

CDM-EB83-AA-A03

Concept note

Improvement of the MAP preparation process

Version 01.0



United Nations
Framework Convention on
Climate Change

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1. Procedural background

1. The two-year business plan (BP) is the document approved by the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) that documents the Board's strategy for a two-year period and specifies the Board's vision and objectives.
2. The CDM management plan (MAP) is the document approved by the Board that contains the resourcing needs for the proposed work to be performed by the secretariat, panels and working groups in order to operate the mechanism according to the direction provided by the Board. The work and associated resourcing contained in the MAP derives from and supports the goals and objectives as contained in the higher-level BP for the same period. By delivering the work defined in the MAP, the secretariat enables the Board to reach the goals as defined in the BP.
3. The CDM MAP mid-year implementation progress report (mid-year review report) is produced at mid-year, and details the work that is underway to support the achievement of agreed outcomes. It also provides information on the position of the secretariat's Sustainable Development Mechanisms (SDM) programme, with respect to financial and human resources. The mid-year review is an opportunity, if necessary, to make adjustments to the work and associated resourcing approved in the MAP.
4. The Board has also established a Finance Committee (EBFC). This committee, composed of Board members, advises the Board on financial management and business planning, and advises the secretariat on matters relating to financial management and business planning, including communications with the Board on these issues.
5. At its eighty-first meeting (EB 81), the Board requested that a dedicated project be included in the 2015 MAP aimed at improving its consideration of and inputs to the preparation process for the CDM MAP 2016. At EB 82, the Board considered the project concept note on the improvement of the MAP preparation process and requested the EBFC, with the support of the secretariat, to expeditiously consider the questions included in the note and also make proposals and present options for discussion by the Board at its next meeting. The EBFC was requested to explore expanding the time horizon of the Board's budget planning and provide proposals to the Board for a timeline for the preparation of the BP and MAP for 2016.

2. Purpose

6. Based on the outcomes of the Board's discussion, the subsequent work will review the current process for generating the Board's BP and the associated MAP in order to identify and implement appropriate improvements to better meet the evolving expectations and needs of the Board.

3. Key issues and proposed solutions

7. In order to improve the MAP preparation process in a way that meets the needs of the Board it is important to obtain a common understanding of the issues and/or potential areas for improvement. As requested by the Board, the members of the EBFC

considered the questions raised at EB 82. Paragraphs 8 to 11 below provide a summary of their feedback, received in addition to the feedback provided by Board members during EB 82.

8. In terms of the improvements required in the content, structure and level of information contained in the next BP and/or CDM MAP 2016 and the mid-year review report for 2015, the feedback received indicates that:
 - (a) The content of documents provided to the Board should be presented in a way that allows easy understanding of what resources are proposed/have been used for what activity, including identifying savings where deliverables were changed/postponed;
 - (b) The type of information provided in the current documents is considered to be satisfactory;
 - (c) The basis used for preparing the various estimates should be indicated;
 - (d) The current practice makes it difficult for the reader to reconcile the budget based on the United Nations objects of expenditure in the finance section with the detailed resourcing tables provided in the body of the MAP. It would be desirable to better align these aspects in future budget documentation;
 - (e) To the extent feasible, it would be desirable that a bottom-up approach be the starting point to determine the final budget.
9. Regarding interactions required between the Board, the EBFC and the secretariat, and the type and timing of inputs provided by the Board, the feedback received is that:
 - (a) The documents provided in future should allow for easier assimilation so as to promote discussion within the Board with minimal explanatory interventions required on the part of the secretariat;
 - (b) The expanded EBFC needs to be appropriately involved throughout the process.
10. The time horizon for the BP and MAP should be expanded to cover the end of the second commitment period of the Kyoto Protocol and be based on three credible income, activity and expenditure scenarios including advantages and disadvantages.
11. The above feedback would be incorporated as follows:
 - (a) The expanded EBFC will assume a greater role and its co-chairs will be responsible for presenting the results of the committee's work to the Board;
 - (b) The interaction between the EBFC and the secretariat will be increased as indicated in the proposed calendar (see appendix 1);
 - (c) Given the potential of the outcomes from Paris to have a material impact on the work expected of the Board and its support structure, there is a need for appropriate preparatory work before the twenty-first session of the Conference of the Parties (COP)/eleventh session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) and then sufficient time afterwards to consider and appropriately incorporate new work into the Board's

expanded five-year BP and the associated expanded two-year MAP. The proposed calendar (see appendix 1) reflects this need;

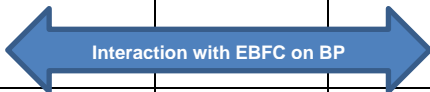
- (d) The structure and content of the BP and MAP documents will be adjusted appropriately to address the points raised in paragraphs 8(a)–(e), 9(a) and 10. In particular, the content of the BP document will be expanded to include financial scenarios up to 2023, the end of the true up period of the second commitment period (see appendix 2).


