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Draft annual report of the CDM Executive Board to the CMP

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DRAFT



United Nations
Framework Convention on
Climate Change

COVER NOTE

1. Procedural background

1. In accordance with the modalities and procedures of the clean development mechanism (CDM), the CDM Executive Board reports on its activities to each session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP). This document is a draft of the Board's report to the eleventh session of the CMP.

2. Purpose

2. This draft annual report provides information on progress made in implementing the CDM during its fourteenth year of operation and makes recommendations for the consideration of CMP 11. This is a draft report only, pending inclusion of outcomes from the Board's 86th meeting and latest updated figures.¹

3. Key issues and proposed solutions

3. The draft report highlights the decline in activity in the mechanism, the result of weak demand for certified emission reductions (CERs). The longer this decline in activity persists, the more capacity will be lost together with the significant opportunity the CDM holds for Parties to incentivize action on climate change and development.
4. Clear direction from Parties at CMP 11 could increase demand for the CDM and its CERs.
5. In summary, the messages in the report include:
 - (a) The CDM, at risk due to low demand, could have an important, continuing role to play in the international response to climate change;
 - (b) The CDM is versatile tool that Parties can use to mobilize, direct and verify the results of finance/investment to address climate change and sustainable development;
 - (c) The Board, with its work undertaken, is continuing a process of evolution and improvement of the CDM that began with the inception of the mechanism.
6. The report also includes recommendations by the Board to the Parties to further develop the CDM as a tool in the international response to climate change.

4. Impacts

7. The draft report describes the status of the CDM, challenges, achievements, opportunities, work undertaken, and governance and management matters. The report

¹ These pending inclusions have been reflected with placeholders and/or highlights.

will be one important basis for negotiation of Parties under the CMP agenda item “Issues relating to the clean development mechanism.”

5. Subsequent work and timelines

8. The outcomes of the 86th meeting of the Board will need to be incorporated in the report. It will then be formatted and edited as a formal document of CMP 11.

6. Recommendations to the Board

9. The secretariat recommends that the Board, at its 86th meeting:
- (a) Consider and agree on the report, making any adjustment necessary;
 - (b) Request the secretariat to finalize the report in cooperation with the Chair of the Board in order to include the outcomes of the 86th meeting.

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1. Introduction

1.1. Mandate

1. In accordance with the modalities and procedures for a clean development mechanism (CDM), the CDM Executive Board (hereinafter referred to as the Board) reports on its activities to each session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP). In exercising its authority over the CDM, the CMP reviews these reports, provides guidance and takes decisions, as appropriate.

1.2. Scope of the report

2. This annual report provides information on progress made in implementing the CDM during its fourteenth year of operation (2014–2015),² hereinafter referred to as the reporting period, and makes recommendations for consideration at CMP 11. It describes the status of the CDM, highlights the achievements and challenges relating to the operation of the CDM and provides information on the governance, management and financial status of the mechanism. Further information is available on the UNFCCC CDM website,³ which is the central repository for all reports and other documentation relating to the Board.
3. Results of the Board's 87th meeting, held after publication of this report, will be highlighted by the Chair of the Board, Mr. Lambert Schneider, in his oral remarks to CMP 11.

1.3. Action to be taken by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

4. CMP 11, in taking note of the annual report of the Board, may wish:
 - (a) To note the work of the Board in response to requests by CMP 10 (see section 3 and appendix I);
 - (b) To designate operational entities (DOEs) that have been accredited and provisionally designated by the Board (see appendix II);
 - (c) To provide guidance on matters arising from this report, in particular the questions for guidance and the recommendations included in section 4.6.
5. The CMP is to elect the following to the Board, for a term of two years, upon nominations being received from Parties:
 - (a) Two members and two alternate members from Parties not included in Annex I to the Convention (non-Annex I Parties);
 - (b) One member and one alternate member from the Alliance of Small Island States;

² Information in this report covers the period from 1 October 2014 to 16 October 2015, in accordance with decision 1/CMP.2, paragraph 11, and decision 2/CMP.3, paragraph 7, unless otherwise indicated.

³ <<http://cdm.unfccc.int>>.

- (c) One member and one alternate member from the Eastern European States;
 - (d) One member and one alternate member from Parties included in Annex I to the Convention (Annex I Parties).
6. There is also a vacant alternate member seat for non-Annex I Parties due to the resignation of Mr. Qazi Ahmad, effective 22 January 2015.

2. Status of the clean development mechanism

2.1. The clean development mechanism in numbers

Table 1. **[Placeholder]** Numbers of projects registered, projects issuing certified emission reductions and certified emission reductions issued (includes programmes of activities)

2.2. Challenges faced by the clean development mechanism

7. The CDM in 2015 continued to suffer from low demand. This is reflected in continuing low levels of project registration and CER issuance. The demand for CERs is ultimately linked to their level of use by Annex I Parties to meet their mitigation commitments under the Kyoto Protocol.
8. Many CDM projects face difficulties in continuing implementation or operation and low CER price (due to lack of demand) is the most important reason according to a survey conducted by the secretariat in the reporting period. In the survey, responded to by 680 projects and programmes, half of the responders (50 per cent) stated low CER prices as a barrier to implementation/operation. Some 42 per cent reported having no barriers to implementation/operation.
9. Approximately **30 per cent** of projects that had CERs issued up to 31 December 2012 have not issued further CERs.
10. The decline in CDM activity has also affected the mechanism's third-party validators and verifiers, the DOEs. In presentations to the Board at its 83rd and 84th meetings, the Chair of the DOE/AIE (designated operational entity and JI accredited independent entity) Coordination Forum cited low demand causing DOEs to withdraw accreditation. In the reporting period, seven DOEs withdrew accreditation, albeit representing capacity historically responsible for a relatively small proportion of total validations and verifications.
11. With respect to new demand, installations covered under the European Union Emissions Trading System, historically the largest users of CERs, are limited under that system in the volume of Kyoto Protocol credits they can use, and are approaching their limits. Although encouraging, demand from other sources (see section 2.3), outside the Kyoto Protocol, is expected to be minimal up to 2020.⁴

⁴ Alexandre Kossoy, Grzegorz Peszko, Klaus Oppermann, Nicolai Prytz, Noémie Klein, Kornelis Blok, Long Lam, Lindee Wong, Bram Borkent. 2015. State and Trends of Carbon Pricing 2015 (September), by World Bank, Washington, DC <<http://documents.worldbank.org/curated/en/2015/09/25053834/state-trends-carbon-pricing-2015>>.

12. The CDM faces considerable uncertainty regarding whether and how it can and will be used beyond 2020. Clarity about the future eligibility and use of CERs could return confidence to the CDM, increasing project registrations and CER issuance and enhancing pre-2020 mitigation actions.
13. Responsive to changing needs coming from the declining level of activity, the secretariat in 2015 undertook a thorough restructuring and redeployment process in the programme that supports the work of the Board (see paragraph 102).

2.3. Achievements and opportunities

14. A continuous improvement approach, coupled with transparent operations and a regulatory process that actively seeks to identify and address areas for improvement, has resulted in a mechanism that has continually evolved and been upgraded over the past 14 years.
15. The CDM has shown its potential as a tool for mobilizing finance for climate action and sustainable development. The mechanism provides top-up, supplemental financing that makes low-emitting projects competitive against cheaper but more polluting alternatives. The CDM has catalyzed the registration of 7,9XX projects and programmes in 107 countries and has issued more than 1.6 billion CERs.
16. The CDM is showing itself useful for results-based climate financing, allowing Parties and donor agencies to target investment and verify results. In so doing, the CDM is showing its further potential for attracting climate financing and providing monitoring, reporting and verification services in support of a range of mitigation activities.
17. For example, the CDM is being used for results-based financing by the World Bank's (i) Carbon Initiative for Development and (ii) Pilot Auction Facility for Methane and Climate Change Mitigation, as well as by the Swedish Energy Agency purchase programme.
18. Voluntary cancellation by holders of CERs in the CDM registry continues. An online platform for voluntary cancellation of CERs was launched by the Board in September 2015 and will be promoted by the secretariat in the context of the secretariat's Carbon Neutral Now initiative (see section 3.1).
19. Countries are also making use of voluntary cancellation. The Republic of Korea, for example, allows CERs from domestic projects to be used in that country's emissions trading system.^{5, 6} Mexico's carbon tax system likewise allows use of CERs from projects hosted in that country.

