

CDM-2021SC-INFO01

Regular report

Stakeholder communications – Annual report 2021

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 to 31 December 2021 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 414 stakeholder communications (16.0 and 39.0 per cent decrease compared to numbers in 2019 and 2020, respectively) were processed. Of these, 30 were letters to the Board and 384 were queries to the secretariat. In addition, during the reporting period, 222 queries (9.0 and 26.0 per cent decrease compared to numbers in 2019 and 2020, respectively) were processed by the regional collaboration centres (RCCs), details of which are included in the RCC operation reports (January–June 2021 and July–December 2021).³

2.2. Communications by stakeholder type

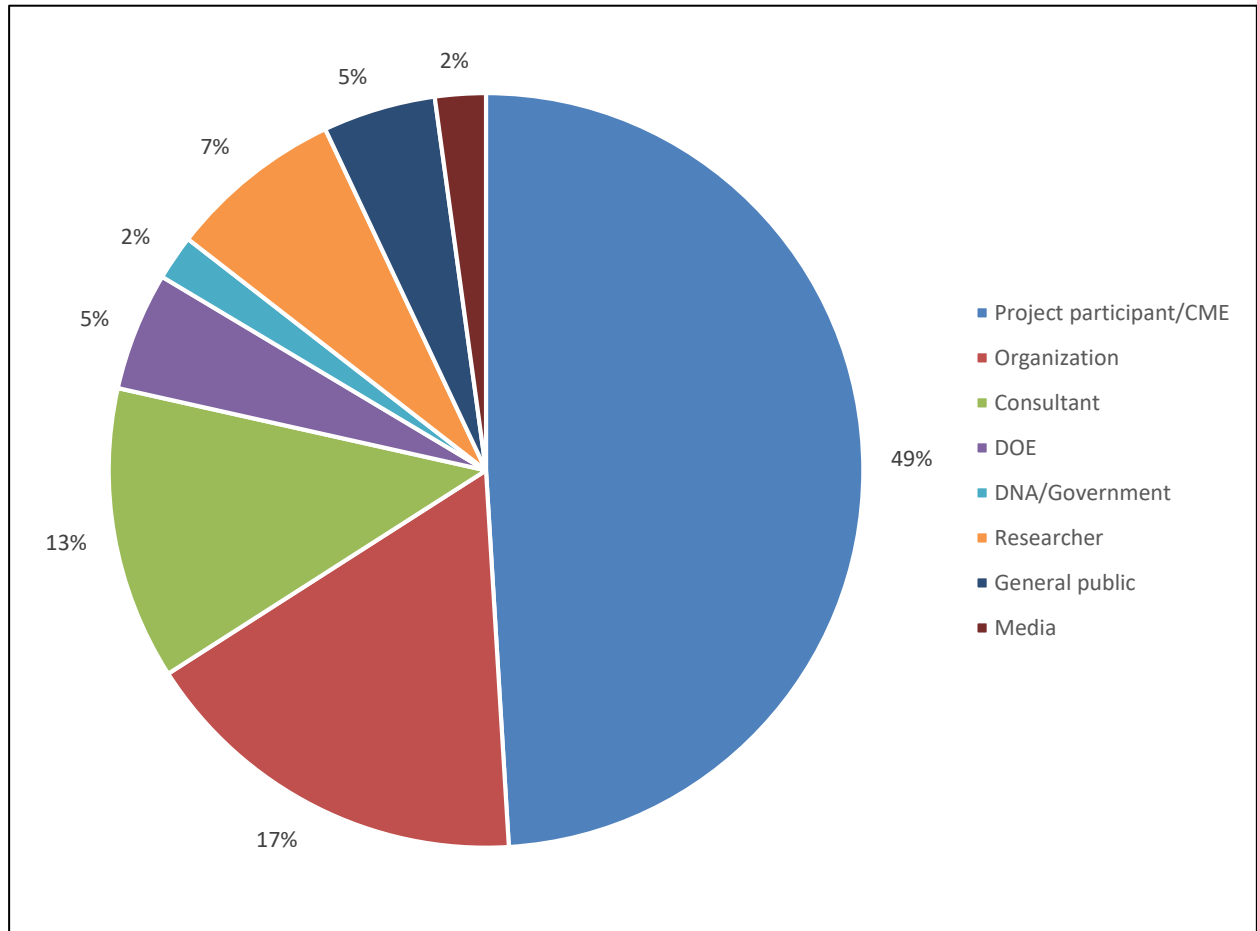
5. Project participants, coordinating/managing entities (CMEs), designated operational entities (DOEs), consultants, organizations (intergovernmental and non-governmental), researchers, the media, the general public, national governments and designated national authorities (DNAs) were among the submitters.
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 RCCs are included in the analysis provided in this report, including in section 3 on impact.

