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**Annex 4**

**DRAFT CDM MANAGEMENT PLAN 2011**

**(Version 01)**

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### I. Executive summary

1. The Executive Board (hereinafter referred to as the Board) of the clean development mechanism (CDM) continues to direct the mechanism's regulatory framework to ensure that it is sufficiently robust and flexible to respond to the needs of Parties while facilitating the implementation of the CDM in a manner that maximises its contribution to the aims of the United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol.
2. This management action plan (MAP) strengthens the capacity of the Board and its support structure, including panels and working groups, designated operational entities (DOEs) and the UNFCCC secretariat, and has been developed in the context of the CDM two-year business plan and the objectives contained therein. The focus provided by the business plan is elaborated in this document which identifies and elaborates the five objectives contained in the business plan. It provides details of the deliverables associated with each objective and the actions required to achieve them.

### II. General

#### A. Introduction

3. The project based mechanisms under the Kyoto Protocol must operate with integrity, deliver quality and run efficiently. In order to better support the CDM, the secretariat's sustainable development mechanisms programme (SDM) underwent a fundamental restructuring in 2010. As described in the CDM MAP 2010 document, the new SDM structure is tightly aligned to the support required for the CDM, namely the creation and maintenance of standards and methodologies, the assessment of accredited entities and projects, the management of the processes and overall support for the ongoing development of both the secretariat's support and the work of stakeholders in the CDM.
4. The secretariat will continue to strive to ensure that the Board is appropriately supported, including by identifying areas for strategic discussion at its meetings. The secretariat will also continue to respond to the request by the Board that the secretariat undertake a greater proportion of the preparatory analytical work on procedures and registration and issuance cases, thereby supporting the Board as it takes on a more executive and supervisory role.
5. The provision by the Board of a set of agreed objectives, described in its business plan, allows for clearer focus on the part of the secretariat. This MAP details the various activities, actions and deliverables to support each of the five objectives and the human and financial resources required to ensure that the objectives are achieved in a sustainable way.

#### B. Driven by objectives

6. The secretariat plans to introduce an even stronger system of performance management across SDM, based on the regular reporting and review of key performance indicators (KPIs) and financial indicators. These are expected to reveal the level of ongoing performance and related improvements in areas, such as quality, processing times, registration/issuance review rates, DOE satisfaction and staff workload. It is particularly important in 2011 to produce tangible improvement in the outputs of the SDM, such as improved stakeholder interaction, improved efficiency in processes, reduced processing times and efficient management of periodic peaks in submissions. An important and related activity this year will be to finalize and utilize the DOE performance monitoring system and introduce appropriate incentives for improving the quality of submissions from DOEs.



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7. In view of the many CDM activities detailed in this MAP that are of a collaborative and cross cutting nature, the new structure within the secretariat demands maximum flexibility in terms of the deployment of its human resources. This flexibility is required to implement this management plan that is now aligned with the objectives as detailed in the Board's business plan rather than the more function-oriented, static structure previously employed. The numbers of staff associated with each activity in the tables that follow should therefore be viewed as planned, not fixed. As the year progresses the secretariat might temporarily redeploy, within the CDM, human resources in order to meet shifting short and medium term demands across the activities as these become apparent.

### C. Objectives identified

8. The Board, in its business plan, has identified five specific objectives to be achieved over the next two years:

- (a) **Greater efficiency in the operation of the CDM.** The Board shall assess its processes and requirements to remove unnecessary complexities and ensure that all submissions relating to project activities, accreditation and standards are processed within agreed deadlines and in accordance with agreed standards and procedures;
- (b) **Geographic expansion of the CDM.** The Board shall take all actions within its authority to enhance the regional distribution of CDM project activities and programmes in those countries and regions currently under-represented in the CDM;
- (c) **Improved objectivity, clarity and integrity in the CDM.** The Board shall strengthen the objectivity and clarity of requirements established for the CDM in a manner which ensures the environmental integrity of the CDM;
- (d) **Enhanced transparency of the CDM.** The Board shall supervise the mechanisms in a transparent and participatory manner, ensure greater transparency regarding its work and its processing of submissions and enhance the governance structure of the mechanism;
- (e) **Enhanced promotion of the mechanism.** The Board shall champion the CDM, ensuring an enhanced understanding among stakeholders and policy makers of its benefits and its contributions to both the mitigation of climate change and the sustainable development of communities and countries.

### D. Key assumptions

9. The **first key assumption** is that the secretariat will soon have the required full time human resource capacity to deliver all required inputs, of the necessary quality and on schedule, and will be able to hire sufficient numbers of external experts to address periodic peaks in registration and issuance case work. An initial intervention in December 2010 employing a group of experts resulted in a significant decrease in the backlog of cases awaiting processing.

10. The **second key assumption** is that the stakeholder support and skills development related activities occur as and when planned and deliver increases in the capacity of the mechanism's support structure, including the secretariat and DOEs, resulting in an increase in the quality of project related submissions.

11. The **third key assumption** is that the planned maintenance and systematic improvement of information technology (IT) infrastructure will occur in order to ensure that appropriate information is continuously available to support the actions contained in this MAP.

**DRAFT****III. Objectives****A. Objectives, related activities, deliverables and associated actions**

12. This chapter elaborates each of the Board's objectives and associated activities planned by the secretariat. It describes specific deliverables to be provided to the Board, as well as actions required of the secretariat to achieve them in the first year of the Board's two-year business plan.

**B. Objective 1: Greater efficiency in the operation of the CDM.**

13. The Board continues to receive large volumes of requests for registration of project activities and requests for issuance of certified emission reductions (CERs). In 2010, about 1100 requests for registration were received, a similar as was received in the previous year. Request for issuance, however, increased 54 per cent in 2010 compared to 2009. The high number of submissions resulted in a backlog of submissions awaiting processing.

