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Annex 2

DRAFT CDM MANAGEMENT PLAN 2012

(Version 01.0)

Table of contents

I.	Executive summary.....	2
II.	General.....	3
III.	Objectives, projects, products and related timelines.....	5
IV.	Critical Success Factors	25
V.	2012 Programme budget.....	25
VI.	Human Resources	29

**DRAFT****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 maximizes 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. It 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 also reflected in this document which identifies and further elaborates the two broad objectives and associated sub-objectives. It provides details of the deliverables associated with each of these objectives and the secretariat-related actions required to achieve them.
3. The proposed budget for running the CDM in 2012 remains at the same level as the 2011 budget. As a result of the successful recruitment of staff in the latter half of 2011, and with the full complement of staff expected to be onboard throughout 2012, the budget performance in 2012, in terms of expenditure, is expected to be very close to the proposed budget.
4. An additional, one-off, budget for major projects includes USD 2.5 million to cover consultancies, meetings and travel relating to the high-level policy dialogue on the CDM. Another USD 3.1 million has been included to purchase and start implementing a new information technology (IT) system.
5. The total CDM proposed budget therefore amounts to USD 45.3 million, composed of USD 39.7 million for the running of CDM and USD 5.6 million for a one-off budget for major projects. This represents an overall increase of USD 5.6 million (14 percent) compared to the 2011 budget.
6. The MAP document is structured in the following way:
 - (a) Section I provides an executive summary.
 - (b) Section II starts with a short introduction, explains the rationale behind the creation of a set of objectives and then details each of the objectives and associated sub objectives. This section also highlights the two key assumptions that underpin the 2012 MAP.
 - (c) Section III 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 accordance with the Board's 2012–2013 business plan.
 - (d) Section IV details the five critical success factors and provides information on how the associated risks will be monitored and appropriately managed.

**DRAFT**

- (e) Section V provides details on the expected income in 2012 and also provides a budget for the year to cover both the running of the CDM and fund one-off major projects.
- (f) Section VI gives an update on human resources within the secretariat for CDM related work. It also provides an update on progress to identify and recruit appropriate expertise to assist the Board and secretariat in addressing the expected registration and issuance case load for the year ahead.

II. General**A. Introduction**

7. The project-based mechanisms of the Kyoto Protocol must operate with integrity, deliver quality offsets and run efficiently. 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 continues 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.

8. The provision by the Board of a set of agreed objectives and associated products, as described in its revised business plan, allows for the secretariat to focus its efforts and resources. This MAP details the various projects, products, timelines and the human and financial resources required to ensure that the objectives agreed in the EB Business Plan are achieved in a sustainable way. It is important to note that although various projects are detailed in this MAP, there are many other important, and labour-intensive, core support activities, such as the assessment of compliance with CDM requirements relating to project and entity submissions, that are required to support the Executive Board and the CDM. An overview of these core support activities is provided as Appendix 1.

B. Driven by objectives

9. The secretariat has now introduced an even stronger and more sustainable system of project management across the Sustainable Development Mechanisms (SDM) programme, which includes the regular reporting and review of the delivery of products against agreed objectives. Such reports will provide insights on the level of ongoing performance and related improvements in areas such as processing times, registration/issuance review rates, DOE performance and staff workload. It is particularly important in 2012 to produce even more tangible improvements in the output of the SDM programme. Areas such as improved stakeholder interaction, improved efficiency in processes, reduced processing times and efficient management of periodic peaks in submissions have all been prioritized. An important and related activity this year will be to ensure that the processing of submissions is kept within the timelines stipulated for the various activities involved therein.

10. 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 continues to provide maximum flexibility in terms of the deployment of its human resources. Such flexibility will be required to implement the management plan aligned with the objectives as detailed in the Board's business plan.

**DRAFT**

11. In line with the Board's desire to further enhance the effectiveness of its planning and implementation, supported by monitoring and appropriate adjustment, the products contained in this MAP are supported by project plans containing the related activities required to achieve them. These lower-level project plans provide an important input for the resource requirements contained in this MAP. It should be noted that as the year progresses, the secretariat intends to redeploy human resources in order to meet shifting short and medium-term demands as these become apparent as work progresses.

C. Objectives identified

12. The Board, in its business plan, has identified two specific objectives to be achieved over the next two years. Each of these is supported by sub-objectives which follow each of the two objectives:

- Objective A. Greater efficiency and enhanced predictability in the operation of the CDM through simplification, improved objectivity and integrity and compliance with sustainable timelines**
- (i) **Ensure operational capacity and improve efficiency in the operation of the CDM.** The Board shall continue to assess its processes and requirements with a view to reducing complexities and ensuring that all submissions relating to project activities, accreditation and standards are processed within agreed timelines and in accordance with agreed standards and procedures. In particular, the Board shall ensure that the expected increase in registration and issuance requests towards the end of the first commitment period will be managed in line with established timelines;
 - (ii) **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 mechanism and helps deliver on its promise of sustainable development;
 - (iii) **Enhanced transparency of the CDM.** The Board shall supervise the mechanism in a transparent and participatory manner, ensuring greater transparency regarding its work and its processing of submissions and continue to enhance the governance structure of the mechanism.
- Objective B. Expansion of the reach and reputation of the CDM through outreach, further development of requirements, increased distribution of projects, and focused skills development**
- (i) **Regional and sub-regional distribution and skills enhancement.** The Board shall take all actions within its authority to enhance the distribution of CDM projects, project types and programmes in those countries, regions and sub-regions currently under-represented in the CDM. Activities shall also be undertaken to contribute to the skills enhancement of stakeholders;

**DRAFT**

- (ii) **Enhanced promotion and further development of the mechanism.** The Board shall champion the CDM, ensuring an enhanced understanding among civil society, policymakers and market participants of its benefits and its contributions to both the mitigation of climate change and the sustainable development of communities and countries, and contribute to the policy debate and intergovernmental negotiations regarding the future of the CDM and international climate regime.

D. Key assumptions

13. The *first key assumption* is that the secretariat will have access to sufficient numbers of external experts to address periodic peaks in registration and issuance case work.

14. The *second key assumption* is that the stakeholder support and skills development-related activities continue to occur as and when planned and deliver tangible 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.

III. Objectives, projects, products and related timelines

15. 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 accordance with the Board's 2012–2013 business plan.

Objective A. Greater efficiency and enhanced predictability in the operation of the CDM mechanism**A (i) Ensure operational capacity and improve efficiency in the operation of the CDM**

16. The Board shall continue to assess its processes and requirements with a view to reducing complexities and ensuring that all submissions relating to project activities, accreditation and standards are processed within agreed timelines and in accordance with agreed standards and procedures. In particular, the Board shall ensure that the expected increased numbers of registration and issuance requests towards the end of the first commitment period are processed on time.

17. In 2011, a large backlog of requests for registration and issuance was cleared. This was achieved through re-focusing resources within the secretariat and engaging 25 external experts, who remain on call to help address future spikes in submissions.

18. There are now more than 3,800 registered CDM projects, an increase of 40 per cent in just one year. Of these projects, 1,600 have submitted at least one emissions monitoring report, an increase of 40 per cent in one year. Some 1,100 project activities have submitted at least one request for issuance of certified emission reductions (CERs), an increase of 41 per cent in one year. There was a 37 per cent increase in issuance cases in the period January–May 2011 compared to the same period in 2010.

