

CDM-2023Q4-INFO01

Information note

Status of CDM MAP 2022–2023 implementation (1 January – 31 December 2023)

Version 01.0



United Nations
Framework Convention on
Climate Change

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1. Progress report on operational activities and resources utilized

1. The clean development mechanism (CDM) business and management plan 2022–2023 (CDM-MAP 2022–2023), adopted at the 113th meeting of the Executive Board of the CDM (hereinafter referred to as the Board) (EB 113), documents the goals and objectives of the CDM and the activities and resources required to support its effective operation.¹
2. This document describes the status of implementation of the CDM-MAP 2022–2023 for the period 1 January 2023 to 31 December 2023, the activities underway and the financial and human resources of the secretariat's Mitigation Division, which supports the Board and operation of the CDM.²

1.1. Goal 1: Ensure the full and efficient delivery of support to the true-up period of the second commitment period of the Kyoto Protocol

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

CDM registry

3. As shown in figure 1 below, during the reporting period 7,361 registry transactions were undertaken against the 2023 forecasted volume for the reporting period of 8,380 transactions. This corresponds to 88 per cent of the forecasted volume. Additionally, 1,450 changes to modalities of communication (145 per cent) were completed against the forecasted volume for the reporting period of 1,000 change requests (see table 1 in the appendix).
4. The CDM registry operational volumes are lower than the projected volumes for registry transactions, while for modalities of communication changes, the volumes are almost 45 per cent higher than expected in the reporting period. The orders placed on the United Nations online platform for voluntary cancellation of certified emission reductions (CERs) (hereinafter referred to as the VC platform) continue to exceed the forecasted volumes. Comparing the operations for the reporting period against the same period of 2022, there is an increase in completed requests (7,361 transactions for the reporting period compared to 6,977 over the same period in 2022) due to a slight decrease in transactions in the CDM registry (5,670 transaction requests other than VC platform orders processed in the reporting period versus 5,862 in 2022), which is compensated by a considerable increase on the VC platform (5,139 orders placed in the reporting period versus 3,962 in the same period in 2022). Cancellations through the VC platform slightly decreased in comparison with previous reporting periods, with 3,650,792 CERs cancelled in the reporting period versus 3,835,513 CERs in the same reporting period in 2022.³

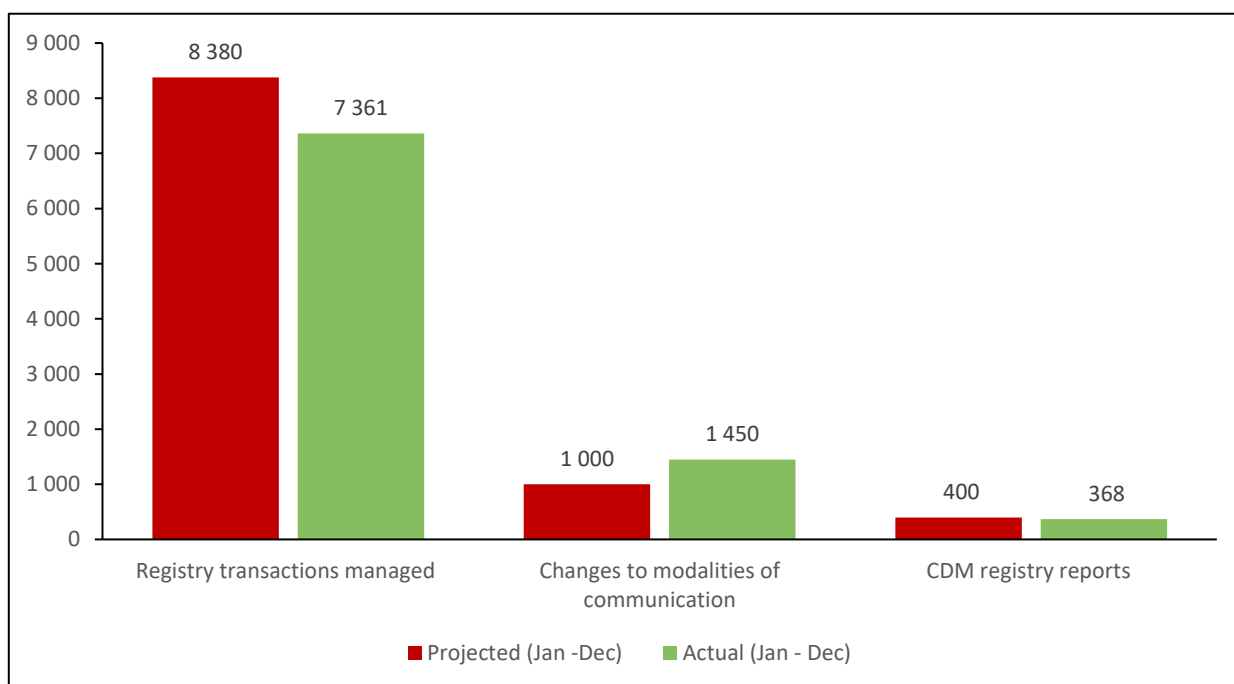
¹ See document CDM-EB112-A01-INFO https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20220317123305450/Info_Note95.pdf.

² Prior end-year status of implementation of the CDM-MAP review report is available on the CDM website. See, for example: CDM-2022MAP-INFO01 (end-year review report for 2022) <https://cdm.unfccc.int/EB/report/index.html>.

³ Detailed information on the VC platform is available on an annual basis on the CDM website: <https://cdm.unfccc.int/EB/report/index.html>.

5. During the reporting period, fourteen new voluntary cancellation seller accounts were opened, bringing the total number of accounts at the end of December 2023 to 115 against a forecast of 90 vendor accounts by the end of December 2023. A total of 95 accounts remains active, 33 of which having current listings of CERs. A total of 38 projects were added to existing seller accounts. The CERs available for listing on the VC platform were close to 13.5 million at the end of the reporting period.
6. Changes to modalities of communication transactions decreased by 35 per cent compared to the same period of the previous year (1,450 changes processed for the reporting period compared to 2,243 in 2022).
7. In relation to the CDM registry reporting function, 368 reports (92 per cent), including designated national authority (DNA) reports, monthly reports to the Board and reports to the World Bank, were produced against the annual forecasted volume of 400 reports. In comparison to 2022, there has also been a decrease in the number of reports mentioned above, as the number submitted was 478.

