

**CDM-EB91**

## Meeting report

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# CDM Executive Board ninety-first meeting

Version 01.0

Date: 13 to 16 September 2016

Venue: Bonn, Germany



**United Nations**  
Framework Convention on  
Climate Change

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## Agenda item 1. Agenda and meeting organization

### Agenda item 1.1. Opening

1. Mr. Eduardo Calvo, Chair of the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board), opened the meeting and asserted that the quorum requirement was met.
2. The Board noted that Mr. Joseph Amougou was unable to attend the meeting. The alternate member provided proper justification for his absence.
3. Table 1 below represents the attendance of members and alternate members at the meeting. The names of members and alternate members present at the meeting are in bold print. Where only the name of an alternate member is in bold print, the alternate participated as a member.

Table 1 . Attendance

Members	Alternates
<b>Mr. Amjad Abdulla<sup>b</sup></b>	<b>Mr. Gerald Lindo<sup>b</sup></b>
<b>Mr. Eduardo Calvo<sup>a</sup></b>	<b>Mr. Arthur Rolle<sup>a</sup></b>
<b>Mr. Maosheng Duan<sup>b</sup></b>	<b>Mr. José Domingos Gonzalez Miguez<sup>b</sup></b>
<b>Mr. Martin Enderlin<sup>a</sup></b>	<b>Mr. Oliver Kassi<sup>a</sup></b>
<b>Mr. Balisi Gopolang<sup>a</sup></b>	Mr. Joseph Amougou <sup>a</sup>
<b>Ms. Natalie Kushko<sup>b</sup></b>	<b>Ms. Diana Harutyunyan<sup>b</sup></b>
<b>Mr. Kazunari Kainou<sup>a</sup></b>	<b>Mr. Lambert Schneider<sup>a</sup></b>
<b>Mr. Muhammad Tariq<sup>a</sup></b>	<b>Mr. Daegyun Oh<sup>a</sup></b>
<b>Mr. Frank Wolke<sup>b</sup></b>	<b>Mr. Piotr Dombrowicki<sup>b</sup></b>
<b>Mr. Washington Zhakata<sup>b</sup></b>	<b>Mr. Julio Moises Alvarez<sup>b</sup></b>

(a) Term: Two years, i.e. ending prior to the first meeting in 2017.

(b) Term: Two years, i.e. ending prior to the first meeting in 2018.

### Agenda item 1.2. Adoption of the agenda

4. The Board adopted the agenda of the meeting. The Board agreed to add two new items to the agenda of this meeting: a communication received by the Board (INQ-05206), and external input related to the CDM Loan Scheme.

## Agenda item 2. Governance and management matters

### Agenda item 2.1. Membership issues

5. The Board considered information provided by members and alternate members with respect to any potential conflicts of interest. The statements on conflicts of interest from members and alternate members can be viewed on the UNFCCC CDM website.<sup>1</sup>

## **Agenda item 2.2. Strategic planning and direction**

6. The Board considered the encouragement contained in decision 6/CMP.11, paragraph 7, to explore options for using the CDM as a tool for other uses and agreed that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) may wish to:
  - (a) Invite the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session to consider the future role of the CDM, or its elements, in the context of the Paris Agreement;
  - (b) Invite Parties to consider the use of certified emission reductions (CERs), as a compliance instrument in emission trading schemes;
  - (c) Encourage aviation and maritime companies to commit to GHG emission reductions in their operations, including through the immediate voluntary cancellation of CERs;
  - (d) Request the Board and the secretariat to engage with the financial and investment communities to promote the use of the CDM, as a measuring, reporting and verification (MRV) tool for green securities;
  - (e) Invite the COP to request the operating entities of the Financial Mechanism to consider using the CDM, as a tool for the MRV of mitigation activities, as appropriate;
  - (f) Request the Board, in consultation with the operating entities of the Financial Mechanism, to explore means to simplify the application of the CDM for activities funded via the Financial Mechanism;
  - (g) Encourage Parties, public and private entities, and citizens to contribute to the reduction in global emissions by supporting additional emission reductions through the voluntary cancellation platform;
  - (h) Invite development agencies and multilateral development banks to use the CDM, or its elements, to verify the mitigation impact of their supported activities, as appropriate.
7. The Board considered a concept note on the use of CDM by international climate finance institutions (IFI), which detailed priorities, actions, means of delivery and costs for supporting specific activities identified in the concept note. The Board requested the secretariat to initiate support to IFIs pursuing the activities described in the concept note taking into account the comments provided, which included ensuring that only the activities are supported and not specific commercial products, projects are selected by the IFIs, and interested designated national authorities (DNAs) are provided with relevant information on activities pursued by the IFIs. The Board also agreed to the costs for the continued support of these activities and will consider these costs in the context of the consideration of the CDM Management Plan (MAP) 2017. The Board requested the secretariat to provide an update on the progress of support provided and will consider supporting any additional activities in 2017.
8. The Board considered a concept note on the Regional Collaboration Centres and, in principle, approved the proposed activities to expand the scope and scale of assistance provided to developing countries. The Board further agreed to consider the budgetary

