

CDM-2019SC-INFO01

Regular report

Annual report on stakeholder communications

Version 01.0



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1. Introduction

1. At its sixty-second meeting, the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) adopted the “Procedure: direct communication with stakeholders” and subsequently revised the procedure at its eighty-second meeting.¹ The procedure requires the secretariat to submit an annual report to the Board on all communications received through the dedicated interface on the UNFCCC CDM website, including letters to the Board, emails, and inputs received during workshops and events.
2. The report covers the period from 1 January 2019 to 31 December 2019 and includes a summary and analysis of communications to the Board and the secretariat.

2. Analysis of communications

2.1. Scope

3. The scope of the analysis includes: (i) stakeholder communications related to improving the understanding and application of CDM rules; and (ii) feedback on existing CDM rules. Stakeholder communications that are “case-specific” (e.g. dealing with the processing of cases relating to registration, issuance, accreditation, methodologies or standardized baselines) fall outside the scope.²
4. During the reporting period, a total of 494 stakeholder communications (54.0 and 37.0 per cent increase compared to numbers in 2017 and 2018, respectively) were processed. Of these, 22 were letters to the Board and 472 were queries to the secretariat. In addition, during the reporting period 243 queries (16.0 percent increase and 0.4 per cent decrease compared to numbers in 2017 and 2018, respectively) were processed by the regional collaboration centres (RCCs), details of which are included in the RCC operation report (July – December 2019).³

2.2. Communications by stakeholder type

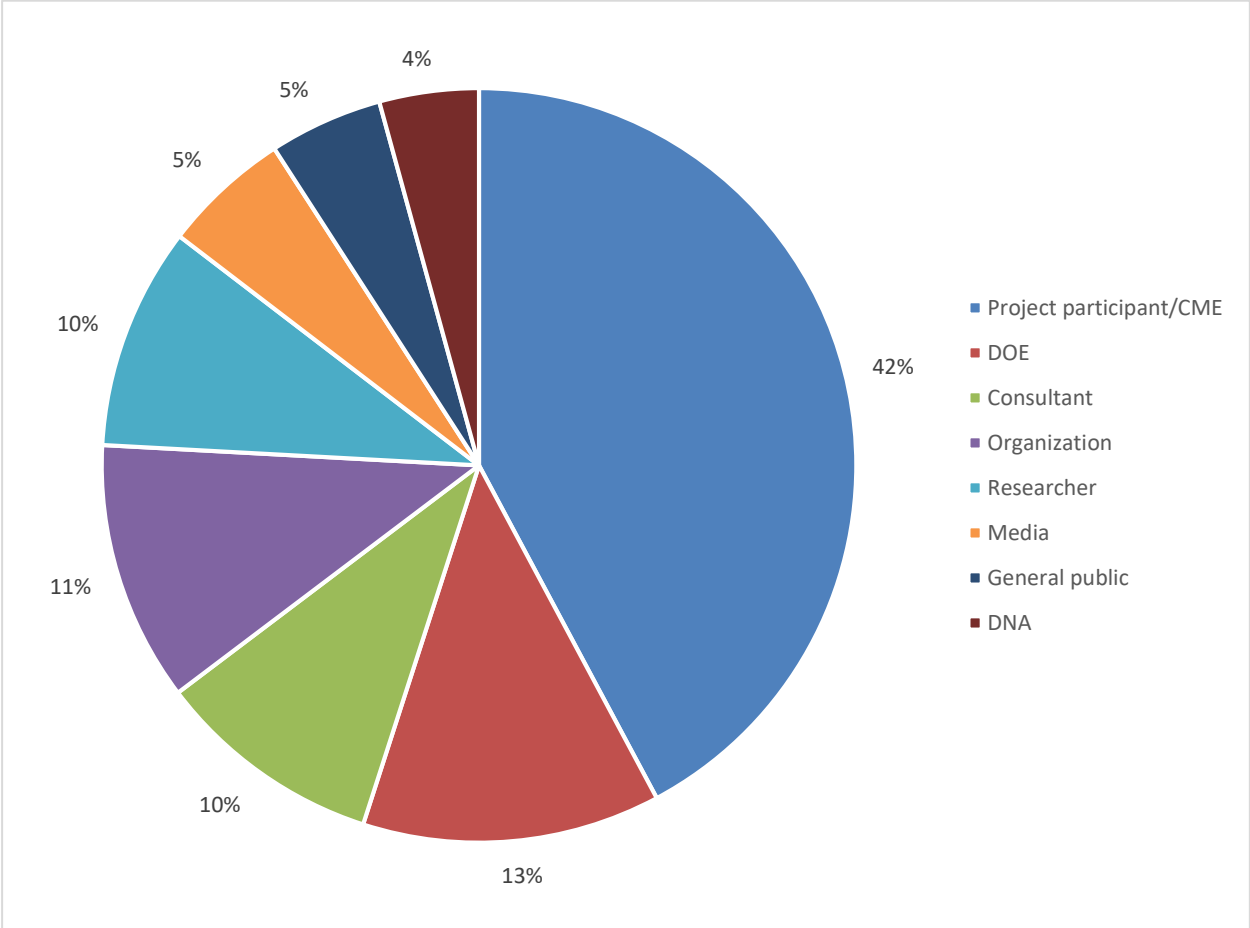
5. Project participants, coordinating/managing entities (CMEs), designated operational entities (DOEs), consultants, organizations (intergovernmental and non-governmental), researchers, the media, the general public and designated national authorities were among the submitters.
6. Figure 1 below shows the share of communications by stakeholder type.