Figure 1. CDM registry operation against the linear projected volume for the period under review (January–December 2023)



Project assessments

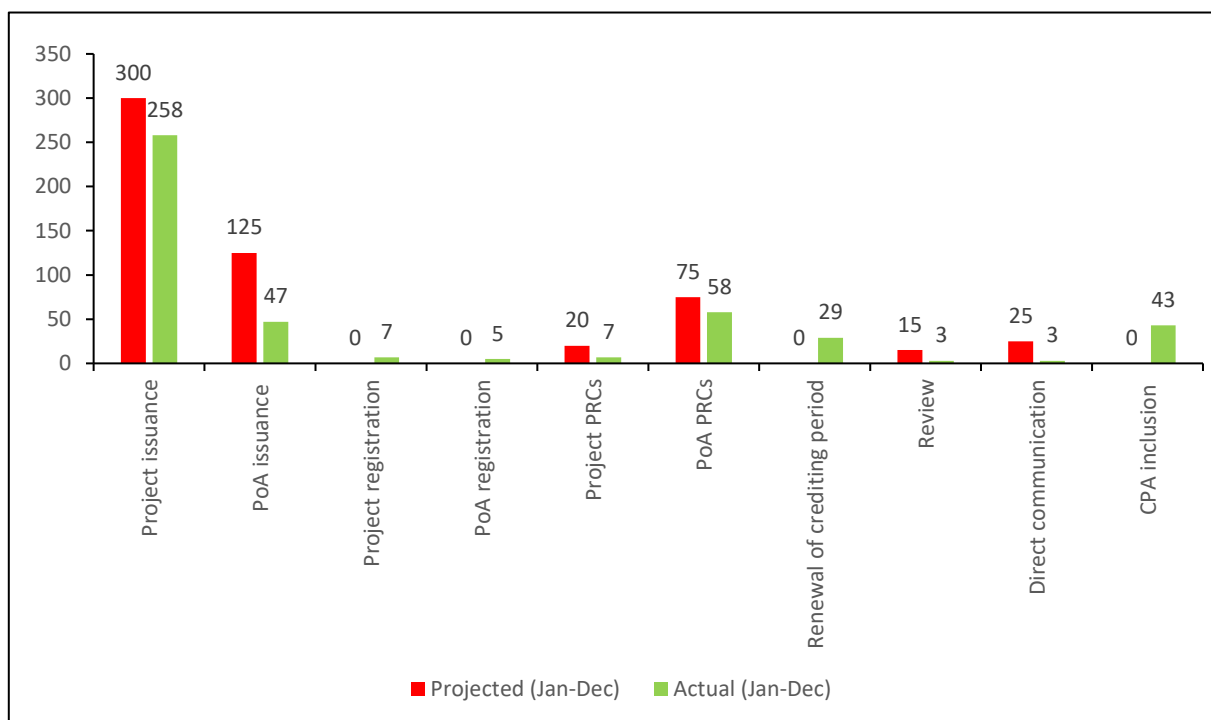
8. The total CERs issued over the reporting period is 78,434,478, of which 9,464,044 CERs were issued for programmes of activities (PoAs) and 68,970,434 were issued for project activities.
9. In terms of caseload, details of the project assessments processed during the reporting period are included in table 1 and figure 2.

Table 1. Project assessments (January–December 2023)

Activity	Projected volume Jan.–Dec. 2023	Actual volume Jan.–Dec. 2023
Requests for project issuance	300	258
Requests for programme of activities (PoA) issuance covering component project activities (CPAs)	125	47 ^(a)
Requests for project registration	0	7
Requests for PoA registration	0	5
Requests for project post-registration changes (PRCs)	20	7
Requests for PoA PRCs	75	58
Requests for renewal of crediting period	0	29 ^(b)
Requests for review	15	3
Requests for direct communication	25	3
PoA post-registration CPA inclusion requests	0	43 ^(c)

- (a) These included the processing of 186 CPAs.
- (b) These included the processing of 2 PoA renewal requests.
- (c) These include 2 renewal of crediting periods of CPAs.

Figure 2. Type and number of project assessments processed against the linear projected volume for the period under review (January–December 2023)



10. 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

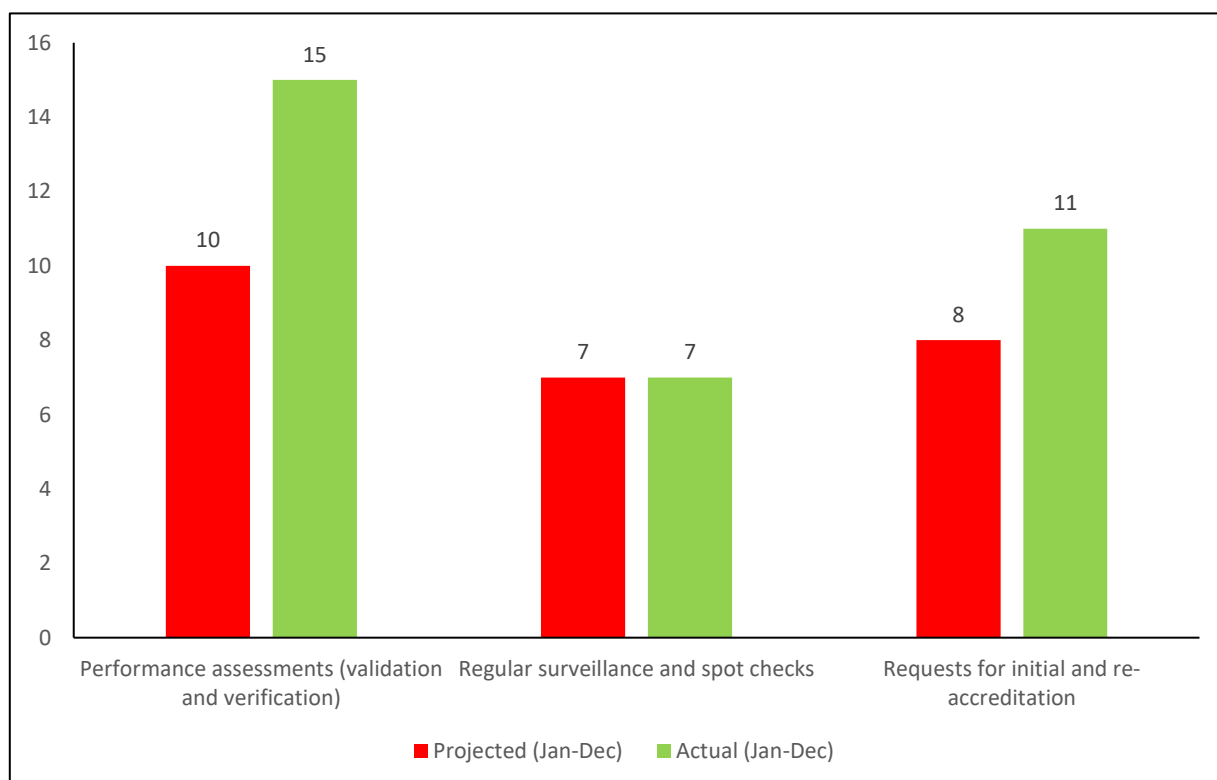
and the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), except for eleven weeks during January, February, March, May, July and August owing to short-term periods of high submission rates.

