expenditure incurred and the utilization rate for the 2018–2019 budget period (18 months).

⁵⁵ See decision 3/CMP.12, paragraph 16.

Table 8. Comparison of budget and expenditure for the period from 1 Jan to 30 Jun 2019 (in USD)

| Expenditure classification | Budget 2019 | Expenditure (Jan–Jun 2019) | Difference to 2019 budget (a-b) | % Rate of expenditure vs. 2019 budget (b/a) |
|---------------------------------------------|------------------------|---------------------------------------|----------------------------------------------------|--------------------------------------------------------------------|
| | a | b^(a) | c | d |
| Staff ^(a) | 10 801 200 | 5 222 163 | 5 579 037 | 48.3 |
| Consultants ^(b) | 435 950 | 226 508 | 209 442 | 52.0 |
| Expert fees ^(c) | 218 200 | 70 128 | 148 072 | 32.1 |
| Expert travel ^(d) | 206 400 | 109 306 | 97 094 | 53.0 |
| Travel of representatives ^(e) | 450 800 | 220 826 | 229 974 | 49.0 |
| Travel of representatives EB ^(f) | 420 500 | 145 316 | 275 184 | 34.6 |
| Travel of staff ^(g) | 365 100 | 92 668 | 272 432 | 25.4 |
| Training ^(h) | 20 000 | 15 089 | 4 911 | 75.4 |
| Operating expenses ⁽ⁱ⁾ | 680 950 | 117 803 | 563 147 | 17.3 |
| RCC operations ^(j) | 588 400 | 327 338 | 261 062 | 55.6 |
| Total cost of ownership ^(k) | 1 510 000 | 706 084 | 803 916 | 46.8 |
| Engagement agreement (ICT) ^(l) | 1 073 137 | 620 187 | 452 950 | 57.8 |
| Mobile telecommunications ^(m) | 15 100 | 4 855 | 10 245 | 32.2 |
| Supplies and material ⁽ⁿ⁾ | 77 500 | 61 181 | 16 319 | 78.9 |
| Grants (EB) ^(o) | 376 500 | 321 300 | 55 200 | 85.3 |
| Subtotal | 17 239 737 | 8 260 752 | 8 978 985 | 47.9 |
| 13% programme support ^(p) | 2 241 166 | 1 073 898 | 1 167 268 | 47.9 |
| Total | 19 480 903 | 9 334 650 | 10 146 253 | 47.9 |

Table 8a. Comparison of the biennium budget 2018–2019 and expenditure for the period from 1 Jan 2018 to 30 Jun 2019 (in USD)

| Expenditure classification | Budget | Budget | Total | Expenditure | Difference | % Rate of |
|-----------------------------------------------|-------------------|-------------------|--------------------|--------------------|------------------------------------|-------------------------------------------------|
| | 2018 | 2019 | 2018–2019 (a+b) | (Jan 18 – June 19) | to 2018–2019 budget (c-d) | expenditure vs. 2018–2019 budget (d/c) |
| | a | b | c | d ^(q) | e | f |
| Staff ^(a) | 10 801 200 | 10 801 200 | 21 602 400 | 15 560 067 | 6 042 333 | 72.0 |
| Consultants ^(b) | 424 700 | 435 950 | 860 650 | 526 089 | 334 561 | 61.1 |
| Expert fees ^(c) | 218 200 | 218 200 | 436 400 | 183 270 | 253 130 | 42.0 |
| Expert travel ^(d) | 206 400 | 206 400 | 412 800 | 289 216 | 123 584 | 70.1 |
| Travel of representatives ^(e) | 450 800 | 450 800 | 901 600 | 532 408 | 369 192 | 59.1 |
| Travel of representatives – EB ^(f) | 420 500 | 420 500 | 841 000 | 505 005 | 335 995 | 60.0 |
| Travel of staff ^(g) | 362 100 | 365 100 | 727 200 | 417 060 | 310 140 | 57.4 |
| Training ^(h) | 20 000 | 20 000 | 40 000 | 35 173 | 4 827 | 87.9 |
| Operating expenses ⁽ⁱ⁾ | 684 700 | 680 950 | 1 365 650 | 477 859 | 887 791 | 35.0 |
| RCC operations ^(j) | 588 400 | 588 400 | 1 176 800 | 901 968 | 274 832 | 76.6 |
| Total cost of ownership ^(k) | 1 510 000 | 1 510 000 | 3 020 000 | 2 159 990 | 860 010 | 71.5 |
| Engagement agreement (ICT) ^(l) | 1 240 286 | 1 073 137 | 2 313 423 | 1 679 374 | 634 049 | 72.6 |
| Mobile telecommunications ^(m) | 15 100 | 15 100 | 30 200 | 11 482 | 18 718 | 38.0 |
| Supplies and material ⁽ⁿ⁾ | 77 500 | 77 500 | 155 000 | 130 384 | 24 616 | 84.1 |
| Grants (EB) ^(o) | 376 500 | 376 500 | 753 000 | 668 700 | 84 300 | 88.8 |
| Subtotal | 17 396 386 | 17 239 737 | 34 636 123 | 24 078 045 | 10 558 078 | 69.5 |
| 13% programme support ^(p) | 2 261 530 | 2 241 166 | 4 502 696 | 3 130 146 | 1 372 550 | 69.5 |
| Total | 19 657 916 | 19 480 903 | 39 138 819 | 27 208 191 | 11 930 628 | 69.5 |