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

Figure 1. Per cent of communications by stakeholder type

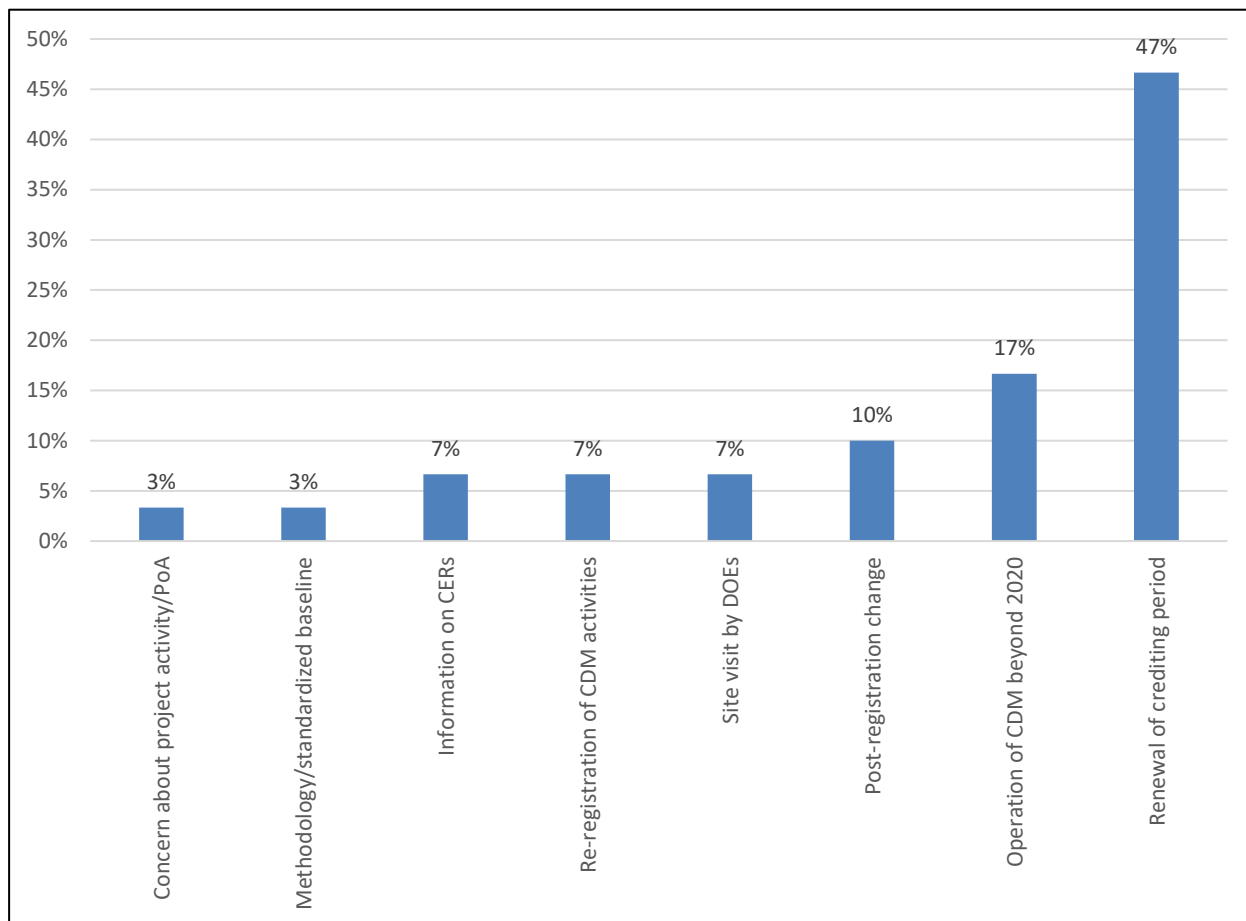


2.3. Main topics

2.3.1. Letters to the Board

- Letters to the Board were primarily related to: (i) environmental concern about CDM project activity/programme of activities (PoA); (ii) updating of a standardized baseline; (iii) information on certified emission reductions (CERs); (iv) implementation of a new CDM project activity on the existing project area of CDM; (v) site visit by DOEs; (vi) post-registration change; (vii) operation of CDM beyond 2020; and (viii) renewal of crediting period.