11. No sustainable development co-benefit reports were received and published during the reporting period.

Entity assessments

12. There are currently 30 accredited designated operational entities (DOEs) and 4 applicant entities (AEs) as at 31 December 2023.
13. As shown in figure 3, during the reporting period, 15 performance assessments were conducted⁴ against the annual forecasted volume of 10 assessments. A total of 7 regular surveillance assessments and spot checks were conducted against the annual forecasted volume of 7 regular surveillance assessments and spot checks. Eleven initial and re-accreditation assessments were conducted⁵ against the annual forecasted volume of 8 assessments.

Figure 3. Type and number of entity assessments processed against the linear projected volume for the period under review (January–December 2023)



14. In 2023, a calibration workshop of the CDM accreditation roster of experts for lead assessors was held from 10 to 11 October 2023 in Bonn, Germany, in conjunction with

⁴ Figure 3 includes 11 verification performance assessments.

⁵ Figure 3 includes one extension of sectoral scope and seven re-accreditation assessments.

the 96th meeting of the CDM Accreditation Panel (CDM-AP 96). Activities included organizing the calibration sessions, providing training on accreditation requirements and recent changes in the CDM regulations, and updating lead assessors on the CDM regulations.

15. In 2023, a DOE calibration workshop was held in Amman, Jordan, from 24 to 25 October 2023. The workshop provided an opportunity to share with the DOEs the recent changes in the CDM regulations, as well as ensure a common understanding of the regulations by discussing real-life cases. The workshop also enabled participants to share experiences and best practices and allowed for the United Nations Climate Change secretariat to receive feedback that will be used in future revisions of the regulatory documents.

1.1.2. Objective 1b: Operate an effective regulatory framework

Servicing of the regulatory body and its panels and working groups

16. At its first meeting of the calendar year, the Board adopted its workplan and those of its panels and approved the calendar of meetings. During the reporting period, four meetings of the Board (EB 117, EB 118, EB 119 and EB 120), three of the CDM Accreditation Panel (CDM-AP 94, CDM-AP 95 and CDM-AP 96), and three of the Methodologies Panel (MP) (MP 90, MP 91 and MP 92) were held. Table 3 in the appendix includes information on the number of documents under consideration by the Board during the reporting period.
17. As per the workplan approved by the Board at EB 117,⁶ 48 products were forecasted to be delivered in 2023, including one additional item added during the reporting period.⁷ A total of 47 products were delivered against the workplan in 2023.

Accreditation system

18. During the reporting period, 36 entities were supported (i.e. 30 current DOEs, 2 DOEs which withdrew their accreditation status, and 4 AEs). The support included day-to-day activities related to the administration of the accreditation workflow.
19. During the reporting period, 33 accreditation assessments were launched, of which 5 were regular surveillance assessments, 14 were performance assessments, 5 were spot checks, 1 was an extension of sectoral scope, 6 were re-accreditation assessments and 2 were initial accreditations. One request for review for a non-conformity was received. The corresponding workplans were processed in accordance with the “CDM accreditation procedure”.
20. The Board accredited four AEs and re-accredited six DOEs.
21. The Board took note of the notification from the CDM-AP on the completion of regular on-site surveillance assessments and performance assessments for 23 DOEs.
22. The second iteration of the DOE performance monitoring report of the twentieth monitoring period (1 May to 31 August 2022), the first and second iteration of the DOE performance monitoring report of the twenty-first monitoring period (1 September to 31 December

⁶ See document CDM-EB117-A01 at <https://cdm.unfccc.int/UserManagement/FileStorage/VF439NZUIYA8LQ26EOR71HWX5SJDMC>.

⁷ At EB 120, information note: Issues related to inactive and non-existent DNAs [BLQW4GPJ2FSOE5T68Y0MZDU19NVRAH \(unfccc.int\)](https://cdm.unfccc.int/UserManagement/FileStorage/BLQW4GPJ2FSOE5T68Y0MZDU19NVRAH).

2022), and the first and second iteration of the DOE performance monitoring report of the twenty-second monitoring period (1 January to 31 April 2023) were published as per the “Procedure: Performance monitoring of designated operational entities” (ver. 05.0). The eighth annual analysis report to the Board on the results of DOE performance monitoring was published in September 2023.

Methodologies

23. Figure 4 below provides data for the reporting period⁸ relating to methodologies.
24. During the reporting period:
 - (a) Sixteen requests for clarifications were fully concluded;⁹
 - (b) Seven requests for revision were considered,¹⁰ out of which two requests are still being processed.
25. During the reporting period, eight new methodology requests were considered:
 - (a) Two new methodology requests were approved¹¹ by the Board;
 - (b) Six new methodology requests were being processed.¹²
26. During the reporting period, no new submissions on standardized baselines were received. However, two bottom-up¹³ and three top-down¹⁴ requests were being processed.
27. During the reporting period, in response to mandates received from the Board, the following methodologies and tools were processed:
 - (a) Seven requests for revision of methodology, one request for revision of tool and one new methodology development request were concluded;¹⁵
 - (b) Three requests for revision of methodology and two requests for revision of tool were processed.¹⁶

⁸ The data in figure 4 also includes submissions from earlier reporting periods that are still in process owing to these items requiring additional work during the reporting period.

⁹ For small-scale: SSC_833; SSC_836; SSC_837; SSC_838; SSC_839; SSC_840; SSC_841; for large-scale: AM_CLA_302; AM_CLA_303; AM_CLA_304; AM_CLA_305; AM_CLA_306; AM_CLA_307; AM_CLA_308; CLA_TOOL_0048 and CLA_TOOL_0049.

¹⁰ For small-scale: SSC-826 (approved); for large-scale: AM_REV_0262 (approved); AM_REV_0263 (pending); AM_REV_0264 (withdrawn); AM_REV_0265 (pending); REV_TOOL_0006 and REV_TOOL_0005.

¹¹ NM0381 and SSC-NM107.

¹² NM0382; NM0383; NM0384, SSC-NM105; SSC-NM108 and SSC-NM109.