14. It is predicted that the volume of requests, particularly for CER issuance, will grow significantly in the next two years, especially as the end of the first commitment period of the Kyoto Protocol approaches. The Board's case workload relating to issuance of CERs is expected to increase throughout the period covered by this MAP, and reach 1,700 submissions in 2011. The Board's continued focus on improving the quality of submissions is also expected to result in an increase in the number of registrations and issuances granted automatically.

15. The need for accreditation assessment work is expected to decline in 2011, replaced during the year by a slight increase in regular surveillance activity and a large initial increase in performance assessments. The data generated by these, and its inclusion in the DOE performance monitoring system, is expected to assist DOEs to identify areas for improvement.

16. As can be seen in the following table, the workload relating to policy, standards and procedural matters will be high throughout the year, driven by several requests and associated deadlines from the sixth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 6) and important initiatives aimed at improving efficiency. Specific work related to methodologies includes clearing the backlog of submissions of proposed methodologies, consideration of new proposed methodologies and requests for revision or clarification. In addition, several methodologies will be revised and new methodologies or tools will be developed in response to requests from Parties that methodologies be simplified and that new methodologies be developed suited to under represented regions.

17. Activities relating to this objective include:

- (a) Review the CDM operations and take innovative measures to improve efficiency;
- (b) Develop the technical skills and expertise of Board members, identified stakeholders and SDM staff.

18. Table 1 lists deliverables, actions, timing and resource requirements relating to objective 1. Important and ongoing supportive activities that must be carried out irrespective of the changing priorities of the Board are not included here. An indicative list of such activities is provided in appendix 1.



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Table 1. Objective 1 - Greater efficiency in the operation of the CDM

<b>1 a) Review the CDM operations and develop innovative measures for improving efficiencies in its process cycle</b>					
<b>Deliverables</b>	<b>Related Actions</b>	<b>Planned Start</b>	<b>Planned Finish</b>	<b>Person / month</b>	<b>Status</b>
Assessment report of CDM project cycle operations	Documentation and assessment of the validation, registration, monitoring verification and issuance process flows	January	March	2 (P)	
	Identification of areas for streamlining and development of timelines for processing project submissions, with a focus on ensuring predictability and sustainability of the project assessment process	February	April	4 (P)	
	Preparation of final report and presentation to the Board	May	EB61	0.5 (P)	
Report on the process efficiency of the CDM methodology approval and maintenance process	Development of timelines for processing methodology submissions and implementation and/or identification of necessary process changes	June	August	3 (P)	
	Identification of areas for streamlining	September	October	1 (P)	
	Preparation of final report and presentation to the Board	May	EB 64	0.5 (P)	
A monitoring and reporting system for measuring compliance to timelines	Develop a new standard set of reports with graphic aids for all processes	EB59	EB61	1 (P)	
	Report to the Board on compliance with timelines for all processes	EB59	EB64	0.5 (P)	
Quality assessment of compliance to CDM requirements relating to project and entity submissions	Conducting Completeness Checks	January	December	42 (G)	
	Conducting Info and Reporting Checks	January	December	119 (P)	
	Preparation of summary notes	January	December	113 (P)	
	Preparation of Request for Review Assessments and Rejection Notes	January	December	32 (P)	
	Initial Accreditation	January	December	3.5 (P)	



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	Re-accreditation	January	December	11 (P)	
	Surveillance Central Offices	January	December	11 (P)	
	Surveillance Sites	January	December	13 (P)	
	Performance Assessments	January	December	27 (P)	
	Spot Checks	January	December	3 (P)	
	Process Support and Management	January	December	24 (P) 30 (G)	
	Support to the Board during consideration of cases	January	December	4 (P)	
Standardized templates for validation and verification reports, and digitized project information	Prepare standardized templates for validation and verification reports	After VVs is agreed in principle	After adoption of Validation and Verification Standard (VVS)	4 (P)	
	Prepare concept note for the Board's consideration at one of its strategic sessions in 2011	EB 60	EB 64 - EB 69	2 (P)	
Report on methodological issues arising from interaction with stakeholders and data obtained from the DOE performance monitoring system	Identification of standards that needs simplification and using them as basis for targeted interaction with stakeholders	January	December	2 (P)	
	Systematic analysis of the issues from stakeholders and identified in the DOE performance system	January	December	4 (P)	
	Preparation of report and presentation to the Board		EB 61 EB 65	1 (P) 1 (G)	
Tables of calculation developed for 4 methodologies	Development of draft tables of calculation	February	December	5 (P) 3 (G)	
	Submit 4 tables of calculation to the Board for approval		EB 62- EB 69		
Elimination of backlog in consideration of new methodologies	Preparation of draft recommendations for the consideration by the Meth Panel		EB 62	25 (P)	
<b>1 b) Development of skills and expertise among Board Members, identified Stakeholders, and SDM staff for the further improvement of their technical capacity</b>					
<b>Deliverables</b>	<b>Related Actions</b>	<b>Planned Start</b>	<b>Planned Finish</b>	<b>Person / month</b>	<b>Status</b>
Skills	Define approach to developing	January	EB 60	3 (P)	



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Development Strategy	skills and capacities of Board Members, and SDM staff			1(G)	
	Form strategic partnerships with relevant UN agencies, academic and training institutes, to enhance the access and offer key skills development opportunities and resources	January	April	2 (P) 0.5 (G)	
Implementation plan for specific skill development intervention and learning programmes	Design, implement and deliver specialized and technical learning programmes through face-to-face events and eLearning courses to address SDM learning needs and develop key skills among SDM staff	January	EB 61	7.25 (P) 10.5 (G)	
	Design and implement a dedicated Training Programme to support regular Board activities as well as the activities of related working groups and panels	January	December	4 (P) 1.5 (G)	
Report on Skills Development activities	Select and implement a Learning Management System (Learning Platform) to manage, track, deliver and report on training activities	January	EB 62	6.75 (P) 4 (G)	
	Build a curricula and deliver certification programmes addressing skills development needs among SDM staff and external stakeholders	March	December	1.5 (P) 0.5 (G)	
	Monitor impact of training and access of SDM staff to mandatory courses and to UN system e-learning and other courses	April	December	5.25 (P) 1 (G)	



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**C. Objective 2: Geographic expansion of CDM**

19. Regional distribution of CDM projects has been an issue for Parties to the Kyoto Protocol since the first meeting of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 1). Successive CMP decisions have provided valuable guidance and tools to allow the Board to address the issue. The Board in turn has initiated several activities to promote the equitable regional and sub-regional distribution of CDM project activities. These have included development of a loan scheme, development and improvement of methodologies and tools that are particularly suitable in under represented areas and support to designated national authorities (DNAs) through the DNA Forum.