- 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

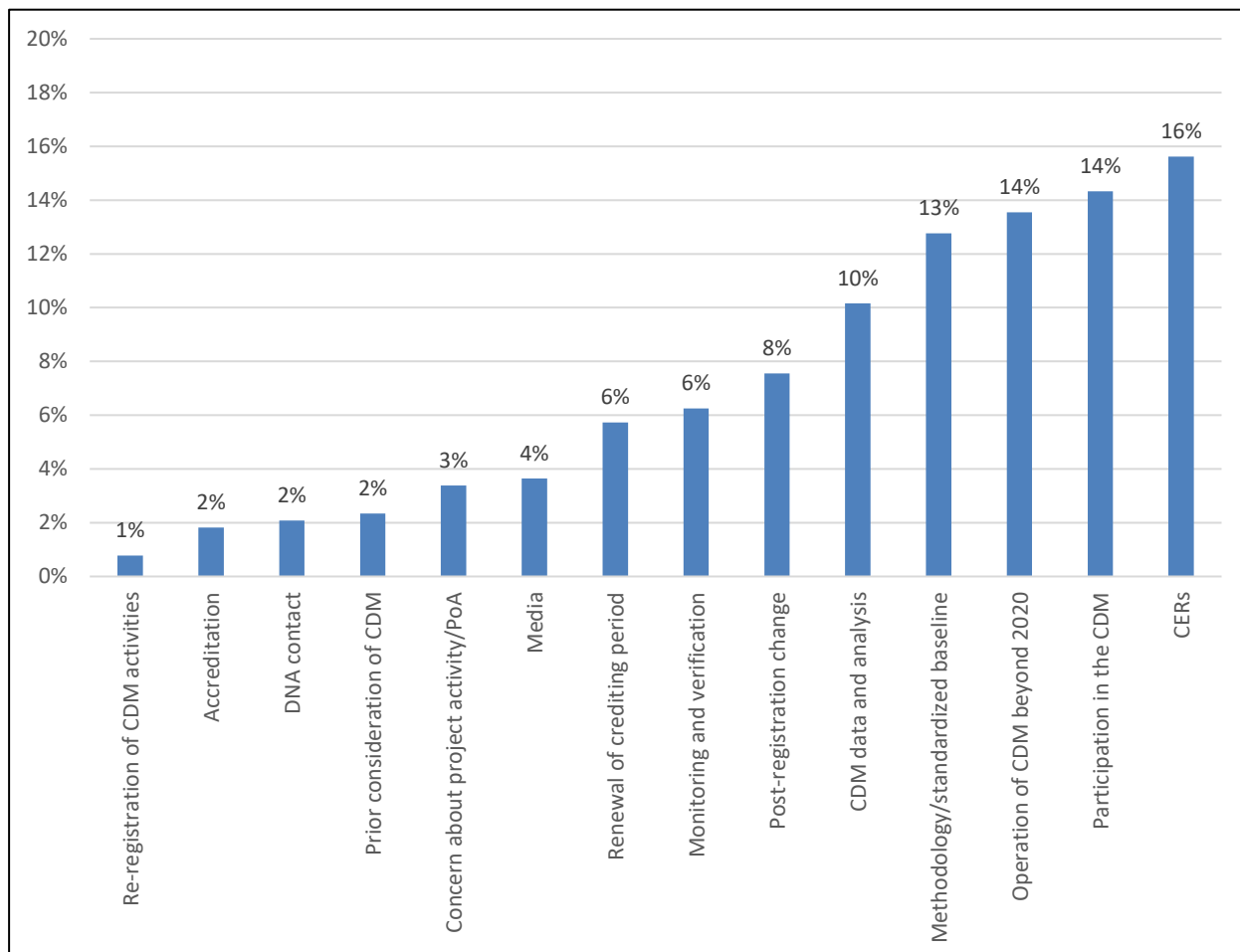
Reporting year: 1 January to 31 December 2021		
Most common topics	Issues raised	Resolution/outcome
Concern about project activity/PoA	Alleged use of non-renewable biomass due to drastic increase of renewable biomass cost and stopping the use of electrostatic precipitator	Redirected the stakeholder to the responsible national authorities and the DNA of the host country
Methodology/standardized baseline	Update of standardized baseline	Clarification and guidance provided in line with the procedure for development, revision, clarification and update of standardized baselines