4. Impacts

12. The desired impact of the work is an increased understanding by the Board, its finance committee and secretariat of the intended future direction of the CDM and the subsequent operational needs and consequences that will need to be addressed in the context of the CDM BP and MAP.

5. Subsequent work and timelines

13. The following table shows the main milestones of the proposed MAP preparation process for 2015.

Product	EB 83	EB 84	EB 85	EB 86	EB 87	EB 88	EB 89
MAP preparation process	Concept						
2016–2020 Business Plan				Five-year goals and objectives discussion	Draft CDM BP 2016–2020	Final CDM BP 2016–2020	
							
Mid-year review of 2015 MAP			2015 mid-year review report				

Product	EB 83	EB 84	EB 85	EB 86	EB 87	EB 88	EB 89
2016 MAP						Draft 2016 MAP	Final 2016 MAP Concept notes on proposed 2016 MAP projects
							

14. In addition to the interactions that would normally occur during or in the margins of scheduled Board meetings, appropriate interaction with the EBFC will be ensured in between meetings, normally through electronic means.
15. The graphic in appendix 1 and the table in appendix 2 provide further information about the proposed MAP preparation process and the suggested content for each of the documents that are the products of this process.

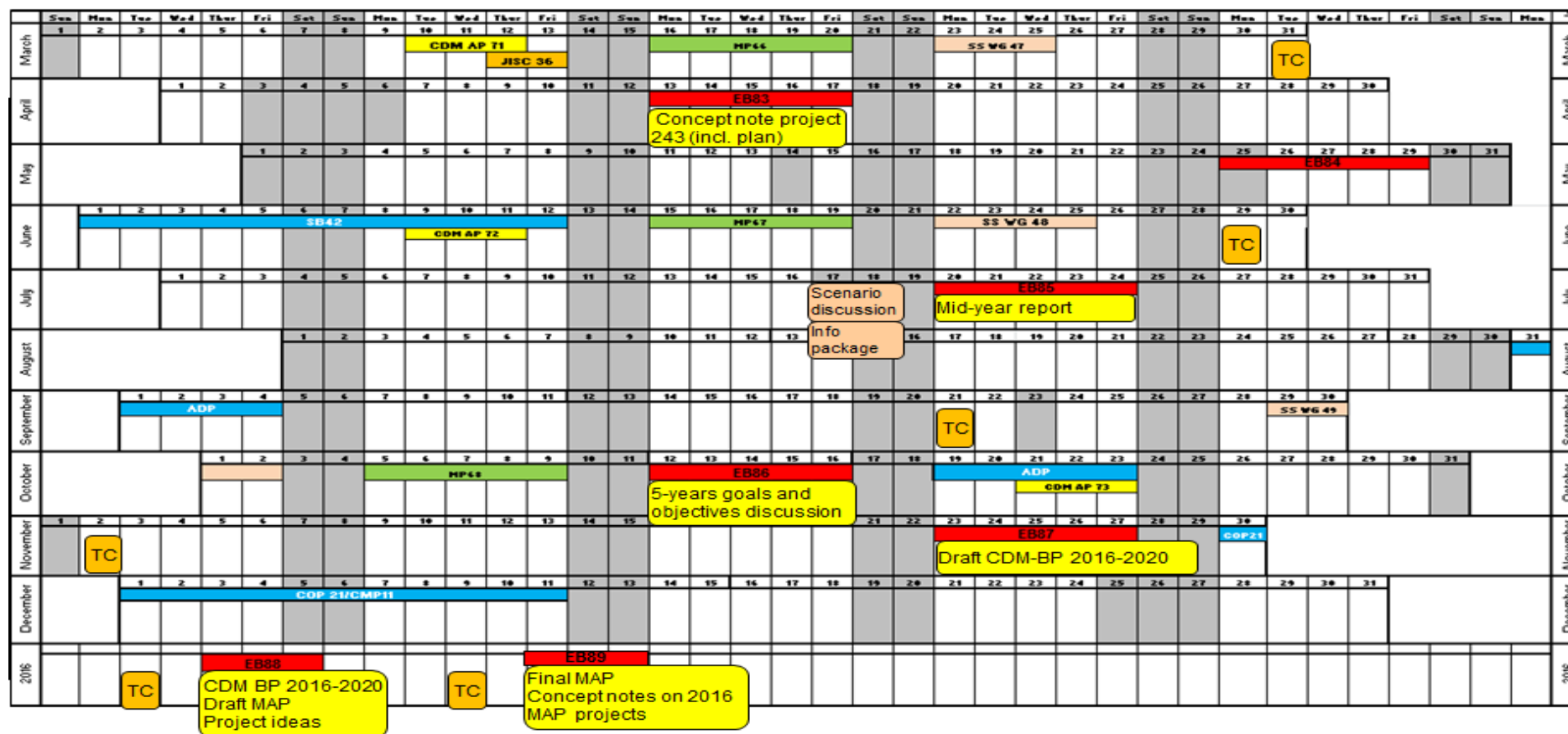
6. Recommendations to the Board

16. The EBFC/secretariat request that the Board provide direction on the MAP preparation process as proposed in section 5 including any guidance required.

7. References

17. The following documents may be used as reference material:
 - (a) "Procedure: Terms of reference of the CDM Executive Board Finance Committee" version 01.0 (CDM-EB73-A01-PROC);
 - (b) "CDM two-year business plan 2014–2015 and management plan 2014" version 02.0 (CDM-EB75-A01-INFO);
 - (c) "Management plan 2015" version 01.0 (CDM-EB81-A01-INFO);
 - (d) "Status of CDM MAP 2014 implementation" version 01.0 (CDM-EB80-AA-AA-CONF).

Appendix 1. Proposed calendar for MAP and BP deliverables



Interaction with the EB: EBFC reviewed Product for the EB

Interaction with the EBFC: Secretariat product for the EBFC + EB chair

Teleconference with the EBFC: TC

Appendix 2. Documents in the MAP preparation process and their proposed content

Document (meeting)	Proposed content	Action
Scenario discussion (EBFC meeting, before EB 85)	Outlining three credible income, activity and expenditure scenarios, including advantages and disadvantages, with the horizon of 2023.	The EBFC will be expected to discuss the scenarios that would guide development of the next BP and MAP.