20. As part of ongoing work to enhance the geographical reach of the CDM, the Board will focus on practical activities, and specific groups of recipients, that can produce tangible results.

21. Activities relating to this objective include:

- (a) Establishment of an advisory forum on regional distribution;
- (b) Assessment and, where possible, removal of barriers to the implementation of CDM projects and programmes in the CDM pipeline, in currently under represented regions ;
- (c) Arrangements to ensure the operationalization of the loan scheme, communicate its availability and appropriately assist potential applicants to access funds;
- (d) Top down development of standards and standardized baselines that are particularly applicable in geographical regions which are under represented in the CDM;
- (e) Strengthening of the DNA capacity and skills, including through the DNA Forum, to allow DNAs to prioritize, focus and intensify their provision of support to assist stakeholders to capitalize on the benefits of the CDM;
- (f) Effective coordination of the work programme of the Nairobi Framework partner agencies, including their capacity building activities to promote and improve regional distribution of CDM projects.

22. Table 2 lists deliverables, actions, timing and resource requirements relating to objective 2.





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Table 2. Objective 2 - Geographic expansion of the CDM

2 a) Establishment of an Advisory Forum on Regional Distribution					
Deliverables	Related Actions	Planned Start	Planned Finish	Person / month	Status
Concept note including a draft TOR for an Advisory Forum	Prepare a concept note on the establishment of an advisory forum for the Board's consideration	EB 60	EB 60	0.25 (P)	
	Prepare the terms of reference outlining functions, responsibilities, outputs and related work plan	EB 60	EB 61	0.25 (P)	
	The Board to appoint the Chair and Vice Chair of the Advisory Forum	EB 61	EB 61	0.25 (P)	
2 b) Assessment and, where possible, removal of barriers to the implementation of CDM projects and programmes in the CDM pipeline, in currently under represented regions					
Deliverables	Related Actions	Planned Start	Planned Finish	Person / month	Status
Mechanisms for broader participation in barrier and solution identification	Develop options of consultative mechanism for consideration by the CDM EB	January	April	3 (P)	
	Adoption of preferred option by the Board	EB 60	EB 60		
	Implement the consultative mechanism	May	December	3 (P) 1 (G)	
Report on implementation barriers for identified projects	Identification of projects and programmes in validation which have not been submitted for registration		EB 63	3.5 (P) 0.5 (G)	
	Assessment of the barriers faced by				



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	such projects and programmes				
Report on the potential for CDM project development in underrepresented regions	Prepare profile of greenhouse gas emissions and reduction potentials in non-Annex I countries	April	EB 64	3 (P)	
	Prepare targeted action plan for outreach and capacity building to support the established targets	August	EB64		
	Identify partner agencies to support the delivery of the action plan	January	December		
2 c) Arrangements to ensure the operationalization of the loan scheme, communicate its availability and appropriately assist potential applicants to access funds					
Deliverables	Related Actions	Planned Start	Planned Finish	Person / month	Status
Implementing agency selected	Seek expression of interest, request for proposals, and evaluate proposals	January	EB 60	3 (P) 1 (G)	
	Select and formalize contractual arrangements with agency				
System to monitor the performance of the implementing agency	Develop system and related internal work flows, and processes to implement secretariat's role of "oversight" of selected implementing agency		EB 61	1 (P)	
	Prepare inputs to CMP report on progress and results in operationalising the loan scheme	April	June	2 (P) 0.5 (G)	



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<b>2 d) Top down development of standards and standardized baselines that are particularly applicable in geographical regions which are under represented in the CDM</b>					
<b>Deliverables</b>	<b>Related Actions</b>	<b>Planned Start</b>	<b>Planned Finish</b>	<b>Person / month</b>	<b>Status</b>
Baseline standard	Call for public inputs		EB 60 - EB 61	4 (P) 4 (G)	
	Development of draft standard and support of the process	4-Mar-11	5-Mar-11		
	Workshop	March	March		
	Meth Panel consideration		MP 48		
	Board approval	EB 60	EB 61		
5 Methodologies developed	Development of draft standards	January	EB 62 - EB 68	18(P) 7 (G)	
	A/R WG consideration	A/R WG 31	A/R WG 34		
	SSC WG consideration	SSC 29	SSC 32		
	Meth Panel consideration	MP 49	MP 53		
	Board approval (2 meths)	EB 59	EB 63		
	Practitioner workshops to support the development of methodologies (about 2 in 2011)	March	December		
10 standardized baselines	Development of draft standard	January	EB 59 - EB 68	15 (P) 5 (G)	
	SSC WG consideration (inputs to EB 59-63)	SSC 29	SSC 32		
	Meth Panel consideration	MP 48	MP 53		
	Board approval (4 standardized baselines)	EB 62	EB 63		
	Workshop to enhance the understanding in a country with less than 10 CDM projects		September		