- (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 (ICT and Administrative Services) 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 2019, 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 (laptops 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.

99. Column (d) in table 8 shows the rate of expenditure as a percentage of the total 2019 budget for each cost category. The linear rate of expenditure for the period 1 January to 30 June 2019 is 50 per cent. Column (f) in table 8a shows rate of expenditure as a percentage of the 2018–2019 budget for each cost category. The linear rate of expenditure for the period 1 January 2018 to 30 June 2019 is 75 per cent.
100. Staff costs amount to 48.3 per cent of the 2019 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 third quarter due to processing of staff benefits and entitlements. Expenditure is expected to align with the original projections as the year progresses.
101. Consultant costs amount to 52 per cent of the 2019 budget for this object of expenditure, which is slightly higher than the linear rate of expenditure (50 per cent). Consultancies are planned for based on work plans and delivery timelines established for the activities and projects included in the MAP 2019. As such, the expenditure is expected to align with the original projections as the year progresses.
102. Expert fees amount to 32.1 per cent of the projected 2019 budget for this object of expenditure, which is significantly lower than the linear rate of expenditure (50 per cent). The under-expenditure reflects savings in experts planned for but not utilized. Expenditure is expected to remain at the current rate and result in savings in the 2019 budget.
103. Expert travel amounts to 53 per cent of the projected 2019 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 with the original projections as the year progresses.
104. Travel of representatives amounts to 49 per cent of the projected 2019 budget for this object of expenditure, which is lower than the linear rate of expenditure (50 per cent). Expenditure is expected to align with the original projection as the year progresses and the planned meetings and workshops are delivered (e.g. DNA Forum).
105. Travel of EB members amounts to 34.6 per cent of the 2019 budget for this object of expenditure, which is significantly lower than the linear rate of expenditure (50 per cent). This reflects the expenditure for the two meetings (EB 102 and EB 103) in the first six months of 2019. Expenditure is expected to align more closely with the original projections as the year progresses.
106. Travel of staff amounts to 25.4 per cent of the 2019 budget for this object of expenditure, which is significantly lower than the linear rate of expenditure (50 per cent). This reflects the secretariat's efforts to increase virtual participation of staff for meetings outside of Bonn and efforts to reduce the number of staff assigned to a mission. The current trend of expenditures is expected to continue as the year progresses, resulting in savings under the object of expenditure.
107. Training costs amount to 75.4 per cent of the 2019 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, taking into account the schedule of meetings of the Board and its panels during the year. Expenditure is expected to align with the original projections as the year progresses.
108. Operating expenses amount to 17.3 per cent of the 2019 budget for this object of expenditure, which is significantly lower than the linear rate of expenditure (50 per cent).

The under-expenditure reflects savings in logistical costs associated with the meetings delivered during the reporting period, but also the schedule of planned meetings in 2019 is not linear. Expenditure is expected to align more closely with the original projections as the year progresses.