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

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

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

Figure 1. Per cent of communications by stakeholder type

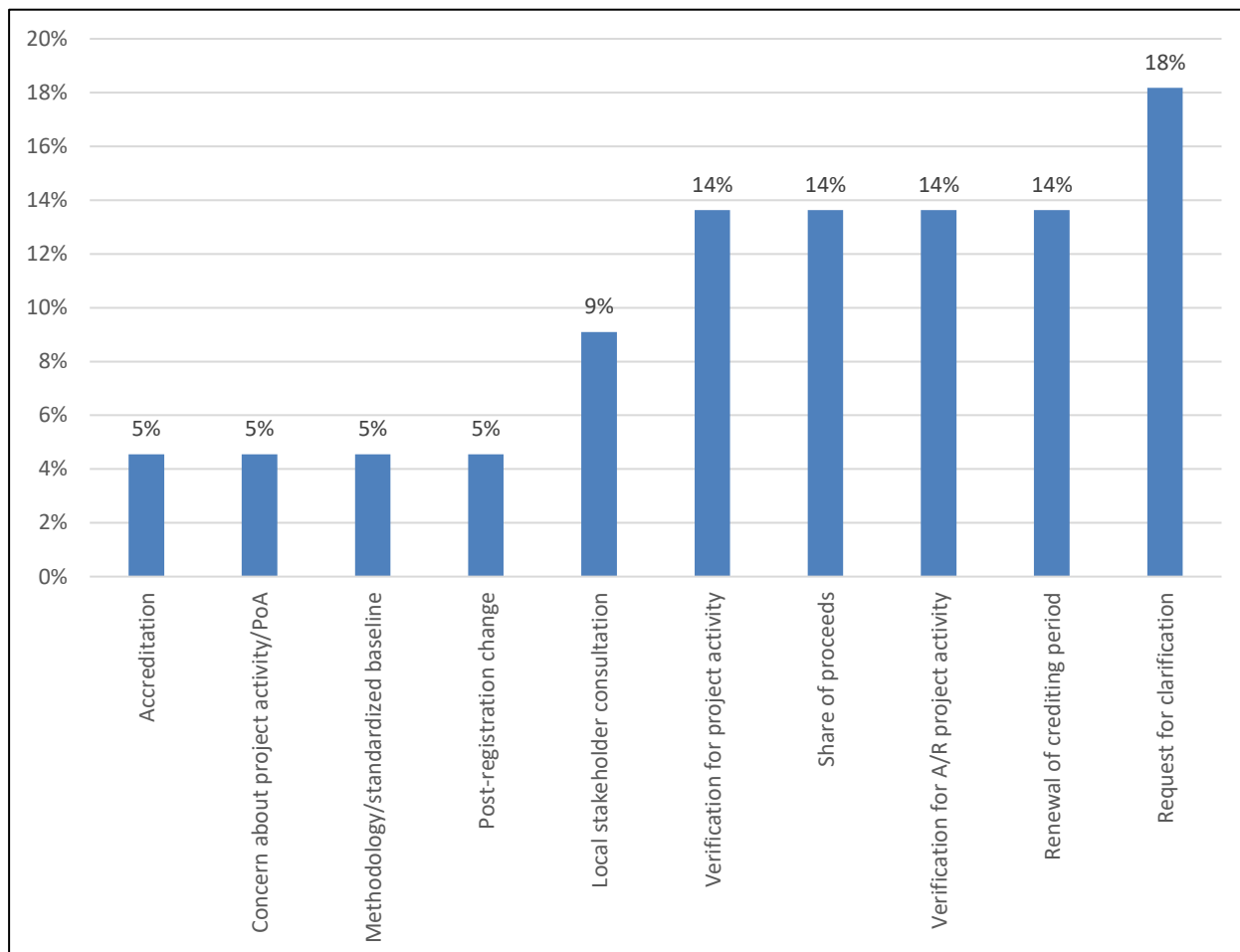


2.3. Main topics

2.3.1. Letters to the Board

- 7. Letters to the Board were primarily related to: (i) accreditation; (ii) concern about project activity/programme of activity (PoA); (iii) status of methodology/standardized baseline; (iv) post-registration change; (v) local stakeholder consultation (LSC); (vi) verification for project activity; (vii) share of proceeds; (viii) verification for afforestation or reforestation (A/R) project activity; (ix) renewal of crediting period; and (x) request for clarification.
- 8. Figure 2 below shows the most frequent topics of enquiry.