**DRAFT**

19. The case-related workload for registration of projects in the period covered by this MAP is expected to increase further compared to 2011 levels and stabilize at about 25 cases that would be the subject of discussion at each Board meeting. A total of 1,400 requests for registration are forecast to be submitted in 2012.

20. The case-related workload for issuance of CERs for the period covered by this MAP is expected to increase compared to 2011 levels and stabilize at about 10 cases that would be the subject of discussion at each board meeting. A total of 2,100 requests for issuance are forecast to be submitted in 2012.

21. Secretariat workload continues to increase, necessitating more effective ways of working. The current processes have tended to grow organically without a concerted effort being made to measure performance and/or identify and assess alternative methods to achieve similar outcomes. In order to improve efficiency, quality and promote continuous improvement in the work of the secretariat, a series of projects and related activities have therefore been identified, as shown in Table 1 below, and will be undertaken in the period covered by this MAP.

22. The secretariat will produce an action plan of measures to ensure that it has sufficient operational capacity to manage the expected increase in registration and issuance submissions in 2012 and keep processing times within agreed timelines.

23. The Board considered, at its sixty-first meeting, an assessment report on the project cycle that provided an analysis of various streamlining proposals. One proposal was that a risk-based approach be followed in assessing project submissions. A risk-based approach could result in increased efficiency, appropriate focus of scarce resources and sustainability of operations. The approach will be focused initially on requests for registration and issuance for CDM projects.

24. It is critical that any initiative proposed by the secretariat to improve the CDM take into account the work of DOEs, given their key role in the mechanism. A major effort will be made in 2012 to enhance feedback to DOEs using analyses of data, such as those obtained from DOE performance monitoring and accreditation assessment. Work will also be done to more closely integrate the project cycle process, DOE performance monitoring process and CDM accreditation process. This is to ensure that the outcomes of each process appropriately focuses future efforts to improve DOE accreditation and the CDM as a whole. The secretariat has identified many areas for possible revision, prompted by the Board, the CDM Accreditation Panel (CDM-AP) and the secretariat's own experience. These need to be evaluated, implemented and then assessed with regard to improvement achieved.

25. Methodology-related processes include many separate procedures. There are inconsistencies between procedures, even for the same process type. Further, the entire methodology process has been criticized for being complicated and inefficient. The MAP addresses many work items identified by the Board aimed at achieving greater efficiency while ensuring environmental integrity.

26. In 2012, the secretariat will undertake a major improvement in its information technology (IT) infrastructure. The current system, developed in-house, supported the CDM well during the rapid development of the mechanism, but its shortcomings in serving the needs of the now mature, larger CDM are becoming apparent. The secretariat therefore plans to move away from development and use of bespoke systems, to the use of a set of common computer

**DRAFT**

applications integrated and configured to suit the secretariat's needs. This major change will alleviate problems currently being experienced and will allow more flexible and responsive systems to be put in place. The new system will provide for a common, easy-to-query data source, which will allow for greatly enhanced business intelligence.

27. There is a growing need to deliver timely learning interventions, both internally and to stakeholders externally. Between September 2010 and November 2011, 48 training interventions were carried out. These in turn identified a need to more consistently demonstrate the impacts achieved by such interventions. Work will be undertaken in 2012 to develop a process and set of tools to gain a clearer view of the key technical and so-called "soft" skills required by secretariat management and staff to effectively and efficiently achieve the business objectives contained in this MAP. This will assist the creation of a set of processes/best practices for future learning interventions, including post-training performance evaluation. The result should be improved quality and effectiveness of CDM-related learning interventions, including those delivered through the new learning management system (LMS).

28. Many requests for clarification regarding the CDM accreditation standard (CDM AS) have been received by the secretariat. Urgent work is now required to revise the standard to improve both its clarity and consistency. The standard prescribes competency-based criteria for DOEs, but an annex to the standard specifies qualification-based criteria. This has created unnecessary inconsistency and has introduced unintended barriers, particularly for new applicant entities. The CDM AS will be revised in two phases: the first to improve the consistency and clarity of requirements relating to human resources and competence, and the latter to address the introduction of new requirements for DOEs.

29. Table 1 lists the deliverables and timing of products related to sub-objective A (i). A column has been included that specifies the type of Executive Board decision that is required for each of the specified products: 'A' indicates Board Approval; 'D' identifies a product needing Board direction; and 'No' identifies where no action is expected of the Board. In addition, 'Q' indicates that information will be provided to the Board through a quarterly report. The secretariat effort required to deliver products shown in Table 1 amounts to a total of 282 person months of professional staff and 40 person months of support staff time.

Table 1. Deliverables: A (i) Ensure operational capacity and improve efficiency in the operation of the CDM

Project Title	Project number	Product	Timeline	EB Decision
Implementing Business Intelligence for SDM	28	New business intelligence system	Q2 2012	No(Q)
Staged improvement of the quality management system (QMS)	95	Staged improvement of the QMS	Quarterly Reporting	No

**DRAFT**

Project Title	Project number	Product	Timeline	EB Decision
Risk-based approach for project submissions	100	Statistically-based risk models - Issuance	Q1 2012	No
		Concept note on operational processes based on statistical work - Issuance	Q1 2012	No
		Operational procedures - Issuance	Q1 2012	D
		Internal procedures - Issuance	Q2 2012	No
		IT solutions - Issuance	Q4 2012 ¹	No
		Staff training - Issuance	Q3 2012	No
		Statistically-based risk models - Registration	Q2 2012	No
		Concept note on operational processes based on statistical work	Q4 2012	No
		Operational procedures - Registration	Q4 2012	A
		Internal procedures - Registration	Q4 2012	No
		IT solutions - Registration	Q1 2013*	No
		Staff training - Registration	Q1-2013	No
Renewal of the SDM Information System	105	SDM Information System	2012-2013	No(Q)
Staged digitization of project information	106	Assessment of options	Q3 2012	D
Management of operational capacity to deal with expected increase in submissions	112	Action plan	Q1 2012	No
		Increased number of experts	Q1 2012	No
		Internal mechanism to respond to variation in submissions (short-term)	Q1 2012	No
		Improved system to estimate the amount of submissions in the longer term	Q1 2012	A
Development process for learning interventions	113	Development process for eLearning Courses	Q2 2012	No
		Development process for coaching interventions	Q3 2012	No

¹ Exact delivery timeline is in the process of being determined as a part of a new SDM-IS project (#105)