⁵ Alexandre Kossoy, Grzegorz Peszko, Klaus Oppermann, Nicolai Prytz, Noémie Klein, Kornelis Blok, Long Lam, Lindee Wong, Bram Borkent. 2015. State and Trends of Carbon Pricing 2015 (September), by World Bank, Washington, DC.

⁶ Some 1 million CERs from Projects in the Republic of Korea have been cancelled in the CDM registry, which according to submissions to the registry are to be exchanged for Korean Offset Credits issued by the Korean Offset Program <http://cdm.unfccc.int/Registry/vc_attest/index.html>. A further 2 million CERs from Projects in the Republic of Korea have been cancelled in the New Zealand Carbon Registry for the same purpose.

3. Work undertaken in the reporting period

20. This chapter describes the work of the Board in the reporting period, including its response to the requests made and encouragements given by the CMP. Appendix I contains an overview of the deliverables of the Board in response to the requests and encouragements of CMP 10.
21. The work to enhance and build on the CDM is a reflection of the Board's belief that the mechanism is an important tool to incentivize emission reductions, identify and realize lower-cost opportunities for mitigation, and spur sustainable development.

3.1. Promoting voluntary cancellation of certified emission reductions

22. The Board is working to increase voluntary cancellation of CERs by companies, organizations, events and individuals. A major component of this effort was the launch in September 2015 of an online platform that enables project participants to offer their CERs for cancellation and enables anyone with an Internet connection to estimate their carbon footprint and pay for cancellations.
23. The platform will be promoted by the secretariat in the context of the secretariat's Carbon Neutral Now initiative, in which companies, organizations, events and individuals are encouraged to measure their emissions, reduce what they can, and offset the rest using CERs.⁷
24. The Board, through the secretariat, is also working with the International Civil Aviation Organization to help the international aviation sector prepare to meet its stated goal of capping emissions at 2020 levels, in part through a global market-based measure.
25. Noting the pre-2020 mitigation gap estimated by the United Nations Environment Programme at 8-10 gigatonnes,⁸ and in response to the invitation to Parties in decision 1/CP.19, paragraph 5 (c), to "promote the voluntary cancellation of CERs, without double counting, as a means of closing the pre-2020 ambition gap," the Board also in the course of 2015, through its supervision of and guidance to the secretariat, promoted additional cost-effective mitigation in the period up to 2020 by:
- (a) Engaging with existing and emerging carbon pricing schemes to emphasize how the CDM can be used as a ready-made tool for domestic climate policy;
 - (b) Advocating for the use of the CDM as a tool for the monitoring, verification and reporting of the results of climate finance interventions.
26. The Board sees further potential for the CDM as a tool to make best use of funds allocated by Parties for mitigation and development, such as by the Green Climate Fund (GCF) and Global Environment Facility.

⁷ <<http://climateneutralnow.org/SitePages/Home.aspx>>.

⁸ UNEP 2014. The Emissions Gap Report 2014. United Nations Environment Programme (UNEP), Nairobi.

3.2. Rulings

3.2.1. Rulings related to accreditation

27. In the reporting period, the Board accredited and provisionally designated two new operational entities for validation and verification. Also, the Board suspended, on a provisional basis pending the decision of the CMP, the accreditation of one DOE for certain sectoral scopes. If the designations are confirmed, it will bring the total number of operational entities designated for validation and verification of projects and certification of emission reductions from 42 as of 30 September 2014 to 39 as of 30 September 2015.⁹ The Board recommends the entities listed in appendix II for designation or suspension at CMP 11 for the sectoral scopes indicated.

3.2.2. Rulings related to registration of project activities and issuance of certified emission reductions

Table 2. Clean development mechanism registration and issuance related requests for the period from 1 October 2014 to 30 September 2015

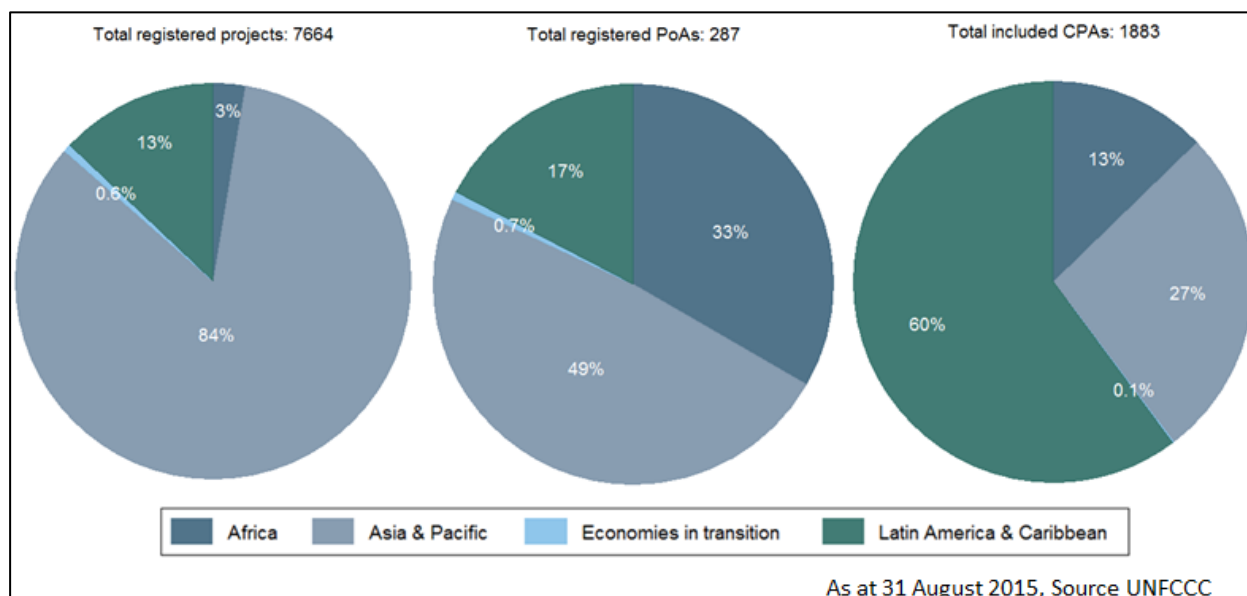
Request	Number of requests submitted ^a	Number of finalized requests ^b
Registration	XXX	XX
Issuance	XXX	XXX
Programme of activities: registration	XX	XX
Programme of activities: issuance	XX	XX
Renewal of crediting period	XX	XX
Post-registration changes	XX	XX
Component project activities	XX	XX

^a Requests submitted comprise submissions and resubmissions after incompleteness.

^b Finalized requests comprise registered, withdrawn and rejected requests submitted within the reporting period and requests submitted prior to the reporting period that had entered the processing pipeline.

⁹ In the previous reporting period, seven DOEs withdrew their accreditation entirely and four DOEs withdrew partially for certain sectoral scopes.

Figure 1. Distribution of registered project activities, programmes of activities, and component project activities by UNFCCC region, per cent of total



Note: Africa = African States, Asia & Pacific = Asia-Pacific States, Latin America & Caribbean = Latin American and Caribbean States, PoAs = programmes of activities. CPAs = component project activities

28. In the reporting period, a total of XXX,XXX,XXX CERs were issued, which includes XXX,XXX temporary certified emission reductions (tCERs) and XXX,XXX long-term certified emission reductions (ICERs). This brings the total number of CERs issued as of 30 September 2015 to X,XXX,XXX,XXX, which includes XX,XXX,XXX tCERs and XXX,XXX ICERs. Further details on forwarding, voluntary and administrative cancellation transactions are provided in table 3. To date, XXXX projects and XX PoAs have received CERs.
29. By the end of the reporting period, X,XXX,XXX CERs had been issued for PoAs.