Figure 2. Letters to the Board by topic



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

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

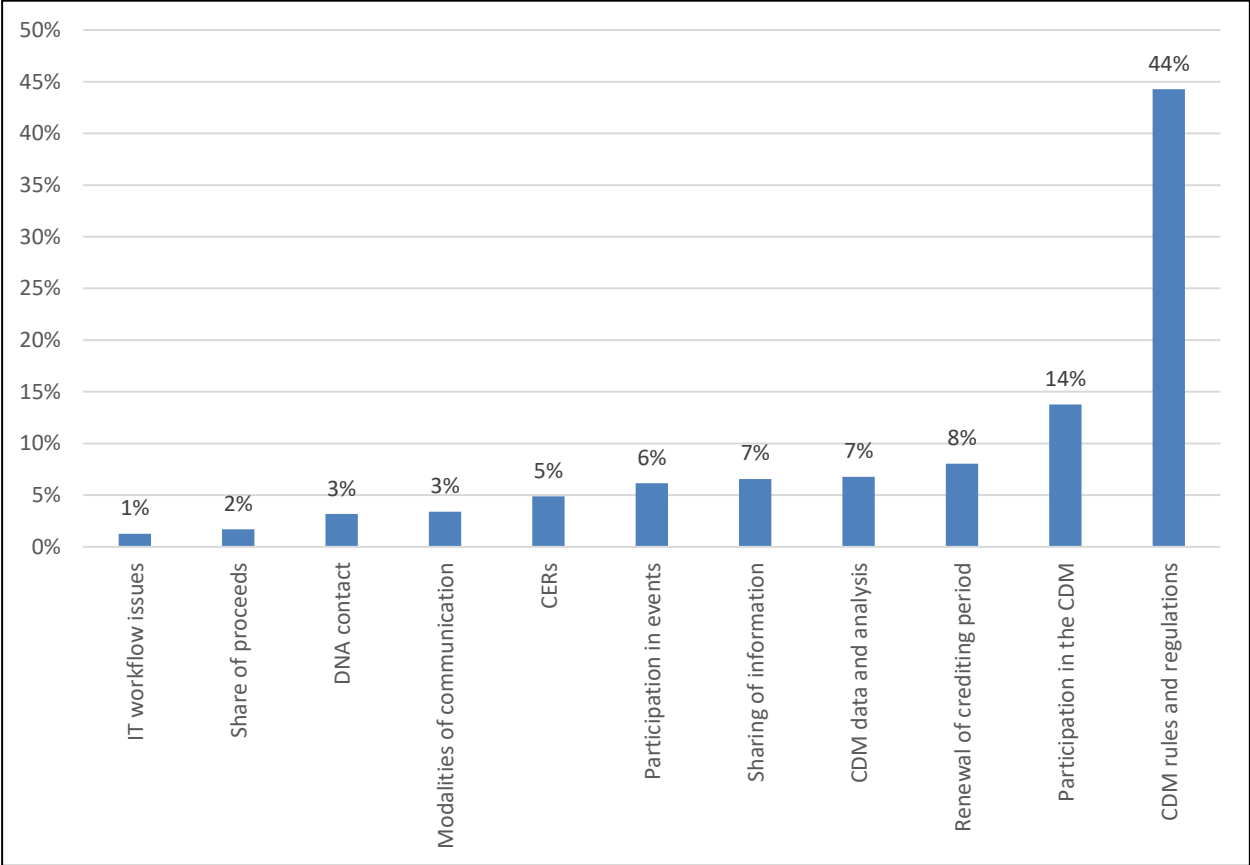
Reporting year: 1 January 2019 to 31 December 2019		
Most common topics	Issues raised	Resolution/outcome
Accreditation	Case-specific issue	Response provided in line with accreditation standard/procedure
Concern about project activity/PoA	Alleged devastating impact on the livelihoods of the local villagers, including an on-going hunger crisis by cutting them off from life-sustaining resources and land	Response provided referring to the procedures on withdrawal of letter of approval and request for review
Methodology/standardized baseline	Status of carbon dioxide capture and storage methodology	Informing that currently there is no methodology under consideration or approved by the Board