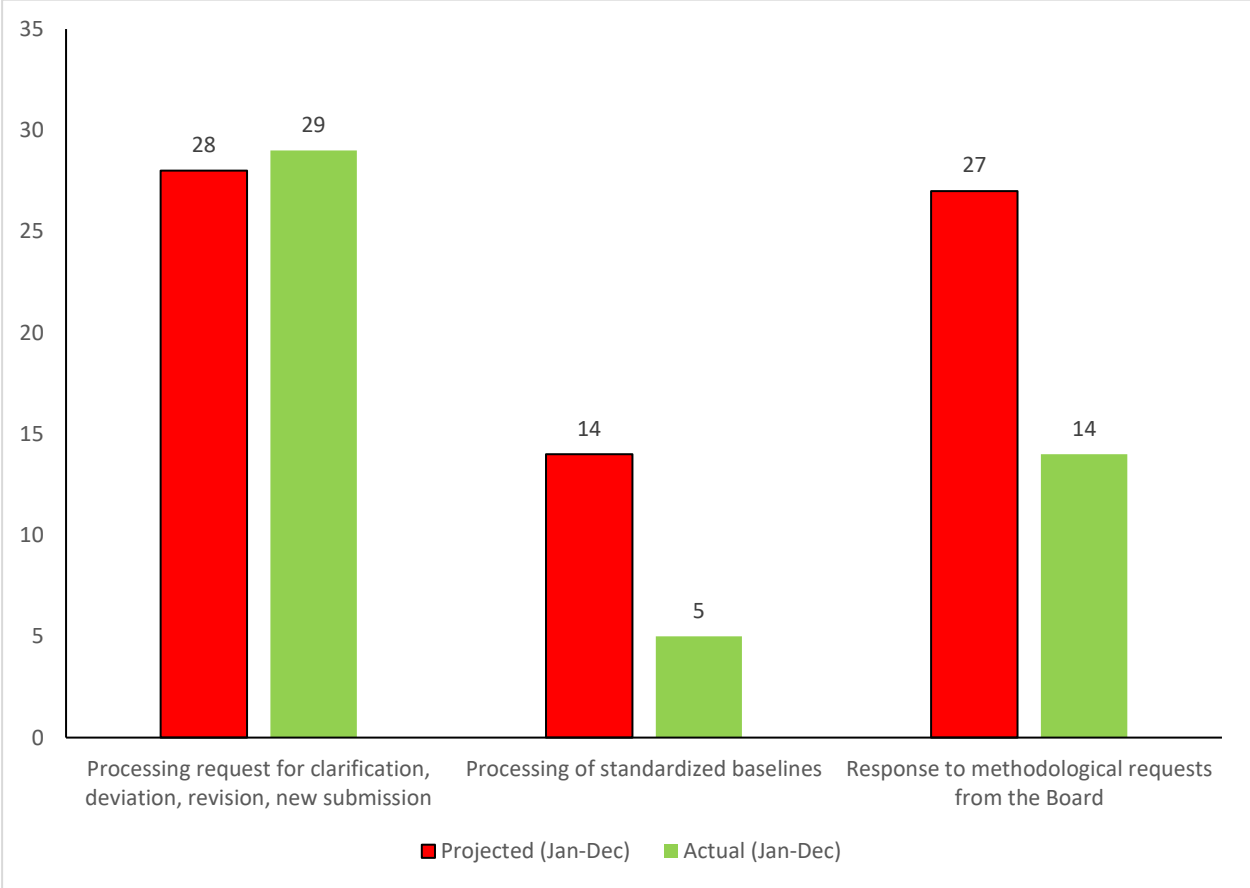
¹³ PSB0021 and PSB0056 – work initiated during previous reporting periods and under process during the current reporting period.

¹⁴ TSB0008, TSB0013, and TSB0014 – work initiated during previous reporting periods and under process during the current reporting period.

¹⁵ AMS-III.R; AM0123; AM0046; AM0113; AMS-II.C.; AMS-II.J.; AMS-III.AR; TOOL27 and AM0123.

¹⁶ AMS-III.AU; AMS-III.D; AMS-I.I; TOOL14 and TOOL30.

Figure 4. Responses to methodology requests and processing of standardized baselines against the projected volume for the period under review (January–December 2023)



28. During the reporting period, the Board approved the revision of the procedure “Development, revision, clarification and update of standardized baselines”. The revision provides the modalities for funding support available to DNAs for the preparation of an assessment report by a DOE, as specified in appendix 1 of the revised procedure.

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

29. A total of 9 interactions were recorded during the reporting period against the annual forecast of 11 interactions with stakeholders.

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

30. During the reporting period, direct technical support was provided at the regional level to increase participation in the CDM. In 2023, the Regional Collaboration Centres (RCCs) supported 8 CDM project activities and PoAs, of which 2 are in Latin America and the Caribbean, 5 are in East Africa and Southern Africa and 1 is in the West and Central Africa region. In addition, the RCCs responded to 43 queries received from stakeholders requesting clarifications on CDM requirements (7 from Latin America and the Caribbean, 18 from East and Southern Africa, 15 from West and Central Africa and 3 from the Middle East and Northern Africa and South Asia). In addition, the RCCs responded to 50 queries

relevant to the transition of CDM project activities and PoAs under the mechanism established by Article 6, paragraph 4, of the Paris Agreement (Article 6.4 mechanism).

31. From the beginning of the RCCs' operations in 2013 until 31 December 2023, the RCCs directly supported 1,742 CDM project activities and PoAs, contributing to 259 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, 128 new CDM project activities and PoAs were identified and their notification of CDM prior consideration submitted.

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

32. In 2023, RCCs supported seven countries in the development of bottom-up standardized baselines, including two countries from Asia and the Pacific, three from East and Southern Africa, and two from West and Central Africa. The majority of the interactions were about the renewal of expired or about-to-expire standardized baselines.
33. From the beginning of the RCCs' operations in 2013 until 31 December 2023, the RCCs directly supported the development of 366 standardized baselines, of which 58 were approved by the Board.

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, was carried out according to the established procedures.

Regulatory framework management

35. With regard to CDM regulations, during the reporting period, the Board:
 - (a) Issued amendments to the "CDM accreditation procedure" to change the fees for various accreditation assessment tasks by CDM assessment team, based on the change of the standard daily fee rate (EB 117);
 - (b) Revised the "Procedure: Development, revision, clarification and update of standardized baselines" to replace the option for DNAs to omit submission of the assessment report for a proposed standardized baseline, thereby relying on the secretariat to prepare such assessment report, with an option for DNAs to seek funding support from the secretariat for the preparation of the assessment report (EB 118);
 - (c) Revised the "Terms of reference of the support structure of the CDM Executive Board" and the "Procedure: Selection and performance evaluation of members of panels and working groups under the CDM Executive Board" to change the size and composition of the Methodologies Panel, respectively, and reflect such change (EB 118);
 - (d) Adopted amendments to the "CDM project cycle procedure for project activities", "CDM project cycle procedure for programmes of activities", "CDM project standard for project activities" and "CDM project standard for programmes of activities" on the transition of CDM activities to the Article 6.4 mechanism (EB 119).

1.2. Goal 2: Enable stakeholders to understand and adjust to the evolving operating environment, taking into account decisions taken at CMP 16

1.2.1. Objective 2a: Engage with regulatory authorities using certified emission reductions (CERs) for compliance purposes

External queries

36. During the reporting period, a total of 478 CDM-related queries from stakeholders were processed, including 11 communications addressed to the Board and 467 communications addressed to the secretariat. An additional 400 queries of an administrative nature (e.g., login troubleshooting, updating the contact database) were processed by the secretariat.
37. Further, in response to communications from stakeholders, the Board considered, on a case-by-case basis: (a) three requests for an exemption from mandatory on-site inspection (INQs-11568, 11586, and 11644); and (b) accusations of collusion and irregularities against the Board and the secretariat regarding a request for issuance (INQ-11577). The requests for exemption from mandatory on-site inspections were made due to difficulties faced by project participants and DOEs because of geopolitical situations. In addition, the Board considered requests related to the applicability of the temporary measures to afforestation and reforestation activities and the integration of the CDM registry with another registry (INQs-11714 and 11718).

