

CDM-2021Q2-INFO01

Regular report

Status of CDM MAP 2020–2021 implementation (1 January – 30 June 2021)

Version 01.0



United Nations
Framework Convention on
Climate Change

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

1. The clean development mechanism (CDM) two-year business and management plan 2020–2021 (CDM MAP 2020–2021), adopted at the 104th meeting of the Executive Board of the CDM (hereinafter referred to as the Board) (EB 104), 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 2020 and 2021.¹
2. This document describes the status of implementation of the CDM MAP 2020–2021 for the period 1 January through 30 June 2021, the activities and projects underway and the financial and human resources of the secretariat’s Mitigation Division, which supports the Board and operation of the CDM.²
3. The 2021 mid-year review of the second year of MAP implementation reports on the operational activities and projects included in the CDM MAP 2020–2021. For the activities which have volume data forecasts associated with them (e.g. number of expected cases, assessments, stakeholder queries), table 1 in the appendix lists both the projected annual volume data in the approved CDM MAP 2020–2021 and the actual volumes processed during the six-month reporting period under consideration (1 January to 30 June 2021).
4. The following section is a comprehensive reporting on the work performed, progress made and products delivered under each of the operational activities and projects in the CDM MAP 2020–2021 from 1 January to 30 June 2021.

1.1. Goal 1: Enable the efficient and transparent implementation of mitigation activities to ensure the trusted certification of their outcomes

1.1.1. Objective 1a: Operate efficient project and entity assessment processes

CDM registry

5. As shown in figure 1 below, during the reporting period 3,390 requests for forwarding and cancellation transactions for certified emission reductions (CERs) were completed against the 2021 annual forecasted volume of 8,800 transactions. This corresponds to 39 per cent of the forecasted volume. Additionally, 702 changes to modalities of communication (37 per cent) were completed against the annual forecasted volume of 1,900 change requests.
6. The CDM registry operational volumes are lower than the annual projected volumes for the reporting period. Comparing the volume data for this six-month period in 2021 against the same period in 2020, there is an increase in completed requests for forwarding and cancellation transactions for CERs (3,390 transactions for the reporting period compared to 3,058 over the same period in 2020). This overall increase is due to voluntary cancellations, both in the CDM Registry and in the voluntary cancellation platform. Changes to modalities of communication transactions are stable compared to the previous

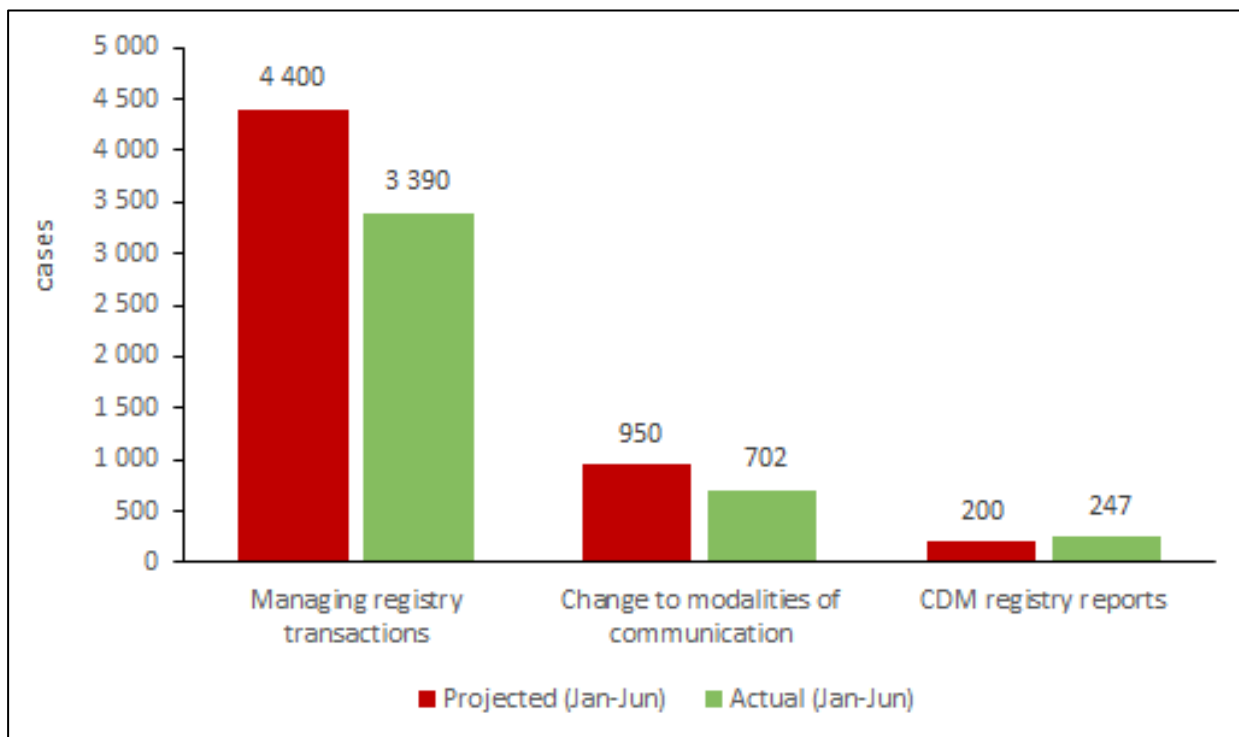
¹ See CDM-EB104-A01-INFO <https://cdm.unfccc.int/Reference/Notes/index.html>.

² Prior mid-year and end-year status of implementation of the CDM MAP review reports are available on the CDM website. See for example: CDM-2020Q2-INFO01 (mid-year review report for 2020), CDM-2019Q4-INFO01 (end-year review report for 2019) and CDM-2019Q2-INFO01 (mid-year review report for 2019) https://cdm.unfccc.int/EB/report/index_2019.html.

year (702 changes processed for the reporting period compared to 719 over the same period in 2020).

7. In relation to the CDM registry reporting function, 247 reports (62 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 of 2021 to the volume data of 2020, there was a slight increase in the reports produced (from 212 reports over the same period in 2020).
8. During the reporting period, no new voluntary cancellation seller accounts were opened, so the total number of active accounts remained at 79 against a forecasted volume of 90 seller accounts by the end of 2021. Ten projects were added to existing seller accounts or published new offers. The CERs, available for listing on the United Nations Platform for Voluntary Cancellation of CERs, were close to 5.1 million at the end of the reporting period, which is sufficient for the current level of operations. Supply-side activities are tailored according to short-term forecasts to ensure a stable supply of units.
9. Cancellations through the voluntary cancellation platform reached 1,010,751 CERs during the first six months of 2021, as compared to 587,124 CERs for the same six-month period in 2020 (a 72 per cent increase). In terms of total voluntary cancelled CERs during the reporting period through both tracks (CDM registry regular track and the voluntary cancellation platform), a comparison against the same period in 2020 shows more than a two-fold increase, i.e. 12.2 million CERs in the reporting period compared to 5.6 million CERs in the same period in 2020.³

Figure 1. CDM registry operation (January–June 2021)



³ For information on the United Nations platform for voluntary cancellation of CERs during this reporting period, see CDM-2021VC-INFO01 at <https://cdm.unfccc.int/EB/report/index.html>.

Project assessments

10. The total CERs issued over the reporting period is 35,473,169, of which 8,635,946 CERs were issued for programmes of activities (PoAs) and 26,837,223 were issued for project activities.
11. 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 2021)

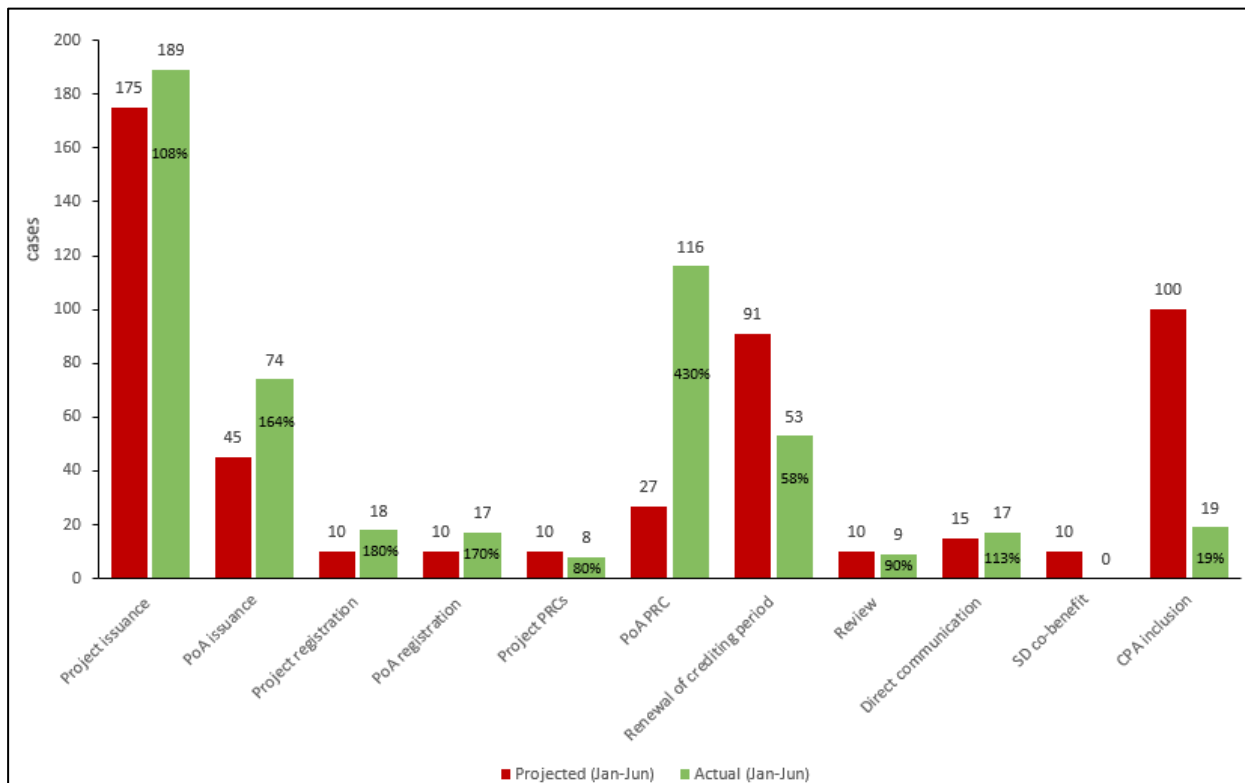
Activity	Projected Jan/June 2021 volume MAP 2021	Actual volume (Jan–June 2021)
Requests for project issuance	175	189
Requests for programme of activities (PoA) issuance covering component project activities (CPAs)	45	74 ^(a)
Request for project registration	10	18
Request for PoA registration	10	17
Requests for project post-registration changes (PRCs)	10	8
Request for PoA PRC	27	116
Request for renewal of crediting period	91	53 ^(b)
Request for review	10	9
Request for direct communication	15	17
PoA post-registration CPA inclusion requests	100	31 ^(c)

^(a) These included the processing of 431 CPAs.