Reporting year: 1 January 2019 to 31 December 2019		
Post-registration change	Addition or change of technologies/measures	Clarification provided on specific post-registration change case
LSC	Timing of LSC: seeking exemption from the requirement of completing the LSC before the start date of the project activity/ PoA	Exemption granted by the Board, as appropriate
Verification for project activity	Verification in conflict zones; use of advanced technology in verification	Guidance provided in line with the CDM validation and verification standard; reference to the existing rules and requirements
Share of proceeds	Increase in number of instalments; upfront payment of share of proceeds	To be considered at the 106 th meeting of the Board (details in section 3.1 below); reference to existing rules and requirements
Verification for A/R project activity	Negative temporary certified emission reductions, verification interval	Reference to existing rules and requirements
Renewal of crediting period	Extension of grace period; renewal of crediting period with unclaimable period; process for renewal of crediting period	Grace period extended (details in section 3.1 below); reference to existing rules and requirements
Request for clarification	National and/or sectoral regulation, refrigeration project activity, transfer of certified emission reductions to mechanism under Article 6 of the Paris Agreement, other greenhouse gas emission reduction schemes	Clarification provided, as appropriate

2.3.2. Substantive queries to the secretariat

10. Queries to the secretariat were primarily related to: (i) Information technology (IT) workflow issues; (ii) share of proceeds; (iii) designated national authority (DNA) contact; (iv) modalities of communication; (v) certified emission reductions (CERs) (cancellation, carry-over and issuance of CERs); (vi) participation in events; (vii) sharing of information; (viii) request for CDM data and analysis; (ix) renewal of crediting period; (x) participation in CDM; and (xi) request for clarification on CDM rules and regulations (e.g. prior consideration of the CDM, local stakeholder consultation, validity/applicability of methodologies/standardized baselines/tools, letter of approval, post-registration change, accreditation, and A/R project activity).
11. Figure 3 shows the most frequent topics of enquiry.