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<b>2 e) Strengthening of the DNA capacity and skills, including through its forum, to allow them to prioritize, focus and intensify their provision of support to assist stakeholders to utilize the benefits of the CDM in their own countries</b>					
<b>Deliverables</b>	<b>Related Actions</b>	<b>Planned Start</b>	<b>Planned Finish</b>	<b>Person / month</b>	<b>Status</b>
Work-plan for DNA capacity building and related skills development	Consultation with DNAs and stakeholders to receive inputs for possible approaches and elements of the work plan	February	EB 60	3 (P) 2 (G)	
	Prepare draft work plan for DNA capacity building	February	February	0.75 (P)	
	Consultation with DNA forum on the draft work plan	January	December		
	Submit work plan to the Board for approval	January	EB 64		
Report on the implementation of the work plan	Prepare periodic implementation report for consideration by co- chairs of the DNA forum and the Board	January	EB 64	2 (P)	
Training and capacity building on standards	Update of the CDM Methodology Booklet	January	EB 64	6 (P) 1 (G)	
<b>2 f) Effective coordination of the work programme of the Nairobi Framework partner agencies, including their capacity building activities to promote and improve regional distribution of CDM projects</b>					
<b>Deliverables</b>	<b>Related Actions</b>	<b>Planned Start</b>	<b>Planned Finish</b>	<b>Person / month</b>	<b>Status</b>
Work programme of partner agencies adopted	Facilitate and coordinate the meetings, regional carbon forums, events and joint projects of partner agencies of the Nairobi Framework	January	EB 60	12 (P)	
	Facilitate	January	December		



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	enhancement of the functionality of the CDM Bazaar and promote the use of the website in developing countries				
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**D. Objective 3: Improved objectivity, clarity and integrity in the CDM**

23. In 2010, the Board initiated work on improving the objectivity and clarity and simplifying requirements of the CDM with the view to improving the efficiency of the mechanism's regulatory process and to improve stakeholder understanding. This included, for example, the simplification of requirements on additionality for very small CDM projects, the inclusion of simple default options in methodological tools, the revision of methodologies with the view to enhancing their objectivity, applicability, usability and consistency, and the revision of relevant procedures and guidance documents (e.g. on barrier and investment analysis).

24. As the mechanism evolves, new challenges emerge. The Board is expected to predict and proactively respond to emergent challenges while ensuring the CDM's environmental integrity. The Board is committed to ensuring that the CERs issued under the CDM meet Parties' expectations for environmental integrity by continually providing guidance and improving the mechanism's rules.

25. The Board will prioritise action to ensure that its rules are clear, objective, and understandable by all stakeholders, noting that enhanced interaction with various stakeholder groups will be critical in achieving success in this area.

26. Activities relating to this objective include:

- (a) Improvement of the standards, procedures, guidelines and existing regulatory decisions to enhance their objectivity and environmental integrity, using, where possible, new and innovative approaches
- (b) Clarification, consolidation and enhancement of the consistency of all the existing regulatory decisions of the Board that relate to validation and verification of project activities;

27. Table 3 lists deliverables, actions, timing and resource requirements relating to objective 3.



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**Table 3. Objective 3 - Improved objectivity, clarity and integrity in the CDM**

<b>3 a) Improvement of the standards, procedures, guidelines and existing regulatory decisions to enhance their objectivity and environmental integrity, using, where possible, new and innovative approaches</b>					
<b>Deliverables</b>	<b>Related Actions</b>	<b>Planned Start</b>	<b>Planned Finish</b>	<b>Person / month</b>	<b>Status</b>
6 revised and simplified methodologies serving agreed sectors,	Call for inputs (as needed) and prepare draft methodologies	January	EB 59 - EB 70	23 (P) 6 (G)	
	A/R WG consideration	A/R WG 31	A/R WG 34		
	SSC WG consideration (inputs to EB 59 - 63)	SSC 29	SSC 33		
	Submit 4 simplified methodologies to the Board for approval	EB 59	EB 63		
Simplified and expanded additionality tool for micro scale projects	Submit simplified additionality tool for microscale project to the Board for approval		EB 60 - EB 61	5 (P) 1 (G)	
	SSC WG consideration				
	Submit draft to the Board for approval	SSC 30	SSC 31		
Standard on first-of-its-kind and Common Practice	Development of draft standard	January 2011	EB 59 - EB 61	2 (P) 2 (G)	
	Submit draft standard to the Board for consideration	EB 59	EB 60		
	Submit revised standard to the Board for approval		EB 61		
Procedures for the use of nationally established grid emission factors	Development of procedures based on the analysis on existing nationally established grid emission factors	February 2011	EB 63	1 (P)	
Summary and assessment of stakeholder issues regarding programme of activities (PoA)	Call for public inputs	February	March	5 (P) 1 (G)	
	Organization of a consultation workshop	February	April		
	Preparation of a report of consultation process including recommendation for changes	April	EB 61		



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Revised standards and rules related to PoA	Second consultation workshop on specific proposed revisions			6 (P)	
	Development of revised standards and procedures related to PoA		EB 63, EB 65		
3 b) Clarification, consolidation and enhancement of the consistencies of all the existing regulatory decisions of the board that relate to validation and verification of project activities					
Deliverables	Related Actions	Planned Start	Planned Finish	Person / month	Status
Revise the CDM Validation and Verification Manual (VVM) into a VVS and a consolidated validation and verification procedure, including a procedure to identify and correct significant deficiencies in validation and verification reports	Extract all validation and verification standards from the Board’s existing regulatory decisions (e.g. standards, procedures, guidelines, clarifications, and forms) and consolidate them into the VVM		EB 63	9.5 (P) 0.5 (G)	
	Clarify, consolidate and ensure the consistency of all of the existing regulatory decisions of the Board that relate to the validation and verification of project activities				
	Streamline all existing procedures to make the entire validation and verification process less cumbersome, more efficient, and ultimately provide for faster decisions				
	Seek stakeholder consultation through call for inputs and workshops on the outputs of this prior to consideration of the Board				
	Present VVS and revised procedures to the Board for consideration and				





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	approval				
Standard for project participants (i.e. obligations on project participants during validation, operation, and verification of project activities)	Extract requirements from CMP decisions and Board decisions that impose requirements on project participants (PPs)		EB 64	8 (P) 1 (G)	
	Develop and draft any necessary additional requirements				
	Seek stakeholder consultation through call for inputs and workshops on the outputs of this prior to consideration by the Board				



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**E. Objective 4: Enhanced transparency of the CDM**

28. Transparency of information and appropriate and continual involvement of stakeholders are key features of the CDM and are among the main factors that have contributed to its success. A number of the procedures adopted by the Board in the past year have sought to broaden the involvement of stakeholders and improve the transparency of the CDM process. The Board will continue to enhance stakeholder understanding and contribute to accurate perceptions of the mechanism emphasising its unique role.