109. RCC operations costs amount to 55.6 per cent of the 2019 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.
110. TCO costs amount to 46.8 per cent of the 2019 budget for this object of expenditure, which is lower than the linear rate of expenditure (50 per cent). The under-expenditure is a result of lower per capita costs. Expenditure is expected to align with the original projections as the year progresses.
111. Engagement agreement costs (ICT) amount to 57.8 per cent of the 2019 budget for this object of expenditure, which is slightly above the linear rate of expenditure (50 per cent). As it includes an obligation of USD 219,955 (as shown in table 6), expenditure is expected to align with the original projections as the year progresses.
112. Mobile telecommunications costs are 32.2 per cent of the 2019 budget for this object of expenditure, which is significantly lower than the linear rate of expenditure (50 per cent). This reflects a lower service agreement cost with the mobile carrier and the 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.
113. Supplies and materials costs amount to 78.9 per cent of the 2019 budget for this object of expenditure, which is significantly higher than the linear rate of expenditure (50 per cent). The higher rate of expenditure reflects the subscription renewals that are received at the beginning of the year but commitments extend to year end. Expenditure is expected to align with the original projections as the year progresses.
114. The expenditure for EB grants amounts to 85.3 per cent of the 2019 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 2019 grant requests have been processed in the system and funds have been fully committed against this item of expenditure.

3.3. Summary of financial position (income and expenditure status, as at 30 June 2019)

115. Table 9 below shows the balance of the CDM Trust Fund as at 30 June 2019.

Table 9. Income and expenditure status, as at 30 June 2019 (in USD)

| | |
|-----------------------------------------------------------------|-------------------|
| Carry-over figure from 2018 (A) | 83 451 173 |
| Status of funds for the period Jan-Jun 2019 | |
| Income: 1 January–30 June 2019 (B) | 6 342 872 |
| Current balance of 2018 carry-over and 2019 income (A+B) | 89 794 045 |
| Expenditure: 1 January–30 June 2019 (C) | 9 334 650 |
| Balance available at 30 June 2019 (A+B-C) | 80 459 395 |

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

116. Table 10 below shows the income and expenditure trend for the period January to June for the years 2017, 2018 and 2019.

Table 10. Income and expenditure trend, as at 30 June 2019 (in USD)

| | As at 30 June 2017 | As at 30 June 2018 | As at 30 June 2019 |
|----------------------------------------------------------|-----------------------|-----------------------|-----------------------|
| Income | 3 914 103 | 4 197 125 | 6 342 872 |
| Expenditure | 8 223 043 | 9 377 290 | 9 334 650 |
| Income minus expenditure | (4 308 940) | (5 180 165) | (2 991 778) |
| Income as a rate of projected income of USD 9 million | 43.5% | 46.6% | 47.9% |
| Expenditure as a rate of the annual budget | 41.9% | 47.7% | 47.9% |

4. Human resources

117. The SDM programme has a skilled and flexible workforce comprised of 94 staff, consisting of 87 that are funded through the CDM, 4 through Joint Implementation, 2 through the core UNFCCC budget, and 1 through the Administrative 13 per cent. These resources are used to deliver on the CDM MAP activities and projects, as well as other tasks for which SDM is responsible.
118. As part of the planning of resource utilization and deployment, priority continues to be to ensure the full use of available staff resources over consultants or temporary hires, taking into account the expertise required and the optimal use of staff-related expertise versus external resource use. Additionally, in efforts to prudently manage resources and also bring new skills and experience into the secretariat, interns and fellows are being recruited in accordance with UN rules and regulations to support the work on the implementation of the CDM MAP 2018–2019.
119. The secretariat has systems in place to track and report on human resource deployment and closely monitors resource allocations against priority areas of work to ensure the full utilization of available staff in delivering high-quality products on time.