Figure 3. Queries to the secretariat by topic



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

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

Reporting year: 1 January 2019 to 31 December 2019		
Most common topics	Issues raised	Resolution/outcome
IT workflow issues	Erroneous uploading of project documentation; and workflow	Resolution of IT issues raised by the users of UNFCCC CDM website/workflow; deployment of upgraded and new workflows (details in section 3.2 below)
Share of proceeds	Request for clarification on fee structure	Reference to existing rules and requirements
DNA contact	Enquiries on DNA contact details from project developers; and notification of new DNA focal point	Reference to existing rules and requirements
Modalities of communication	General queries related to changes to the "Modalities of communication statement"	Provision of general information and links to how-to guides available on UNFCCC CDM website
CERs (cancellation, carry-over, issuance)	General requests concerning the voluntary cancellation of CERs and CERs in general; procedural requests (deadlines and process); forwarding and price of CERs; and post-2020 CERs	Provision of general information
Participation in events	Enquiries about participating in CDM events; regional climate weeks; and climate change conferences	Provision of general information
Sharing of information	Sharing of project ideas and new greenhouse gas emission reduction technologies; request for funding for project implementation; and concern about project activity/PoA	Information received is noted
CDM data and analysis	Request for CDM data and analysis for research purpose	Provision of general information
Renewal of crediting period	Enquiries about renewal of project activity/PoA	Reference to existing rules and requirements
Participation in the CDM	Enquiries about the carbon market; eligibility to participate in the CDM; grants for projects; registration process and timeline; cost of participating in CDM; and post-2020 status of CDM	Reference to existing rules and requirements; provision of general information

Reporting year: 1 January 2019 to 31 December 2019		
CDM rules and regulations	Enquiries on CDM rules and regulations related to prior consideration of the CDM, LSC, validity/applicability of methodologies/standardized baselines/tools, letter of approval, post-registration change, accreditation and A/R project activity	Reference to existing rules and requirements; provision of general information

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

13. The information received through the stakeholder communications process is reviewed and assessed regularly and supports the continual improvement of CDM regulations and operations. Additionally, annual reports are published on UNFCCC CDM website⁴ on the following key performance indicators related to stakeholder communications:
- (a) Proportion of communications to the Board processed within the specified timelines;
 - (b) Proportion of communications to the secretariat processed within the specified timelines;
 - (c) Proportion of communications escalated to the Chair of the Board by a stakeholder after a response is received from the secretariat;
 - (d) Proportion of stakeholders using the correct channels of communication.
14. As a result of the monitoring and continual improvement processes, significant work was carried out during the reporting period. Much of this work took place under regulatory development. The improvements described in this section were primarily accelerated by stakeholder communications, as outlined in Tables 1 and 2 above.

3.1. Improving the CDM rules and regulations

3.1.1. Reducing the burden of upfront payments of share of proceeds

15. During the previous reporting period, communications were received from stakeholders requesting the removal of penalties due to withdrawal/rejection of a request for issuance as well as consideration by the Board of options to lessen the burden from upfront payments of share of proceeds to small project developers (i.e. different treatment for small companies, not for small-scale CDM project activities).
16. The Board, at its 104th meeting, considered these communications and decided to maintain the current rules.

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

3.1.2. Prolonging the grace period for renewal of crediting period

17. Communications were received during this reporting period from stakeholders requesting the extension of the grace period for submission of request for renewal of crediting period of project activities which are overdue for renewal.
18. The Board, at its 105th meeting, considered these communications and decided to extend the grace period for requesting renewal of crediting period to 30 September 2020 for “overdue cases”, which are project activities or component project activities (CPAs) whose crediting periods expired by 30 September 2019.

3.1.3. Increasing the number of instalments

19. Communications were received during this reporting period from stakeholders requesting to increase the number of instalments for payment of share of proceeds under cases in which the number of CERs under the issuance request is higher than 15,000 and such requests for issuance are already approved by the Board with pending share of proceeds.
20. The Board took note of the request, which will be considered at its 106th meeting.

3.2. Improving operational activities

21. Stakeholders raised concerns during this reporting period regarding the inconvenience and difficulty faced in submitting requests for registration and issuance, post-registration change and renewal of crediting period.
22. The IT workflows to process requests for registration and post-registration changes for PoAs and requests for renewal of crediting period of project activities were upgraded during the reporting period. The new workflows to process renewal of PoA period and CPA change notifications were deployed during the reporting period. In addition, a new unified workflow to process requests for review was also deployed. With the deployment of these new and upgraded workflows, the efficiency of processing requests increased considerably, and manual interventions have decreased, thus reducing the possibility of errors. Also, at the submitters’ end, these workflows replaced the need for making submission via emails.

4. Conclusion

23. Many of the stakeholder concerns were addressed through a combination of operational and regulatory improvements, i.e. changes to CDM regulatory documents and improvement of CDM process workflows.

Document information

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