**DRAFT**

Project Title	Project number	Product	Timeline	EB Decision
		Development process of face-to-face instruction activities	Q3 2012	No
Human and institutional capacity development (HICD) analysis	116	Internal procedure for HICD process	Q1 2012	No
		HICD analysis results	Q1 2012	No
		SDM learning interventions plan 2012-2013	Q1 2012	No
		Pilot test of post-learning intervention Evaluations	Q4 2012	No
Learning Management System (LMS)	115	LMS configuration	Q1 2012	No(Q)
		LMS Implementation (secretariat staff)	Q1 2012	No(Q)
		LMS Implementation (external stakeholders)	Q3 2012	No(Q)
		Implementation of extended learning functionalities	Q4 2012	No(Q)
DOE calibration	126	Workshop in Latin American	Q1 2012	No(Q)
		Two workshops in Asia	Q2 2012	No(Q)
Implementation of the Programme of Activity (PoA) standards and procedures	127	Annexes to the sampling standard to provide best practice examples	Q2 2012	A
		Assessment report on cross-effects when applying multiple methodologies to PoA and possible development of guidance	Q3 2012	A
		Revised large-scale methodologies to include PoA provisions	Q3 2012	A
		Assessment report of stakeholder inputs and possible revision of PoA guidance	Q3 2012	A
Implementation of the procedure on direct communication	128	Internal procedure to communicate the inputs received and to track related outcomes	Q1 2012	No
		System to publish the outcome of inputs received	Q3 2012	No
Improvement to the guidelines on suppressed demand	129	Revised guidelines on suppressed demand	Q3 2012	A
		Assessment report on the treatment of suppressed demand in approved methodologies	Q2 2012	A
		Revised methodologies to address suppressed demand	Q4 2012	A
Development of a consolidated procedure for the	134	Consolidated procedure for the methodology development/revision/clarification process	Q4 2012	A

**DRAFT**

Project Title	Project number	Product	Timeline	EB Decision
methodology development process		IT workflow modification	Q4 2012*	No
		Internal procedures/training	Q4 2012*	No
Review and upgrade of the CDM registry	135	Database modifications and security enhancements	Q1-Q4 2012	No
		New IT component	Q1 2012	No
		IT equipment	Q1 2012	No
		CDM registry procedure	Q3 2012 or Q4 2012	No
		CDM registry risk management review report and action plan	Q2 2012	No
		Cancellation mechanism for units issued	Q1 2012	No
		Search tool for tracking CERs to projects/PoAs/CPAs (CDM Programme Activities) and issuance requests	Q4 2012*	No
		Analysis on liability issues that could arise from the operation of the CDM registry system	Q2-Q3 2012	No
Support of issuance at the end of the commitment period	136	IT workflow for monitoring periods covering both commitment periods	Q4 2012*	No
		CDM IS interface with CDM registry relating to monitoring periods covering both commitment periods	Q4 2012*	No
Modalities of communication (MoC) database	137	Implementation of the MoC database	Q4 2012*	No
		Implementation of the MoC database reporting facility	Q4 2012*	No
System to support PoAs	138	Rule for host party identifier for the issuance of CERs for PoAs	Q1 2012	A
		Workflow to support PoA requests for registration	Q4 2012*	No
		Workflow to support PoA publication of monitoring reports	Q4 2012*	No
		Workflow to support PoA requests for issuance	Q4 2012*	No
		Workflow to support review of erroneous inclusion of CPAs	Q4 2012*	No
		Workflow to support post-registration	Q4 2012*	No

* Exact delivery timeline is in the process of being determined as a part of a new SDM-IS project (#105)

**DRAFT**

Project Title	Project number	Product	Timeline	EB Decision
		changes to PoAs		
		CDM IS, CDM registry and ITL testing of capacity and functionalities to support PoA issuance	Q2 2012	No
		Automated transfer of PoA/CPA information and issuance transactions details from CDM IS to CDM registry	Q2 2012*	No
		Modified CDM registry to accept information on PoA/CPA from the CDM IS and to process PoA issuance transactions	Q2 2012*	No
Prior consideration Workflow	139	Web interface for digitized form and webpage modifications	Q4 2012*	No
		IT workflow development	Q4 2012*	No
Improve process support of the CDM	140	Implementation plan for revising internal processes and practices	Q2 Q3 2012	No
Guidance for deciding on CDM Accreditation Panel recommendations	143	CDM-AP decision-making guidance (version 1.0)	Q1 2012	No
		Compendium of decision-making practices	Q1 2012	No
		Internal procedure to record CDM-AP decisions	Q1 2012	No
Improve the performance and role-definition of operational entities within the mechanism, including through revised standards and procedures	163	Analysis and proposals for further strengthening the accreditation system	Q3 2012	D
		Revised CDM accreditation standard - Phase I Revision	Q2 2012	A
		Revised CDM accreditation standard - Phase II Revision	2013	No
		Revised CDM accreditation procedure	Q4 2012	A
		Revision of the procedure on performance monitoring of DOEs	Q4 2012	A
		Internal training/revision of internal processes/systems	Q1 2013	No

A (ii) Improved objectivity, clarity and integrity in the CDM

30. The Board shall strengthen the objectivity and clarity of requirements established for the CDM in a manner that ensures the environmental integrity of the mechanism and helps deliver on its promise of sustainable development.

31. 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 its rules. In its second, rolling two-year business plan, the Board has again prioritized specific actions to ensure that its rules are clear, objective, and understandable for all stakeholders.

* Exact delivery timeline is in the process of being determined as a part of a new SDM-IS project (#105)

**DRAFT**

32. Given the adoption by the Board of the validation and verification standard (VVS), attention will now turn to developing standardized templates for validation and verification reports. This work will assist DOEs to report information in a consistent and comparable manner.

33. The guidelines for the determination of a baseline of a measure are intended to elaborate when, and under what circumstances, “historical emissions” or “most attractive course of action” should be chosen as the baseline of a measure. These guidelines will provide standardized approaches for determining the baseline scenario and the baseline for different measures in the case of projects that implement multiple measures. The document will help methodology developers ensure that the baseline approach quoted in their methodologies strictly complies with the specific requirement of the guidelines, making additionality demonstration and baseline identification consistent. This in turn will reduce the large gap between approaches currently followed in small-scale and large-scale methodologies with respect to baseline determination.

34. The revision of microscale additionality guidelines addresses the Board’s request that its Small-Scale Working Group analyse options and implications of including a technology or activity in the positive list of off-grid electricity generation technologies and distributed energy generation activities that are automatically defined as additional. It will also assist in extending simplified modalities for the demonstration of additionality to a wider scope of project activities, energy efficiency project activities and renewable energy-based electrification in areas without grid connection.

35. A major set of deliverables was achieved in the previous MAP by refining and consolidating the CDM’s general requirements into three new cornerstone documents: a project standard for project participants, a validation and verification standard for designated operational entities and a project cycle procedure. Priority will now be given to their implementation. This will require revision of existing information systems, appropriate communication to the various stakeholders and strengthening of DOE capacity.

36. With respect to PoA-related standards, the assessment of the cross-effects when applying multiple methodologies and the collection of feedback on implementation will continue to be the main activities. Examples of best practice will also be developed for the sampling standard.

37. As can be seen in Table 2, the workload related to policy, standards and procedural matters will be high throughout the year. The table lists the deliverables and timing of products related to sub-objective A (ii). A column has been included that specifies the type of Executive Board decision that is required for each of the specified products: ‘A’ indicates Board Approval; ‘D’ identifies a product needing Board direction; and ‘No’ identifies where no action is expected of the Board. In addition, ‘Q’ indicates that information will be provided to the Board through a quarterly report. The secretariat effort required to deliver products shown in Table 2 amounts to a total of 67 person months of professional staff and 15 person months of support staff time.