implications of the activities in the context of the consideration of the CDM MAP 2017.

### **Agenda item 2.3. Performance management**

9. The Board took note of the update on the status of the work of the Board, noting the changes highlighted in its workplan for 2016. The Board also noted that some products for consideration of the upcoming meetings of the Methodologies Panel and the Small-Scale Working Group will be deferred to 2017, due to the prioritization of registration and issuance assessments, as requested by the Board.
10. The Board agreed on its annual report to the CMP at its twelfth session, which covers the period from 17 October 2015 to 17 September 2016, and requested the secretariat to finalize the report in consultation with the Chair and Vice-Chair of the Board to include the outcomes of its ninety-first meeting. Once the report is complete, it will be published on the UNFCCC and CDM websites accordingly.

### **Agenda item 2.4. Matters related to the Board and its support structure**

11. The Board considered the findings of the evaluation of the CDM Loan Scheme and the annual report on the CDM Loan Scheme. 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 in relation to the CDM Loan Scheme, as contained in [annex 1](#) to this report.
12. The Board considered an update on the voluntary cancellation platform, relating to a proposed partnership with an external entity to facilitate the cancellation of CERs through technical arrangements between the CDM Registry and the entity. The Board took note of the secretariat's intended implementation through a non-exclusive arrangement that could be extended to other interested entities that meet the requirements of the secretariat, and requested that the secretariat publish an open invitation to such interested entities.

## **Agenda item 3. Rulings (case specific)**

### **Agenda item 3.1. Accreditation**

13. The Board noted that no accreditation cases were to be considered at this meeting.

### **Agenda item 3.2. Registration**

14. The Board noted that 7,733 CDM project activities have been registered as at 16 September 2016. The status of requests for registration of project activities can be viewed on the UNFCCC CDM website.<sup>2</sup>
15. The Board noted that 296 CDM programmes of activities (PoAs) have been registered as at 16 September 2016, and that under these PoAs 1,966 component project activities (CPAs) have been included. The status of requests for registration of PoAs can be viewed on the UNFCCC CDM website.<sup>3</sup>

### **Agenda item 3.3. Issuance**

16. The Board noted that 1,717,676,373 CERs have been issued for CDM project activities and that 5,289,691 CERs have been issued for PoAs as at 16 September 2016. The status of CERs issued can be viewed on the UNFCCC CDM website.<sup>4</sup>
17. The Board noted that 13,726,845 CERs (CERs/temporary CERs (tCER )/long-term CERs (ICER )) had been voluntarily cancelled as at 16 September 2016. Out of these, 41,466 CERs had been voluntarily cancelled using the new online platform for voluntary cancellation of CERs since its launch. The status of CERs voluntarily cancelled can be viewed on the UNFCCC CDM website.<sup>5</sup>
18. In accordance with the applicable regulations, the Board considered two requests for issuance, for which assessments of the secretariat and the Registration and Issuance Team (RIT) contained different proposed decisions, or, for which the proposed decision was the same between the secretariat and the RIT, but an objection was received from a member of the Board. The Board agreed to approve the request for issuance of the following CDM project activities:
  - (a) "Tunlan Coal Mine Methane Utilization Project, Shanxi Province, People's Republic of China" (3067) submitted by the designated operational entity (DOE) "TÜV NORD CERT GmbH" (TÜV NORD) for the monitoring period from 1 March 2014 to 31 May 2015;
  - (b) "Malan Coal Mine Methane Utilization Project" (3180) submitted by the DOE "TÜV NORD CERT GmbH" (TÜV NORD) for the monitoring period from 1 March 2014 to 31 May 2015.