Table 3. Overview of completed transactions in the clean development mechanism registry

Transaction type	Total as at 30 September 2015		1 October 2014 to 30 September 2015	
	Transactions	Units	Transactions	Units
Total issuance transactions	X XXX	X XXX XXX XXX	XXX	XXX XXX XXX
Total forwarding transactions to the Adaptation Fund account	X XXX	XX XXX XXX	XXX	X XXX XXX
Total forwarding transactions to the clean development mechanism registry or Annex I Party registries	XX XXX	X XXX XXX XXX	X XXX	XX XXX XXX

Transaction type	Total as at 30 September 2015		1 October 2014 to 30 September 2015	
Total transactions from the Adaptation Fund account to Annex I Party registries	XXX	XX XXX XXX	XX	X XXX XXX
Total voluntary cancellation transactions	XXX	X XXX XXX	XX	X XXX XXX
Total administrative cancellation transactions	X	X XXX XXX	XX	X XXX XXX

30. Of the total CERs issued to date, X,XXX,XXX,XXX were issued for the first commitment period of the Kyoto Protocol and XXX,XXX,XXX for the second commitment period. All tCERs and ICERs were issued for the first commitment period.

31. Detailed figures can be found on the UNFCCC CDM website.¹⁰

3.3. Regulatory matters

32. During the reporting period, the Board adopted a revised CDM project standard, CDM validation and verification standard, and CDM project cycle procedure, which came into effect on 1 April 2015. It was a major revision of these key regulatory documents for the CDM, improving the efficiency and effectiveness of various project/programme and validation/verification requirements as well as procedural steps, and incorporating all previously issued amendments and clarifications to these documents.

33. [Placeholder EB86 agenda item: simplification and streamlining of the CDM]

34. An overview of the regulatory documents (standards, procedures, guidelines, clarifications, information notes, amendments and glossaries) approved or revised by the Board during the reporting period is included in appendix III.

3.3.1. Project cycle

35. The Board introduced the following changes in the revised CDM project standard, CDM validation and verification standard, and CDM project cycle procedure:

- (a) New requirements and process for changes to project participants or coordinating/managing entity (CME), DOE, or project/programme design, before registration;
- (b) Expansion of post-registration cases not requiring approval by the Board prior to proceeding to request for issuance;
- (c) New requirements and process for withdrawing a published monitoring report;
- (d) Streamlined requirements and process for withdrawing a request for issuance and resubmitting a request for issuance;
- (e) Clarified and streamlined process for renewal of crediting period;

¹⁰ <<http://cdm.unfccc.int/Statistics/Public/index.html>>.

- (f) Clarified and additional requirements and process relating to local stakeholder consultation;
- (g) Elaborated process for handling requests for approval of a DOE performing both validation and verification for the same project activity or PoA;
- (h) Revised rules on determining the effective registration date.
- (i) Criteria to determine whether a CDM project activity or component project activity (CPA) is a continuation or modification of another project activity or CPA whose crediting period has expired and therefore may not be registered as a new CDM project activity or included in a PoA;¹¹
- (j) Requirements and process for voluntary deregistration of CDM project activities by project participants, while ensuring environmental integrity and consultation of Parties involved.¹²

3.3.2. Simplification and streamlining methodological standards

- 36. In response to the request in decision 4/CMP.10, paragraph 5, the Board further considered the implications of allowing requests for revision of a baseline and monitoring methodology without a draft project design document (PDD).¹³
- 37. Based on its analysis, to simplify the process for the request for revision of a methodology, the Board recommends that the CMP allow requests for revision of a methodology to be submitted without a PDD where such requests can be assessed without requiring the project-specific information (see section 4.6).
- 38. The Board simplified and broadened the methodologies for distribution of zero-energy water purification systems for safe drinking water and the methodology for quantifying emission reductions by electric and hybrid vehicles.
- 39. The Board simplified the survey requirements in methodologies for energy-efficient lighting by allowing the extrapolation of the results of a sampling survey of the first batch of equipment deployed to later batches.
- 40. The Board further clarified and simplified sampling and survey requirements. The work included elaboration of a period of validity for the values of monitoring parameters determined through surveys, providing more flexibility for the implementation of projects and PoAs.
- 41. The Board simplified and streamlined various forms and related instructions used by project participants, coordinating/managing entities and DOEs in the CDM project cycle (for example, PDD, programme design document (PoA-DD), validation report, verification report, monitoring report).
- 42. [Placeholder EB 86 agenda item: additional cost-effective approaches to demonstrating the eligibility of land to qualify as CDM A/R project activity]

¹¹ In response to the request in decision 3/CMP.9, paragraph 17.

¹² As endorsement in decision 4/CMP.10, paragraph 10.

¹³ See EB 84, annex 10.

43. [Placeholder EB 86 agenda item: applicability of A/R CDM M&P to project activities involving re-vegetation]

3.3.3. Accreditation

44. [Placeholder EB 86 agenda item: CDM accreditation procedure]
45. The Board, at its 81st and 82nd meetings, discussed collaboration with the Joint Implementation Supervisory Committee (JISC) to find synergy relating to accreditation, taking note of decision 6/CMP.10 on this matter. The Board is of the view that a joint accreditation committee may not be the most appropriate means of finding the sought-after synergy. In response to the CMP and to the JISC, the Board at its 85th meeting again discussed collaboration with the JISC. As there was no consensus, the Board agreed to not consider this matter further.
46. In response to decision 4/CMP.1, paragraph 19, the Board considered how to improve accreditation of operational entities in regions underrepresented in the CDM and agreed to simplify and streamline accreditation in the context of the current revision of the accreditation standard and procedure.

3.3.4. Development and improvement of methodologies

47. In the reporting period, the Board:
- (a) Launched work to broaden the applicability of the CDM by initiating methodological work focused on domestic aviation, biofuels, transport, cities and agriculture;
 - (b) Approved five new methodologies, three new methodological tools, 13 revised methodologies and one revised methodological tool for large-scale project activities;
 - (c) Approved one new methodology, eight revised methodologies and one revised general guideline for small-scale project activities;
 - (d) Approved more than XX new or revised standards or methodologies to facilitate low-income community projects;
 - (e) Improved the methodologies for agricultural applications, such as methane emission reduction by adjusted water management practice in rice cultivation;
 - (f) Improved the methodologies for efficient cookstoves by including more options to credibly determine the retention rates of the stoves, and introducing default values and simplified but accurate methods to determine the operating efficiency of the stoves, to use in emission reduction calculations.

3.3.5. Standardized baselines

48. In the reporting period, the Board adopted 11 standardized baselines: five for the power sector, one for rice cultivation and five for the waste sector, bringing to 15 the total number of standardized baselines adopted to date.

49. Ten proposed standardized baselines, relating to cookstoves and the power and waste sectors, were submitted by DNAs, bringing to 32 the total number of proposed standardized baselines submitted to date.
50. The Board agreed to facilitate DNAs in development of standardized baselines by initiating the process of collection of data on cost and efficiency of technologies in three sectors for six countries. The Board, in agreement and consultation with respective DNAs, also initiated top-down development of six standardized baselines: one relating to brick manufacture, one for clinker manufacture, one for afforestation and reforestation, and three relating to cookstoves.
51. The Board further standardized and broadened the methodologies for electrification of communities through grid extension or construction of new mini-grids and electrification of rural communities using renewable energy.
52. The Board adopted a revised procedure for development, revision, clarification and update of standardized baselines. The revised procedure provides increased flexibility and clarity for standardized baseline developers and other stakeholders.
53. The Board considered a revised guideline for the establishment of sector-specific standardized baselines, with the intention of enhancing applicability, simplicity and clarity. The Board requested the secretariat and CDM Methodologies Panel to assess the revised guideline's applicability to different project types and sectors.

3.3.6. Programmes of activities

54. In response to the request in decision 4/CMP.10, paragraph 18, the Board improved and streamlined the regulations for PoAs, providing:
 - (a) Flexibility in requesting issuance for a PoA and including options for the verification of batches of a monitoring period by different DOEs to avoid interdependency among CPAs, providing more flexibility and certainty to investors;
 - (b) Expanded options for post-registration changes to PoAs and/or CPAs, including revision of eligibility criteria;
 - (c) An option for the submission of an unrestricted number of specific-case CPA design documents at the time of request for registration of a PoA;
 - (d) Conditions for the combining of large-scale and small-scale methodologies that does not require prior approval of the Board.
55. In response to decision 4/CMP.10, paragraph 18, the Board analysed the thresholds for CPAs to qualify as microscale activities in PoAs. The Board agreed to adjust and implement the rules governing PoAs to enable application of microscale thresholds at the unit level rather than at the CPA level to reflect the special features of PoAs. The Board noted that the measure taken would facilitate effective implementation of PoAs and reduce associated transaction costs while ensuring environmental integrity.