^(b) These included the processing of 7 PoA renewal requests.

^(c) These included 12 renewal of crediting period for CPAs.

Figure 2. Type and number of project assessments processed against annual forecasts and the linear projected volume for the period under review (January–June 2021)



Note: CPA = component project activity; PoA = programme of activities; PRC = post-registration changes, SD = sustainable development.

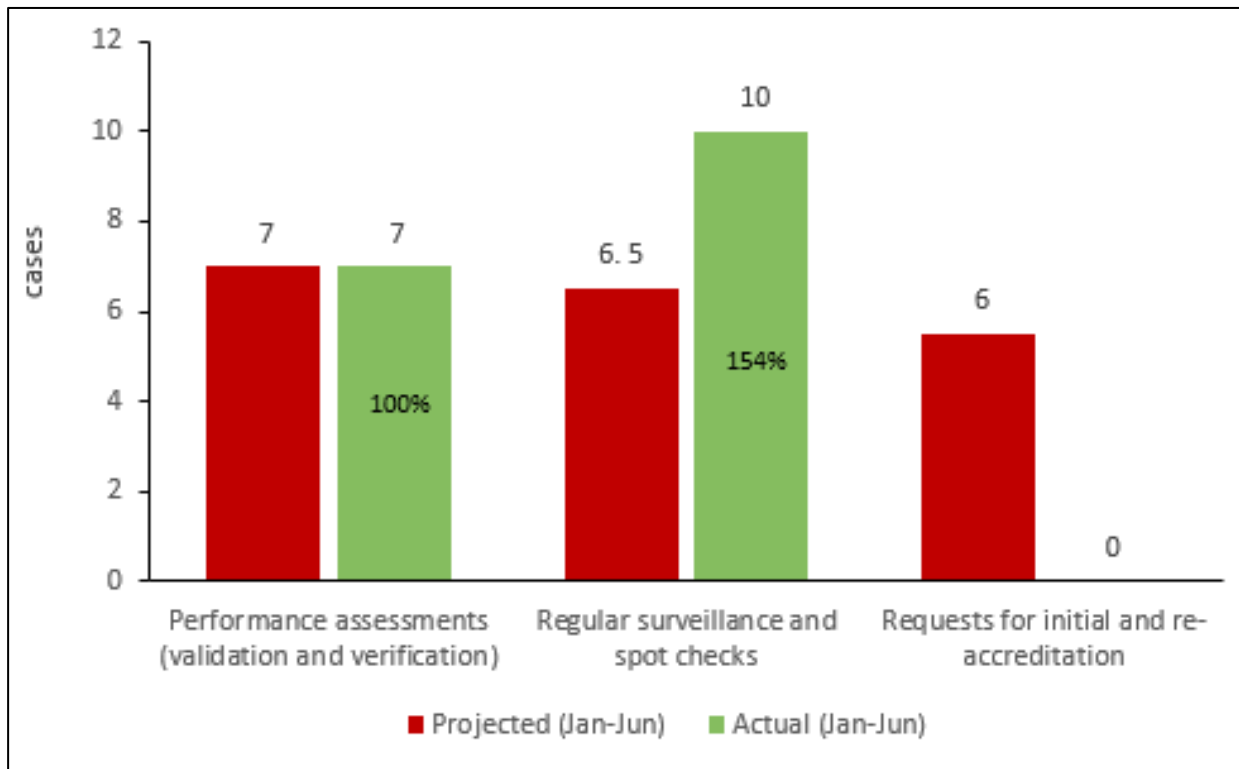
12. During the reporting period, the waiting times for the commencement of project assessments for registration and issuance were below 15 days, as mandated by the Board and the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), except for eight weeks during January, February and April, owing to short-term periods of high submission rates.
13. No sustainable development co-benefit reports were received and published during the reporting period.

Entity assessments

14. There are currently 29 accredited designated operational entities (DOEs) as at 30 June 2021. During the reporting period, there are also two applicant entities (AEs) being supported.
15. As shown in figure 3, during the reporting period, seven performance assessments were conducted⁴ against the annual forecasted volume of 14 assessments (40 per cent). Ten regular surveillance assessments and spot checks were conducted against the annual forecasted volume of 13 regular surveillance assessments and spot checks (17 per cent). There have been no initial and re-accreditation assessments carried out as at 30 June 2021 against the annual forecasted volume of 11 requests for initial and re-accreditation. The assessments for the requests for initial and re-accreditation will take place in the second semester of 2021.

⁴ Figure 3 includes four verification performance assessments.

Figure 3. Type and number of entity assessments processed against annual volumes and the linear projected volume for the period under review (January–June 2021)



16. During the reporting period, planning was initiated to organize a virtual 2021 calibration workshop of the CDM accreditation roster of experts for lead assessors in conjunction with the 90th meeting of the CDM Accreditation Panel (CDM-AP 90) and a virtual 2021 DOE calibration workshop.

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

Communications

17. Communications focused on showcasing the CDM as a functioning climate action 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. In addition, communications aimed at updating stakeholders on developments in relation to the postponement of the sixteenth session of the CMP. Table 2 in the appendix lists the stories and information items created or sourced and published on the United Nations Climate Change main website, the UN Climate Action Blog and the United Nations Climate Change CDM website. These stories were further promoted using social media.

External queries

18. During the reporting period, a total of 278 CDM-related queries from stakeholders were processed, including 21 communications addressed to the Board and 257 communications addressed to the secretariat. This corresponds to 70 per cent of the annual forecasted volume. An additional 480 queries of an administrative nature (e.g. log-in troubleshooting, updating the contact database) were processed by the secretariat. In addition, during the reporting period, 97 queries were processed by the regional

collaboration centres (RCCs), details of which are included in the RCC operation reports (January–June 2021).⁵

19. Considering a request from a stakeholder (INQ-10760⁶), the Board agreed at EB 110 to further extend the period in which DOEs may apply alternative measures of validation/verification to mandatory on-site inspections until 31 December 2021.⁷
20. Further, in response to a communication from a stakeholder (INQ-10737), for the rejected requests for registration⁸ for which the project participants or the coordinating/managing entities wish to submit a new request for registration under the temporary measures⁹ 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.¹⁰

Market and policy analysis

21. Market and policy updates enables the Board's work programme to be informed by broader ongoing developments. During the reporting period, the secretariat continued to gather intelligence on developments in global carbon markets. The secretariat is using this intelligence to provide updates to 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. One regular update was provided to the Board at EB 109.

Secretariat interactions with stakeholders

22. On behalf of the Board and its support structures, six calls for public input were sought on: (a) issues included in the annotated agenda and related annexes prepared for EB 109 and EB 110; and (b) methodological issues.¹¹
23. The 2020 annual report on stakeholder communications providing feedback to stakeholders was published during the reporting period.¹²
24. The Board and its support structure met virtually with representatives of the DNA Forum and the DOE/Accredited Independent Entities (AIE) Coordination Forum at EB 110 and with the representative of the DOE/AIE Coordination Forum at CDM-AP 88 and at EB 109 and took note of forums' inputs.

⁵ See RCC operation reports at <https://cdm.unfccc.int/EB/report/>.

⁶ See <https://cdm.unfccc.int/stakeholder/submissions/index.html>.

⁷ See Newsroom article at https://cdm.unfccc.int/newsroom/latestnews/releases/2020/01041_index.html.

⁸ See EB 109 meeting report, paragraph 11.

⁹ See EB 108 meeting report, paragraph 7.

¹⁰ See CDM-EB110, paragraph 45 at <https://cdm.unfccc.int/UserManagement/FileStorage/50J8EUT9SAMWY74V26GONDK1QIHPL3>.

¹¹ See the archive of calls for public input at http://cdm.unfccc.int/public_inputs/index.html.

¹² See CDM-2020SC-INFO01 at https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20210205204717270/Stakeholder_communications_annual%20report_2020.pdf.

25. At EB 109 and EB 110, the Board took note of the activities undertaken related to stakeholders, DNAs, applicant entities and DOEs:
- (a) Fifty-third DOE conference call held on 9 February 2021 via video conference;
 - (b) Fifty-fourth DOE conference call held on 1 April 2021 via video conference;
 - (c) Latin America and the Caribbean Climate Week 2021 virtual conference held from 11 to 14 May 2021.