Table 2. Deliverables: A (ii) Improved objectivity, clarity and integrity in the CDM

Project title	Project number	Product	Timeline	EB Decision
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**DRAFT**

Project title	Project number	Product	Timeline	EB Decision
Three top-down small-scale methodologies using standardized approaches	108	Methodologies using standardized approaches on rural energy supply (non-renewable biomass)	Q2 2012	A
		Methodologies using standardized approaches on rural energy supply (biogas)	Q3 2012	A
		Methodologies using standardized approaches on agriculture	Q3 2012	A
		Methodologies using standardized approaches on transport	Q3 2012	A
Standardized forms and guidelines for completing validation and verification reports	118	Standardized forms and guidelines for the validation and verification of project activities, PoAs and CPAs	Q2-Q3 2012	A
Guidelines for determining baselines	120	Guideline determining baselines	Q4 2012	A
Revised microscale additionality guidelines extension of simplified modalities for additionality demonstration	125	Revised guidelines on demonstration of additionality of microscale project activities	Q3 2012	A
		Revised attachment A of appendix B of simplified modalities and procedures for small-scale CDM project activities	Q3 2012	A
Top-down development and revisions of small-scale methodologies	130	Methodology on efficient pumping and/or irrigation	Q2 2012	A
		Methodology on energy efficiency measures in buildings	Q2 2012	A
		Methodology on solar cooking applications for households	Q1 2012	A
		Methodology on energy efficient lighting in commercial buildings	Q1 2012	A
		Revised standard AMS-II.C demand-side energy efficiency	Q2 2012	A
		Revised standard AMS-III.AJ recycling and recovery of materials from MSW	Q3 2012	A
		Revised standard AMS III.AE energy efficiency and renewable energy measures in residential buildings	Q3 2012	A

**DRAFT**

Project title	Project number	Product	Timeline	EB Decision
		Revised standard AMS-II.E Energy efficiency and fuel switching measures for buildings	Q3 2012	A
Implementation of the CDM Project Standard (PS), Validation and Verification Standard (VVS), and Project Cycle Procedure (PCP)	132	Revised, new and consolidated documents	Q1 2012	A
		Staged withdrawal of various standards, procedures, guidelines and forms	Q1 2012	A
		Post-registration change IT solution	Q2 2012	No
		Internal procedures for implementing new processes and managing parallel processes	Q2 2012	No
		DOE training/communication workshop	Q2 2012	No
		Project Participants training/communication webinar/eLearning	Q2 2012	No
		DNA communication/training (possible eLearning or Webinar)	Q2 2012	No
Top-down large-scale methodologies using standardized approaches	146	Country-specific EF for off-grid regions	Q3 2012	A
		Methodology using standardized approaches for energy efficiency in buildings	Q3 2012	A
Assessment of determination of PLFs and analysis of PLFs of registered CDM wind power projects	152	Assessment of appropriate determination of PLFs for wind power projects	Q3 2012	A
		A comparative analysis between initial PLFs and actual PLFs in registered wind power projects	Q3 2012	No
Materiality	155	Guidance for DOEs on materiality	Q3 2012	A
Accounting for uncertainties in measurement in methodologies	158	Amended PS and VVS or separate standard on uncertainties of measurements	Q4 2012	A
Improve guidelines on first-of-its-kind and the assessment of common practice	159	Revised methodological tool “Combined tool to identify the baseline scenario and demonstrate additionality”	Q1 2012	A
		Information note for the Board	Q3 2012	No

**DRAFT**

Project title	Project number	Product	Timeline	EB Decision
		Revised tool for "Demonstration and assessment of additionality" and "Combined tool to identify the baseline scenario and demonstrate additionality"	Q4 2012	A
Withdrawal and suspension of letters of approval	161	Assessment report	Q3 2012	D
		Revised PCP	Q3 2012	A
		IT workflow development and modification	Q4 2012/ Q1 2013	No
		Internal training/revision of internal processes	Q4 2012/ Q1 2013	No
Development of procedures to address significant deficiencies	162	Study report	Q2 2012	D
		Roundtable consultation	Q3 2012	No
		Revised draft procedure	Q3 2012	A
		IT workflow development and modification	Q4 2012/ Q1 2013	No
		Internal training/revision of internal processes	Q4 2012/ Q1 2013	No

A (iii) Enhanced transparency of the clean development mechanism

38. Transparency of information and regulatory processes is a critical requirement of the CDM, and thus enhancing transparency will again be a major area of work for the Board and the secretariat in 2012. Monitoring and regular reporting on the progress made in implementing the Board's approved two-year business plan is an important responsibility of the secretariat. This regular monitoring and reporting, together with planned efforts to enhance transparency, including by extending the scope of the CDM catalogue of decisions to include the reports of the Board's panels and working groups, will provide important insights into the governance of the CDM and contribute to the building of trust in the mechanism. Part of the work will include enhancing the transparency of the selection and evaluation process, and harmonizing the performance evaluation system used for panels and working groups. The goal is increased consistency and objectivity in the selection process.

39. Many official regulatory documents will either be revised or cancelled in 2012, while some new documents will be developed (see details in Appendix 2, 3 and 4). This is due to the new regulatory framework established with the adoption of three new documents in 2011, namely the validation and verification standard, project standard and project cycle procedure (the implementation of which is referred to in table 2, project 132 above). Also as a result, the "Rules and Reference" section of the CDM website, including its browsing features, will be reviewed and changed.

**DRAFT**

40. Parties have requested the Board to continue to improve the transparency and consistency of the regulatory framework of the CDM by continuing to revise its official documentation to comply with the CDM hierarchy of decisions (3/CMP.6, paragraph 13). Work will continue in 2012 to improve the readability of official CDM documentation by deploying a consistent structure, terminology, phrasing and look. Focus will also be placed on ensuring consistent clear language across all official documentation, and on improving the clarity of decisions, rulings, recommendations and other outcomes of Board deliberations. Stakeholders should be able to identify easily any new or changed regulation.

41. To help ensure accurate understanding and to facilitate proper planning, adequate information is needed on the co-benefits and negative impacts of CDM projects. With this in mind, the Board in 2012 will consider the possible implications of requiring that information on co-benefits and possible negative impacts associated with a CDM project be included in project documentation.

42. Stakeholder involvement is a key feature of the CDM and a main factor in its success. Much progress has been made in opening the CDM to stakeholder participation, such as adoption by the Board in 2011 of the “Modalities and procedures for direct communication with stakeholders” (EB 62 report, annex 15). This procedure provides a framework for communication with designated national authorities (DNAs), DOEs and applicant entities. It has broadened the avenues of communication and enhanced transparency of communication between the Board and these stakeholder groups.

43. Table 3 lists deliverables and timing of products related to sub-objective A (iii). A column has been included that specifies the type of Executive Board decision that is required for each of the specified products: ‘A’ indicates Board Approval; ‘D’ identifies a product needing Board direction; and ‘No’ identifies where no action is expected of the Board. In addition, ‘Q’ indicates that information will be provided to the Board through a quarterly report. The secretariat effort required to deliver products shown in Table 3 amounts to a total of 54 person months of professional staff and 16 person months of support staff time.