3.3.7. Additionality

56. The Board also initiated work on developing standardized approaches for the demonstration of additionality in a frequently used methodology for renewable energy

generation. As well, the Board simplified the requirements on additionality in frequently used large-scale CDM transport methodologies by introducing quantitative performance thresholds.

57. In response to decision 4/CMP.10, paragraph 15, the Board initiated work to develop and digitize methodology-specific design document forms for project activities and PoAs.
58. In the last reporting period, in response to decision 3/CMP.9, paragraph 13, the Board considered a concept note on country-specific baseline and additionality thresholds and requested the secretariat and the CDM Methodologies Panel to analyse whether current default values of thresholds are still adequate, and whether new default values for different project types and sectors would be useful. The Methodologies Panel is still considering this matter.

3.3.8. Materiality

59. [Placeholder EB 86 agenda item: simplification and streamlining of the CDM]

3.3.9. Carbon dioxide capture and storage

60. The Board revised the CDM project standard, the CDM validation and verification standard and the CDM project cycle procedure to operationalize the project cycle for carbon dioxide capture and storage (CCS) project activities. The Board also developed guidelines on the letter of approval required from DNAs and the form for expression of agreement for CCS project activities.

3.3.10. Sustainable development

61. The secretariat launched on 1 April 2014 a website, called the CDM Sustainable Development co-Benefits Tool (SD Tool), where project participants can, on a voluntary basis, more systematically report the sustainable development co-benefits of their CDM projects and PoAs, and upload reports which can be accessed easily, including by potential buyers of CERs seeking units associated with specific sustainable development benefits.
62. The SD Tool, adopted by the Board in 2012, helps project participants create description reports containing comparable and structured information in a manner that is consistent across all types of CDM project activities and PoAs.¹⁴
63. As at 30 August 2015, 28 sustainable development description reports had been published.
64. In the reporting period, the secretariat received 110 requests from project participants or CMEs for access to the SD Tool, of which:
 - (a) 38 were granted, six of which were for a project activity at the pre-registration stage;
 - (b) 56 were not granted due to invalid or insufficient information provided by the requester, and 16 were duplicate requests and not processed.

¹⁴ See <<http://cdm.unfccc.int/Reference/tools/index.html>>.

3.3.11. Direct communication with stakeholders

65. The Board adopted a revised procedure for direct communication with stakeholders, which came into effect on 20 February 2015, in accordance with decision 4/CMP.10, paragraph 12. Key changes include the introduction of fast-track communication with the secretariat; a shorter response time for communication initiated by stakeholders; and the introduction of periodic reporting on the communications handled within the scope of the procedure.

3.4. Improving regional and subregional distribution of project activities under the clean development mechanism

3.4.1. Support to designated national authorities

66. The Board continued its support to DNAs, including:
- (a) Help desks provided by the secretariat to support DNAs and projects in Africa, least developed countries (LDCs), small island developing States and countries that had fewer than 10 registered CDM projects as at 31 December 2010;
 - (b) Regional training events in Barbados, Benin, Cabo Verde, Cameroon, Chile, Dominica, Ecuador, Eritrea, Ghana, Grenada, Kenya, Jamaica, Namibia, Malawi, Peru, Rwanda, Senegal, Tanzania, Togo, Uganda and Zambia, through the CDM Regional Collaboration Centres (RCCs);
 - (c) Assistance provided by the RCCs for establishment of DNA offices in Seychelles, Comoros and Republic of Congo, with the Comoros DNA fully established in the reporting period;
 - (d) Designated National Authorities Forum (DNA Forum) meetings and regional workshops for DNAs to share experience, engage with experts and learn of the latest regulatory developments in the CDM, climate finance and in the UNFCCC negotiations;
 - (e) Engagement with the co-chairs of the DNA Forum in stakeholder consultations and with the Board at its 84th and 87th meetings.
67. The Asia and Pacific regional workshop to promote the CDM and market mechanisms was held in Bangkok, Thailand, on 13–15 October 2014. The annual meeting of the DNA Forum was held in Bonn, Germany, on 13–14 November 2014. The Africa regional workshop on carbon finance (Marrakesh, Morocco, 11–12 April 2015) was held back-to-back with the 7th Africa Carbon Forum and the Ministerial Dialogue (13–15 April). The regional workshop on carbon finance and CDM for Latin America and the Caribbean (Santiago, Chile, 7–8 September 2015) was held back-to-back with the 9th Latin American and Caribbean Carbon Forum (9–11 September).
68. In response to decision 3/CMP.9, paragraph 20, the Board continues to offer assistance to DNAs in relation to monitoring sustainable development benefits and development of guidelines for local stakeholder consultation.

3.4.2. CDM Loan Scheme

69. The CDM Loan Scheme, launched in April 2012 and operated by the United Nations Office for Project Services under the supervision of the secretariat, has completed seven periods of applications for loans. As at 30 June 2015, a total of 182 applications had been received, with 73 loans approved, for a total commitment of USD 64 million. Projects that have had loans approved are located in Africa (53), Asia and the Pacific (19) and Latin America (1). Most loans cover PoAs (50 per cent), followed by large-scale projects (30 per cent) and small-scale projects (20 per cent). LDCs account for 67 per cent of the approved loans and African States account for 70 per cent. The CDM Loan Scheme continues to be well utilized.

3.4.3. Nairobi Framework Partnership

70. In the context of the Nairobi Framework¹⁵ Partnership, the secretariat coordinates activities of the partners and cooperating organizations.¹⁶ Joint efforts in the reporting period included organization of the 7th Africa Carbon Forum, the 9th Latin American and Caribbean Carbon Forum and the two regional workshops referred to in paragraph 67. Examples of bilateral activities conducted by the RCCs with Nairobi Framework partners are reported in the relevant sections. Each partner and collaborating organization also carried out individual initiatives according to their mandates and workplans.
71. The Board wishes to express its gratitude to the DNAs of Morocco and Chile for hosting the events and to the Nairobi Framework partners and cooperating organizations for their continued work on the CDM.

3.4.4. Regional collaboration centres

72. The Board expanded on-the-ground work with stakeholders with the launch of a fifth RCC on 1 September 2015, in Bangkok Thailand, in cooperation with the Institute for Global Environmental Strategies, Japan. through regional collaboration centres (RCCs) in five countries, together covering Latin America and the Caribbean, Africa, and now Asia.
73. The first RCC was established in Lomé, Togo, in 2103, and was followed by RCCs in Kampala, Uganda; St. George's, Grenada; Bogota, Colombia, and now Bangkok. They work in partnership with local and regional agencies and multilateral development banks to improve the regional and subregional distribution of CDM projects.¹⁷

¹⁵ The Nairobi Framework was launched in December 2006 by then Secretary-General Kofi Annan to spread the benefits of the CDM, especially in sub-Saharan Africa. See <http://cdm.unfccc.int/Nairobi_Framework/index.html>.

¹⁶ Partner agencies: the World Bank, the United Nations Environment Programme (UNEP), UNEP DTU Partnership (formerly UNEP Risoe Center), the United Nations Development Programme, UNFCCC, the African Development Bank and the United Nations Conference on Trade and Development. Cooperating organizations: International Emissions Trading Association, Asian Development Bank, Institute for Global Environmental Strategies, Inter-American Development Bank, Latin American Energy Organization and Development Bank of Latin America.

¹⁷ West African Development Bank, Lomé, Togo; East African Development Bank, Kampala, Uganda; Windward Islands Research and Education Foundation, St. George's, Grenada; Development Bank of Latin America, Bogota, Colombia.