Servicing of the regulatory body and its panels and working groups

26. 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 six months reporting period, two meetings of the Board (EB 109 and EB 110), two of the CDM Accreditation Panel (CDM-AP 88 and CDM-AP 89¹³) and two of the Methodologies Panel (MP 84 and MP 85¹⁴) were concluded. Table 3 in the appendix includes information on the number of documents under consideration by the Board during the reporting period.
27. As per the workplan approved by the Board at EB 109,¹⁵ 63 products were forecasted to be delivered in 2021. One additional item was added during the reporting period.¹⁶
28. As shown in table 4 in the appendix, as at 30 June 2021, a total of 37 products were delivered against the workplan. Work is proceeding as per the approved workplan.

Accreditation system

29. During the reporting period, 29 DOEs and two AEs were supported. The support included day-to-day activities related to the administration of the accreditation workflow.
30. During the reporting period, 27 accreditation assessments were launched, of which 17 were regular surveillance assessments, six were performance assessments, two were initial accreditation assessments, and two were re-accreditation assessments. Their corresponding workplans were processed in accordance with the “CDM accreditation procedure”.
31. The Board extended the scopes of accreditation for one entity. The Board will present this recommendation for endorsement by the CMP at its sixteenth session.
32. The Board took note of the notification by the CDM-AP on the completion of regular on-site surveillance assessments and performance assessments for four DOEs.
33. At EB 110, after considering the first iteration of the DOE performance monitoring report for the fourteenth monitoring period, the Board requested the secretariat to publish the subsequent DOE performance monitoring reports as per the timeline specified in the “Procedure: Performance monitoring of designated operational entities”, version 04.0.

¹³ CDM-AP 88 and CDM-AP 89 were organized virtually from 17 to 19 March 2021 and from 29 June to 1 July 2021, respectively.

¹⁴ MP 84 and MP 85 were organized virtually from 22 to 26 March 2021 and from 21 to 25 June, respectively.

¹⁵ See CDM-EB109-A02 at <https://cdm.unfccc.int/UserManagement/FileStorage/73LS0CRV/ZUWJ42XGMNHPKTOF6QBEIA>.

¹⁶ Revision of the calendar of meetings at EB 110 to change meeting dates and mode of EB 111, MP 86 and CDM-AP 90.

Registration and issuance system

34. Information system support for CDM activities/cycles, including the uploading of monitoring reports, summary notes, Board member objections, rejection rulings, updated documents related to direct communication, and queries from project participants, were carried out according to the established procedures.

Regulatory framework management

35. At EB 109, the Board issued a clarification on the application of the temporary measures for the operation of the CDM after the second commitment period of the Kyoto Protocol pending CMP guidance at CMP 16. In this context, the Board agreed to reject the requests for registration of project activities and PoAs that have a crediting period or PoA period starting before 1 January 2021, for which the registration fee had not been paid and therefore failed to be deemed as a complete request for registration by 31 December 2020.
36. At EB 109, the Board considered the concept note on the approach to the project "Overview of the CDM regulatory development: how the CDM regulations have changed over the years since and lessons learned" under objective 2(c) of the CDM MAP 2020–2021, and agreed with the approach therein.
37. At EB 109, the Board approved the "Amendments to version 02.0 of the CDM project standards for project activities on addition/change of technologies" and the "Amendments to version 02.0 of the CDM project standards for programmes of activities on addition/change of technologies".
38. At EB 110, the Board considered the concept note "Impacts of the use of the digitized methodology ACM0002 on the regulatory framework" and requested the secretariat to analyse further the necessity of issuing a clarification to the existing regulatory documents and, if found necessary, to present a draft clarification to the Board in time for the next major revision of the project standards, validation and verification standards and project cycle procedures planned this year in accordance with the "CDM Executive Board workplan 2021".
39. At EB 110, the Board considered the draft revised "Glossary: CDM terms", which contained a revised definition of "renewable biomass" and introduced definitions of new terms associated with market penetration of technology/measure, and requested the MP to analyse the existing approved methodologies and methodological tools with regard to the consistency in the use of these terms and related guidance, and to recommend revision to the methodologies and tools, as appropriate, based on the analysis. The Board further requested the secretariat, in conjunction with these revisions, to propose a draft revised glossary containing revised definitions of these terms that are consistent with the methodologies and tools, for consideration by the Board at a future meeting.
40. At EB 110, the Board adopted the revised "Standard: Sampling and surveys for CDM project activities and programmes of activities", which clarifies the requirements related to sample size calculation for the proportion parameter if the expected proportion is close to one.
41. At EB 110, the Board clarified the processes to follow for resubmission, under the temporary measures referred to paragraph 35 above, of the requests for registration that had been rejected by the Board's decision referred to in the same paragraph.

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

Methodologies

42. Figure 4 below provides data for the six-month reporting period¹⁷ relating to methodologies.
43. During the reporting period, the following requests for clarification were processed:
 - (a) Fifteen requests for clarifications were fully concluded;¹⁸
 - (b) Two requests for clarification were under process.¹⁹
44. During the reporting period, one request for revision was concluded²⁰ and one was recommended to the Board.²¹
45. During the reporting period, three new methodology requests were processed:
 - (a) Two new methodology requests were recommended for consideration by the Board;²²
 - (b) One new methodology request was in process.²³
46. During the reporting period, details of the processing of standardized baselines were as follows:
 - (a) Submissions to update standardized baselines: three requests approved;²⁴ and one request in process;²⁵
 - (b) Submissions of new bottom-up standardized baselines: five requests approved;²⁶ and four requests in process;²⁷
 - (c) New top-down standardized baselines: three requests in process.²⁸

¹⁷ The data in figure 4 also include submissions from earlier reporting periods that are still in process owing to these items requiring additional work during the reporting period.

¹⁸ For small-scale: SSC_815, SSC_813, SSC_811, SSC_810, SSC_809, SSC_808, SSC_807, SSC_806, SSC_804, SSC_803 and SSC_802; for large-scale: AM_CLA_0289 and AM_CLA_0288; for tools: CLA_TOOL_0043 and CLA_TOOL_0044.

¹⁹ SSC_814 and AM_CLA_0290.

²⁰ SSC_805.

²¹ SSC_812.

²² NM0380 and SSC-NM106.

²³ NM0377. SSC-NM 105 is excluded. The Board has requested guidance from the CMP to enable further processing.

²⁴ ASU_005, ASU_006 and ASU_007.

²⁵ ASU_008.

²⁶ ASB0011-2021, ASB0034-2021, ASB0038-2021, ASB0051-2021 and ASB0052-2021.

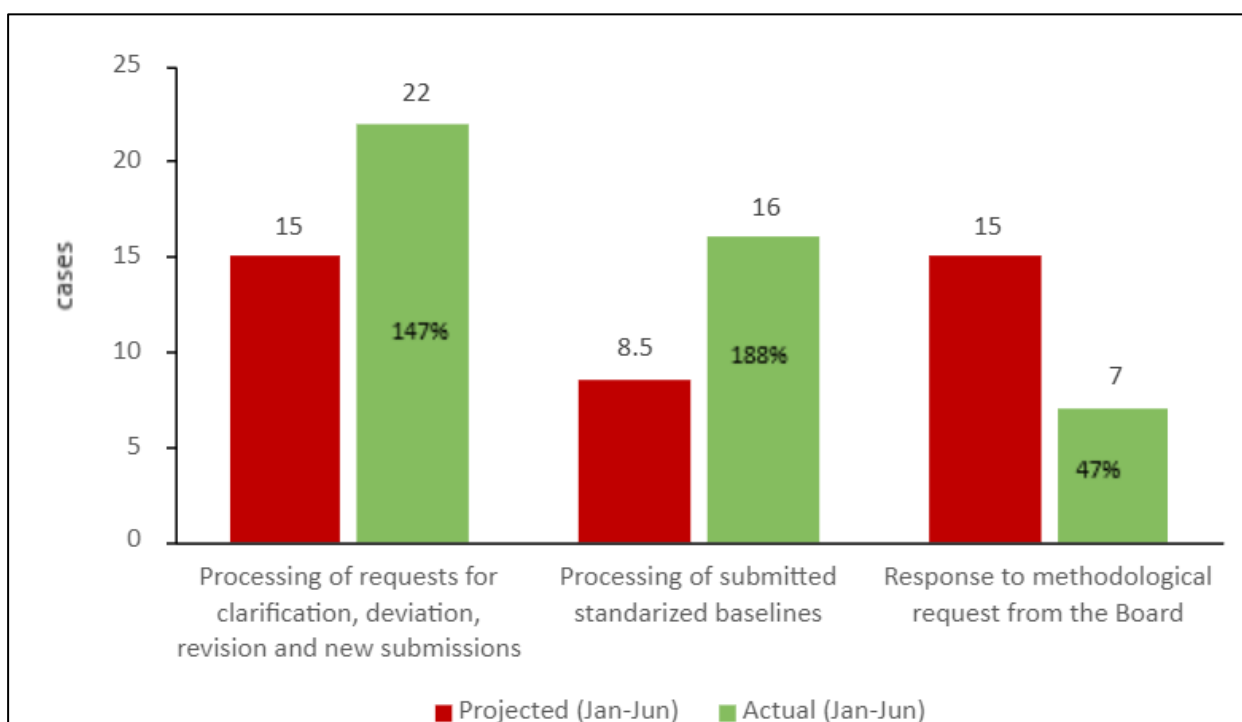
²⁷ PSB0021, PSB0051, PSB0053 and PSB0056 – work initiated during previous reporting periods and under process during the current reporting period.

²⁸ TSB0008, TSB0013, and TSB0014 – work initiated during previous reporting periods and under process during the current reporting period.

47. During the reporting period, in response to mandates received from the Board, the following requests for revisions of the methodologies and tools were processed:

- (a) Two requests for revision of methodologies and tools were concluded;²⁹
- (b) Four requests for revision of methodology³⁰ and one request for revision of a tool³¹ were recommended to the Board.