Table 3 Deliverables: A (iii) Enhanced transparency of the CDM

Project title	Project number	Product	Timeline	EB Decision
Extension of the Catalogue of decisions to include panels and working groups	38	Add working group and panels to catalogue	Q2 2012	No
		Internal procedures for cataloguing future documents	Q2 2012	No
Implementation and monitoring of the Board’s business plan	117	Improved system to track and report on the implementation of the Board’s business plan (Management reporting system)	Q2 2012, Q3 2012, Q4 2012	No
		Quarterly report on the Board’s business plan	Q3 2012, Q4 2012	No(Q)

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Project title	Project number	Product	Timeline	EB Decision
		Improved system to plan SDM activity (planning system)	Q2 2012, Q3 2012, Q4 2012	No
Improvement of the process for selection and performance appraisal of panel and working group members	145	Internal procedure for the shortlisting of panel and working group members	Q1 2012	No
		System for the implementation of the procedure	Q1 2012	No
		Identify areas of improvement of automatic screening of applications	Q2 2012	No
Revision to the Rules and Reference section of the website	147	Static web pages by Business Function	Q1 2012	No
		Revised business functions	Q1 2012	No
		Revised file naming convention	Q1 2012	No
Improvement of CDM documentation	148	Internal formatting standard	Q1 2012	No(Q)
		Internal editorial standard	Q1 2012	No(Q)
		Document formatting templates	Q1 2012	No(Q)
		Revision to CDM Executive Board Decision Framework	Q2 2012	A
		Training programme for drafters and formatters of regulatory documentation	Q1 2012, Q2 2012	No(Q)
Sustainability benefits of CDM projects	149	Analysis and proposal for voluntary measures to highlight the co-benefits of CDM projects and PoAs	Q2 2012	D
		Draft regulatory documents on voluntary measures to highlight the co-benefits of CDM projects and POAs	Q3 2012	A
Governance management related to the CDM Executive Board	150	Work programme of the Board 2012	Q1 2012	A
		Increased use of electronic means for EB to take decisions and receive information	Q2 2012	A
		Measures to accelerate consensus-building	Q3 2012	A
		Management of the regulatory framework	Q3 2012	A
		Review of the code of conduct	Q3 2012	A

**DRAFT**

Project title	Project number	Product	Timeline	EB Decision
System for receiving and processing communications from stakeholders	153	Web interface for digitized form and webpage modifications	Q4 2012*	No
		Workflow development	Q4 2012*	No

Objective B: Expansion of the reach and reputation of the CDM mechanism through outreach, further development of requirements, increased distribution of projects, and focused skills development**B. (i) Regional and sub-regional distribution and skills enhancement**

44. The Board shall take all actions within its authority to enhance the distribution of CDM projects, project types and programmes in those countries, regions and sub-regions currently underrepresented in the CDM. Activities shall also be undertaken to enhance the skills of stakeholders.

45. Many actions aimed at promoting regional distribution have been carried out by the Board and the secretariat. However, the work would benefit from clearer objectives, a systematic approach to implementation, and monitoring and evaluation of activities against objectives. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) at its seventh session reiterated its request that the Board and secretariat continue to promote equitable regional distribution of CDM project activities by enhancing support to countries underrepresented in the CDM, in particular least developed countries (LDCs), small island developing States (SIDS) and countries in Africa. Work will be undertaken during this MAP period to reinvigorate the Nairobi Framework, with the aim of making it the primary focus for all of the partners' CDM capacity-building and project support initiatives in 2012.

46. At CMP 6, Parties requested the Board to develop appropriate standardized baselines in consultation with the relevant DNAs. Work on this in 2012 will focus on informing DNAs and DOEs of the pertinent issues around the methodologies that could easily be used by LDCs, SIDS, Parties with 10 or fewer registered CDM projects (as at 31 December 2010) and underrepresented project activity types or regions.

47. Another activity, initiated in the Board's previous MAP, entailed the establishment of a loan scheme to support preparation of project design documents in underrepresented countries. At the seventh session of the CMP, the Parties requested the Board to accelerate the operationalization of the scheme. Therefore, work during the period of this MAP will concentrate on ensuring that the selected agency commences disbursements of loans during 2012.

48. The secretariat, on behalf of the Board, has already enhanced significantly its interaction with DNA representatives to ensure a broader involvement in the CDM. In response to direction from CMP 7 for a renewed focus on Africa, LDCs and SIDS, interactions with their respective DNAs will be given priority. The secretariat will focus its capacity-building efforts in 2012 on

* Exact delivery timeline is in the process of being determined as a part of a new SDM-IS project (#105)

**DRAFT**

the subject of standardized baselines and address the significant interest shown in further training on PoAs.

49. The secretariat has commenced a “help-desk” initiative to identify and, where possible, assist in removing barriers to proposed CDM project activities in countries with fewer than 10 registered CDM projects. Specifically, in the area of PoAs, the secretariat will continue to intervene directly in all programmes undergoing validation in Africa and in LDCs worldwide to ensure that the latest requirements of the Board are understood by the coordinating/managing entities.

50. Table 4 lists the deliverables and timing of products related to sub-objective B (i). A column has been included that specifies the type of Executive Board decision that is required for each of the specified products: ‘A’ indicates Board Approval; ‘D’ identifies a product needing Board direction; and ‘No’ identifies where no action is expected of the Board. In addition, ‘Q’ indicates that information will be provided to the Board through a quarterly report. The secretariat effort required to deliver products shown in Table 4 amounts to a total of 41 person months of professional staff and 7 person months of support staff time.

Table 4. Deliverables: B (i) Regional and sub-regional distribution and skills enhancement

Project Title	Project number	Product	Timeline	EB Decision
Improve co-ordination of activities related to regional distribution, including through the Nairobi Framework partnership	56	Nairobi Framework workplan	Q1 2012	No
		Report to the CDM Executive Board on secretariat activities	Q2 2012	No
		Outline workplan for future secretariat activities	Q4 2012	No
		Online mechanism for information-sharing among partners	Q4 2012*	No
Operationalize the CDM loan scheme	122	Finalized Memorandum of Understanding with UNOPS	Q1 2012	No (Q)
		Procedure for interaction with the implementing agency	Q3 2012	No(Q)
		Report on implementation	Q3 2012	No
Empowering DNAs to take a proactive role in the evolution and implementation of the mechanism	123	Training of DNAs (Designated National Authorities) on new rules and regulations of the Board	Q1-Q3 2012	No(Q)

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**DRAFT**

Project Title	Project number	Product	Timeline	EB Decision
		Assistance to DNAs in development of standardized baselines and submission of micro scale technologies for automatic additionality	Q2 Q4 2012	No(Q)
		Assistance to some DNAs for the calculation of grid emission factor	Q1-Q4 2012	No
Implement direct support for project development in underrepresented regions	142	Internal operating procedure for the help desk	Q1 2012	No(Q)
		Initial implementation of the procedure and delivery of responses	Q1-Q4 2012	No(Q)
		Report with the summary results	Q4 2012	No(Q)

B (ii) Enhanced promotion and further development of the mechanism

51. The Board shall champion the CDM, ensuring an enhanced understanding among civil society, policymakers and market participants of its benefits and its contributions to both the mitigation of climate change and the sustainable development of communities and countries. The Board shall also contribute to the policy debate and intergovernmental negotiations regarding the future of the CDM and the international climate regime.