74. While the scope of work of the RCCs in supporting the CDM has changed over time to adapt to new requirements and local circumstances, their core work remains providing direct support on the ground, for:
- (a) Existing projects and PoAs in their move through the CDM project cycle from idea to issuance;
 - (b) Development of standardized baselines;
 - (c) Development of a pipeline of future projects and partnerships;
 - (d) Development of CDM knowledge, awareness and capacity;
 - (e) Development and improvement of the CDM;
 - (f) Promoting use of the CDM.
75. The RCCs have provided direct support to more than 321 existing activities, resulting in 63 such activities moving forward in the project cycle. The centres have also been active in identifying 66 new project activities and supported work on 50 standardized baselines.
76. The following is a summary of work in the first four RCCs:
- (a) RCC Bogotá:
 - (i) Supported project participants and CMEs by identifying the project status of nearly 200 CDM registered cases via a CDM weekly survey. From this, about 20 projects were supported on CDM procedural and technical issues and 12 potential CDM projects were identified as being in need of financial support via credit lines that the Development Bank of Latin America could provide;
 - (ii) Supported development of standardized baselines in the brick sector in Colombia and Peru, grid emission factors in Honduras and Ecuador, and the waste sector in Ecuador, Colombia and Peru, and transport in Panama and Ecuador;
 - (iii) Commenced collaboration with the Inter-American Development Bank and UNDP in Panama for the development of standardized baselines; analysed mitigation potential based on CDM registered activities for the governments of Colombia and Mexico; analysed transaction costs for potential project participants or intermediary entities for call from World Bank's Pilot Auction Facility for Methane and Climate Mitigation;
 - (iv) Supported communication and outreach on issues such as the CDM Loan Scheme;
 - (v) Engaged with stakeholders during RCC missions to Brazil, Chile, Peru and Panama to discuss technical support for project participants and CMEs, national/regional climate change policy matters with relevant authorities, and promote voluntary cancellation of CERs by companies;

- (b) RCC Kampala:
 - (i) Supported more than 50 projects, of which more than half have moved forward in the project cycle;
 - (ii) Supported development of more than 15 standardized baselines in up to 12 countries for cookstoves and in the power, waste and forestry sectors;
 - (iii) Organized and co-organized more than 10 capacity-building events;
 - (iv) Worked with governments and stakeholders to extend the reach of the CDM, for example through promotion of voluntary cancellation of CERs and use of the CDM as a results-based financing tool through the World Bank's Ci-DEV programme;
 - (v) Shared with 498 project participants and CMEs information pertaining to the latest call for applications to the CDM loan scheme, with 23 follow-up communications received expressing interest in applying;
- (c) RCC Lomé:
 - (i) Supported endorsement of grid emission factors of the West Africa Power Pool and 10 standardized baselines
 - (ii) Hosted, in collaboration with KFW and Ghana Ministry of Environment, a standardized baseline workshop on transport, charcoal and waste sectors for 70 ministries and project representatives;
 - (iii) Hosted, in collaboration with World Bank Ci-Dev, a regional technical workshop for 70 international financial institutions and project developer representatives to take stock of results-based financing as a funding opportunity for energy access through the CDM;
 - (iv) Organized, in collaboration with BOAD and in response to expressions of interest from more than 12 countries, a series of events to discuss the benefits of CDM;
 - (v) Supported establishment of the ECOWAS (Economic Community of West Africa States) Climate Change Mitigation Programme with a focus on renewable energy and energy efficiency;
 - (vi) Supported Ivory Coast with information on the workings of domestic carbon markets;
- (d) RCC St. George's:
 - (i) Supported two registered PoAs and supported the development of two new PoAs on renewable energy and the tourism sector;
 - (ii) Supported development of five standardized baselines, of which four were approved;
 - (iii) Enhanced regional partnerships with the German Corporation for International Cooperation (GIZ), University of the West Indies, UNDP-Barbados and the United States National Renewable Energy Laboratory.

- (iv) Held a regional workshop focused on PoAs.

3.4.5. Evaluation of regional collaboration centres

77. [Placeholder EB 86 agenda item: RCC third-party evaluation]

4. Governance and management matters

78. The CDM two-year business plan 2014–2015 was adopted at the 76th meeting of the Board. The CDM management plan (MAP) 2015 was adopted at the 81st meeting. At its 83rd meeting, the Board agreed to continue its practice from the previous year and conduct a mid-year review of the status of implementation of the approved MAP.
79. The Board reviewed the MAP at its 85th meeting, taking into consideration a document titled “Status of CDM MAP 2015 implementation,”¹⁸ which contained an update on the achievements as at 31 May 2015 against the two business plan goals, the associated three objectives under each goal, and the specific products and priorities agreed at the 81st meeting of the Board. The Board agreed that work was on track and no mid-course change was required. The Board also took note of the secretariat’s restructuring and redeployment process (see paragraphs 13 and 102).
80. The Board and its panels and working groups met regularly during the reporting period. In addition, the secretariat organized meetings of the DNA Forum, the DOE/AIE (Designated Operational Entities/Accredited Independent Entities) Coordination Forum and workshops with stakeholders (see appendix IV).
81. During the reporting period, the CDM Accreditation Panel met three times (3–5 November 2014, 10–12 March 2015 and 2–4 June 2015); the Methodologies Panel met three times (21–24 October 2014, 16–20 March 2015 and 15–19 June 2015); the Small-Scale Working Group met three times (27–30 October 2014, 23–25 March 2015 and 22–25 June 2015); and the Afforestation and Reforestation Working Group held two meetings (23–25 June and 7–8 September 2015). The Carbon Dioxide Capture and Storage Working Group did not meet in 2015.
82. The Board continued to identify areas for strategic development and to consider how to make best use of its panels and working groups, within the context of potential new roles for the CDM in monitoring, reporting and verification, and results-based financing. The Board enhanced the use of electronic means for meetings of its panels and working groups. The use of electronic means to take decisions increased and the infrastructure for taking electronic decisions was improved for panels and working groups.
83. At its 85th meeting, the Board appointed members to the CDM Accreditation Panel, Methodologies Panel, Small-Scale Working Group, Afforestation and Reforestation Working Group, Carbon Dioxide Capture and Storage Working Group and the Registration and Issuance Team. The members were selected from applications received in response to a call launched in March 2015.
84. The Board expressed appreciation to outgoing and continuing members of its panels, working groups and Registration and Issuance Team for their hard work and commitment during the reporting period.

¹⁸ Available at <http://cdm.unfccc.int/EB/archives/meetings_14.html>.

4.1. Membership issues

85. At CMP 10, new members and alternate members of the Board were elected to fill vacancies arising from the expiration of terms of tenure. During the reporting period, the Board comprised the members and alternate members listed in table 4.

Table 4. Members and alternate members of the Executive Board of the clean development mechanism

Members	Alternate members	Nominated by
Mr. Eduardo Calvo ^b	Mr. Arthur Rolle ^b	Latin American and Caribbean States
Mr. Martin Enderlin ^b	Mr. Olivier Kass ^b	Western European and other States
Mr. Balisi Gopolang ^b	Mr. Joseph Amarthé Amougou ^b	African States
Ms. Natalie Kushko ^a	Ms. Diana Harutyunyan ^a	Eastern European States
Mr. José Miguez ^b	Mr. Maosheng Duan ^a	Non-Annex I Parties
Mr. Lambert Schneider ^b	Mr. Kazunari Kainou ^b	Annex I Parties
Mr. Hugh Sealy ^a	Mr. Amjad Abdulla ^a	Small island developing States
Mr. Muhammad Tariq ^b	Mr. Daegyun Oh ^b	Asia-Pacific States
Mr. Frank Wolke ^a	Mr. Piotr Dombrowicki ^{a,1}	Annex I Parties
Mr. Washington Zhakata ^a	VACANT ^{a,2}	Non-Annex I Parties

^a Term: two years ending at the first meeting in 2016.

^b Term: two years ending at the first meeting in 2017.

¹ Nomination was pending from CMP 9. Nominee deemed elected at CMP 9.

² Mr. Qazi Ahmad resigned effective 22 January 2015.

86. The Board reiterates its concern that neither the Conference of the Parties nor the CMP has established an international legal framework for privileges and immunities for Board members performing their functions relating to the CDM. Members are entitled to privileges and immunities only in Germany, in accordance with the Headquarters Agreement of the secretariat, and in countries where Board meetings are convened pursuant to an agreement with the host country that contains provisions on privileges and immunities. The Board noted the deliberations on this matter and urges the CMP to find an interim solution at CMP 11, pending the conclusion of a long-term solution.

