

**CDM-EB91-A01**

# Recommendation to the CMP

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## CDM Loan Scheme

Version 01.0



**United Nations**  
Framework Convention on  
Climate Change

## 1. The CDM Loan Scheme

1. At its ninety first meeting, the Board considered the findings of the evaluation of the CDM Loan Scheme, as summarized in Annex 6 to the annotated agenda of EB 91.<sup>1</sup> The Board agreed on the importance of increasing the participation of underrepresented countries in the CDM. The Board acknowledged the findings of the evaluation of the CDM Loan Scheme that the current low CER price is presenting significant difficulties for participants in the CDM Loan Scheme. In this regard it decided to make a recommendation to the CMP to consider and adopt the following:
  - (a) *“Reaffirms* the importance of increasing participation of underrepresented countries in the Clean Development Mechanism;
  - (b) *Takes note* of the report on the evaluation of the CDM Loan Scheme implemented pursuant to decisions 2/CMP.5, paragraphs 49 and 50 and paragraphs 64 to 67 of decision 3/CMP.6, and its Annex III;
  - (c) *Recognises* the implications for the CDM Loan Scheme of the current low CER prices, and in particular, the implications for the recipients of CDM Loan Scheme funds with regard to potential difficulties in repayment of loans;
  - (d) *Decides* that the implementing agency, after consultation with the secretariat, may write-off amounts disbursed under individual loans on a case by case basis where it becomes evident that it will not be feasible for the loan recipient to repay the disbursed funds;
  - (e) *Requests* the implementing agency and the secretariat to work closely with loan recipients that wish to continue under the CDM Loan Scheme to help those recipients identify ways to progress through the project cycle, including making adjustments to loan agreement terms, if appropriate;
  - (f) *Decides* that, until market conditions improve such that new funds are available and new loans under the CDM Loan Scheme could be provided and repaid, the secretariat should not seek a new implementing agency after the expiry of the term of the current contract, as required by paragraph 8 of Annex III to decision 3/CMP.6;
  - (g) *Decides* also that other changes to the CDM Loan Scheme are not required at this time.

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<sup>1</sup> CDM-EB-91-AA-A06. Link:  
<<https://cdm.unfccc.int/UserManagement/FileStorage/YVF2KRAUW58G06H7BQODN9I4JMX1TZ>>.

### Document information

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