52. Tighter restrictions are being placed on the use of CDM offset credits in domestic emissions trading systems. And, perhaps unsurprisingly, other mechanisms are emerging to challenge the CDM's dominance, including new mechanisms run by national governments outside the United Nations system, as well as privately run mechanisms. Recognizing the critical importance of proactively promoting greater awareness and understanding about the CDM, the secretariat's efforts in this area will be strengthened during 2012. Given the continual, often one-sided criticism of the CDM, there is a greater focus in this MAP on expanding awareness among stakeholders and policymakers about the contribution being made by the CDM, specifically its contribution to climate change mitigation and sustainable development. The aim is to provide stakeholders with information to allow for greater insight and better informed decisions regarding the CDM, with the ultimate objective of enhanced use of the CDM as a tool to incentivize investment in climate change mitigation and sustainable development.

53. An "intelligence" portal will be implemented to provide a coordinated, "one-stop-shop" for up-to-date and historical information on projects, markets and policy. It will facilitate sharing of information and enhance collaboration and understanding.

54. A major part of the communication and outreach work will continue to focus on enhancing media outreach and making the CDM understandable and accessible to potential project participants. The need to balance the existing critique of the mechanism with a fair and accurate representation of the mechanism's benefits is naturally also a priority. Press highlights will continue to be issued after each Board meeting and the Chair of the Board, in his or her role

**DRAFT**

as the principal spokesperson of the Board, will be appropriately trained and encouraged to make himself or herself readily accessible to members of the press.

55. A focus of the previous MAP was the development of sector-specific standardized baselines. Standardized baselines have the potential to reduce transaction costs and enhance transparency, objectivity and predictability. They could also facilitate access to the CDM, particularly in underrepresented project types or regions. Given the direction from CMP 7, work in 2012 will prioritize top-down development of methodologies, including small-scale methodologies, that are suitable in LDCs, SIDS, parties with 10 or fewer registered CDM project activities, and underrepresented project activity types or regions. This Board recognizes that use of the resulting standardized baselines shall be at the discretion of host country DNAs. The work programme will therefore include consultations with the relevant panels and working groups.

56. The Board, at its sixty-fourth meeting, decided to launch a policy dialogue in 2012. The dialogue will be led by an independent high-level panel which will engage a wide range of stakeholders — civil society, policymakers and market participants — in meetings, visits, studies and other means as may be required to gain a full and unbiased picture of the operations and impact of the CDM, and lessons learned. The panel will provide recommendations to the Board and Parties on how to position the CDM to respond to future challenges and opportunities and ensure the mechanism's effectiveness in contributing to future global climate action. The output of the policy dialogue will be presented in a report that will be made publicly available, and which will be submitted to the Board for its consideration for recommendations to the eighth session of the CMP.

57. The secretariat continues to undertake and publish on the CDM website analyses of various aspects of the CDM. This work has been expanded considerably in depth and scope, in response to both a desire to better understand the overall use and effectiveness of the CDM and address concerns being raised about the CDM with fact-based analyses. The latest studies include themes such as technology transfer, sustainable development, investment and abatement costs and knowledge transfer. In 2012 this work will focus on supporting the CDM policy dialogue, stakeholders and the public. A report will also be made available quarterly with information and analyses on key developments in the carbon market. These reports will inform the Board about factors affecting the carbon markets in general and the CDM in particular.

58. There is a need for the Board to supply accurate supporting information about the CDM, so as to ensure that the Parties to the Protocol and the Convention are well informed about the performance of the CDM within the context of changing market scenarios (i.e. emerging bottom-up or top-down mechanisms and policy initiatives), and that negotiating parties understand the current issues and developments in CDM, in relation to negotiations about NAMA (Nationally Appropriate Mitigation Action), the new market based mechanism and the framework for various approaches. Such information, in addition to the Board's annual report to the CMP, will be made available to Parties in 2012.

59. Stakeholder consultation is an integral part of the CDM regulatory process. Project participants are required to consult with local stakeholders and report the results of these consultations in their project design documents. Likewise, DOEs seek input at the outset of the project validation process and take into account the comments received. The requirements relating to stakeholder consultation are less well developed compared to other CDM requirements. It is therefore intended that a set of amendments to the existing rules on

**DRAFT**

stakeholder consultation will be created to provide clear and objective criteria, thereby facilitating project assessment.

60. Table 5 lists the various projects, their products, and timing of products related to sub-objective B (ii). A column has been included that specifies the type of Executive Board decision that is required for each of the specified products: 'A' indicates Board Approval; 'D' identifies a product needing Board direction; and 'No' identifies where no action is expected of the Board. In addition, 'Q' indicates that information will be provided to the Board through a quarterly report. The secretariat effort required to deliver products shown in Table 5 amounts to a total of 139 person months of professional staff and 40 person months of support staff time.

Table 5. Deliverables: B (ii) Enhanced promotion and further development of the mechanism

Project title	Project number	Product	Time line	EB Decision
Project information portal	69	Project information portal	Q4 2012*	No
CDM Communication and Outreach 2012	109	Executive Board communication and outreach work plan	Q1 2012	A
		Revised Executive Board communication strategy	Q2 2012	A
		Enhanced media outreach	Q2 2012, Q3 2012	No(Q)
		Activities to engage project participants in the promotion of the CDM	Q2 2012, Q3 2012	No(Q)
		Activities to engage DNAs in the promotion of the CDM	Q2 2012, Q3 2012	No(Q)
		Activities to proactively engage with and inform NGO, research and academic stakeholders	Q2 2012, Q3 2012	No(Q)
Standardized Baselines	110	Annex to the guidelines defining options for the setting and approval of values of the relevant thresholds and analysis of the implications of these options for the sectors covered	Q3 2012	A

* Exact delivery timeline is in the process of being determined as a part of a new SDM-IS project (#105)

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Project title	Project number	Product	Time line	EB Decision
		Inputs from practitioners for the development of guidelines and/or software for the determination of sector-wide baseline emission factors	Q3 2012, Q4 2012	No
		Guidelines and/or software for the determination of sector-wide baseline emission factors in consultation with practitioners	Q4 2012	A
		Proposal on managing data on cost of technologies for selected sectors	Q3 2012	D
		Testing of the guidelines in some sectors in collaboration with relevant practitioners and other standard-setting bodies	2012-2013	No
		Guidelines with expanded applicability to afforestation and reforestation projects	Q3 2012	A
		Guidelines with expanded applicability to transport sector projects	Q4 2012	A
		QA/QC guidelines for the quality assessment of the data required to develop the standardized baselines	Q2 2012	A
		Modalities for support to countries with fewer than 10 CDM projects in developing assessment report of standardized baselines	Q3 2012	A
		Workflows for the submission of standardized baselines	Q4 2012*	No

* Exact delivery timeline is in the process of being determined as a part of a new SDM-IS project (#105)

**DRAFT**

Project title	Project number	Product	Time line	EB Decision
		Web-based system for the submission of the data needed for the development and assessment of standardized baselines	Q4-2012*	No
		Procedure for the development and assessment of CDM projects using standardized baselines: Revised CDM PCP, PS, VVS, checklists, forms and other secondary regulatory documents	Q3 2012	A
		Internal training/revision of internal processes	Q4 2012	No
CDM Policy Dialogue	119	Meetings and events	Q3 2012	No
		Input-output studies	Q3 2012	No
		Final report	Q3 2012	No
Benefits of the CDM	121	Report on “Benefits of the CDM: 2012” and analysis for the “CDM Policy Dialogue”	Q3 2012	No
Carbon market reports	124	Quarterly carbon market reports	Q1 2012, Q2 2012, Q3 2012	No(Q)
		Policies and markets analysis process	Q1-Q2 2012	No(Q)
Improve the stakeholders’ consultation process	151	Information note on options for improvements in the stakeholder consultation processes	Q2 2012	D
		Revised standards and/or guidelines	Q3 2012	A
Carbon Capture and Storage (CCS)	160	Revision of relevant procedures, forms and terms of reference to enable the submission of proposed new methodologies for CCS project activities	Q2 2012	A

**DRAFT**

Project title	Project number	Product	Time line	EB Decision
		Concept note on the amendment of the PS, VVS and potentially the PCP, to incorporate requirements for CCS project activities	Q4 2012	A
		Forms to process CCS methodology and project submissions	Q2 Q4 2012	No

IV. Critical Success Factors

61. The **first critical success factor** is that the Board increasingly manages its large policy and case workload in a more executive manner and that it dedicates increased time at future meetings to policy and procedural matters that drive systemic improvement in the mechanism.