4.1.1. Election of the Chair and Vice-Chair of the Board

87. The Board, at its 82nd meeting, elected Mr. Lambert Schneider, a member from an Annex I Party, and Mr. Eduardo Calvo, from a non-Annex I Party, as Chair and Vice-Chair, respectively. Their tenures as Chair and Vice-Chair will end at the first meeting of the Board in 2016.¹⁹
88. The Board expressed its appreciation to the Chair and Vice-Chair for their excellent leadership of the Board in 2015.

¹⁹ Rule 12 of the rules of procedure of the Board (decision 4/CMP.1, annex I).

4.2. Meetings in 2015

89. In the reporting period, the Board held five meetings. A sixth meeting is scheduled for November 2015 (table 5).
90. The annotated agendas for the Board meetings, documentation supporting agenda items and reports containing all agreements adopted by the Board are available on the UNFCCC CDM website.²⁰

Table 5. Meetings of the Executive Board of the clean development mechanism in 2015

Meeting	Date	Location
Eighty-second	16–20 February	Geneva, Switzerland
Eighty-third	13–16 April	Bonn, Germany
Eighty-fourth	25–28 May	Bonn (in conjunction with the sessions of the subsidiary bodies)
Eighty-fifth	20–24 July	Bonn
Eighty-sixth	12–16 October	Bonn
Eighty-seventh	23–27 November	Paris, France (in conjunction with the session of the CMP)

4.3. Interaction with forums and stakeholders

91. The Board and its support structure continued its work with CDM stakeholders during the reporting period, including with DNAs through the DNA Forum and interaction with the DNA Forum's co-chairs at Board meetings, and with DOEs through the DOE/AIE Coordination Forum's interaction with the Board at each meeting of the Board. During the reporting period, the secretariat organized nine workshops, forums, and ministerial and training sessions in five countries.
92. Stakeholders were also given the opportunity to express their views on the development and implementation of CDM rules and to seek clarification of those rules. During the reporting period, about 20 communications to the Board (letters) and 460²¹ communications to the secretariat under the fast-track process were received. Channels for the submission of letters and their responses via the DOE, DNA and Board extranets and the CDM public website²² have been established to increase transparency of the decision-making process and enhance knowledge-sharing on policy-related matters.
93. Stakeholders continue to have an opportunity to comment on the draft annotated agenda of each Board meeting and respond to calls for input on policy issues that have an impact on stakeholders before decision-making by the Board.

²⁰ <<http://cdm.unfccc.int/EB/index.html>>.

²¹ The data reported are from 20 February 2015 onwards.

²² The letters and responses are available at:
<<http://cdm.unfccc.int/stakeholder/submissions/index.html>>.

94. The secretariat also implemented five regular online teleconferences with members of the DOE/AIE Coordination Forum after each Board meeting, to discuss the outcomes of the meetings and to provide clarification on decisions taken by the Board.

4.4. Communication and outreach

95. Communication, promotion and outreach efforts in 2015 focused on promoting the usefulness of the CDM for compliance purposes, for example, in the emerging emissions trading systems, and on a voluntary basis to offset emissions, for example, by corporations, by large events and by individuals striving for climate neutrality (see section 3.1).
96. The core message in all of the Board's communication and outreach is that the CDM incentivizes projects that not only reduce or avoid greenhouse gas emissions but enhance well-being and promote sustainable development.
97. Activities of note included the following: publishing CDM-specific content on the UNFCCC Newsroom website, with stories in English, French and Spanish; increased use of social media; outreach at targeted carbon market events; production of videos; promotional outreach work to encourage demand for the CDM and its CERs; engagement with intergovernmental and private sector organizations; assisting policymakers in compliance markets; and development and promotion of the voluntary cancellation tool.
98. During the reporting period, more than XX news releases and announcements were disseminated and more than XX media queries were responded to regarding the CDM.
99. The RCCs have raised awareness about the CDM in regions with limited numbers of CDM projects. The centres, among other things, contribute to the effectiveness of the Board's outreach work at carbon market events in developing countries, such as the Africa Carbon Forum and the Latin American and Caribbean Carbon Forum. Further, the RCC in Lomé, Togo, publishes a monthly newsletter in French disseminated to a growing list of interested, developing-country stakeholders.
100. The reporting period saw the continued growth of the Facebook and Twitter accounts dedicated to the Kyoto Protocol mechanisms.

4.5. Status of financial resources for work on the clean development mechanism

101. This section presents information on income and expenditure as at the end of August 2015. In accordance with Decision 4/CMP.10, the Board is ensuring its ability to maintain and develop the CDM up to the end of the true-up period of the second commitment period of the Kyoto Protocol by prudently managing income received and the accumulated reserve.
102. Central to this effort in 2015 was a restructuring of the secretariat programme that supports the work of the Board and the subsequent reduction in staff numbers from 141 at the close of the 2014 reporting period to 95, planned for by 1 November 2015.

103. The total fees received during the first eight months in 2015 amounted to USD 6.4 million (table 6).²³ In comparison, the total fees received during the first eight months in 2014 amounted to USD 4.4 million.
104. Although the 2015 fee income exceeded both the expected income (USD 3.1 million) from fees and the share of proceeds (SOP) for 2015,²⁴ and the fee income received in the same period of 2014, this is not expected to continue owing to the decline in demand for CERs and the resulting decline in activity in the mechanism.
105. Under CDM rules, fees accrue to the secretariat when CERs are forwarded from pending accounts in the CDM registry. Thus, fees associated with projects that have received administrative services but have not completed the forwarding stage of the cycle cannot be recovered. As at 31 August 2015, CERs resting in pending accounts represented approximately USD 33.4 million in uncollected fees. Under the prevailing market conditions, the secretariat does not expect to recover the corresponding fees in 2015.
106. The balance on the interest accrued in the CDM Trust Fund from prior years to 31 December 2014, reserved to fund the CDM Loan Scheme, amounts to USD 7.1 million and is included in the carry-over and balance reported in table 6.

Table 6. Clean development mechanism status of income 2014–2015 (United States dollars)

	2014	2015 ^a
Carry-over from previous year (A)	148 940 705	128 031 562
Fee income during the year (B)		
Methodology fees^b	4 000	4 000
Registration fees^c	1 772 560	567 822
Share of proceeds^d	7 308 561	5 784 748
Accreditation fees	15 000	22 500
Accreditation process-related fees	143 464	27 116
Total of previous year's carry-over and current year's income (A + B)	158 184 290	134 437 748

^a 1 January to 30 August 2015. Not included is a reserve fund of USD 45 million.

^b A non-refundable submission fee of USD 1,000 is payable at the time a new methodology is proposed. If the proposal leads to an approved methodology, the project participants receive a credit of USD 1,000 against payment of the registration fee or a prepayment of share of proceeds.

^c This fee is based on the average annual issuance of certified emission reductions (CERs) over the first crediting period and is calculated as a share of proceeds to cover administrative expenses, as defined in decision 7/CMP.1, paragraph 37. Projects with annual average emission reductions of less than 15,000 tonnes of carbon dioxide equivalent are exempt from the registration fee, and the maximum fee applicable is USD 350,000. This fee is considered to be a prepayment of the share of proceeds to cover administrative expenses.

²³ The data presented in this report is subject to change as the financial period remains open at the time the report is being finalized.

²⁴ As per MAP 2015 (CDM-EB81-A01, section 4.1, para. 13).

^d The share of proceeds, payable at the time of issuance of CERs, is USD 0.10 per CER issued for the first 15,000 CERs for which issuance is requested in a given calendar year, and USD 0.20 per CER issued for amounts in excess of 15,000 CERs.

107. Table 7 below shows the status of budget and expenditure for 2014 and the first eight months of 2015.
108. At its 81st meeting, the Board approved MAP 2015 and related budget amounting to USD 28.1 million for the calendar year 2015. This represents a decrease of USD 4.8 million, or 14.7 per cent, compared with the 2014 budget (see table 7).
109. Expenditures of USD 17.5 million were made in the period to 31 August 2015. The rate of expenditure for the 2015 budget is in line with the expected rate (66.3 per cent) for the period and it is projected to continue on a linear rate as the year progresses.

Table 7. Status of budget and expenditure for 2014 and the first eight months of 2015 (United States dollars)

	2014 ^a	2015 ^b
Budget (12 months)	32 916 280	28 085 660
Expenditure	31 153 970	17 536 009
Expenditure as percentage of budget	94.6%	62.4%

^a Expenditure from 1 January to 31 December 2014.