Market and policy analysis

38. Market and policy updates enable 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 United Nations Framework Convention on Climate Change (UNFCCC) process in relation to the Kyoto Protocol and Paris Agreement. In particular, the secretariat provided an update on carbon market and policy developments at EB 117 and EB 119.

Secretariat interactions with stakeholders

39. On behalf of the Board and its support structures, four calls for public input were sought on issues included in the annotated agenda and related annexes prepared for EB 117, EB 118, EB 119 and EB 120.¹⁷ Furthermore, seven calls for public input were sought on issues related to methodologies in 2023.
40. The Board and its support structure met virtually with representatives of the Designated Operational Entity/Accredited Independent Entity Coordination Forum at EB 117 and EB 118. It took note of the Forum's input, expressed thanks for the input and encouraged the Forum to continue (i) raising issues related to the Board's guidance; and (ii) proposing solutions. The Board conducted the 61st DOE teleconference on 9 November 2023.

¹⁷ See the archive of calls for public input at http://cdm.unfccc.int/public_inputs/index.html.

41. The Board interacted with the DNA Forum Co-Chairs via video conference and took note of the Forum's input at EB 119 and EB 120.
42. The Board took note of the meetings of the African Regional CDM DNA Forum, the Middle East and North Africa Regional CDM DNA Forum, the Latin America and the Caribbean Regional CDM DNA Forum and the Asia-Pacific Regional CDM DNA Forum held during the reporting period.

Public policy development

43. During the reporting period, the secretariat continued to gather and analyse reports and information regarding the evolution and direction of carbon-pricing instruments globally.
44. As part of this work, the secretariat continued to develop its contacts with policymakers and other relevant experts globally to ensure that the Board is informed of the latest developments.

1.2.2. Objective 2b: Engage with stakeholders using certified emission reductions for voluntary purposes

Operation of the VC platform

45. The VC platform has a global reach, with visits from 196 countries and completed cancellations from 120 countries. The total number of CERs cancelled through the VC platform since its launch in September 2015 is 11,905,590. The average historical price per tonne purchased on the VC platform is USD 1.78, which is higher in comparison with the historic average at the end of the previous reporting period.¹⁸
46. No significant upgrades or changes to the VC platform's software were conducted for the reporting period. Ongoing maintenance and support for the daily operations were stable.

Engaging with stakeholders on voluntary cancellation of certified emission reductions

47. At its 117th meeting, the Board, in the context of the analysis related to the VC platform, was informed of the phase down of the Climate Neutral Now initiative and that the secretariat would provide future updates in the context of regular updates on the overall CDM work programme.
48. On 23 May 2023, the secretariat had a meeting with key Climate Neutral Now stakeholders about the phase-down, and on 12 June 2023 all Climate Neutral Now participants were informed that the initiative would be phased down. Stakeholders and participants were informed of the phase-down timetable as follows:
 - (a) Pledges to join the initiative would continue to be received and processed until 31 July 2023;
 - (b) The final reporting year would be 2023, with a reporting deadline of 30 June 2024;

¹⁸ Detailed information on the VC platform is available on an annual basis on CDM website: <https://cdm.unfccc.int/EB/report/index.html>.

- (c) Visual assets, such as the Climate Neutral Now badge, could be used until 31 December 2024.
49. Due to the phasedown of the Climate Neutral Now initiative, outreach to and engagement with stakeholders on voluntary cancellation has been declining. Nevertheless, almost 70 companies and organizations joined the Climate Neutral Now initiative before the 31 July 2023. About 120 participants were removed from the Climate Neutral Now initiative to reflect that they had not reported for at least two consecutive years.
50. The Climate Neutral Now website¹⁹ was updated to include these key dates.
51. Collaborations with two entities that promote the approach of estimation, reduction and compensation of greenhouse gas emissions were extended, with the signing of memorandums of understanding at the twenty-eighth session of the Conference of the Parties (COP 28).

1.2.3. Cross-cutting activities

Communications engagement and outreach

52. In addition to stories being published on the United Nations Climate Change main website, and the United Nations Climate Change CDM website (see table 2 in the appendix), CDM-related stories were promoted via the secretariat's main social media accounts.
53. The secretariat's main social media accounts and websites are the online assets that are used to promote the CDM. The United Nations Climate Change social media accounts comprise Facebook, with 515,000 followers; X (formerly Twitter), with 992,600 followers; Instagram, with 896,500 followers, LinkedIn, with 446,000 followers; and YouTube, with 56,700 followers.
54. Media items relevant to the work of the Board were collected and incorporated in the weekly news email compiled by the secretariat's Communications and Engagement Division.
55. Communication engagement and marketing were carried out by the RCCs, including the preparation and delivery of newsletters, webinars, workshop support and capacity-building related to the CDM.

Regional Collaboration Centre operations

56. The six RCCs participated in 65 workshops on carbon markets and Article 6 of the Paris Agreement, during which they addressed stakeholders' queries about requirements for transitioning CDM project activities and PoAs to the Article 6.4 mechanism.
57. The RCCs supported the organization of four regional DNA forums in conjunction with the regional climate weeks.

Intra-secretariat engagement agreements (information communication technology)

58. During the reporting period, the following CDM information technology (IT) operational activities were supported under the engagement agreement:

¹⁹ Available at <https://unfccc.int/climate-action/climate-neutral-now>.

- (a) **CDM systems application, maintenance and support:**
- (i) Authoring tool for preparing and cataloguing the documentation of the Board and its panels and working groups: No maintenance support was required;
 - (ii) CDM registry: Continuation of operational maintenance, software maintenance and security support;
 - (iii) CDM information system (CDM-IS): Ongoing activities include defining the requirements and testing and the handling of deployments. There were 187 manual interventions, 31 problems, 39 user administration requests, 31 user help requests, 13 content management changes, 2 other actions and 1 change request (i.e. 304 service responses in total);
 - (iv) Simplified processing tool: Supported testing of activities with external users. Software enhancements initiated with an external supplier and finalized.
- (b) **Meetings and workshops:** Technical support was 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-IS content management system, CDM registry, CDM mailing lists, and the RCC Information Management System (RIMS);
- (d) **Licenses:** Standard services to support desktop and specialized software needs.

59. During the reporting period, the CDM activity lifecycle module of the CDM-IS continued to be enhanced in response to operational requirements. Development work was carried out in relation to the transition of CDM-IS projects to the future Article 6.4 mechanism information system (MIS). Table 2 indicates the expenditure for services received under the IT engagement agreement.