5. Conclusions and recommendations

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

Appendix 1. Reporting data (January–June 2019)

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

| 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 | 71.5 | 7,000 | 18% | 7% | 9.0% |
| 1 (b) | Operate an effective regulatory framework resulting in reduced transaction costs for participants in the mechanisms | 56.5 | 871,614 | 27% | 11% | 13.5% |
| 1 (c) | Develop simplified and user-friendly standards and procedures that increase efficiency and ensure environmental integrity | 24.9 | 0 | 5% | 2% | 2.5% |
| 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 | 82.0 | 665,602 | 24% | 12% | 12.0% |

| Objective | Title of objective | Staff months | Non-staff costs (USD) | % of resources allocated to objective | % of resources spent | Linear rate for period Jan.–Jun. |
|-----------|-------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------|---------------------------------------|----------------------|----------------------------------|
| | Cross cutting activities including: communications, information technology, finance, planning, monitoring and reporting | 117.9 | 776,984 | 26% | 16% | 13.0% |

Table 2. Volume of operational activities and projects completed in comparison with annual forecasted volumes (January–June 2019)

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

| MAP 2019-2019 activity | Units | Projected annual volume in MAP (Jan.–Dec. 2019) | Actual volume (Jan.–Jun. 2019) |
|----------------------------------------------------------------------------|------------------------------------------|-------------------------------------------------|--------------------------------|
| Changes to modalities of communication and transactions | Registry Transactions | 3350 | 3603 |
| | Changes to modalities of Communication | 1600 | 969 |
| CDM registry reports | Reports | 400 | 124 |
| Opening and maintaining VC platform seller accounts | Accounts | 105 | 67 |
| Requests for direct communication, renewal of crediting period, and review | Requests for direct communication | 30 | 12 |
| | Requests for renewal of crediting period | 125 | 146 |
| | Requests for review (all types) | 20 | 8 |
| Requests for POA issuance | Requests | 60 | 54 ⁵⁶ |
| Requests for POA PRC | Requests | 10 | 27 |
| Requests for POA registration | Requests | 20 | 7 |
| Requests for project issuance | Requests | 700 | 151 |
| Requests for project PRC | Requests | 30 | 12 |
| Requests for project registration | Requests | 100 | 9 |
| POA post-registration CPA inclusion requests | CPA inclusions | 130 | 123 |

⁵⁶ These included the processing of 128 CPAs.

| MAP 2019-2019 activity | Units | Projected annual volume in MAP (Jan.–Dec. 2019) | Actual volume (Jan.–Jun. 2019) |
|------------------------------------------------------------------------------------|---------------------------------------|-------------------------------------------------|--------------------------------|
| Sustainable Development Co-benefits including reporting and promotional activities | Reports | 40 | 2 |
| Performance assessments (validation and verification) | Performance assessment (validation) | 3 | 0 |
| | Performance assessment (verification) | 9 | 3 |
| Regular surveillance and spot checks | Regular surveillance assessments | 14 | 9 |
| | Spot checks assessments | 1 | 0 |
| Requests for initial and re-accreditation | Requests for initial accreditation | 2 | 1 |
| | Requests for re-accreditation | 2 | 3 |
| Calibrate assessment team leads | Workshop | 1 | 0 |
| DOE calibration workshop | Workshop | 1 | 0 |

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

| MAP 2019-2019 activity | Units | Projected annual volume in MAP (Jan.–Dec. 2019) | Actual volume (Jan.–Jun. 2019) |
|-------------------------------------------------------------------|--------------|-------------------------------------------------|--------------------------------|
| Stakeholder communications (CDM info, DNAs, letters to the Board) | Transactions | 450 | 191 |
| Global DNA Forum | Event | 1 | 1 |
| Accreditation Panel | Meetings | 3 | 2 |
| Methodologies Panel | Meetings | 3 | 2 |
| Support to the Executive Board | Meetings | 4 | 2 |
| Entity administration | Entities | 31 | 31 |
| Entity assessment planning | Assessment | 26 | 13 |
| R&I system support | Tasks | 2200 | 1375 |

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

| MAP 2019-2019 activity | Units | Projected annual volume in MAP (Jan.–Dec. 2019) | Actual volume (Jan.–Jun. 2019) |
|--------------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------|--------------------------------|
| Processing of requests for clarification, deviation, revision, new submissions and micro-scale additionality | Clarification requests | 8 | 16 |
| | Deviations requests | 1 | 0 |
| | Processing of micro-scale additionality | 2 | 0 |
| | New submission request | 2 | 2 |
| | Revision requests | 2 | 2 |
| Processing of submitted standardized baselines | Evaluations | 20 | 23 |