29. Activities relating to this objective include:

- (a) Establishment of modalities and procedures for direct communication between the Board and stakeholders ;
- (b) Development of publicly available work flows providing information relating to the status of all submissions in process;
- (c) Improvement of the documentation and reports of the meetings of the Board and its panels;
- (d) Improvement of the transparency of the regulatory governance structure and administrative support

30. Table 4 lists deliverables, actions, timing and resource requirements relating to objective 4.



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Table 4. Objective 4 - Enhanced transparency of the CDM

<b>4 a) Establishment of modalities and procedures for direct communication between the Board and stakeholders</b>					
<b>Deliverables</b>	<b>Related Actions</b>	<b>Planned Start</b>	<b>Planned Finish</b>	<b>Person / month</b>	<b>Status</b>
Modalities and procedures for direct communication between the Board and project participants	Analysis of the areas requiring enhanced interaction and mechanisms for facilitating this	March	EB61 - EB 62	2 (P)	
	Proposal for terms of reference, modalities and procedures for differing forms of stakeholder interaction	EB61	EB62	1 (P)	
	Organization of broad-based stakeholder consultation events, including 2 CDM roundtables	January	December	2 (P) 1 (G)	
	Enhanced use of calls for inputs and online mechanisms for the provision of inputs	January	December	1 (P)	
	Responding to unsolicited submissions	January	December	3 (P) 2 (G)	
	Coordinate input to the revision of the procedures for modalities of communication (MOC) to optimize implementation and to allow direct communication between the Board and PPs	EB 60	EB 61	0.5 (P)	
	Revise procedures for MOC between the Board and PPs	EB 61	EB 62	1 (P)	
Direct and	Conference calls	January	December	2 (P)	



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ongoing communication with DOEs	with all interested DOEs subsequent to Board meetings to discuss regulatory developments				
	Organization of regional meetings with validators and verifiers to clarify requirements and calibrate understanding	January	December	4.5 (P) 1.5 (G)	
<b>4 b) Development of publicly available work flows providing information relating to the status of all submissions in process</b>					
<b>Deliverables</b>	<b>Related Actions</b>	<b>Planned Start</b>	<b>Planned Finish</b>	<b>Person / month</b>	<b>Status</b>
Provision of the status of all submissions online	Compilation of specifications including, definition of all process states to be displayed or searchable for each submission type	January	EB 63	6 (P)	
	Analyze of options for the recording and display of decisions on case outcomes, including completeness checks etc	February	March		
	Deployment of the system	May	EB 63	2 (P)	
Improved online communication tools	Enhancements to CDM Bazaar	January	EB 66	3 (P)	
	Revision of the DNA extranet	January			
	Revision of the Nairobi Framework extranet	January			



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<b>4 c) Improvement of the documentation and reports of the meetings of the Board and supporting panels</b>					
<b>Deliverables</b>	<b>Related Actions</b>	<b>Planned Start</b>	<b>Planned Finish</b>	<b>Person/month</b>	<b>Status</b>
Improved format for meeting reports, and documentation, of the Board and supporting panels	Collection of requirements. Analysis of current format and collection of identified areas for improvement (look, readability, unique symbol number).	End of 1 <sup>st</sup> Quarter	EB 61	4 (P) 2 (G)	
	Present options for consideration including potential impacts on workflows and systems (authoring tool, etc).	End of 1 <sup>st</sup> Quarter			
	Submit proposed new formats and templates to the Board for approval	End of 1 <sup>st</sup> Quarter	EB 61		
Panel and working group documentation incorporated in Catalogue of Decisions (CoD)	Develop functional and system requirements for ongoing customization of the CoD	March	EB 66	9 (P) 8 (G)	
	Revise search and retrieval screens of the CoD to include panels and working groups				
	Expand symbols, coding and tags in CoD to include new meeting groups			4 (P) 2 (G)	
	Migrate, classify and link past meeting documentation into system				



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<b>4 d) Improvement of the transparency of the regulatory governance structure and administrative support</b>					
<b>Deliverables</b>	<b>Related Actions</b>	<b>Planned Start</b>	<b>Planned Finish</b>	<b>Person / month</b>	<b>Status</b>
Revised terms of references (TORs) for Chairs and Vice-Chairs of panels and working groups	Prepare draft revised TORs for Chairs and Vice Chairs and obtain input from all panels and working groups	EB 60	AR32, AP 54, SSC31, MP49 EB 61	1 (P) 0.5 (G)	
	Submit revised TORs to the Board for consideration and adoption		EB 61		
Report on implementation of the Board's business plan	Monitor progress and align activities in accordance with the business plan, including through strategic sessions and retreats	EB62	EB 62, EB64, EB 66, EB 68	1 (P)	
	Prepare revision to the business plan for future periods, taking into account progress made and any new priorities identified	EB64	EB65	1 (P)	
	Prioritize, schedule and coordinate action on deliverables according to BP	January	December	7 (P) 6 (G)	
	Manage work programmes of the Board, panels and working groups to address issues identified by the Board	January	December	10 (P) 2 (G)	
	Preparation, and implementation of resource utilization reporting framework based on the	February	December	4 (P) 2 (G)	



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	implementation status of the MA)				
Revised rules of procedure of the Board, changing decision-making process, as appropriate	Development of revised rules of procedure	EB 60	EB 63	1.5 (P)	
	Submit revised rules of procedure to the Board for approval				
Report on resource utilization	Submit sound accurate and transparent budget proposals	January	December	6 (P) 12 (G)	
	Monitor and report on resource utilization (i.e. status of income and expenditure).	January	December	6 (P) 12 (G)	



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**F. Objective 5: Enhanced promotion of the mechanism**

31. The existing CDM communication strategy is already being implemented and has produced tangible outcomes. The projects described in the strategy will be expanded upon, in some cases with additional activities and associated material, with the continued aim of enhancing awareness about, and participation in, the CDM.
32. Activities relating to this objective include:
- (a) Development and dissemination of training and information materials regarding regulatory requirements, improvements in the regulatory system and issues raised in the assessment of project submissions;
  - (b) Further promotion of the CDM as a tool to mitigate climate change and assist countries in achieving their sustainable development goals.
33. Table 5 lists deliverables, actions, timing and resource requirements relating to objective 5.