^b Expenditure from 1 January to 31 August 2015. Includes total cost recovery expenses from January to June.

4.6. Recommendations to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

110. [Placeholder EB 86 agenda item: additional cost-effective approach (para 8 of decision 4/CMP.10)]
111. [Placeholder EB 86 agenda item: A/R (decision 7/CMP.10)]
112. [Placeholder EB 86 agenda item: Simplification and streamlining (various reference)]
113. [Placeholder EB 86 – Possible recommendation relating to encouraging use of the CDM]
114. [The Board recommends that the CMP allow requests for revision of a methodology to be submitted without a PDD where such requests can be assessed without requiring the project-specific information.]

Appendix I. Current List of deliverables to the CMP

Table 1. Current List of deliverables to the CMP

Decision 4/ CMP.10 paragraph reference	Guidance relating to the CDM Action to be taken by the CDM Executive Board	Status of implementation
5	Requests the Board to further consider the implications of allowing requests for revision of a baseline and monitoring methodology without a draft project design document in cases where the Board considers that the assessment of such a request can be conducted without project-specific information, in order to provide flexibility in the provisions contained in paragraph 38 of the annex to decision 3/CMP.1, and report back to the CMP at its eleventh session for its consideration;	Completed: EB84 (May) agreed to recommend that the CMP allow request for revision of a methodology to be submitted without a PDD where such requests can be assessed without requiring the project-specific information.

Decision 4/ CMP.10 paragraph reference	Guidance relating to the CDM Action to be taken by the CDM Executive Board	Status of implementation
6	Encourages the Board to continue its work on the simplification and streamlining of baseline and monitoring methodologies with the aim of reducing transaction costs for all project activities and PoAs, taking into account that countries, regions and subregions underrepresented in the CDM are especially affected by high transaction costs;	<p>Completed:</p> <p>EB82 (February) agreed on timelines for the work on simplification of methodologies including digitization to reduce transaction costs (EB82, annex 8); initiated further work to explore new methodological options to broaden the applicability of the CDM in the following sectors: cities, agriculture, domestic aviation, biofuels, transport, renewable energy electrification and household energy supply.</p> <p>EB83 (April) and EB85 (July) agreed to include non-binding best practice examples in methodologies and adopted various simplified and streamlined top-down revised and new methodologies and tools.</p> <p>EB85 (July) approved the "TOOL27: Investment analysis" (EB85, annex 12); agreed to broaden the applicability of biodiesel methodologies to cover all types of biofuels; agreed to conduct a gap analysis and revise the Combined Tool to identify the baseline scenario and demonstrate additionality to make it more usable; agreed to measures to expand the positive list projects that qualify for automatic additionality; agreed, as part of the simplifying and streamlining the additionality provisions, to consider a concept note to assess alternative approaches to additionality demonstration (e.g. probabilistic approach); initiated the work to simplify monitoring guidelines and standards; adopted a new methodological standard for rural electrification (EB85 report annex 13); improved existing regulations governing water purification (EB85 report annex 15).</p> <p>Ongoing:</p> <p>EB86 (October) to consider the revised sampling guidelines to include survey guidelines and broadening the applicability of the CDM with regard to the development of methodologies for cities and transport.</p> <p>EB87 (November) to consider various methodologies covering domestic aviation, agriculture, renewable energy, electrification and household energy supply; various simplified and streamlined top-down revised and new</p>

Decision 4/ CMP.10 paragraph reference	Guidance relating to the CDM Action to be taken by the CDM Executive Board	Status of implementation
		methodologies and tools; simplified monitoring guidelines and standards; . non-binding best practice examples in methodologies; combinations of methodologies that do not require prior approval.
8	Requests the Board to explore additional cost-effective approaches to demonstrating the eligibility of land to qualify as a CDM A/R project activity, and report back on this matter to the CMP at its eleventh session for its consideration;	<p>Completed: EB83 (April) considered additional cost-effective approaches to demonstrating the eligibility of land for afforestation and reforestation (A/R) CDM project activities and agreed to open a call for public inputs on this matter and requested the Afforestation and Reforestation Working Group (A/R WG) to take the public inputs into consideration. EB85 (July) considered a recommendation from the A/R WG on additional cost-effective approaches to demonstrating the eligibility of land to qualify as a CDM afforestation or reforestation (A/R) project activity and requested the A/R WG to consider this matter further.</p> <p>Ongoing: EB86 (October) to agree on a recommendation to the CMP at its eleventh session on additional cost-effective approaches for eligibility of land to qualify as CDM A/R projects.</p>
11	Requests the Board to report on the implementation of the procedure for voluntary deregistration to the CMP at its eleventh session;	<p>Completed: EB82 (February) adopted the revised CDM project standard and CDM project cycle procedure, which introduced the requirements and process for voluntary deregistration of CDM project activities by project participants, while ensuring environmental integrity and consultation of Parties involved.</p> <p>Ongoing: EB86 (October) to consider a report on the implementation of voluntary de-registration and to include this in its report to the CMP at its eleventh session.</p>

Decision 4/ CMP.10 paragraph reference	Guidance relating to the CDM Action to be taken by the CDM Executive Board	Status of implementation
12	Also requests the Board to publish its procedures for dealing with communications from stakeholders;	Completed: EB82 (February) adopted the revised procedure for direct communication with stakeholders (EB82, annex 9).
13	Requests the Board to further analyse options to allow the simplified registration of project activities and PoAs that qualify as automatically additional and report back to the CMP at its eleventh session for its consideration; the options would include, inter alia, that registration is approved on the basis of a standardized pre-approved registration template using objective criteria without prior validation through a DOE, combined with ex post confirmation by a designated operational entity during the first verification of the compliance with the registered template of the implemented project activity or PoAs;	Completed: EB84 (May) considered a concept note on the direction for the simplification and streamlining of the CDM and agreed on areas for the secretariat to develop concrete proposals without compromising environmental integrity. Ongoing: EB86 (October): to consider recommendations to CMP which may include a simplified registration process for PA and POA that qualify as automatically additional.
14	Requests the Board to analyse the implications, and possible provisions for ensuring environmental integrity, of allowing the same DOE to carry out validation and verification for the same project activity or programme of activities of all scales and report back on this matter to the CMP at its eleventh session for its consideration;	Completed: EB84 (May) considered a concept note on the direction for the simplification and streamlining of the CDM and agreed on areas for the secretariat to develop concrete proposals without compromising environmental integrity. Ongoing: EB86 (October) to consider recommendations to the CMP at its eleventh session on ways to simplify and streamline the CDM.
15	Also requests the Board to develop and digitize methodology-specific design document forms for project activities and PoAs;	Completed: EB85 (July) took note of the current status of the work on digitizing methodologies that generate project and programme design documents and provided guidance to the secretariat. Ongoing: EB87 (November) to consider pilot templates to further facilitate the development and digitization of methodology-specific design document forms for project activities and programme of activities.