Reporting year: 1 January to 31 December 2021		
Information on CERs	Public availability of credit history by CDM activities; Carbon Offsetting and Reduction Scheme for International Aviation (CORSA) eligible CERs	Response provided in line with the modalities and procedures for a CDM and Board's decisions
Re-registration of CDM activities	Implementation of a new CDM project activity on the existing project area of CDM	Clarification provided in line with the CDM project standard/ procedure
Site visit by DOEs	Travel restrictions in project sites	Relaxation of requirements for mandatory site visits by DOEs agreed (details in section 3.2 below)
Post-registration change	Addition or change of technologies/measures; extension of deadline for capacity increase and addition of technology/measures	Clarification provided on specific post-registration change cases; extension of deadline considered on a case-by-case basis (details in section 3.1 below)
Operation of CDM beyond 2020	Request for clarification on temporary measures	Temporary measures agreed (details in sections 3.1 and 3.3 below)
Renewal of crediting period	Extension of the deadline for submission of request for renewal of crediting period	Extension of deadline considered on a case-by-case basis (details in section 3.4 below)

2.3.2. Substantive queries to the secretariat

10. Queries to the secretariat were primarily related to: (i) re-registration of CDM activities; (ii) accreditation; (iii) DNA contact; (iv) request for clarification on CDM rules and regulations on prior consideration of the CDM; (v) concern about CDM project activity/PoA; (vi) queries from the media outlets; (vii) renewal of crediting period; (viii) monitoring and verification; (ix) post-registration change (shift of start date of crediting period, increase of capacity/addition of technology in CDM activities); (x) request for CDM data and analysis; (xi) validity/applicability of methodologies/standardized baselines/tools; (xii) operation of CDM beyond 2020; (xiii) participation in CDM; and (xiv) CERs (cancellation, carry-over, price, share of proceeds, issuance).
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 to 31 December 2021		
Most common topics	Issues raised	Resolution/outcome
Re-registration of CDM activities	Implementation of a new CDM project activity on the existing project area of CDM	Reference to existing rules and requirements
Accreditation	Request for information on how to become a DOE	Reference to relevant information on the UNFCCC CDM website
DNA contact	Enquiries on DNA contact details from project developers; notification of new DNA focal point	Reference to relevant information on the UNFCCC CDM website
Prior consideration of CDM	Enquiries on CDM rules and regulations related to prior consideration of the CDM	Reference to existing rules and requirements; provision of general information

Reporting year: 1 January to 31 December 2021		
Concern about CDM project activity/PoA	Receipt of case-specific information for which assessment was ongoing; environmental concern	Considered during the project assessment; reference to existing rules and requirements; provision of general information
Media	Enquiries from the media outlets	Reference to relevant information on the UNFCCC CDM website
Renewal of crediting period	Enquiries about renewal of CDM project activity/PoA	Reference to existing rules and requirements
Monitoring and verification	Enquiries on CDM rules and regulations related to monitoring and verification of project activity/PoA	Reference to existing rules and requirements; provision of general information
Post-registration change	Enquiries on CDM rules and regulations related to post-registration change (other than renewal of crediting period)	Reference to existing rules and requirements; provision of general information
CDM data and analysis	Request for CDM data and analysis for research purposes	Provision of general information
Methodology/standardized baseline	Enquiries on validity/applicability of methodologies/standardized baselines/tools	Reference to existing rules and requirements; provision of general information
Operation of CDM beyond 2020	Enquiries on application of temporary measures	Reference to existing rules and requirements; provision of general information
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	Reference to existing rules and requirements; provision of general information
CERs (cancellation, carry-over, price, share of proceeds, issuance)	General requests concerning the voluntary cancellation of CERs and CERs in general; share of proceeds; procedural requests (deadlines and process); forwarding and price of CERs	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 the UNFCCC CDM website⁴ on the following key performance indicators related to stakeholder communications:
- (a) Proportion of communications to the Board processed within the specified timelines;