Information package for the EBFC (EBFC meeting, before EB 85)	Presentation on the Effort Tracking System (ETS)/monitoring and tracking system; Presentation of estimation rules; Presentation on the SDM Project Delivery Framework (SPDF); Presentation on the human resources and financial rules and regulations that impact budgeting.	The EBFC will be expected to take note and provide any appropriate guidance.
Mid-year report (EB 85)	Status on each goal and objective, project-specific feedback; Actual volumes and resources spent; Further need of resources, if any.	The Board will be expected to discuss the mid-year report and agree on any changes that it might require.
Five-year goals and objectives discussion (EB 86)	Current vision, goals and objectives; Proposed outline and expected contents and focus of a five-year BP.	The Board will be expected to discuss and agree on its vision, goals and objectives and provide guidance on expectations for the content of the extended five-year BP.
Draft CDM BP 2016–2020 (EB 87)	Proposed outline of a five-year BP (internal/external context, proposed goals/objectives valid for five years); Linkage with three scenarios with the horizon of 2023.	The Board will be expected to discuss the three scenarios that provide the basis of its five-year BP and associated two-year MAP, which would be finalized after COP21/CMP11.
Final CDM BP 2016–2020 (EB 88)	Five-year BP (internal/external context, proposed goals/objectives valid for five years); Selected scenario with horizon of 2023; Outcomes from Paris.	The Board will be expected to discuss the need for any changes based on the outcomes from Paris, approve its BP, including the desired scenario.
Draft MAP (EB 88)	Two-year MAP tables (volume and staff/non-staff cost estimates), populated with routine operations, based on agreed estimation method and 2015-approved projects going into 2016.	The Board will be expected to review the data and information provided and provide appropriate guidance.
Project ideas (EB 88)	Board ideas of new projects (gathered after EB 85); Secretariat proposals for new projects.	The Board will be expected to review the information provided and provide appropriate guidance.

Document (meeting)	Proposed content	Action
Final MAP (EB 89)	Final two-year MAP tables (volume and staff/non-staff cost estimates), populated with routine operations, based on agreed estimation method and all approved projects.	The Board will be expected to approve the MAP.
Concept notes on 2016 MAP projects (EB 89)	Project concept notes, for all project ideas approved by the Board at EB 88.	The Board will be expected to provide guidance on the scope and deliverables of the new projects.

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Document information

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