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 2019-2019 activity | Units | Projected annual volume in MAP (Jan.–Dec. 2019) | Actual volume (Jan.–Jun. 2019) |
|-------------------------------------------------|----------------------------------|-------------------------------------------------|--------------------------------|
| RCC Operations | Events | 9 | 6 |
| RCCs-On-site support to projects | Supported projects | 214 | 151 |
| RCC Support to Bottom-up Standardized Baselines | Supported standardized baselines | 20 | 37 |

Table 3. Stories promoted on the UN Climate Change website

| Story | Date (2019) | Link |
|--------------------------------------------------------------------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. World's First "Climate Positive" Feature Movie | 7/02/2019 | https://unfccc.int/news/world-s-first-climate-positive-feature-movie |
| 2. Spanish Top-Tier Soccer Team Aims to Become Climate Neutral | 13/03/2019 | https://unfccc.int/news/spanish-top-tier-soccer-team-aims-to-become-climate-neutral |
| 3. World's First "Climate Positive" Outdoor Footwear Brand | 29/03/2019 | https://unfccc.int/news/world-s-first-climate-positive-outdoor-footwear-brand |
| 4. Innovative Climate Action – New Credit Card Limits Climate Impact of Users | 30/04/2019 | https://unfccc.int/news/innovative-climate-action-new-credit-card-limits-climate-impact-of-users |
| 5. First Chinese Company Collaborates with UN's Climate Neutral Now Initiative | 11/06/2019 | https://unfccc.int/news/first-chinese-company-collaborates-with-un-s-climate-neutral-now-initiative |

| Story | Date (2019) | Link |
|-------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| 6. Taking Climate Action Via a Gaming App | 12/06/2019 | https://unfccc.int/news/taking-climate-action-via-a-gaming-app |

Table 4. Stories and In-Focus advisories published on the CDM website

| Story | Date (2019) | Link |
|-----------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------|
| 1. CDM Executive Board seeks members for panels and R&I team (third slide in In Focus) (links to calls for applications) | 7/01/2019 | https://cdm.unfccc.int/ (third slide in In-Focus) |
| 2. CDM Executive Board elects Chair, Vice-Chair for 2019 (second slide in In Focus) (links to election notice and meeting report) | 26/03/2019 | https://cdm.unfccc.int/ (second slide in In-Focus) |
| 3. View the side event CDM for ambitious climate policy (first slide in In Focus) (links to on-demand video) | 17/06/2019 | https://cdm.unfccc.int/ (first slide in In-Focus) |

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 fourteenth session

| CMP14 mandate | Mandate from the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) | Related MAP 2018-2019 project or routine activity |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| 4/CMP.14, para. 4 | Encourages the Executive Board to review methodological approaches for calculating emission reductions from project activities, resulting in the reduced use of non-renewable biomass in households; | Project 223: Simplification of methodologies |
| 4/CMP.14, para. 5 | Requests the Executive Board and the secretariat to ensure the efficient and prudent use of resources of the Trust Fund for the Clean Development Mechanism to the end of the true-up period for the second commitment period of the Kyoto Protocol, and to present a comprehensive report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fifteenth session (December 2019) on the present financial situation of the clean development mechanism and the foreseen budgets for activities until the end of 2023. | Activity Group: Support to the Executive Board |