### **Agenda item 3.4. Other rulings**

19. The Board noted that no requests for other rulings were submitted for consideration for this meeting.

## **Agenda item 4. Regulatory matters**

### **Agenda item 4.1. Standards/tools**

#### **(a). Standards for CDM project activities and programmes of activities**

20. The Board considered the draft CDM regulatory documents for PoAs and provided guidance and requested the secretariat to reflect it in the next draft for PoAs and in the draft CDM regulatory documents for CDM project activities, as appropriate. The Board's guidance included:
  - (a) Expanding the application of the materiality concept to validation: the Board agreed to consider whether to pursue this matter and include it in the regulatory documents in the context of the consideration of the CDM MAP 2017;
  - (b) Post-registration changes to specific-case CPAs under PoAs: the Board agreed to exclude them from the mandatory secretariat assessment and the Board review process to be in line with the agreed change to the process of inclusion and renewal of crediting period of CPAs;

- (c) Registration fee for PoAs: the Board agreed to set the following two-tiered fixed rates:
    - (i) USD 10,000 if only small-scale methodologies are applied;
    - (ii) USD 20,000 for all other PoAs.
  - (d) Information to be provided by the DOE for requesting authorization to perform both validation and verification for the same CDM project activity or PoA: the Board agreed to make the type of information to demonstrate the barrier to accessing validation/verification services of DOEs in the host country flexible, and present the specific information proposed by the secretariat as an example. For the information on the measures to safeguard the DOE's impartiality and integrity in undertaking the verification, the Board agreed that the exclusion from verification of the individuals who have participated in the validation as a member of the validation team or technical review team as a minimum condition;
  - (e) Timing of local stakeholder consultation: the Board requested the secretariat to further analyse the feasibility of the current requirement that the project participants or the coordinating/managing entity shall complete local stakeholder consultation before the start date of the CDM project activity, PoA or CPA, and, if appropriate, propose an alternative to this requirement;
  - (f) Reducing the risk of disputes and irregularities in the modalities of communication (MoC) process: the Board agreed to the inclusion of a provision for the general process for handling requests of changes to the MoC statement, which is applicable where specific processes are not elaborated in the respective sections;
  - (g) The structure of the revised CDM regulatory documents: the Board agreed to keep the project cycle procedure (PCP) for PoAs separate from that for CDM project activities, and to decide whether to merge the project standard (PS) and the validation and verification standard (VVS) at a future meeting. The Board requested the secretariat to prepare six draft documents comprising the PS, VVS and PCP for PoAs and the same for CDM project activities, for consideration at the Board's ninety-second meeting;
  - (h) The section structure of the PS, VVS and PCP for PoAs: the Board requested the secretariat to restructure it so that the applicable provisions for the PoA as a whole, generic CPAs and specific-case CPAs are clearly separated, taking into account the structures of, and referring to, the PoA design document form and CPA design document form;
  - (i) Deregistration of PoAs: the Board requested the secretariat to analyze the feasibility of, and if feasible, to propose possible provisions for such a process;
  - (j) Requirement for project participants or the coordinating/managing entity to update the status of implementation of a registered CDM project activity or PoA: the Board agreed to remove this requirement and use alternative means (e.g. a survey) if and when necessary.
21. The Board took note of a report on the analysis on streamlining the registration and issuance processes by reviewing the past and current procedures and agreed to further

consider the information, as contained in the report, at the first meeting of the Board next year.

22. The Board took note of the information note on the analysis of the demand for, and usage of, methodologies developed under the top-down process of the Board.

#### **Agenda item 4.2. Procedures**

23. The Board considered the relevant procedure (PCP) under agenda item 4.1. Standards/tools, paragraph 20.

#### **Agenda item 4.3. Policy issues**

24. The Board continued its deliberation on the application of E- policy for additionality demonstration in order to identify approaches and proposed solutions. The Board agreed to report back to the CMP that the Board could not reach a consensus on this issue.