62. The **second critical success factor** is that the Board will schedule periodic reviews of its own ongoing performance as a Board to identify areas for improvement. Linked to this is the need for the Board to periodically review the status of implementation of its business plan to allow it to make mid-course corrections of priorities if and as required.

63. The **third critical success factor** is that the Board support structure has the required capacity and capability to deliver all required inputs of the necessary quality, and on schedule, so as to allow the Board to confidently make appropriate decisions in a timely and efficient manner.

64. The **fourth critical success factor** is the availability and use of sufficient numbers of appropriately competent external experts for use in addressing the expected periodic peaks in demand for registration and especially issuance-related case work to ensure that agreed timelines are continuously met.

65. The **fifth critical success factor** is that DOE performance will improve as data is made available to them accompanied by the necessary sanctions or incentives that are required to improve compliance with CDM requirements and reduce the time wasted by the Board and its support structure on poor quality submissions.

66. In order to manage the risks associated with these critical success factors it is essential that the Board periodically plan a review of its own performance and that of its support structure. The creation of appropriate monitoring systems within the secretariat has already allowed the production of dedicated and regular reports regarding human and financial resources and DOE performance. These systems will continue to be strengthened so that the enhanced reports generated as a result can assist the Board in ensuring that the risks associated with each of the critical success factors are appropriately managed in future.

V. 2012 Programme budget

67. This chapter provides details on expected income in 2012 and a budget for the year to cover the running of the CDM and one-off major projects.

**DRAFT**

68. The proposed budget for running the CDM in 2012 remains at the same level as the 2011 budget. As a result of the successful recruitment of staff in the latter half of 2011, and with the full complement of staff expected to be onboard throughout 2012, the budget performance in 2012, in terms of expenditure, is expected to be very close to the proposed budget.

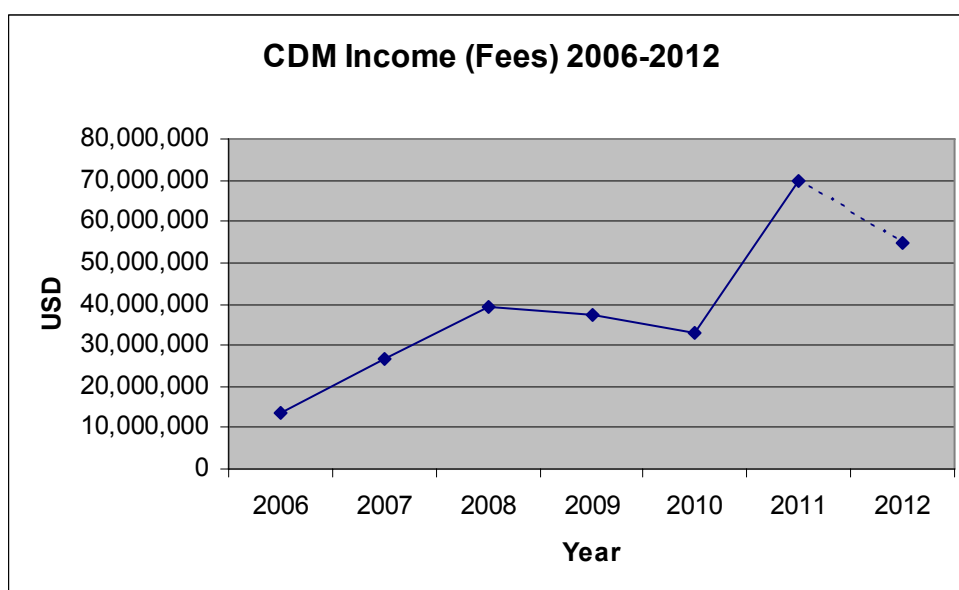
69. The one-off budget for major projects includes USD 2.5 million to cover consultancies, meetings and travel relating to the high-level policy dialogue on the CDM. Another USD 3.1 million has been included to purchase and start implementing a new information technology (IT) system.

70. The proposed budget, including the two items referred to in paragraph 65, amounts to a total of USD 45.3 million, an overall increase of USD 5.6 million compared to 2011.

A. Income

71. The SDM programme's work in support of the CDM will again be funded from fees and the share of proceeds (SOPs), together estimated at USD 55 million in 2012. Although income from fees and SOPs in 2012 is forecast to decline by USD 15 million from 2011 because of a decrease in project submissions related to registrations (see figure 1), income will be sufficient to fund the SDM programme's work for the CDM.

Figure 1. Income from fees and share of proceeds, by year (in USD)



**DRAFT****B. 2012 budget**

72. Staff costs (from approved posts and related costs) are expected to increase 6 per cent in 2012 due to recruitment finalized in 2011. No additional posts have been requested in the period covered by the MAP. General Temporary Assistance is expected to decrease in 2012 as we approach a full staff complement.

73. The amount budgeted to cover consultants' fees in 2012 has increased slightly compared to 2011, to cover standardized baselines, programme of activities and work such as the translation of Board documents and implementation of the CDM loan scheme.

74. Fees for experts will also increase for work on project assessments and in support of the panels and working groups supporting the Board. The provision for travel of experts will decrease in 2012, as a result of a decision to have external experts for project assessments work on a remote basis.

75. Staff travel is expected to decrease as more meetings are now planned to be in Bonn.

76. Operating expenses will increase as provision for collaboration tools (i.e. Sharepoint) previously budgeted under supplies has been moved to this line item.