Table 6. Additional mandates provided by the Board at its 103rd meeting

| Reference | EB 103 mandates | Project/routine – product 2019 |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| EB103 report para. 8 | The Board agreed on key messages to be conveyed to the CMP through its annual report and requested the secretariat to prepare the draft annual report to the CMP at its fifteenth session for consideration by the Board at its 104th meeting. | Activity Group: Support to the Executive Board |
| EB103 report para. 9 | The Board considered the financial report on its financial situation as requested by the CMP in its decision 4/CMP.14, paragraph 5, and requested the secretariat to prepare a revised report, based on the guidance provided, for its 104th meeting. | Activity Group: Support to the Executive Board |
| EB103 report para. 27 | The Board considered the concept note "Methodological approaches for calculating emission reductions from project activities, resulting in the reduced use of non-renewable biomass in households" and requested the MP to conduct further work as follows: [...] | Project 223: Simplification of methodologies |
| EB103 report para. 28 | [...] the Board requested the MP to recommend revised versions of the small-scale methodologies "AMS-I.E.: Switch from non-renewable biomass for thermal applications by the user" and "AMS-II.G: Energy efficiency measures in thermal applications of non-renewable biomass" for approval, together with the revised concept note above, for consideration by the Board at its 105th meeting. | Project 223: Simplification of methodologies |
| EB103 report para. 29 | The Board considered the draft new guideline "Use of the CDM in urban sectors" and requested the MP to continue to work on the guideline, specifically:[...] | Project 244: Development of new methodologies to broaden the |

| Reference | EB 103 mandates | Project/routine – product 2019 |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| | | applicability of the CDM |
| EB103 report para. 33 | The Board decided not to approve the proposed bottom-up methodology “SSC-III.XX: Ride-hailing services”. [...] the Board requested the MP to continue work on the methodology and to recommend a revised version at a future meeting, taking into account the following guidance from the Board:[...] | Activity Group: Methodologies |
| EB103 report para. 35 | The Board requested the MP to revise the methodology "AMS-II.E: Energy efficiency and fuel switching measures for buildings" to include methods and equations to calculate emission reductions for projects that do not apply "TOOL31: Determination of standardized baselines for energy efficiency measures in residential, commercial and institutional buildings". | Project 223: Simplification of methodologies |
| EB103 report para. 38 | The Board considered the approach to requests for issuance for PoAs and agreed to [...] <p>(a) The renewal of the PoA period is not a precondition for issuance of CERs for CPAs whose crediting periods have not expired by the end of the PoA period. [...]</p> <p>(b) The secretariat is requested to consult with the Project Developer Forum and the DOE/AIE Coordination Forum [...]</p> <p>(c) The secretariat is requested to prepare draft amendments to relevant regulatory documents [...] for consideration by the Board at its 104th meeting.</p> | Activity Group: Regulatory framework management |

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

| Priority | Project | Mandate/Objective | Project History |
|----------|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | PoA Lifecycle, including Accreditation assessment for PoA & Renewal of Crediting Period WF improvement | <p>Mandate: EB 81, paragraph 50 references IT work to implement PoA-related regulatory documents.</p> <p>The project is being implemented based on the need for a better and usable system for both internal and external stakeholders, including:</p> <ol style="list-style-type: none"> 1. Development of Workflows to enable the implementation of PoA project cycle procedure (25 to 30 processes). 2. Extranets and microsites for internal and | <p>Phase 1 of this project was successfully completed with the deployment of two PoA workflows for:</p> <ol style="list-style-type: none"> (i) Monitoring reports; (ii) Requests for issuance. <p>With the deployment of the new PoA workflows, the efficiency of processing PoA issuance submissions increased considerably and the manual interventions were reduced, thus reducing the occurrence of errors.</p> <p>Phase 2 commenced in 2018 and continued in 2019 in line with the 2019 MAP allocation. Phase 2 subsumed additional work needed on the project related workflows to reflect procedural changes adopted by EB.</p> <p>(a) Further deliverables in 2018 included:</p> <ol style="list-style-type: none"> (i) Q1: Partial payment of SOP for CERs held in the pending account of the CDM registry; (ii) Q2: Upfront collection of SOP in the issuance workflow to ensure that issuance requests move forward in the pipeline only after SOP is collected; |

| Priority | Project | Mandate/Objective | Project History |
|----------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <p>external stakeholders.</p> <p>3. Support for automated email messages for workflows.</p> <p>4. Checklists for CC/IRC and other checks as required by procedures.</p> | <p>(b) Deliverables in 2019 included:</p> <p>(i) Q1: Completion of PoA post-registration changes (PRC);</p> <p>(ii) Q1: Renewal of crediting period for project activities, including PRCs submitted with request for issuance;</p> <p>To accommodate for the additional work, the renewal of PoA period was postponed to Q3 2019. The remaining two workflows from phase 2 (request for review workflow and additional PoA registration workflow functionalities) are planned for delivery at the beginning of Q4.</p> |