Table 2. Information technology services expenditure for the reporting period (Jan.–Dec. 2023)

Services received	Expenditure (USD)
Operational	
Application, maintenance and support to CDM systems	440 888
System infrastructure services (data hosting services)	146 342
Service desk support for workshops/meetings	67 001
Licenses	69 592
Total	723 445

Internal communications

60. During the reporting period, nine internal newsletters were prepared and published to inform staff of the progress made in operational activities and projects.

Information, knowledge and records management

61. 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 102 documents against the annual forecasted volume of 105, which ensures transparency of and access to the regulatory decisions via the public CDM Catalogue of Decisions.²⁰ Over 3,600 searchable documents are contained in the Catalogue of Decisions, which utilizes over 500 controlled vocabulary terms in the integrated taxonomy.

62. The secretariat is using SharePoint technology, and to date the Mitigation Division, supporting the CDM work programme, has over 150 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 their information are managed using a robust taxonomy with CDM-specific keywords, thus enabling user-friendly search and retrieval.

Planning, monitoring and reporting

63. 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 were delivered and published during the reporting period and are available on the UNFCCC CDM website:²¹ CDM-MAP Review; Regional Collaboration Centres; Voluntary Cancellation Platform and Key Performance Indicators.

Secretariat-wide responsibilities

64. During the reporting period, the Mitigation Division fulfilled its secretariat-wide responsibilities, including contributions to several UNFCCC internal processes and meeting bodies.

2. Financial update

2.1. Status of income from 1 January to 31 December 2023

65. Table 3 shows the balance brought forward from 2022 and the income received in 2023.

²⁰ Searchable catalogue of CDM EB decisions available at <http://cdm.unfccc.int/Reference/catalogue/search>.

²¹ Available at <https://cdm.unfccc.int/EB/report>.

Table 3. Income received in 2023, including carry-over from 2022 (USD)

Carry-over figure from 2022 (A)	37 131 025
Income received in 2023	
Accreditation fees	67 453
Fees from the accreditation process	118 271
Registration fees ^(a)	—
Share of proceeds (SOP) ^(b)	8 728 973
Subtotal – Income: 1 Jan. to 31 Dec. 2023 (B)	8 914 697
Current balance of 2022 carry-over and 2023 income (A + B)	46 045 722

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

(a) This fee is based on the average annual issuance of CERs over the first crediting period and calculated as an SOP to cover administrative expenses, as defined in decision 7/CMP.1, paragraph 37. Projects with annual average emission reductions of less than 15,000 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.

66. The total income received as at 31 December 2023 amounted to USD 8.9 million (see table 3) and it is almost the same as the projected income of USD 9.0 million for 2023.²² The total fees received during the same period last year (January–December 2022) were USD 12.6 million.

67. CERs held in the CDM registry with pending fees at the end of December 2023 amounted to 236.7 million. The secretariat has already performed all related tasks (with the exception of forwarding) for the corresponding issuance requests. The share of proceeds (SOP) for administration due on CERs held in the pending account of the CDM registry amounted to USD 46.6 million at the end of the reporting period. This is a decrease of USD 14.3 million in comparison to August 2018, when the outstanding SOP for administration peaked at USD 60.9 million. This amount was accumulated as per the standard practices applied up to that time for SOP, by which payment was due after issuance but before CER transactions. The change in SOP rules in 2018, which brought the payment forward to the submission of requests for issuance, ended the accumulation of additional SOP due.

2.2. Expenditure from 1 January to 31 December 2023

68. Table 4a shows the expenditure incurred and the utilization rate against the 2023 reporting period (12 months). Table 4b shows the expenditure incurred and the utilization rate against the 2022–2023 budget period (24 months).

²² As per the CDM-MAP 2022–2023 (document CDM-EB112-A01-INFO, table 12).
https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20220317123305450/Info_Note95.pdf.

Table 4a. Comparison of 2023 budget with expenditure from 1 January to 31 December 2023 (USD)

Expenditure classification	Budget 2023 (a)	Expenditure Jan.–Dec. 2023 (b)^(a)	Difference against 2023 budget (a)–(b) = (c)	% Rate of expenditure against 2023 budget (b)/(a) = (d)
Staff ^(a)	8 592 000	6 901 656	1 690 344	80.3
Consultants ^(b)	201 095	180 816	20 279	89.9
Expert fees ^(c)	77 000	132 795	- 55 795	172.5
Expert travel ^(d)	76 500	93 453	- 16 953	122.2
Travel of representatives ^(e)	258 636	131 392	127 244	50.8
Travel of representatives (Executive Board) ^(f)	326 700	301 837	24 863	92.4
Travel of staff ^(g)	134 080	169 189	- 35 109	126.2
Training ^(h)	11 664	6 143	5 521	52.7
Operating expenses ⁽ⁱ⁾	261 796	138 360	123 436	52.9
Regional Collaboration Centre operations ^(j)	296 275	256 874	39 401	86.7
Total cost of ownership ^(k)	1 026 000	794 640	231 360	77.5
Engagement agreement (Information and Communication Technology) ^(l)	733 000	723 445	9 555	98.7
Mobile telecommunications ^(m)	3 750	2 569	1 181	68.5
Supplies and material ⁽ⁿ⁾	53 100	10 748	42 352	20.2
Grants (Executive Board) ^(o)	345 000	275 937	69 063	80.0
Subtotal	12 396 596	10 119 855	2 276 741	81.6
Programme support costs ^(p)	1 611 558	1 315 581	295 977	81.6
Total	14 008 154	11 435 436	2 572 718	81.6

Table 4b. Comparison of the budget 2022–2023 with expenditure from 1 January 2022 to 31 December 2023 (USD)

Expenditure classification	Budget 2022 (a)	Budget 2023 (b)	Total 2022-2023 (a)+(b)= (c)	Expenditure Jan 22–Dec 2023 (d)^(a)	Difference against 2022-2023 budget (c)-(d)= (e)	% Rate of expenditure against 2022-2023 budget (d)/(c)= (f)
Staff ^(a)	9 388 000	8 592 000	17 980 000	15 095 130	2 884 870	84.0
Consultants ^(b)	201 095	201 095	402 190	351 559	50 631	87.4
Expert fees ^(c)	125 400	77 000	202 400	384 397	- 181 997	189.9
Expert travel ^(d)	130 000	76 500	206 500	177 868	28 632	86.1
Travel of representatives ^(e)	279 236	258 636	537 872	288 750	249 122	53.7
Travel of representatives (Executive Board) ^(f)	326 700	326 700	653 400	484 652	168 748	74.2
Travel of staff ^(g)	198 020	134 080	332 100	347 749	- 15 649	104.7
Training ^(h)	14 580	11 664	26 244	26 801	- 557	102.1
Operating expenses ⁽ⁱ⁾	264 996	261 796	526 792	385 438	141 354	73.2
Regional Collaboration Centre operations ^(j)	361 275	296 275	657 550	617 593	39 957	93.9
Total cost of ownership ^(k)	1 123 000	1 026 000	2 149 000	1 631 165	517 835	75.9
Engagement agreement (Information and Communication Technology) ^(l)	733 000	733 000	1 466 000	1 186 988	279 012	81.0
Mobile telecommunications ^(m)	5 000	3 750	8 750	4 847	3 903	55.4
Supplies and material ⁽ⁿ⁾	59 000	53 100	112 100	22 659	89 441	20.2
Grants (Executive Board) ^(o)	345 000	345 000	690 000	566 831	123 169	82.1
Subtotal	13 554 302	12 396 596	25 950 898	21 572 426	4 378 473	83.1
Programme support costs ^(p)	1 762 060	1 611 558	3 373 617	2 804 415	569 202	83.1
Total	15 316 362	14 008 154	29 324 515	24 376 841	4 947 675	83.1