Table 6. CDM budget and expenditure comparisons 2011–2012 (in USD)

Object of Expenditure	Budget 2012	Budget 2011	Expenditure 2011 ¹	Budget 2012 vs Budget '11 Difference in USD	Budget 2012 vs Budget '11 % Difference
Staff	20,060,885	18,867,332	19,458,578	1,193,553	6
General Temporary Assistance	191,304	1,011,929	690,817	-820,625	-81
Consultants' fees	1,574,188	1,474,226	774,167	99,962	7
Expert fees	1,745,740	1,568,400	947,069	177,340	11
Expert travel	1,714,471	3,069,500	1,576,999	-1,355,029	-44
Staff-related costs	61,037	37,986	76,492	23,051	61
Travel of representatives	2,078,802	2,083,500	1,632,715	-4,698	0
Travel of staff	871,090	1,271,300	908,903	-400,210	-31
Training & skills development	837,422	831,000	659,778	6,422	1
Operating expenses	5,355,503	3,881,610	3,172,680	1,473,893	38
Communications	72,900	72,000	70,453	900	1
Supplies	235,000	631,535	95,322	-396,535	-63
EB grants	357,000	362,000	228,227	-5,000	-1



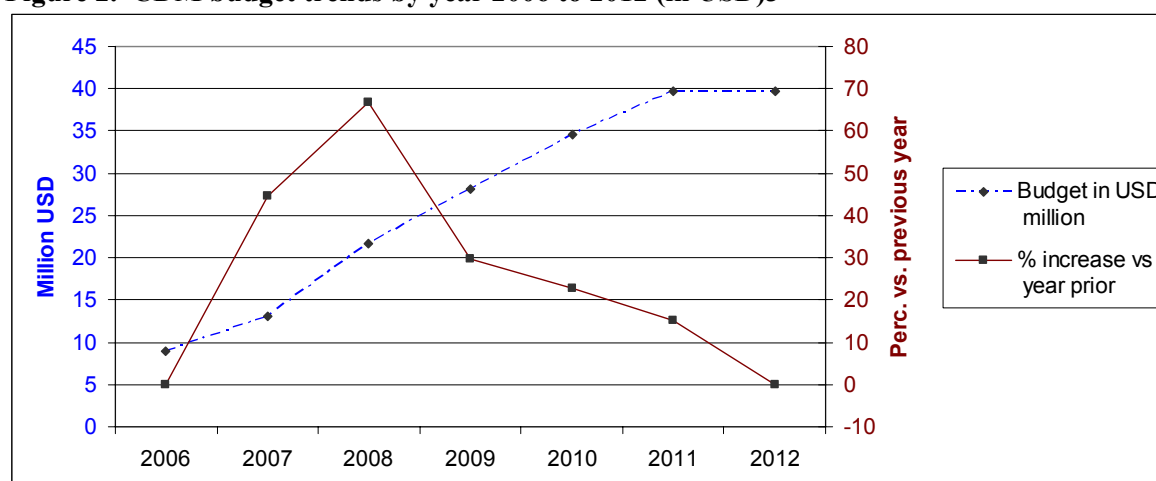
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Object of Expenditure	Budget 2012	Budget 2011	Expenditure 2011 ¹	Budget 2012 vs Budget '11 Difference in USD	Budget 2012 vs Budget '11 % Difference
Sub-total	35,155,342	35,162,318	30,292,201	-6,976	0
Programme Support Costs 13% ²	4,570,194	4,571,101	3,937,986	-907	0
Total	39,725,536	39,733,419	34,230,187	-7,883	0

¹ 2011 figures are subject to change pending the closing of the 2010–2011 accounts.

² In accordance with the financial procedures of the United Nations, 13 per cent overhead charges are payable on all trust funds of the UNFCCC to cover administrative services provided by the United Nations Office at Geneva and UNFCCC secretariat.

Figure 2. CDM budget trends by year 2006 to 2012 (in USD)³



³ The table above excludes costs related to the CDM one-off budget for major projects.

77. The CDM one-off budget for major projects amounts to USD 5,626,210 as outlined above in paragraph 69.

78. The CDM proposed budget amounts to USD 45.3 million, which is composed of the USD 39.7 million for the running of CDM and USD 5.6 million for the one-off budget for major projects. Including the one-off major projects this represents a 14 percent increase in the proposed 2012 budget over the 2011 budget.

C. Expenditure

Table 7. Trend in CDM programme expenditure, by year (in USD)

Year	2006	2007	2008	2009	2010	2011 ⁴
Expenditure USD	5,102,900	10,250,852	17,606,852	24,800,119	29,616,571	34,230,187

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Year	2006	2007	2008	2009	2010	2011 ⁴
Percentage increase in expenditure vs prior year	n/a	101	72	41	19	16

⁴ 2011 figures are subject to change pending the closing of the 2010–2011 accounts.

VI. Human Resources

79. As at 1 January 2012 there were 177 CDM approved posts in SDM. Of these, 160 posts were occupied by staff with fixed term contracts, leaving a total of 17 vacancies. Of these 17 vacancies:

- (a) Five posts are filled by staff on temporary appointment, two of which are management posts currently filled by officers-in-charge;
- (b) Nine relate to internal promotions or turnover due to staff resignations;
- (c) One relates to a post that has been downgraded and will be advertised;
- (d) The remaining two posts are currently under recruitment.

80. Table 8 shows the CDM-funded staffing levels by year, including the 177 in 2012.

Table 8. Yearly staffing levels (2006–2012)

	2006	2007	2008	2009	2010	2011	2012
Professional level posts	24	47	62	93	127	126	125
General Service level posts	16	24	31	44	50	51	52
Total posts	40	75	97	143	177	177	177

81. The progress in recruitment as at 1 January 2012, according to the four major stages of the secretariat recruitment process – job description, vacancy announcement, interview and Review Board – is shown in table 9.

Table 9. Status of recruitment in the Sustainable Development Mechanisms programme as at 1 January 2012

Unit	Approved	In place as at January 2012	Temp. staff	Job description stage	Vacancy announced	Interview stage	Review Board
OD & C	3	3					
SPD	5	5					
OSD*	18	17	1				
SSU	31	29					2
PEA	56	51	1	2		2	
PMU*	37	33	1	2			1
SMS	21	18	2		1		
LA	1	1					

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CAS	5	3				2	
Total	177	160	5	4	1	4	3
Total	177			17 posts under recruitment.			

* The two vacant managerial posts are being covered by an officer-in-charge arrangement.

82. A call for experts was published on the CDM website in 2010 and re-launched in December 2011 to identify appropriate expertise to assist in addressing the registration and issuance case load. At the time of publishing this report, a total of 451 potential candidates had responded to this call. It should be noted that, in line with the direction given by the Board, the SDM programme plans to continue to utilize temporary technical staff and specialized consultants to help address future periodic peaks in case load.

Appendix 1

83. The table that follows provides an indicative list of important and ongoing 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). The secretariat effort required to deliver the core support activities shown in the table below amounts to a total of 887 person months of professional staff and 484 person months of support staff time.

Core support to CDM

Product
Assessment of compliance to CDM requirements relating to project and entity submissions
Consolidation of the 2013 budget and quarterly reporting
Coordination of communication and outreach
Coordination of UNFCCC secretariat activities related to regional distribution
Courses and learning interventions delivered and evaluated according to portfolio
Development and approval of the 2013 MAP and EB two-year business plan
Effective implementation of procedures on consideration of PNM, including request for revision and clarification
Efficient operation of records management system
Facilitate defined interactions between the Executive Board, the secretariat and stakeholders

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Implement DOE performance monitoring system
Maintain data, design and delivery of public CDM information through a central data portal
Maintenance of the CDM registry and data systems
Managerial and SDM-wide costs
Activities to facilitate harmonizing new markets and mechanisms with CDM
Provide ongoing financial and HR support according to best practice.
Support the activities of the DOE Forum
Supporting the efficient operation of the Executive Board
Supporting the efficient operations of panels and working groups

History of the document

Version	Date	Nature of revision
01.0	EB 66, Annex # 02 March 2012	Initial adoption.
Decision Class: Operational Document Type: Information Note Business Function: Governance		