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**Table 5. Objective 5 - Enhanced promotion of the mechanism**

<b>5 a) Development and dissemination of training and information materials regarding regulatory requirements, improvements in the regulatory system and issues raised in the assessment of project submissions</b>					
<b>Deliverables</b>	<b>Related Actions</b>	<b>Planned Start</b>	<b>Planned Finish</b>	<b>Person / month</b>	<b>Status</b>
A set of CDM learning materials and training packages for the promotion of CDM by stakeholders	Design learning materials and training packages on CDM priority topics in collaboration with SDM units and partners	February	December	1 (P) 1 (G)	
	Advise stakeholders on training design and delivery for the promotion of CDM	March	December	1 (P) 0.5 (G)	
<b>5 b) Further promotion of the achievements and contributions of the mechanism in mitigating climate change and sustainable development including technology transfer</b>					
<b>Deliverables</b>	<b>Related Actions</b>	<b>Planned Start</b>	<b>Planned Finish</b>	<b>Person / month</b>	<b>Status</b>
Report on developments in carbon market activities and related policies and negotiations	Monitor, analyze and report on market and policy developments and raise issues requiring Board consideration	January	EB 61, EB 64	5 (P)	
Report on overall use and effectiveness of the CDM	Maintain a central data portal to consolidate, harmonize and make public CDM project information	January	EB 65	3 (P)	
	Enhance the collaboration with key external partners on the use of CDM project information	January		1.5 (P)	
	Analyze the contribution of CDM project activities to sustainable development	EB59	EB64	3 (P)	
	Analyze the costs and	EB59	EB64	1.5 (P)	



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	capital investment of CDM projects and their contribution to foreign and domestic investment flows				
	Conduct analysis of technology transfer in CDM projects	EB59	EB64	1.5 (P)	
Report on implementation of CDM communication strategy	Manage media outreach	January	EB 62, EB 64	3 (P)	
	Record and disseminate radio stories for Africa (includes establishment of radio club)	January	September	5 (P) 1 (G)	
	Hold DNA Communicators of the Year Showcase	April	December	5 (P) 0.5 (G)	
	Prepare outreach materials (e.g. publications, audio files, on-line resources)	February	November	6 (P) 2 (G)	
	Promote CDM at carbon market events, etc.	Jan 15	December 31	3 (P) 3 (G)	
	Hold CDM photo and video contest	Aug 1	December 31	3 (P) 1 (G)	



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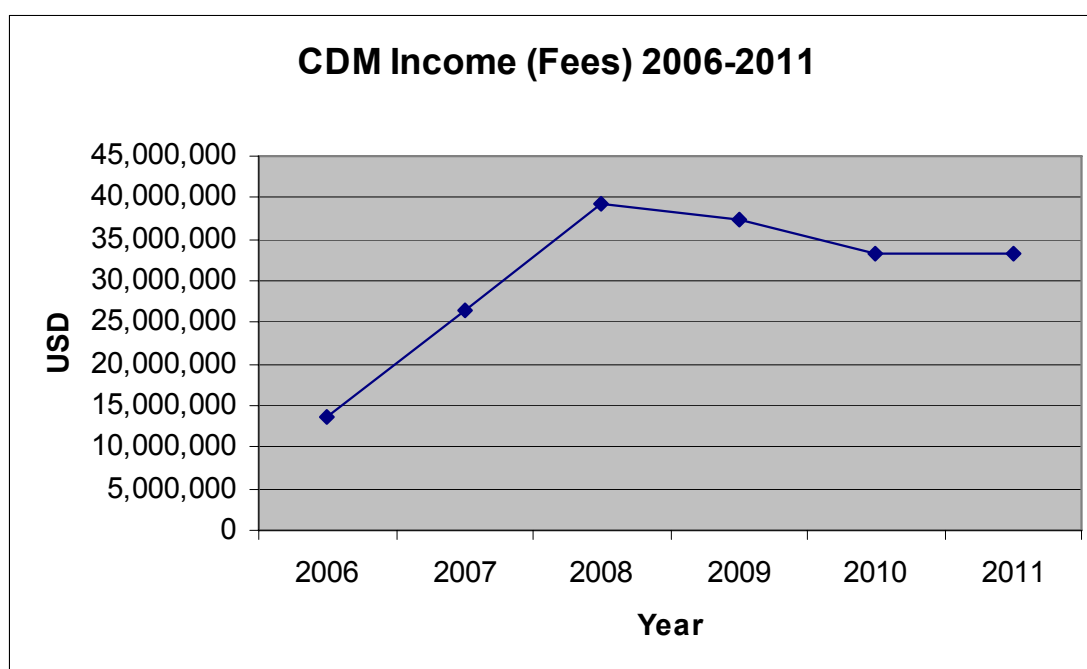
**IV. 2011 Programme budget**

34. This chapter presents a forecast of income and a programme budget for 2011. The proposed budget amounts to a total of just under USD 40 million and reflects an increase of USD 5.2 million or 15 per cent over 2010.

**A. Income**

35. The SDM's work on CDM will be funded in 2011 from fees and share of proceeds (SOPs) estimated to amount to USD 33.2 million in 2011 and carry-over from 2010 and previous years of USD 36.7 million. Although in past years income has tended to increase towards the end of the year, the secretariat has used a conservative scenario in this MAP of no growth in income. Based on the overall income projection, the operating reserve of USD 45 million would remain intact in 2011.