Figure 4. Methodology requests and processing of standardized baselines against annual forecasts (January–June 2021)



48. In addition to the methodological work referred to in paragraphs 39 and 40 above, the following actions were taken by the Board during the reporting period:

- (a) The Board considered the concept note “Revision of project 256: Digitalization of CDM methodologies” and:
 - (i) Requested the secretariat to:
 - a. Invite project participants on a voluntary basis to use the digitized tool in preparing the PDD, applying the methodology ACM0002 alongside the current manual pdf-based PDD;
 - b. Undertake further road-testing of the web-based tool and report the outcomes using the PDD from recently registered activities and submissions received as indicated above;
 - c. Add the methodology "ACM0001: Flaring or use of landfill gas" to the web-based tool for automatic generation of PDDs;

²⁹ AM0031 and ACM0016.

³⁰ AMS-III.AJ., AMS-III.BA., AM0027 and ACM0022.

³¹ TOOL06.

- (ii) Instructed that the resources required for the above work should be absorbed in the existing CDM budget;
- (b) The Board requested the secretariat to prepare a concept note proposing measures and options for addressing and improving the editorial quality, clarity and consistency of draft methodologies, methodological tools and other methodological standards;
- (c) The Board considered the proposed new methodology “AM00XX: Energy-efficient water-grid-connected desalination plants” and requested the MP to further work on the methodology to clarify the conditions under which the methodology is applicable, taking into account the feedback provided by the Board at this meeting, and recommend a revised draft of the methodology at a future meeting of the Board. In particular, the underlying assumption of the methodology (i.e. that the project plant, especially the greenfield unit, will always displace the existing desalination capacity of the water-grid) needs further analysis in the context of the growing demand for potable water in many regions;
- (d) The Board considered the recommendation of the MP to develop a tool for the water-grid emission factor and noted that the issue is closely linked to the progress of the methodology referred to in sub-paragraph (f) and requested the MP to provide further information on the potential demand for such a tool;
- (e) The Board approved the revisions of methodologies “ACM0016: Mass rapid transit projects”, “AM0031: Bus rapid transit projects”, “TOOL32: Positive lists of technologies”, “AMS-I.I.: Biogas/biomass thermal applications for households/small users”, “AMS-I.E.: Switch from non-renewable biomass for thermal applications by the user”, and “AMS-III.R.: Methane recovery in agricultural activities at household/small farm level”;
- (f) The Board mandated further work by the MP and the secretariat on:
 - (i) The revision of the methodology “AMS-III.BA.: Recovery and recycling of materials from E-waste” to include consistent methods in determining the emission factors associated with the consumption of fossil fuel and consumption of electricity in the production of virgin plastics;
 - (ii) The revision of the methodological tool “TOOL06: Project emissions from flaring” to expand the scope of the tool to cover project emissions from hydrocarbons (non-renewable sources of methane);
 - (iii) Continued the work on the methodology “AM0027: Substitution of CO₂ from fossil or mineral origin by CO₂ from renewable sources in the production of inorganic compounds”, taking into account the comments provided at EB 110, and providing a revised draft for consideration;

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

Partnerships and engagement activities

49. During the reporting period, exchanges with intergovernmental organizations, non-governmental organizations, governments, financial institutions and businesses were held virtually.

Nairobi Framework coordination and regional activities

50. During the reporting period, Nairobi Framework³² coordination and regional activities continued focusing on the regional climate weeks, which kicked off on 3 March 2021 with virtual regional roundtables³³ convened by the core partners³⁴ together with the host countries³⁵ and the high-level climate champions.³⁶ The three roundtables, one for Latin America and the Caribbean (hosted by the Dominican Republic), one for Asia-Pacific (hosted by Japan), and one for Africa (hosted by Uganda), focused on collecting messages and inputs from a range of stakeholders on priorities and opportunities that are crucial for the full implementation of the Paris Agreement. The discussions also served to regionalize the three thematic areas defined for the year: a) national action and economy-wide approaches, b) integrated approaches for climate-resilient development, and c) seizing transformational opportunities.³⁷
51. The virtual thematic sessions kicked off with the thematic sessions of the Latin America and Caribbean Climate Week 2021 (LACCW 2021)³⁸ from 11 to 14 May, hosted by the Government of the Dominican Republic. The event brought together more than 5,000 registered attendees from 151 countries for over 100 hours of virtual conference streaming. The outcomes of the three thematic areas are included in the final report³⁹ along with an overview of the affiliated events, side events, action hub videos and Conference of the Parties (COP) 26 presidency events that were part of the four-day LACCW 2021.
52. The work of the Collaborative Instruments for Ambitious Climate Action (CiACA)⁴⁰ workstream during the reporting period has focused on two strategies: continuing to provide assistance to new national jurisdictions; and supporting the development of regional spaces, including platforms, to assist countries in exploring the adoption of carbon-pricing instruments at regional and sub-regional levels. While the focus on national jurisdiction came as response to the interest stimulated during the Regional Dialogues on Carbon Pricing and was especially strong in Africa with Kenya, Nigeria, Guinea and Guinea Bissau expressing interest in joining the initiative, the regional approach was particularly relevant in Central Asia and Latin America, where CiACA was instrumental in strengthening the collaboration among partners as well as key regional stakeholders, such as the Regional Environmental Centre for Central Asia and the Carbon Pricing in the Americas.

³² See Nairobi Framework Partnership at <https://unfccc.int/process/the-paris-agreement/nairobi-framework-partnership>.

³³ The Roundtables were interpreted in English, Spanish and French, and are available at <https://unfccc.int/process-and-meetings/conferences/regional-climate-weeks-virtual-roundtables-march-2021/watch-broadcast-virtual-regional-roundtables>.

³⁴ World Bank, UNEP, UNDP and UNFCCC.

³⁵ Dominican Republic in Latin America and the Caribbean, Japan for Asia-Pacific, and Uganda for Africa.

³⁶ Gonzalo Muñoz, high-level climate champion of Chile, and Nigel Topping, high-level climate champion of United Kingdom.

³⁷ The report of the regional climate weeks virtual roundtables is available at <https://unfccc.int/sites/default/files/resource/POST%20EVENT%20REPORT-2021%20Final.pdf>.

³⁸ The thematic sessions of the LACCW 2021 are available on-demand in the platform at <https://laccw21.site.calypso-event.net/authentication/page-de-connexion.htm>.

³⁹ The final report is available at <https://unfccc.int/LACCW2021>.

⁴⁰ See <https://unfccc.int/about-us/regional-collaboration-centres/the-collaborative-instruments-for-ambitious-climate-action-ciaca-initiative>.

53. The annual report on the activities completed by the partner agencies and the cooperating organizations of the Nairobi Framework Partnership in 2020 was published during the reporting period.⁴¹

Support to stakeholders/capacity-building (designated operational entities)

54. During the reporting period, two conference calls took place with the DOE/AIE Coordination Forum.
55. A total of four interactions were recorded during the reporting period against the six-month forecast of six interactions with stakeholders.

Public policy development

56. During the reporting period, the secretariat continued to gather and analyse reports and information regarding the evolution and direction of carbon-pricing instruments globally. These will be used as a basis for future updates to the Board and as inputs for strategic decision-making by the Board relating to how the CDM may best respond to the evolving post-Paris context, including supporting the potential use of the CDM in emerging emission-trading systems and in the aviation and maritime transport sectors. As part of this work, the secretariat continued to develop its contacts with policymakers and relevant experts globally to ensure that the Board is informed of the latest developments affecting the operation of the CDM.

Operation and further development of the United Nations Online Platform for Voluntary Cancellation of CERs

57. The voluntary cancellation platform has been visited by most of the countries in the world, with contributors from 107 countries completing cancellations. The total number of CERs cancelled through the platform since its launch in September 2015 is 3,463,242. The average historical price per tonne purchased on the platform is USD 1.10⁴²
58. During the reporting period, the service provider delivered a concept for an application programming interface. This concept outlines how the platform could be extended to allow integration by third-party applications that retail offsets. The concept is the basis for cost estimation, development and deployment of an actual application programming interface.

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

59. During the reporting period, work was undertaken to make the CDM more attractive for use in results-based finance beyond the Kyoto Protocol by:
- (a) Further broadening its applicability with: (i) the development of new methodologies (requests for approval of new methodologies were processed); (ii) the approval of new standardized baselines; and (iii) the processing of other standardized baselines;
 - (b) Conducting further work with a view to simplifying the use of its infrastructure, including by making progress in the digitalization of methodologies, including the road-testing of ACM0002.

⁴¹ See CDM-2020NF-INFO01 at <https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20210205204633224/NFP%20Annual%20Report%202020.pdf>.

⁴² For information on the platform during this reporting period, see CDM-2021VC-INFO01 at <https://cdm.unfccc.int/EB/report/index.html>.

Use of the CDM in climate finance

60. The Board continued its cooperation with financial institutions on facilitating the mobilization of climate finance to support developing countries in implementing priority mitigation and adaptation actions in accordance with the goals outlined in their nationally determined contributions, national adaptation plans and other relevant policies or strategies. At EB 109, the Board took note of the progress of the ongoing support provided in this regard by the secretariat in collaboration with the RCCs.