- (a) Staff costs include staff salaries, general temporary assistance costs, fellow- and staff-related costs such as dependency allowance, education grants, rental subsidies, home-leave travel, travel on appointment, 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 clean development mechanism (CDM) meetings and workshops, including the Designated National Authority Forum.
 - (f) Travel of representatives (Board) includes ticket costs, DSA and 40 per cent additional DSA for members/alternate members attending meetings of the Board and Board events at sessions of the United Nations Framework Convention on Climate Change (UNFCCC).
 - (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) Regional Collaboration Centre (RCC) operations costs include costs related to administering the RCCs, RCC staff missions (including travel and mission subsistence allowance costs), the RCC Global Forum and the RCC Roundtable.
 - (k) Total cost of ownership (TCO) – Service programmes in the secretariat (Information and Communication Technology (ICT) and Administrative Services) render services to all secretariat activities funded from both core and non-core sources of funding. 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 2023, the TCO charge per capita of EUR 15,460 is applied.
 - (l) Engagement agreement (ICT) includes information technology (IT) costs related to the support for 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 workflows).
 - (m) Mobile telecommunications costs are official mobile telephone charges 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 (Executive Board) include support to individual members/alternate members of the Board for: (i) secretarial/administrative support (e.g., 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 (e.g., laptop and software, printers).
 - (p) Programme support costs – 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.
69. Column (d) in table 4a shows the rate of expenditure as a percentage against the 2023 budget for each cost category. The total rate of expenditure (81.6 per cent) is below the linear rate of expenditure (100 per cent) for the reporting period.
70. Column (f) in table 4b shows the rate of expenditure as a percentage against the 2022–2023 biennium budget for each cost category. The total rate of expenditure (83.1 per cent) is lower than the linear projected rate of expenditure (100 per cent) for the reporting period.

71. Staff costs amount to 80.3 per cent of the projected 2023 budget for this object of expenditure, which is lower than the projected rate of expenditure (100 per cent) for the reporting period. The lower expenditure rate was ensured by the prudent management of resources, the allocations against other areas of work and natural attrition.
72. Consultant costs amount to 89.9 per cent of the projected 2023 budget for this object of expenditure, which is lower than the projected rate of expenditure (100 per cent). The lower expenditure rate was ensured by the prudent management of resources.
73. Expert fees amount to 172.5 per cent of the projected 2023 budget for this object of expenditure, which is significantly higher than the projected rate of expenditure (100 per cent). The higher rate of expenditure was because of staff allocation to other areas of work.
74. Expert travel amounts to 122.2 per cent of the projected 2023 budget for this object of expenditure, which is higher than the projected rate of expenditure (100 per cent). The higher rate of expenditure was because of an in person meeting initially planned to be virtual.
75. Travel of representatives amounts to 50.8 per cent of the projected 2023 budget for this object of expenditure, which is significantly lower than the linearly projected rate of expenditure (100 per cent). This is because of using virtual setting for meetings, reduced number of meetings and integration of work/meetings with other events.
76. Travel of Board members amounts to 92.4 per cent of the projected 2023 budget for this object of expenditure, which is lower than the projected rate of expenditure (100 per cent). This is because of the shorter duration of meetings than was originally planned.
77. Travel of staff amounts to 126.2 per cent of the 2023 budget for this object of expenditure, which is higher than the projected rate of expenditure (100 per cent). This is because it includes the entity assessments related travel, that is recovered through income.
78. Training costs amount to 52.7 per cent against the projected 2023 budget, which is significantly lower than the linearly projected rate of expenditure (100 per cent). The lower expenditure rate was ensured by the prudent management of resources, due to higher expenses in 2022 trainings in 2023 were reduced.
79. Operating expenses amount to 52.9 per cent of the projected 2023 budget for this object of expenditure, which is lower than the linear projected rate of expenditure (100 per cent). This is because the total number of CDM meetings and workshops was lower than projected.
80. RCC operations costs amount to 86.7 per cent against the projected 2023 budget for this object of expenditure, which is lower than the projected rate of expenditure (100 per cent). The lower expenditure rate was ensured by the prudent management of resources.
81. TCO costs amount to 77.5 per cent of the projected 2023 budget for this object of expenditure, which is lower than the linearly projected rate of expenditure (100 per cent). The expenditure is lower, which is in line with a lower rate of expenditure for staff.
82. Engagement agreement costs (Information Communication and Technology) amount to 98.7 per cent of the projected 2023 budget for this object of expenditure.

83. Mobile telecommunications costs amount to 68.5 per cent of the projected 2023 budget for this object of expenditure, which is lower than the projected rate of expenditure (100 per cent). This reflects the lower cost in the mobile communications as a result of lower than planned number of meetings and events held outside of Bonn in the second half.
84. Supplies and materials costs amount to 20.2 per cent of the projected 2023 budget for this object of expenditure, which is significantly lower than the projected rate of expenditure (100 per cent). The lower expenditure rate was ensured by the prudent management of resources related to subscriptions.
85. The expenditure for Executive Board grants amounts to 80.0 per cent of the projected 2023 budget for this object of expenditure, which is lower than the projected rate of expenditure (100 per cent). This was because the difference between the forecasted support to members/alternate members of the Board and actual support requested.