**Figure 1. Income (from fees and SOPs) by year (in USD million)**



**Table 6. Income from fees and SOPs by year (in USD million)**

Income (USD)	2006	2007	2008	2009	2010	2011 Forecast
	13,655,86	26,558,822	39,420,82	37,414,73	33,196,582	33,200,000

**B. 2011 budget**

36. Staff costs (from established posts and related costs) have increased despite no additional posts being requested in 2011. The increase is attributable to 52 posts recruited during 2010 where provision was estimated based on expected entry on duty dates. In 2011, the related provision for these posts has now been estimated to cover the entire calendar year. A further component relates to vacancies being



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filled in 2011 where provision is estimated based on projected entry on duty dates for these remaining posts. This will result in a concomitant increase in staff costs in 2012.

37. A new skills development strategy for both staff and CDM stakeholders is planned for 2011. A large component of the budget increase is related to the implementation of a web-based learning platform, which will allow the programme to deliver on-line, cost effective training modules. The increase amounts to USD 560,267.

38. Expert travel is envisaged to increase. This is to support standard setting activities, which will include three workshops to develop standardized baselines and explore innovative ways to demonstrate additionality. As well, two workshops are budgeted for to address any backlog in registration and issuance case work. The budget reflects an increase amounting to USD 756,000 inter alia to fund stakeholder development, including CDM roundtable meetings and a joint workshop.

39. In addition, the budget includes the regular costs associated with holding Board and DNA Forum meetings, including web cast, audio, venue, etc. Furthermore, operating expenses include provision for the indirect support that SDM receives from other programmes within the secretariat.

40. As can be seen in table 7, the level of expenditure compared to what was budgeted for 2010 was USD 29.6 million, or 85 per cent utilization. Staff costs amounted to USD 13.3 million, or 92 per cent utilization. These utilization rates are the highest to date for CDM

**Table 7. Budget and expenditure comparisons 2010-2011 (in USD)**

Object of Expenditure	Budget 2010	Expenditure 2010	Rate	Budget 2011	Budget 2011 vs 2010 Difference in USD	Budget 2011 vs 2010 as %
Staff	14,416,541	13,290,830	92	18,867,332	4,450,791	31
General Temporary Assistance	514,890	1,099,604	214	1,011,929	497,039	97
Consultants	1,893,344	1,098,450	58	1,474,226	-419,119	-22
Expert Fees	2,876,379	2,158,429	75	1,568,400	-1,307,979	-45
Expert Travel	2,313,500	1,134,598	49	3,069,500	756,000	33
Staff-related costs	60,806	51,651	85	37,986	-22,820	-38
Travel of Representatives	2,163,167	1,893,070	88	2,083,500	-79,667	-4
Travel of Staff	860,133	1,149,206	134	1,271,300	411,167	48
Training and Skills Development	270,733	194,047	72	831,000	560,267	207
Operating Expenses	4,607,484	3,446,039	75	3,881,610	-725,874	-16
Communications	64,000	33,482	52	72,000	8,000	13
Supplies	37,500	92,280	246	631,535	594,035	1,584
EB Grants	475,500	446,000	94	362,000	-113,500	-24
Sub-total	30,553,979	26,087,685	85	35,162,318	4,608,339	15



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Programme Support 13% Overhead	3,972,017	3,391,399	85	4,571,101	599,084	15
<b>Total</b>	<b>34,525,997</b>	<b>29,479,084</b>	<b>85</b>	<b>39,733,419</b>	<b>5,207,423</b>	<b>15</b>

41. The budget increases for the period 2006 to 2011 are shown in table 8.

**Table 8. CDM Budget increases (2006-2011 - in USD million)**

Year	2006	2007	2008	2009	2010	2011
Budget in million USD	9	13	21.7	28.1	34.5	39.7
% increase on previous year	–	44	67	29	23	15

42. The breakdown of the budget for 2011 by unit is shown in table 9.

**Table 9. 2011 budget breakdown by units in USD**

Unit/Project	USD	% of total
V510 Process Management	8,450,869	21.3
V520 Services and Management Support	3,893,809	9.8
V528 IT Governance	3,543,057	8.9
V530 Standard Setting	5,031,461	12.7
V540 Project Entity Assessment	9,882,171	24.9
V550 Organization and Stakeholder Development	3,169,245	8.0
V560 Strategy & Policy Development	731,971	1.8
V570 Office of the Director	459,736	1.2
<b>Total</b>	<b>35,162,318</b>	
Programme Support Costs (13% OH)	4,571,101	11.5
<b>Grand Total</b>	<b>39,733,419</b>	