Nurturing demand for the CDM and voluntary cancellation of certified emission reductions

61. During the reporting period, activities to nurture demand for the CDM and the voluntary cancellation of CERs included:
- (a) Continued outreach to companies and organizations to invite them to estimate their climate footprint, reduce it and compensate for the remainder with CERs. Close to 100 companies and organizations were contacted in the first half of 2021;
 - (b) Exploration of partnerships with organizations to integrate the use of the voluntary cancellation platform in their business models, offering offsetting to their clients in business-to-business and business-to-consumer applications. Several such partnerships are under discussion;
 - (c) Engagement in several working groups on the topic of climate neutrality/net zero emissions to recommend the integration of compensation of unavoidable emissions through the use of CERs.
62. Approximately 10 per cent of the total CERs cancelled through the voluntary cancellation platform during the reporting period were cancelled by individuals; the rest were cancelled by organizations.⁴³
63. At EB 109, the Board considered the concept note on the proposed promotional activities for the voluntary cancellation platform.

Regional Collaboration Centre operations

64. The six RCCs continue to prioritize the work in least developed countries (LDCs) and underrepresented countries in the CDM (i.e. with 10 or fewer registered CDM projects as at 31 December 2010).⁴⁴
65. The regional virtual platform⁴⁵ that was launched in early 2020 in response to the COVID-19 pandemic continued to provide a list of 39 events organized by the RCCs, the UNFCCC secretariat and their partners, including CDM-related virtual meetings for DNAs and project participants, either already taken place or that will be taking place in the six RCC regions.

⁴³ For information on the United Nations platform for voluntary cancellation of certified emission reductions during this reporting period, see CDM-2021VC-INFO01 at <https://cdm.unfccc.int/EB/report/index.html>.

⁴⁴ See the regular biannual report on RCC operations at <https://cdm.unfccc.int/EB/report/>.

⁴⁵ Accessible at <https://unfccc.int/about-us/partnerships/current-calls-for-partnerships/regional-collaboration-centres/regional-virtual-platform>.

66. In this reporting period, the RCCs published 21 newsletters on their individual websites.⁴⁶ These newsletters provide technical advice, inform readers on relevant events, facilitate cooperation and promote opportunities for CDM activities. The newsletters have received positive feedback from the CDM stakeholders.

Regional Collaboration Centre on-site support to projects and programmes of activities

67. During the reporting period, direct technical support was provided at the regional level to increase participation in the CDM. As at 30 June 2021, the RCCs had supported 91 CDM project activities and PoAs against the annual forecasted volume of 189 projects/PoAs. The support resulted in eight CDM project activities and PoAs progressing at least one step in the CDM project cycle. In addition, the RCCs responded to 97 queries received from stakeholders requesting clarifications on CDM requirements.
68. From the beginning of the RCCs' operations in 2013 until 30 June 2021, the RCCs directly supported 1,611 CDM project activities and PoAs, contributing to 255 CDM project activities and PoAs progressing at least one step forward in the CDM project cycle. In addition, through the provision of technical advice and capacity-building, 126 new CDM project activities and PoAs were identified and their notification of CDM prior consideration submitted.

Regional Collaboration Centre on-site site support to bottom-up standardized baselines

69. During the reporting period, RCCs supported the development of 11 new bottom-up standardized baselines against the annual forecasted volume of 17 requests,⁴⁷ of which approximately 69 per cent originated from DNAs of underrepresented countries in the CDM. As a result of the support provided by the RCCs in the previous years, three proposed standardized baselines⁴⁸ were successfully submitted to the secretariat and the Board approved four standardized baselines.⁴⁹
70. In addition, the RCCs continued to support three top-down standardized baselines during the reporting period (continuation from the previous reporting period). From the beginning of the RCCs' operations in 2013 until 30 June 2021, the RCCs directly supported the development of 343 standardized baselines, of which 55 were approved by the Board.

1.3. Cross-cutting activities

Communications engagement and marketing

71. In addition to stories being published on the United Nations Climate Change main website, the UN Climate Action Blog and United Nations Climate Change CDM website (see table 2 in the appendix), all CDM-related stories published on the main site were promoted via the secretariat's main social media accounts.
72. The secretariat's main social media accounts and websites are the major online assets used to promote the CDM, principally the work on raising demand and promoting the CDM

⁴⁶ Accessible at <https://unfccc.int/rcc-bangkok>, <https://unfccc.int/rcc-dubai>, <https://unfccc.int/rcc-kampala>, <https://unfccc.int/rcc-panama> and <https://unfccc.int/rcc-st-georges>.

⁴⁷ In addition, support was provided to 25 standardized baselines that were continuations from the previous reporting period.

⁴⁸ ASU_006 (second submission), PSB0031 (second submission) and PSB0052 (third submission).

⁴⁹ ASB0011-2021, ASB0034-2021, ASB0051-2021 and ASB0052-2021.

in the context of promoting climate neutrality. The messaging is about Measure, Reduce, Offset. The UN Climate Change social media accounts comprise: Facebook, with 489,000 followers; Twitter, 831,500 followers; Instagram, 687,000 followers; LinkedIn, 143,000 followers; and YouTube, 13,100 followers.

73. 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.
74. During the reporting period, communications work was carried out in support of key events, including the virtual first sessional period of June 2021, and Regional Climate Weeks.
75. Communication engagement and marketing carried out by the RCCs, including through their regular e-newsletters, webinars, workshop support and capacity-building related to the CDM, are described in paragraphs 65 and 66 above.
76. In 2011, the secretariat launched Momentum for Change,⁵⁰ an initiative to recognize and promote climate action. Since 2017, under the Momentum for Change Climate Neutral Now category, organizations, companies and governments achieving real results in transitioning to climate neutrality, including through use of offsets, have been invited to submit their work for consideration.⁵¹ The most inspiring, innovative and successful activities are selected as winning activities and are recognized and celebrated during the COP and at other key events, such as the Regional Climate Weeks. In 2021, all in-person events were cancelled due to the COVID-19 pandemic, but work has been carried on, applications received, reviewed and selected by an independent selection committee. Winners of the 2021 Global Climate Action Awards will be announced before COP 26, and showcased at COP, either virtually or in-person, depending on the format of the conference.
77. During the reporting period, a total of 18 communication products were developed against the annual forecast of 24 products.

Intra-secretariat information technology engagement agreements

78. During the reporting period, the following CDM information technology (IT) operational activities were supported under the IT engagement agreement:
 - (a) **CDM systems application, maintenance and support:**
 - (i) Authoring tool for preparing and cataloguing the documentation of the Board and its panel and working groups – No issues were identified during reporting period;
 - (ii) CDM registry – Continuation of operational maintenance, software maintenance and security support for processing change requests related to reporting and registry functionalities and the assessment of the voluntary cancellation platform application programming interface;
 - (iii) CDM Information System – Ongoing activities include: defining requirements; testing and handling of deployments; During the reporting period there were 29 content management updates, 244 manual interventions, 32 user administration requests, 38 user help requests, 27 reported problems, and 2 requests for other types of support;

⁵⁰ Momentum for Change <https://unfccc.int/climate-action/momentum-for-change>.

⁵¹ Climate Neutral Now <https://unfccc.int/climate-action/momentum-for-change/climate-neutral-now>.

- (iv) Simplified Processing Tool – Application service management for support testing of activities with external users, oversight of development work for improving functionalities;
 - (v) Sustainable Development Tool – Minimal maintenance support was required;
 - (vi) Stakeholder Interaction System – Support related to change and maintenance, including minor bug fixes;
 - (b) **Meetings and workshops:** technical support provided to the virtual meetings and workshops held during the reporting period;
 - (c) **Data centre hosting services:** business-as-usual and recovery services for the CDM Information System (CDM-IS) content management system, CDM registry and CDM mailing lists;
 - (d) **Licenses:** business-as-usual services in support of desktop and specialized software support.
79. During the reporting period, two IT projects continued under the engagement agreement:
- (a) **CDM activities lifecycle project:** aimed at enhancing the CDM-IS capabilities. The scope evolves in response to operational requirements. The CDM-IS was enhanced through a new workflow framework which is flexible and adaptable to other CDM business processes and includes a user interface portal that features additional process areas and related tools to be easily integrated, as needed, in the future. Below is the updated status of each of the three work packages as at the end of June 2021, and the planned work for the remainder of 2021:
 - (i) Work Package 1: Complete – delivered in 2020 with the following scope:
 - a. Upgrade of the workflow to capture and provide the results of DOE performance monitoring;
 - b. Upgrade of CDM registry forwarding form, including handling of partial payment of share of proceeds;
 - c. Various change requests to enhance existing workflows to reduce manual interventions.
 - (ii) Work Package 2: Complete – delivered in Q1-Q2 2021 with the following scope:
 - a. Temporary Measures for CDM processes that relate to post-2020 activities. Implemented the guidelines in conjunction with paragraphs 7 and 8 of the external EB 108, and paragraphs 8 to 11 along with Annex 1 of the EB 109 meeting reports. Updated the summary note templates and relevant data tables to include additional recommendation type for Temporary Measures and removed registration fee charge, among others;
 - b. Automation of PoA monitoring report validation rules, including rules related to PoA periods, CPA crediting periods and monitoring periods. This item delivered auto-validation of monitoring report entries by DOE, allowing only eligible CPAs to be included in a PoA monitoring report;

- c. Revision and upgrade to the CPA inclusion/CPA renewal webpages;
- (iii) Work Package 3: In progress – planned for Q3-Q4 2021 with the following scope:
- a. Completion of workflow capabilities to process withdrawal requests;
- b. Workflow for de-registration of CDM activities;
- c. Further development of the CPA-related workflows, including erroneous inclusion and exclusion of CPAs and voluntary exclusion of CPAs;
- d. CDM webpages clean-up, with a focus on the activity search section of the CDM website to include a PoA search capability.
- (b) **Development of a centralized RCC IT portal and tool project:** aimed at consolidating the information and data on the six RCCs, allowing for improved planning and reporting against the work of RCCs. In 2020, the requirements for the project were identified and information was collected to develop the portal and tool. The tool was developed and rolled out during the reporting period (Q1-Q2 2021).
80. Table 2 indicates the expenditure for services received under the IT engagement agreement during the reporting period.