2.3. Summary of financial position (income and expenditure status, as at 31 December 2023)

86. Table 5 below shows the balance of the CDM Trust Fund as at 31 December 2023.

Table 5. Income and expenditure status, as at 31 December 2023 (USD)

Carry-over figure from 2022 (A)	37 131 025
Status of funds for the period Jan.–Dec. 2023	
Income: 1 Jan.–31 Dec. 2023 (B)	8 914 697
Current balance of 2022 carry-over and 2023 income (A+B)	46 045 722
Expenditure: 1 Jan.–31 Dec. 2023 (C)	11 435 436
Balance available as at 31 Dec. 2023 (A+B-C)	34 610 286

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

87. Table 6 below shows the income and expenditure trend for the period 2021, 2022 and 2023.

Table 6. Income and expenditure trend, as at 31 December 2023 (USD)

	As at 31 Dec. 2021	As at 31 Dec. 2022	As at 31 Dec. 2023
Income	22 282 319	27 068 953	8 914 697
Expenditure	14 506 713	12 941 405	11 435 436
Income minus expenditure	7 775 607	14 127 548	-2 520 739
Income as a rate of projected income of USD 9 million	247.6%	300.8%	99.1%
Expenditure as a rate of the annual budget	89.5%	84.5%	81.6%

3. Human resources

88. During the reporting period, the secretariat had a skilled and flexible workforce with a specialized focus on delivering results effectively and efficiently against the approved CDM-MAP 2022–2023 activities and projects.
89. As part of workforce planning, priority continues to be placed on: (a) optimizing the organizational structure to ensure the effective use of the full range of expertise across the secretariat; (b) adopting a strategy of natural attrition; and (c) 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 2022–2023.
90. 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 and services on time.

4. Conclusions

91. The end-year review, as at 31 December 2023, indicates that approved operational activities were delivered in accordance with the CDM-MAP 2022–2023.
92. The Board may wish to take note of the status of the CDM-MAP 2022–2023 as at 31 December 2023.

Appendix. Reporting data (January–December 2023)

Table 1. Volume of operational activities and projects completed in comparison with annual forecasted volumes (January–December 2023)

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

Management Plan (MAP) activity	Units	Projected volume (Jan.–Dec. 2023)	Actual volume (Jan.–Dec. 2023)
Changes to modalities of communication and requests for registry transactions	Registry transactions	8 380	7 361
	Changes to modalities of communication	1 000	1 450
CDM registry reports	Reports	400	368
Opening and maintaining seller accounts on the United Nations online platform for voluntary cancellation of certified emission reductions	Accounts	95	115
Requests for: direct communication, renewal of crediting period, and review	Requests	40	35 ^(a)
Requests for PoA issuance	Requests	125	47 ^(b)
Requests for PoA PRCs	Requests	75	58
Requests for PoA registration	Requests	0	5
Requests for project issuance	Requests	300	258
Requests for project PRCs	Requests	20	7
Requests for project registration	Requests	0	7
PoA post-registration CPA inclusion requests	CPA inclusions	0	43 ^(c)
Sustainable development co-benefits, including reporting and promotional activities	Reports	5	0
Performance assessments (validation and verification)	Performance assessments (validation and verification)	10	15
Regular surveillance and spot checks	Regular surveillance assessments and spot checks	7	7
Requests for initial accreditation and re-accreditation	Requests for initial accreditation and re-accreditation	8	11
Calibrate assessment team leads	Workshop	1	1
DOE calibration workshop	Workshop	1	1

^(a) Included the processing of 2 PoA renewal requests.

^(b) Included the processing of 186 CPAs.

^(c) Included in the processing of 2 renewals of crediting period for CPAs.

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

CDM-MAP 2022–2023 activity	Units	Projected volume (Jan.–Dec. 2023)	Actual volume (Jan.–Dec. 2023)
Media relations	Media contact	8	7
Stakeholder communications	Transactions	520	678
Policy analysis and reports	Reports	1	2
Calls for input and feedback to stakeholders	Call for input	31	11
	Annual report	1	1
Global and regional DNA Forums	Events	3	4
Accreditation Panel	Meetings	2	3
Methodologies Panel	Meetings	2	3
Roster of experts (CDM)	Notes related to selection of experts	0	2 ^(a)
Support to the Executive Board	Meetings	4	4
Entity administration	Entities	32	32.8
Entity assessment planning	Assessment	27	33
Entity performance monitoring system	System	1	1
Handling of complaints and requests for review	Report	1	1
Registration & issuance system support	Tasks	1 850	1 150
Maintenance of the regulatory framework (e.g. standards, procedures, forms, glossary, guidelines, checklists)	Amendments	3	3
	Classification and indexing of official documents	105	123

^(a) The terms of panel/working group members and RIT experts were extended at EB 110.

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

CDM-MAP 2022–2023 activity	Units	Projected volume (Jan.–Dec. 2023)	Actual volume (Jan.–Dec. 2023)
Processing of requests for clarification, deviation, revision, new submissions	Requests	28	29
Processing of standardized baselines	Evaluation of submissions	14	5
Response to methodological requests from the Board	Requests	27	14

**Objective 2 (a) Facilitate the acceptance of certified emission reductions for compliance purposes;
Objective 2 (b) Enhance the use of the clean development mechanism for voluntary purposes;
Objective 2 (c) Further develop the clean development mechanism as a key tool for monitoring,
reporting and verifying the outcomes of mitigation finance**

CDM-MAP 2022–2023 activity	Units	Projected volume (Jan.–Dec. 2023)	Actual volume (Jan.–Dec. 2023)
Partnership and engagement to support CDM	Missions	7	2
Nairobi Framework coordination and regional activities with a specific focus on Africa, LDCs and SIDS	Coordination meetings	2	0
	Regional activities	4	4
Support to stakeholders/ capacity-building (DOEs)	Interactions	11	9
Public policy development	Countries engaged	3	-
RCC operations	RCCs	6	6
RCCs on-site support to projects	Supported projects	160	8
RCC support to bottom-up standardized baselines	Supported standardized baselines	13	10
Communications engagement and marketing	Communication products	27	17
Intra-secretariat information technology engagement agreement	Agreement development; portfolio managed	1	1
Internal communication	Communication products	35	31
Information, knowledge and records management	Terabytes of CDM electronic files	2	2
	Products prepared or processed	257	235
Supplies and subscriptions	Subscriptions	21	8
Travel management	Travel cases	499	212
Planning, monitoring and reporting	Business and Management Action Plan	1	1
	Reports on status of implementation	1	1
	Effort tracking system	1	1

Cross-cutting activities

Table 2. Stories promoted on the United Nations Climate Change website and in-focus advisories published on the CDM website

Story	Date (2023)	Link
1. Clean Development Mechanism Executive Board Elects Chair, Vice-Chair	30 March	https://cdm.unfccc.int/press/newsroom/latestnews/releases/2022/12016_index.html
2. CDM Executive Board concludes its 118 th meeting	31 May	CDM: CDM-Home (unfccc.int)

Table 3. Documents under consideration by the Board for the reporting period under review (January–December 2023)

Meeting body	No. of meetings	Product	Total documents
Executive Board of the clean development mechanism	4	Annotations, annexes (information notes, concept notes, CDM regulatory documentation, etc.), regular reports (financial reports, synthesis reports, key performance indicators, etc.)	28
CDM Accreditation Panel	5	Meeting reports (plus electronic consultations) and annex (information note)	9
Methodologies Panel	3	Meeting report and annexes (standards, tools, methodologies)	18
TOTAL			55

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