Table 8. Documents under consideration by the Board for the reporting period under review (January–June 2019)

| Meeting body | No. of meetings | Product | Total documents |
|-------------------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| CDM Executive Board | 2 | Annotations, meeting reports, annexes, information notes, financial reports, synthesis reports and related regulatory documentation, etc. (standardized baselines, forms, etc.) | 46 |
| CDM Accreditation Panel | 2 | Meeting reports and annexes (plus electronic consultations) | 5 |
| Methodologies Panel | 2 | Meeting reports and annexes (plus electronic consultations) | 21 |
| TOTAL | | | 72 |

Table 9. Products delivered against the Board 2019 workplan (January–June 2019)

| 2019 Objective | Product | Products delivered |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 1 (a) - Operate efficient project and entity assessment processes | <ul style="list-style-type: none"> Options to deal with CERs that have accumulated in the pending account of the CDM registry - Concept EB102 Consideration of cases for registration, issuance and other project and PoA related submissions - Info EB102 Consideration of cases for registration, issuance and other project and PoA related submissions - Info EB103 | 3 |
| 1 (b) - Operate an effective regulatory framework resulting in reduced transaction costs for participants in the mechanisms | <ul style="list-style-type: none"> Carbon market and policy update - Info EB103 DOE/AIE Coordination Forum - interaction with the chair - Info EB102 Global DNA Forum, Interaction with Co-chairs - Info EB103 MP and CDM-AP workplans 2019 - Final EB102 Panel meeting reports – Final EB102 Panel meeting reports – Final EB103 Selection of the Chair/Vice-Chair for EB - Final EB102 | 19 |

| 2019 Objective | Product | Products delivered |
|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| | <ul style="list-style-type: none"> • Selections of Chairs/Vice-Chairs for panels and working groups - Final EB102 • Selection of members for RIT roster of experts performance evaluation group - Final EB102 Calendar of meetings – Final EB102 • Selection of panel/WG members – Final EB103 • Selection of CDM RIT members - Final EB103 • EB workplan 2019 - Final EB102 • EB workplan 2019 - Info EB103 • EB report to CMP - Concept EB103 • DOE performance monitoring - Concept (CDM-AP input) EB102 • Synthesis report of the annual activity reports by DOEs - Info EB102 • Synthesis report of the annual activity reports by DOEs – Concept EB102 • Implementation report of CDM loan scheme – Info EB102 | |
| 1 (c) - Develop simplified and user-friendly standards and procedures that increase efficiency and ensure environmental integrity | <ul style="list-style-type: none"> • Project 256: Digitization of methodologies, - Info EB102 • Project 244: Use of the CDM in urban sectors - Final (through MP report) EB102 • Project 244: Use of the CDM in urban sectors - Final (through MP report) EB103 • Project 244: Improved operations of public transport - Final (through MP report) EB102 • Project 223: Methodological approaches for calculating emission reductions from project activities, resulting in the reduced use of non-renewable biomass in household - Concept EB102 • Project 223: Methodological approaches for calculating emission reductions from project activities, resulting in the reduced use of non-renewable biomass in household - Concept (through MP report) EB103 • Project 223: Various top-down revised/new methodologies and tools mandated by the Board - Final (through MP report) EB102 • Project 223: Various top-down revised/new methodologies and tools mandated by the Board - Final (through MP report) EB103 | 8 |

| 2019 Objective | Product | Products delivered |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 2 (a-c) Facilitate the acceptance of CERs for compliance purposes; Enhance the use of the CDM for voluntary purposes; Further develop the CDM as a key tool for monitoring, reporting and verifying the outcomes of mitigation finance | <ul style="list-style-type: none"> • Further development of the voluntary cancellation platform to make it more user-friendly - Info EB102 • Support to international climate finance institutions - Info EB103 | 2 |
| Cross-cutting | <ul style="list-style-type: none"> • CDM two-year business and management plan 2018-2019 - Info EB102 • EB financial report to CMP - Draft EB103 | 2 |
| Total | | 34 |

Document information

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