⁴ See annual reports on key performance indicators at <https://cdm.unfccc.int/EB/report/>.

- (b) Proportion of communications to the secretariat processed within the specified timelines;
 - (c) Proportion of communications escalated to the Chair of the Board by a stakeholder after a response is received from the secretariat;
 - (d) Proportion of stakeholders using the correct channels of communication.
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 adjustment. The adjustments described in this section were primarily accelerated by stakeholder communications, as outlined in Tables 1 and 2 above.

3.1. CDM activities with “provisional” status

15. A stakeholder requested the Board to clarify whether both inclusion of CPAs that have a crediting period starting on or after 1 January 2021 and subsequent submission of requests for issuance for those CPAs are allowed under the temporary measures.
16. The Board clarified that the temporary measures agreed by the Board at EB 108 do not prevent submission of requests for issuance in relation to CDM activities having “provisional” status. It should be noted that in accordance with paragraph 8(a)(iii) of the EB 108 meeting report, such requests for issuance would also receive provisional status after the completion of the analysis and only be finalized by the Board after guidance from the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP). However, as the question was still based on a theoretical scenario and when the actual case comes, the Board may clarify this aspect again as appropriate.

3.2. Site visit by DOEs

17. Communications were received during this reporting period from stakeholders requesting that the mandatory on-site visit requirements in the CDM validation and verification standards be temporarily replaced with alternative measures, due to the COVID-19 pandemic. Due to the travel restrictions, many projects will have to delay site visits for validation and verification, which will have a significant impact on project timelines for registration and CER delivery schedules.
18. Considering these requests, the Board agreed at EB 110 and EB 112 to further extend the period in which DOEs may apply alternative measures of validation/verification to mandatory on-site inspections until 31 December 2021 and until 30 June 2022, respectively.⁵

⁵ See Newsroom article at https://cdm.unfccc.int/newsroom/latestnews/releases/2020/01041_index.html.

3.3. New request for registration under the temporary measures for rejected requests

19. Stakeholders raised concern during this reporting period regarding the rejected requests for registration⁶ for which the project participants or the CMEs wish to submit a new request for registration under the temporary measures.⁷
20. In response to these communications, the Board at EB 110 issued a clarification on the requirement for the republication of the project and PoA development documents (PDD/PoA-DD) for global stakeholder consultation.⁸

3.4. Renewal of crediting period

21. Communications were received during this reporting period from stakeholders requesting the extension of the deadline for submission of request for renewal of crediting period of project activities due to the COVID-19 pandemic.
22. The Board, on a case-by-case basis, agreed to extend the deadline for renewal of crediting period until 31 December 2021, for which requests for extension of the deadline were communicated to the Board prior to the expiry of the crediting period, and an explanation of the COVID-related difficulty faced by the project participants or the CMEs was provided.

4. Conclusion

23. Many of the stakeholder concerns raised in 2021 were related to application of temporary measures, use of CERs and renewal of CDM activities. These were addressed through regulatory adjustments, reference to existing rules and requirements, and case-by-case consideration of requests due to the COVID-19 pandemic.

Document information

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⁶ See EB 109 meeting report, paragraph 11.

⁷ See EB 108 meeting report, paragraph 7.

⁸ See CDM-EB 110, paragraph 45 at <https://cdm.unfccc.int/UserManagement/FileStorage/50J8EUT9SAMWY74V26GONDK1QIHPL3>.