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### C. Expenditure in 2010

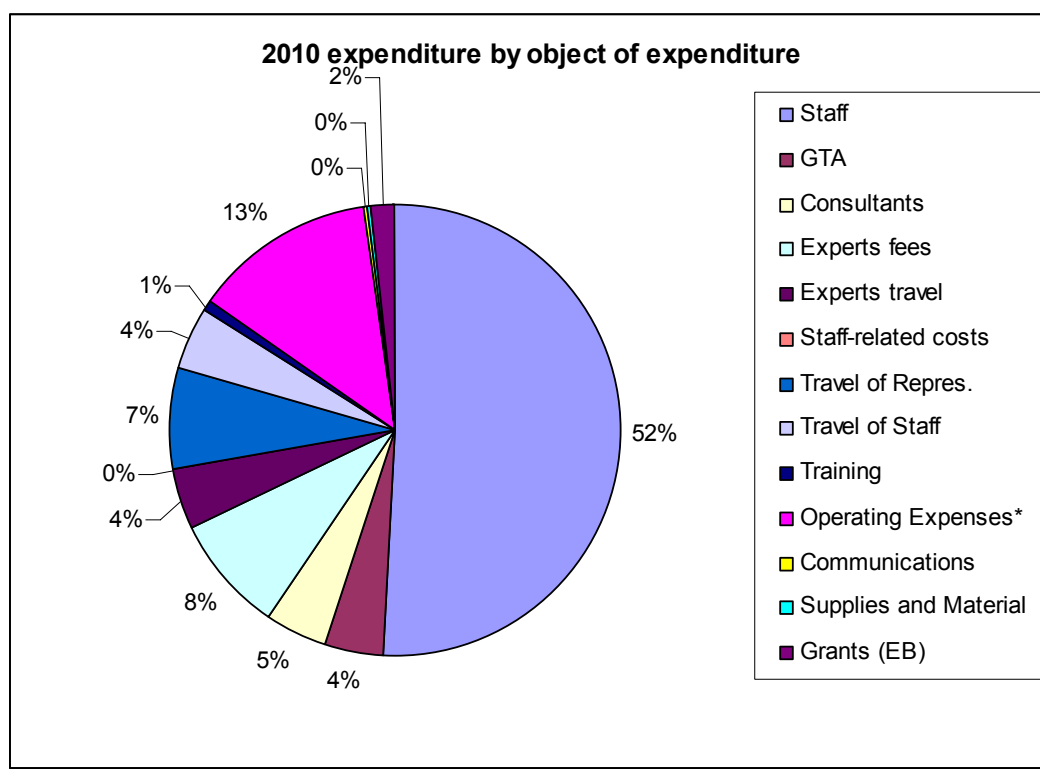
43. The trend in programme expenditure for the years 2006 to 2010 is shown in table 10.

**Table 10. Programme expenditure relating to the CDM by year (in USD)**

	2006	2007	2008	2009	2010
<b>Expenditure</b>	5,102,900	10,250,852	17,606,852	24,800,119	29,616,571

44. The breakdown of the expenditure in 2010 by object of expenditure is shown diagrammatically in Figure 2.

**Figure 2. Programme expenditure relating to the CDM in 2010 by object**



45. \*Operating expenses as denoted in Figure 2, includes an amount of USD 2.3 million that covers the services provided to SDM by other programmes within the secretariat under “Total Cost of Ownership”.



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**V. Human Resources**

46. As at 1 January 2011, of a total 177 approved posts, 130 posts were occupied by staff with fixed term contracts and 10 by temporary staff. The status of recruitment to fill the 47 remaining vacancies is detailed below (Table 11).

47. Of the 47 posts under recruitment, 32 posts were not recruited during 2010 because of bottlenecks in the recruitment process. A review of the internal recruitment process enabled the SDM human resources section to refocus its attention on critical areas and expedite recruitment in the last quarter of 2010. The review suggested, among other things, the use of a common job description for similar positions.

48. The remaining 15 posts were internal vacancies created by internal staff promotions and transfers. However, as approved job descriptions and associated post classifications are in place for these positions the recruitment process can be completed in an expedited manner. The progress in recruitment according to the four major stages of the recruitment process, namely job description, vacancy announcement, interview and review board as at 1 January 2011 is shown in table 11

**Table 11. Status of recruitment in Sustainable Development Mechanisms programme as at 1 January 2011**

Unit	Approved	In place as at January 2011	Temporary staff	Job description stage	Vacancy Announced	Interview stage	Review Board
OD	2	1	0			1	
SPD	5	2	1	1	1		1
OSD	24	12	1	6	1	5	
SSU	30	25	0	4			1
PEA	58	48	1	7	3		
PMU	32	22	3	5		2	3
SMS	26	20	4	4	1		1
<b>Totals</b>	177	130	10	27	6	8	6
47 posts under recruitment							

49. Table 12 details the CDM-funded staffing levels by year.

**Table 12. Yearly staffing levels (2006–2011)**

	2006	2007	2008	2009	2010	2011
Professional level staff	24	47	62	93	127	127
General Service level staff	16	24	31	44	50	50
Total staff	40	75	97	143	177	177

50. In 2010, the secretariat published, on its CDM website, a call for experts to assist in addressing the registration and issuance case load. Out of the 252 potential candidates who responded, 27 experts

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were issued framework contracts. SDM will continue to utilize temporary technical staff and specialized consultants to help address future periodic peaks in case load.

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**Appendix 1**

51. The table that follows provides an indicative list of important and on going supportive activities that must be maintained irrespective of the changing priorities of the clean development mechanism (CDM) Executive Board (hereinafter referred to as the Board)

<b>Deliverables/Activities</b>	<b>P/Months</b>	<b>G/Months</b>
Continued support to ensure that Board meetings are held in an efficient manner, including continuous quality support to members, in particular the Chair and Vice-Chair.	19.3	34.8
Supporting the efficient operations of Panels and Working Groups.	49.7	23.8
Effective coordination of Nairobi Framework Partner agencies work programme and capacity building activities.	4	1
Enhanced direct communication with project proponents on standards related issues.	6	1
Board meeting documentation, including the meeting documentation from established panels, working groups and committees, are classified, indexed, managed and made publicly available on the CDM website.	7	6
All records relating to sustainable development mechanisms programme (SDM) operations are managed and safeguarded.	6	10
Internal record-keeping procedures, guidelines and practices (developed, updated and maintained).	2	6
Staff are trained in good record-keeping practices and know how to apply record-keeping procedures in their daily work.	1	1.5
Business requirements for records management system.	3	
Appropriate human resource management to SDM.	6	21
Reports on CDM registry activities and various indicators, including reports on an ad-hoc basis as required.	4	
Efficiently processed CDM registry transactions.	12.5	6
Continue to maintain modalities of communication (MOC) statements and project participant information for all registered projects.	18	36
Efficiently maintained and managed SDM integrated databases.	6.5	47.5
Regularly updating the regulatory body documentation made publicly available on the CDM website.	4	2
Responding to stakeholder inquiries	4	10
Support to the designated national authorities (DNA) Forum and its chairing committee	3	11