Table 2. Information technology services expenditure for the reporting period (January-June 2021)

Services received	Expenditure (USD)
Operational	
Application, maintenance and support to CDM systems	348 523
System infrastructure services (data hosting services)	222 182
Service desk support for workshops/meetings	38 274
Licenses	20 101
Subtotal	629 081
Projects	
Enhance the CDM-IS capabilities	65 954
Development of a centralized RCC IT portal	8 910
Total*	703 945

Note: Includes obligations for the 2021 budget year (January to December).

Internal communications

81. During the reporting period, six internal newsletters were prepared and published to inform staff of the progress under operational activities and projects, including important milestones, achievements and goals related to the CDM MAP 2020–2021. In addition, 19 secretariat-wide news articles were prepared and published to ensure information-sharing and cross-programme collaboration, for a total of 25 communication products against the annual forecasted volume of 40 communication products.

Information, knowledge and records management

82. During the reporting period, the cataloguing and indexing of the Board's regulatory documents, including the documentation of its supporting meeting bodies, included the

indexing of 107 documents, which ensures transparency and access to the regulatory decisions via the public CDM Catalogue of Decisions database.⁵² Over 3,600 searchable documents are contained in the Catalogue of Decisions database, utilizing over 500 controlled vocabulary terms in the integrated taxonomy.

83. The secretariat is using SharePoint technology, and to date the Mitigation Division, supporting the CDM work programme, has over 90 internal sites with almost 500 subsites. Each site contains libraries and lists which comprise records and information relating to work supporting the Board, its working groups and the CDM. These platforms and the information are managed using a robust taxonomy with CDM-specific keywords, thus enabling user-friendly search and retrieval.
84. In terms of physical records, approximately 10 linear metres of physical records are managed through the established records management lifecycle. Due to the COVID-19 pandemic, there has been limited access to the physical records, thus reducing the volume of on-site physical record appraisal.

Management of division/units

85. 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 2020–2021.

Planning, monitoring and reporting

86. 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 between meetings. The following reports, delivered during the reporting period, are available on the UNFCCC CDM website:
- (a) CDM MAP End-Year Review (1 January to 31 December 2020);⁵³
 - (b) Regional Collaboration Centres (1 July to 31 December 2020);⁵⁴
 - (c) Voluntary Cancellation Platform (1 July to 31 December 2020);⁵⁵
 - (d) Key Performance Indicators - Annual Report 2020;⁵⁶
 - (e) Nairobi Framework Partnership Report - Annual Report 2020;⁵⁷
 - (f) Stakeholder communications - Annual Report 2020.⁵⁸

Secretariat-wide responsibilities

87. During this reporting period, the Mitigation Division, being an integral part of the secretariat, fulfilled its secretariat-wide responsibilities including contributions to several UNFCCC internal processes and meeting bodies.

⁵² Searchable catalogue of CDM-EB decisions available at <http://cdm.unfccc.int/Reference/catalogue/search>.

⁵³ See CDM-EB109-AA-A07 at <https://cdm.unfccc.int/EB/report>.

⁵⁴ See CDM-2020RCC-INFO02 at <https://cdm.unfccc.int/EB/report>.

⁵⁵ See CDM-2020VC-INFO02 at <https://cdm.unfccc.int/EB/report>.

⁵⁶ See CDM-2020KPI-INFO01 at <https://cdm.unfccc.int/EB/report>.

⁵⁷ See CDM-2020NF-INFO01 at <https://cdm.unfccc.int/EB/report>.

⁵⁸ See CDM-2020SC-INFO01 at <https://cdm.unfccc.int/EB/report>.

2. Financial update

2.1. Status of income from 1 January to 30 June 2021

88. Table 3 shows the balance brought forward from 2020 and the income received from 1 January to 30 June 2021.

Table 3. Income received in 2021, including carry-over from 2020 (USD)⁵⁹

Carry-over figure from 2020 (A)	75 227 870
Income received in 2021	
Accreditation fees	46 538
Fees from the accreditation process	14 563
Registration fees ^(a)	10 723
Share of proceeds (SOP) ^(b)	7 848 184
Subtotal – Income: 1 Jan to 31 Jun 2021 (B)	7 920 007
Current balance of 2020 carry-over and 2021 income (A + B)	83 147 877

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 a share of proceeds (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 tonnes of carbon dioxide equivalent 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) 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.

89. The total fees received as at 30 June 2021 amounted to USD 7.9 million (see table 3). This is 88 per cent of the projected income of USD 9.0 million for 2021.⁶⁰ The total fees received during the same period last year (January–June 2020) were USD 7.8 million (86 per cent).

90. CERs held in the CDM registry at the end of June 2021 amounted to 397.5 million. The secretariat has already performed all related tasks (with the exception of forwarding) for the corresponding project issuances. The share of proceeds (SOP) from administration remaining due for CERs held in the pending account of the CDM registry amounts to approximately USD 51.7 million. This is a decrease of USD 9.2 million in comparison to August 2018 when the outstanding SOP reached its peak of USD 60.9 million for issuances that were submitted under the old rule. The new rules approved by the Board for partial payment of SOP on already approved issuances and upfront payment of SOP on new issuances were implemented in 2018. These rules are intended to enable some of the outstanding SOP amount to be recovered or to prevent it from growing further.

⁵⁹ The data presented in this report are subject to change, as the financial period remains open at the time the report is being finalized.

⁶⁰ As per the CDM MAP 2020–2021 (CDM-EB104-A01-INFO, table 12).

2.2. Expenditure from 1 January to 30 June 2021

91. Table 4a shows the expenditure incurred and the utilization rate against the 2021 reporting period (12 months). Table 4b shows the expenditure incurred and the utilization rate against the 2020–2021 budget period (24 months).

Table 4a. Comparison of budget and expenditure from 1 Jan to 30 June 2021 (USD)

Expenditure classification	Budget	Expenditure	Difference	% Rate of
	2021	(Jan–Jun 2021)	to 2021 budget (a – b)	expenditure vs. 2021 budget (b/a)
	a	b ^(a)	c	d
Staff ^(a)	9 489 307	5 183 327	4 305 980	54.6
Consultants ^(b)	233 475	118 862	114 613	50.9
Expert fees ^(c)	138 400	97 800	40 600	70.7
Expert travel ^(d)	187 800		187 800	0.0
Travel of representatives ^(e)	396 095	- 28 746	424 841	(7.3)
Travel of representatives (EB) ^(f)	326 700		326 700	0.0
Travel of staff ^(g)	263 960		263 960	0.0
Training ^(h)	16 200	9 722	6 478	60.0
Operating expenses ⁽ⁱ⁾	434 455	212 964	221 491	49.0
RCC operations ^(j)	439 900	266 284	173 616	60.5
Total cost of ownership ^(k)	1 242 978	556 473	686 505	44.8
Engagement agreement (ICT) ^(l)	753 659	703 945	49 714	93.4
Mobile telecommunications ^(m)	6 480	4 526	1 954	69.9
Supplies and material ⁽ⁿ⁾	68 800	724	68 076	1.1
Grants (EB) ^(o)	350 000	294 900	55 100	84.3
Subtotal	14 348 209	7 420 782	6 927 427	51.7
13% programme support ^(p)	1 865 267	964 702	900 565	51.7
Total	16 213 476	8 385 483	7 827 993	51.7

Table 4b. Comparison of the biennium budget 2020–2021 and expenditure from 1 Jan 2020 to 30 Jun 2021 (USD)

Expenditure classification	Budget 2020	Budget 2021	Total 2020–2021	Expenditure (Jan 20 – Jun 21)	Difference to 2020–2021 budget (c-d)	% Rate of expenditure vs. 2020–2021 budget (d/c)
	a	b	(a+b) c	d^(q)	e	f
Staff ^(a)	10 469 682	9 489 307	19 958 989	16 054 221	3 904 768	80.4
Consultants ^(b)	257 950	233 475	491 425	203 170	288 255	41.3
Expert fees ^(c)	153 100	138 400	291 500	294 852	- 3 352	101.2
Expert travel ^(d)	199 200	187 800	387 000	47 723	339 277	12.3
Travel of representatives ^(e)	408 550	396 095	804 645	69 485	735 160	8.6
Travel of representatives (EB) ^(f)	363 000	326 700	689 700	23 282	666 418	3.4
Travel of staff ^(g)	290 800	263 960	554 760	16 400	538 360	3.0
Training ^(h)	18 000	16 200	34 200	42 255	- 8 055	123.6
Operating expenses ⁽ⁱ⁾	481 300	434 455	915 755	350 097	565 658	38.2
RCC operations ^(j)	528 800	439 900	968 700	706 976	261 724	73.0
Total cost of ownership (TCO) ^(k)	1 364 978	1 242 978	2 607 956	1 741 911	866 045	66.8
Engagement agreement (ICT) ^(l)	953 659	753 659	1 707 318	1 428 862	278 456	83.7
Mobile telecommunications ^(m)	7 200	6 480	13 680	6 735	6 945	49.2
Supplies and material ⁽ⁿ⁾	76 500	68 800	145 300	23 359	121 941	16.1
Grants (EB) ^(o)	350 000	350 000	700 000	621 360	78 640	88.8
Subtotal	15 922 719	14 348 209	30 270 928	21 630 687	8 640 241	71.5
13% programme support ^(p)	2 069 953	1 865 267	3 935 220	2 811 989	1 123 231	71.5
Total	17 992 672	16 213 476	34 206 148	24 442 676	9 763 472	71.5