### **Agenda item 5. Relations with forums and other stakeholders**

25. The Board took note of an overview of the different activities carried out by the partners of the Nairobi Framework in 2016, in particular, those activities supported by the Board.
26. The Board took note of the external input to the annotated agenda of the ninety-first meeting of the Board and its annexes, as received in response to the call for input in accordance with the "Procedure: Direct communication with stakeholders". The input received was considered by the Board under the relevant agenda items. The Board thanked the stakeholder for their input.
27. The Board interacted with the DOE/AIE Coordination Forum Chair, Mr. Werner Betzenbichler, via video conference and took note of the input from the forum to the annexes to the annotated agenda, including the two concept notes on options for using the CDM as a tool for other uses and financing of the CDM through international climate finance institutions, the draft annual report of the CDM Executive Board to the CMP as well as issues related to completeness checks.
28. The Board thanked Mr. Betzenbichler for his input. The Board encouraged the forum to continue raising issues related to its guidance and proposing solutions.
29. The Board took note of following activities undertaken relating to stakeholders, including DNAs, applicant entities, and DOEs:
- (a) The 35<sup>th</sup> DOE conference call took place on 9 August 2016, via video conference;
  - (b) The side events that took place at the Asia Pacific Carbon Forum in the Republic of Korea from 5 to 7 September 2016.
30. The Board considered two communications (INQ-05106 and INQ-05206) submitted by a DOE and a DNA, respectively, and agreed to respond to the submitters in accordance with the "Procedure: Direct communication with stakeholders".



31. No observer interaction took place during this meeting. Observers to the ninety-second meeting of the Board shall have registered with the secretariat by **10 October 2016**.

## **Agenda item 6. Other matters**

32. The Board agreed to the provisional agenda for the ninety-second meeting, to be held in Marrakech, Morocco, from 31 October to 4 November 2016, as contained in annex 2 to this report.
33. The Board took note of an update on the Climate Neutral Now activities organized by the secretariat in New York, in September 2016.

## **Agenda item 7. Conclusion of the meeting**

34. The Chair summarized the main conclusions, adopted the report of the ninety-first meeting, and closed the meeting.
35. Any decisions taken by the Board shall be made publicly available in accordance with paragraph 17 of the CDM modalities and procedures and with rule 31 of the Rules of procedure of the Board. The proceedings of the open sessions of the meeting can be accessed via webcast.<sup>6</sup>

## Annexes to the report

### ***Matters related to the Board and its support structure***

Annex 1 - Recommendation to the CMP: CDM Loan scheme (version 01.0)

### ***Other matters***

Annex 2 - Provisional agenda: CDM Executive Board ninety-second meeting (version 01.0)

### ***List of documents undergone editorial changes or issued since the last meeting***

#### **Regulatory Documents**

- AMS-III.AJ: Recovery and recycling of materials from solid wastes (version 05.2)
- ASB0025: Cookstoves in Senegal (version 01.0)
- AR-ASB0001: Afforestation and reforestation project activities in Namibia (version 01.0)
- Regular report: Regional collaboration centres (version 01.0)

#### **Forms**

- CDM-AMR-FORM: Approved baseline and monitoring methodology/methodological tool revision request form (version 02.0)
- CDM-PNM-FORM: New baseline and monitoring methodology proposal form (version 02.0)
- CDM-AAR-FORM: DOE annual activity report form (version 04.0)

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#### **Document information**

Version	Date	Description
01.0	16 September 2016	EB 91 meeting report
Decision Class: Operational Document Type: Meeting report Business Function: Governance Keywords: EB, reporting procedures		

## Endnotes

1. <<http://cdm.unfccc.int/EB/index.html>>.
2. <<http://cdm.unfccc.int/Projects/projsearch.html>>.
3. <<http://cdm.unfccc.int/ProgrammeOfActivities/index.html>>.
4. <[http://cdm.unfccc.int/Issuance/cers\\_iss.html](http://cdm.unfccc.int/Issuance/cers_iss.html)>.
5. <<https://cdm.unfccc.int/Registry/index.html>>.
6. <<http://cdm.unfccc.int/EB/Meetings>>.