Decision 4/ CMP.10 paragraph reference	Guidance relating to the CDM Action to be taken by the CDM Executive Board	Status of implementation
17	Requests the Board to streamline provisions relating to programmes of activities in the “CDM project standard”, “CDM validation and verification standard”, “CDM project cycle procedure” and other relevant documents, with a view to achieving consistency in a consolidated set of rules;	<p>Completed: EB84 (May) considered a concept note on the direction for the simplification and streamlining of the CDM and agreed on areas for the secretariat to develop concrete proposals without compromising environmental integrity.</p> <p>Ongoing: EB86 (October) to consider ways of streamlining provisions relating to programmes of activities (PoAs).</p>
18	<p>Also requests the Board to consider adjusting, and if appropriate implement, the rules governing PoAs to reflect the special features of PoAs in order to facilitate effective implementation and reduce associated transaction costs while ensuring environmental integrity, taking into account the implications for liability with regard to the issuance of CERS resulting from significant deficiencies in validation, verification and certification reports, including rules that:</p> <p>(a) Apply microscale thresholds at the unit level rather than at the component project activity level;</p> <p>(b) Allow, as an option, a simplified validation and registration process for activities that satisfy microscale thresholds and are considered automatically additional; this option shall allow for:</p> <p>(i) Validation of a PoAs without the submission of a specific-case component project activity;</p> <p>(ii) Inclusion on the basis of a pre-approved standardized inclusion template of CPAs carried out directly by the coordinating/managing entity without prior validation through a DOEs;</p>	<p>Completed: EB84 (May) considered a concept note on the direction for the simplification and streamlining of the CDM and agreed on areas for the secretariat to develop concrete proposals without compromising environmental integrity. EB85 (July) considered an analysis of component project activity (CPA) thresholds and agreed on options for applying microscale thresholds at unit level.</p> <p>Ongoing: EB86 (October) to consider the revision of relevant regulatory documents for unit level microscale thresholds for CPAs. And other areas for simplification and streamlining rules of PoAs.</p>

Decision 4/ CMP.10 paragraph reference	Guidance relating to the CDM Action to be taken by the CDM Executive Board	Status of implementation
19	Requests the Board to explore and analyse options to improve accreditation of operational entities in regions underrepresented in the CDM, and report back on this matter to the CMP at its eleventh session for its consideration;	<p>Completed: EB84 (May) considered to improve accreditation of operational entities in region underrepresented in the CDM and agreed to simplify and streamline the accreditation in the context of future revisions of the accreditation standard and procedure to, among others, reduce the transaction costs.</p> <p>Ongoing: EB86 (October) to consider the draft revised accreditation procedure. In 2016 the Board will consider options for revising the CDM accreditation standard to, among others, reduce the transaction costs.</p>
20	Requests the Board to ensure the prudent management of the resources of the CDM and its ability to perform its duties in maintaining and developing the mechanism up to the end of the true-up period of the second commitment period of the Kyoto Protocol.	<p>Completed: EB83 (April) considered proposals from its finance committee (EBFC) for improving the management plan (MAP) preparation process and requested the EBFC and the secretariat to further explore ways to best fulfil the mandate from the CMP to ensure the prudent management of the resources of the CDM and its ability to perform its duties in maintaining and developing the mechanism up to the end of the true-up period of the second commitment period of the Kyoto Protocol. EB85 (July) took note of the status of implementation of the 2015 management plan (MAP) and the management of resources. The secretariat undertook a thorough restructuring and redeployment process in the programme that supports the work of the Board.</p> <p>Ongoing: EB87 (November) to consider the business plan and MAP 2016.</p>

Decision 6/ CMP.10 paragraph reference	Synergy relating to accreditation under the mechanism of the Kyoto Protocol Action to be taken by the CDM Executive Board	Status of implementation
01	Requests the Board and the JISC to collaborate in considering the establishment of a joint accreditation committee under their authority and supervision and in the operation of accreditation, within the mandates established by decisions 3/CMP.1 and 9/CMP.1 and other relevant decisions of the CMP related to accreditation;	Completed: EB82 (February) considered the collaboration with the JISC for the establishment of a joint accreditation committee. The Board agreed that a joint accreditation committee may not be the most appropriate form for synergy on this matter. The Board invited the JISC for a possible collaboration to consider this mandate. During the June 2015 session of the SBs the chairs and vice-chairs of the Board and the JISC interacted for this purpose. EB85 (July) further discussed the collaboration with the JISC on synergies relating to accreditation under the mechanisms of the Kyoto Protocol and, as there is no consensus on this matter, agreed not to consider this matter further.
02	Further requests the Board and the JISC to report on the progress of the actions referred to in paragraph 1 above to the CMP at its eleventh session.	Ongoing: EB86 (October) to include its assessment and a report on communications between EB and JISC chairs in its report to the CMP at its eleventh session.

Decision 7/ CMP.10 paragraph reference	Outcome of the work programme on modalities and procedures for possible additional LULUCF Action to be taken by the CDM Executive Board	Status of implementation
01	Requests the Board, in the context of the work programme referred to in decision 2/CMP.7, paragraph 6, to assess the applicability of the modalities and procedures contained in decisions 5/CMP.1 and 6/CMP.1 to project activities involving revegetation, based on the definition contained in decision 16/CMP.1 annex, paragraph 1(e), including in areas with agroforestry and silvopastoral practices where the established vegetation is not likely to reach the forest thresholds selected by the host Party under decision 5/CMP.1, annex, paragraph 8,	Completed: EB83 (April) considered the assessment of and a report on the applicability of A/R modalities and procedures to project activities involving revegetation. The Board requested the A/R WG to prepare a recommendation on this matter to be considered by the Board at its eighty-sixth meeting. EB85 (July) considered a recommendation from the A/R WG on the assessment of applicability of afforestation and reforestation modalities and procedures to project activities involving revegetation and requested the A/R WG to analyse in detail the implications of allowing revegetation project

Decision 7/ CMP.10 paragraph reference	Outcome of the work programme on modalities and procedures for possible additional LULUCF Action to be taken by the CDM Executive Board	Status of implementation
	in the event that such project activities would be eligible under the CDM;	activities under the CDM.
02	Requests the Board to report to the CMP, at its eleventh session, on the outcome of the assessment referred to in paragraph 1 above, including an indication of sections of the CDM M&P in which modifications would be needed in respect of the project activities referred to in paragraph 1 above;	Ongoing: EB86 (October) to agree on a recommendation and include it in its report to the CMP at its eleventh session.

Decision 3/ CMP.9 paragraph reference	Guidance relating to the clean development mechanism	Status of implementation
08	Requests the Board to develop guiding tools to assist designated national authorities, upon the request of the host Party and on a voluntary basis, in monitoring the sustainable development benefits in its territory of CDM project activities and PoAs, recognizing that the use of such guiding tools is the prerogative of Parties and subject to the availability of funds from Parties included in Annex I;	Ongoing: EB84 (May) took note of information on the development of guiding tools to assist designated national authorities in monitoring sustainable development benefits on a voluntary basis.
13	Requests the Board to expedite its work on the development of country-specific baseline and additionality thresholds for sectors in countries underrepresented in the CDM, in coordination with those countries;	Completed: EB82 (February) initiated further work to assess options for the determination of country-specific baseline and additionality thresholds for sectors in countries underrepresented in the CDM. Ongoing: EB87 (November) to consider further work on thresholds in the context of the revision of standardized baseline guidelines.

Decision 3/ CMP.9 paragraph reference	Guidance relating to the clean development mechanism	Status of implementation
16	Recognizes that a new project activity or CPA could be registered at the same physical or geographical location at which a project activity or CPA whose crediting period has expired existed, if the new project activity or CPA is not a continuation or modification of the old project activity or CPA;	Completed: EB83 (April) agreed on criteria to determine whether a CDM project activity or component project activity (CPA) is a continuation or modification of another project activity or CPA whose crediting period has expired and therefore may not be registered as a new CDM project activity or included in a PoA (EB83 Annex 1).
17	Requests the Board to report to the CMP at its tenth session on the implementation of paragraph 16 above, including on criteria established to determine whether a project activity or CPA is a continuation or modification of another project activity or CPA, and, if necessary, to also make recommendations on possible changes to the CDM M&P;	
20	Further requests the Board, with the support of the secretariat, to collaborate with the DNA Forum on collecting and making available, on the UNFCCC CDM website, information on practices conducted for local stakeholder consultations, and to provide technical assistance to designated national authorities, upon their request, for the development of guidelines for local stakeholder consultation in their countries;	Ongoing: The Board continues to offer assistance to DNAs in relation to the development of guidelines for local stakeholder consultation.
21	Requests the Board, based on the experience gained through the application of materiality, as defined in decision 9/CMP.7, and in consultation with the DOE/AIE Coordination Forum, to review the concept of materiality in the verification process and, if applicable, how it can be further applied in the CDM;	Completed: EB84 (May) initiated work on the direction for the simplification and streamlining of the CDM including the review of the concept of materiality. Ongoing: EB86 (October) to consider an analysis of the application of materiality and the streamlining, expanding and improving the application of materiality in the CDM.

Appendix II. **[Placeholder: Entities accredited and provisionally designated by the CDM Executive Board]**

Appendix III. **[Placeholder: List of regulatory documents approved and/or revised by the CDM Executive Board]**

Appendix IV. **[Placeholder: Meetings of the CDM Executive Board, its support bodies, its forums in 2015]**

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Document information

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