- (a) Staff costs include staff salaries, general temporary assistance costs, fellows 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 consultant 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 costs 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 operations costs include costs related to administering the RCCs, RCC staff missions, including travel and mission substantial allowance costs, RCC Global Forum and RCC Roundtable;
 - (k) 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 2021, the TCO charge per capita of EUR 12,180 is applied;
 - (l) Engagement agreement (ICT) includes information technology (IT) costs related to the support for the management plan 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 (i.e., 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 (i.e., laptop and software, printers);
 - (p) Programme support – In accordance with the financial procedures of the United Nations, 13 per cent of overhead charges are payable on all UNFCCC trust funds to cover administrative services provided by the United Nations Office at Geneva and the UNFCCC secretariat;
 - (q) Expenditure includes obligations.
92. Column (d) in table 4a shows the rate of expenditure as a percentage of the 2021 budget for each cost category. The total rate of expenditure (51.7 per cent) is higher than the projected rate of expenditure (50 per cent) for the reporting period.
93. Column (f) in table 4b shows rate of expenditure as a percentage of the 2020–2021 biennium budget for each cost category. The total rate of expenditure (71.5 per cent) is below the linear projected rate of expenditure (75 per cent) for the reporting period.
94. Staff costs amount to 54.6 per cent of the projected 2021 budget for this object of expenditure, which is higher than the projected rate of expenditure (50 per cent) for the

reporting period. This reflects higher per staff cost, including effects of EUR/USD exchange rate, when compared to the budgeted standard cost.⁶¹The approved standard costs used in budget staff cost calculations are in EUR and thus changes in the EUR/USD exchange rate affect USD expenses. In addition, standard costs are a proxy; staff within a grade can have different “steps” affecting salary costs. Finally, after-service health insurance costs were estimated at 3 per cent for the for the 2020–2021 budget; however, after the budget was approved, this number was revised to 6 per cent by the UN Department of Management Strategy, Policy and Compliance

95. Consultant costs amount to 50.9 per cent of the projected 2021 budget for this object of expenditure, which is slightly higher than the projected rate of expenditure (50 per cent).
96. Expert fees amount to 70.7 per cent of the projected 2021 budget for this object of expenditure, which is significantly higher than the projected rate of expenditure (50 per cent). Expenditure reflects the increase in the project assessment cases against projected volumes in 2021.
97. Expert travel amounts to zero. This reflects the travel restrictions due to the COVID-19 pandemic (panel meetings held virtually).
98. Travel of representatives shows a credit. This represent savings due to unused and closure of prior-year unliquidated obligations.
99. Travel of Board members amounts to zero. This reflects the travel restrictions due to the COVID-19 pandemic (panel meetings held virtually).
100. Travel of staff amounts amounts to zero. This reflects the travel restrictions due to the COVID-19 pandemic.
101. Training costs amount to 60.0 per cent of the projected 2021 budget for this object of expenditure, which is higher than the projected rate of expenditure (50 per cent). This reflects adjustments to the training schedule resulting from the COVID-19 pandemic. On-site training by consultants was exchanged with higher number of virtual trainings.
102. Operating expenses amount to 49.0 per cent of the projected 2021 budget for this object of expenditure, which is slightly lower than the linearly projected rate of expenditure (50 per cent). Expenditure is expected to remain in line with the linear rate.
103. RCC operations costs amount to 60.5 per cent of the projected 2021 budget for this object of expenditure, which is higher than the projected rate of expenditure (50 per cent). This is due to commitments covering the period to year-end. Expenditure is expected to align with the projected 2021 budget as the year progresses.
104. TCO costs amount to 44.8 per cent of the projected 2021 budget for this object of expenditure, which is lower than the projected rate of expenditure (50 per cent). This is due to the reduced number of on-site consultants, as a result of the COVID-19 pandemic as well as due to the slight reduction in the per capita cost actually charged.
105. Engagement agreement costs (ICT) amount to 93.4 per cent of the projected 2021 budget for this object of expenditure, which is significantly higher than the projected rate of

⁶¹ Estimated standard costs are based on the average cost per staff member at the same grade and may not reflect the entitlements of the actual staff encumbered in the post. The UNFCCC standard estimated cost is based in EUR.

expenditure (50 per cent). This is due to commitments covering the period to year-end. Expenditure is expected to align with the projected 2021 budget as the year progresses.

106. Mobile telecommunications costs are 69.9 per cent of the projected 2021 budget for this object of expenditure, which is significantly higher than the linearly projected rate of expenditure (50 per cent). This is due to commitments covering the period to year-end. Expenditure is expected to align with the projected 2021 budget as the year progresses.
107. Supplies and materials costs amount to 1.1 per cent of the projected 2021 budget for this object of expenditure, which is significantly lower than the projected rate of expenditure (50 per cent). This is due to a reduction in subscription services in 2021 as well as because most of the subscriptions are due to be extended in the second half of the year.
108. The expenditure for EB grants amounts to 84.3 per cent of the projected 2021 budget for this object of expenditure, which is significantly higher than the projected rate of expenditure (50 per cent). This is because almost all the 2021 grant requests have been processed in the system and funds have been fully committed against this item of expenditure.

2.3. Summary of financial position (income and expenditure status, as at 30 June 2021)

109. Table 5 below shows the balance of the CDM Trust Fund as at 30 June 2021.

Table 5. Income and expenditure status, as at 30 June 2021 (USD)

Carry-over figure from 2020 (A)	75 227 870
Status of funds for the period Jan–Jun 2021	
Income: 1 Jan–30 June 2021 (B)	7 920 007
Current balance of 2020 carry-over and 2021 income (A+B)	83 147 877
Expenditure: 1 Jan–30 Jun 2021 (C)	8 385 483
Balance available at 30 June 2021 (A+B-C)	74 762 394

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

110. Table 6 below shows the income and expenditure trend for the period January to December for the years 2019, 2020 and 2021.

Table 6. Income and expenditure trend, as at 30 June 2021 (USD)

	As at 30 Jun 2019	As at 30 Jun 2020	As at 30 Jun 2021
Income	6 342 872	7 761 238	7 920 007
Expenditure	9 334 650	7 899 726	8 385 483
Income minus expenditure	-2 991 778	- 138 488	- 465 476
Income as a rate of projected income of USD 9 million	70.5%	86.2%	88.0%
Expenditure as a rate of the annual budget	47.9%	43.9%	51.7%

3. Human resources

111. In 2021, the secretariat had a skilled and flexible workforce, including 78 (85 in 2020) staff funded under the CDM Trust Fund, with a specialized focus on delivering results effectively and efficiently against the approved CDM MAP 2020–2021 activities and projects.
112. As part of the workforce planning, the priority continues to be on (i) optimizing the organizational structure to ensure the effective use of the full range of expertise across the secretariat, (ii) adopting a strategy of natural attrition, and (iii) ensuring the full use of available staff resources over consultants or temporary hires in consideration of the expertise required. Additionally, in efforts to prudently manage resources and bring new skills and experience into the secretariat, interns and fellows are recruited in accordance with United Nations rules and regulations to support the work on the implementation of the CDM MAP 2020–2021.
113. 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.

4. Conclusions

114. The mid-year review, as at 30 June 2021, indicates that approved operational activities and projects are being delivered in accordance with the CDM MAP 2020–2021.
115. The Board may take note of the status of the CDM MAP 2020–2021 as at 30 June 2021.

Appendix. Reporting data (January–June 2021)

Table 1. Volume of operational activities and projects completed in comparison with annual forecasted volumes (January–June 2021)

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

MAP activity	Units	Projected annual volume in MAP (Jan–Dec 2021)	Actual volume (Jan–Jun 2021)
Changes to modalities of communication and requests for registry transactions	Registry transactions	8 800	3 390
	Changes to modalities of communication	1 900	702
CDM registry reports	Reports	400	247
Opening and maintaining Voluntary Cancellation Platform seller accounts	Accounts	90	79
Requests for: direct communication, renewal of crediting period, and review	Requests	233	79 ^(a)
Requests for PoA issuance	Requests	90	74 ^(b)
Requests for PoA PRC	Requests	55	116
Requests for PoA registration	Requests	20	17
Requests for project issuance	Requests	350	189
Requests for project PRC	Requests	20	8
Requests for project registration	Requests	20	18
PoA post-registration CPA inclusion requests	CPA inclusions	200	31 ^(c)
Sustainable development co-benefits including reporting and promotional activities	Reports	10	0
Performance assessments (validation and verification)	Performance assessment (validation and verification)	14	7
Regular surveillance and spot checks	Regular surveillance assessments and spot checks	13	10
Requests for initial accreditation and re-accreditation	Requests for initial accreditation and re-accreditation	11	0
Calibrate assessment team leads	Workshop	1	0
DOE calibration workshop	Workshop	1	0

^(a) Included the processing of seven PoA renewal requests.

^(b) Included the processing of 431 CPAs.

^(c) Included 12 renewal of crediting period for CPAs.

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

MAP 2020–2021 activity	Units	Projected annual volume in MAP (Jan–Dec 2021)	Actual volume (Jan–Jun 2021)
Media relations	Media contact	12	12
Stakeholder communications	Transactions	400	278
Policy analysis and reports	Reports	4	2
Calls for inputs and feedback to stakeholders	Call for inputs	40	6
	Annual report	1	1
Global and regional DNA Forums	Events	4	1
Accreditation Panel	Meetings	3	2
Methodologies Panel	Meetings	3	2
Roster of experts (CDM)	Notes related to selection of experts	2	2 ^(a)
Support to the Executive Board	Meetings	4	2
Entity administration	Entities	31	31
Entity assessment planning	Assessment	38	27
Entity performance monitoring system	System	1	0.5
Handling of complaints and requests for review	Report	1	0
Registration & Issuance system support	Tasks	2 432	1 330
Maintenance of the regulatory framework (e.g. standards, procedures, forms, glossary, guidelines, checklists)	Amendments	12	14

^(a) The terms of Panel/WG members and RIT experts were extended based on information presented to the Board at EB 110.

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

MAP 2020–2021 activity)	Units	Projected annual volume in MAP (Jan–Dec 2021)	Actual volume (Jan–Jun 2021)
Processing of requests for clarification, deviation, revision, new submissions	Requests	30	22
Processing of standardized baselines	Evaluations	17	16
Response to methodological requests from the Board	Requests	30	7 ^(a)

^(a) In addition, a number of methodological cases are under process as indicated in paragraph 48.

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 2020–2021 activity	Units	Projected annual volume in MAP (Jan–Dec 2021)	Actual volume (Jan–Jun 2021)
Partnership and engagement activities	Missions	7	0
Nairobi Framework coordination and regional activities with a specific focus on Africa, LDCs and SIDS	Coordination meetings	2	1
	Regional activities	4	1
Support to stakeholders/ capacity-building (DOEs)	Interactions	12	4
Public policy development	Countries engaged	15	9 ^(a)
Nurturing demand for CDM and voluntary cancellation of CERs	Organizations/individual cancellations on VC platform (number of orders)	5 000	1 483 ^(b)
RCC operations	RCCs	6	6
RCCs: on-site support to projects	Supported projects	189	91
RCC support to bottom-up standardized baselines	Supported standardized baselines	17	11

^(a) Additionally, engaged 2 regional carbon alliances (consisting of 23 countries) and 1 regional association (consisting of 10 countries).

^(b) Regular report. UN platform for voluntary cancellation of CERs (1 January to 30 June 2021).

Cross-cutting activities

MAP 2020–2021 activity	Units	Projected annual volume in MAP (Jan–Dec 2021)	Actual volume (Jan–Jun 2021)
Communications engagement and marketing	Communication products	24	18
Human resources, skills development and learning	Contracts managed	102	104
Finance (including budget, expert payments, fee payments and procurement)	Reports; procurements	25 reports; 315 procurements	7 reports; 56 procurement
Intra-secretariat information technology engagement agreement	Agreement development; portfolio managed	1	1
Internal communication	Communication products	40	25
Information, knowledge and records management	Terabytes of CDM electronic files	2	2
Supplies and subscriptions	Subscriptions	9	1
Travel management	Travel cases	640	12

MAP 2020–2021 activity	Units	Projected annual volume in MAP (Jan–Dec 2021)	Actual volume (Jan–Jun 2021)
Planning, monitoring and reporting	Management plan	1	1
	Reports on status of implementation	2	1
	Effort tracking system	1	1

Table 2. Stories promoted on the United Nations Climate Change website, on the UN Climate Action Blog and In-Focus advisories published on the CDM website

Story	Date (2021)	Link
1. Regional Climate Weeks to Drive Forward Climate Action in 2021 and 2022	01/02	https://unfccc.int/news/regional-climate-weeks-to-drive-forward-climate-action-in-2021-and-2022
2. Applications for 10 th Anniversary Edition of the UN Global Climate Action Awards Now Open	08/02	https://unfccc.int/news/applications-for-10th-anniversary-edition-of-the-un-global-climate-action-awards-now-open
3. A Beginner's Guide to Climate Neutrality	26/02	https://unfccc.int/blog/a-beginner-s-guide-to-climate-neutrality
4. CDM Board elects Chair, Vice-Chair	01/03	CDM Home page Carousel at https://cdm.unfccc.int/
5. Virtual Roundtables Kick Off 2021 Regional Climate Weeks	05/03	https://unfccc.int/news/virtual-roundtables-kick-off-2021-regional-climate-weeks
6. CDM Executive Board successfully completes its 109 th meeting.	12/03	https://cdm.unfccc.int/press/newsroom/latestnews/releases/2021/15031_index.html
7. Climate Neutral Now: Five Years On	12/03	https://unfccc.int/blog/climate-neutral-now-five-years-on
8. Good Credit	16/03	https://unfccc.int/blog/good-credit
9. Miami Rising	10/05	https://unfccc.int/blog/miami-rising
10. Latin America and Caribbean Climate Week 2021 Set to Boost Regional Climate Action	11/05	https://unfccc.int/news/latin-america-and-caribbean-climate-week-2021-set-to-boost-regional-climate-action
11. Latin America and the Caribbean Climate Week Provides Regional Boost for Success at COP26	14/05	https://unfccc.int/news/latin-america-and-the-caribbean-climate-week-provides-regional-boost-for-success-at-cop26
12. Clean Development Mechanism Executive Board Advances Work on the Road to COP26/CMP16	31/05	https://cdm.unfccc.int/press/newsroom/latestnews/releases/2021/21051_index.html
13. Regional Collaboration Centres Support to CDM Stakeholders and DNAs ahead of COP26	14/06	https://cdm.unfccc.int/press/newsroom/latestnews/releases/2021/21052_index.html
14. Asia-Pacific Climate Week 2021 Kicks Off	06/07	https://unfccc.int/news/asia-pacific-climate-week-2021-kicks-off
15. Asia-Pacific Climate Week 2021 Sends Strong Signal to COP26	09/07	https://unfccc.int/news/asia-pacific-climate-week-2021-sends-strong-signal-to-cop26
16. CDM Methodologies Panel held its 85 th meeting virtually	14/07	CDM Home page Carousel at https://cdm.unfccc.int/

Story	Date (2021)	Link
17. Regional Collaboration Fosters Climate Ambition	27/07	https://unfccc.int/news/regional-collaboration-fosters-climate-ambition
18. Regional Climate Weeks 2021 Pave the Way to COP26	05/08	https://unfccc.int/news/regional-climate-weeks-2021-pave-the-way-to-cop26

Table 3. Documents under consideration by the Board for the reporting period under review (January–June 2021)

Meeting body	No. of meetings	Product	Total documents
Executive Board of the clean development mechanism	2	Annotations, annexes (information notes, concept notes, CDM regulatory documentation, etc.), regular reports (financial reports, synthesis reports, key performance indicators, etc.)	34
CDM Accreditation Panel	2	Meeting reports (plus electronic consultations) and annexes (information notes and concept notes)	5
Methodologies Panel	2	Meeting reports (plus electronic consultations) and annexes (standards, tools, methodologies, information notes and concept notes)	18
TOTAL			57

Table 4. Products delivered as per the Board 2021 workplan (January–June 2021)

2021 Objective	Product	Products delivered
1 (a) - Operate efficient project and entity assessment processes	<ul style="list-style-type: none"> Consideration of cases for registration, issuance and other project and PoA related submissions – Final EB 109 Consideration of cases for registration, issuance and other project and PoA related submissions – Final EB 110 	2
1 (b) - Operate an effective regulatory framework resulting in reduced transaction costs for participants in the mechanisms	<ul style="list-style-type: none"> Selection of Chair/Vice-Chair for EB – Final EB 109 Selection of Chairs/Vice Chairs for panels and working groups – Final EB 109 Selection of panel/working group members for 2022 – Info EB 110 Selection of members for RIT roster of experts' performance evaluation group – Final EB 109 Appointment of experts for RIT for 2022 – Info EB 110 Calendar of meetings 2021 – Final EB 109 Calendar of meetings 2021 – Final EB 110 Clarification on the regulatory requirements under temporary measures for post-2020 cases – Final EB 109 Technical options for the CDM registry to enable the issuance of CERs for emission reductions occurring after the end of the second commitment period for voluntary cancellation purposes – Concept EB 109 Technical options for the CDM registry to enable the issuance of CERs for emission reductions occurring after the end of the second commitment period for voluntary cancellation purposes – Concept EB 110 Outstanding issues for implementation of temporary measures for CDM operations due to postponement of CMP 16 – Info EB 109 EB Workplan 2021 – Final EB 109 EB Workplan 2021 – Info EB 110 	32

2021 Objective	Product	Products delivered
	<ul style="list-style-type: none"> • EB report to CMP 2020 – Final EB 109 • EB report to CMP 2021 – Concept EB 110 • CDM two-year business and management plan 2020–2021 – Info EB 109 • CDM Accreditation Panel workplan 2021 – Final EB 109 • Methodologies Panel workplan 2021 – Final EB 109 • Panel meeting reports – Final EB 110 • Interaction with Co-Chairs of Global DNA Forum – Info EB 110 • Interaction with the Chair of the DOE/AIE Coordination Forum – Info EB 109 • Interaction with the Chair of the DOE/AIE Coordination Forum – Info EB 110 • DOEs performance monitoring - Report to the CDM Executive Board on the fourteenth monitoring period – Info EB 110 (CDM-AP input) • Carbon market and policy update – Info EB 109 • Biennial survey on CDM project status – Info EB 109 • Biennial survey on CDM project status – Concept EB 110 • Revision of the regulatory framework (VVS, PS, PCP) to allow for the road testing of the digitized methodology (ACM0002) – Concept EB 110 • Amendments to CDM project standard for project activities and programmes of activities to clarify the definition of a technology – Final EB 109 (MP input) • Revised Glossary: CDM terms – Final EB 110 (MP input) • How the CDM regulations have evolved over the years and lessons learned – Concept EB 109 • Proposed promotional activities for the United Nations Online Platform for Voluntary Cancellation of CERs – Concept EB 109 • Financing and use of the CDM by international finance institutions – Info EB 109 	
1 (c) - Develop simplified and user-friendly standards and procedures that increase efficiency and ensure environmental integrity	<ul style="list-style-type: none"> • PROJ256: Digitization of methodologies for web-based generation of project design documents and monitoring templates – Road testing – Info EB 110 • Revision of project 256 – Concept EB 110 • Various top-down revised/new methodologies and tools and best-practice examples mandated by the Board – Final (through MP report, preceded by call) – Final EB 110 	3
Total	37	

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