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Draft annual report of the CDM Executive Board to the CMP

Version 01.0

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 twelfth session of the CMP.

2. Purpose

2. This draft annual report provides information on progress made in implementing the CDM during its fifteenth year of operation and makes recommendations for the consideration of CMP 12. This is a draft report only, pending inclusion of outcomes from the Board's ninety-first 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, but also the improvements made to the mechanism in the past year and the opportunities for continued use of the CDM.
4. The report includes recommendations by the Board to the Parties.

4. Impacts

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

6. The outcomes of the ninety-first meeting of the Board will need to be incorporated in the report. The report will then be formatted and edited as a formal document of CMP 12.

6. Recommendations to the Board

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

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

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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 in the period from 17 October 2015 to 17 September 2016, hereinafter referred to as the reporting period,² and makes recommendations for consideration at CMP 12. 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 ninety-second meeting, held after publication of this report, will be highlighted by the Chair of the Board, Mr. Eduardo Calvo, in his oral remarks to CMP 12.

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 12, in taking note of the annual report of the Board, may wish to:
 - (a) Note the work of the Board in response to requests by CMP 11 (see section 3 and appendix I);
 - (b) Designate operational entities (DOEs) that have been accredited and provisionally designated by the Board (see appendix II);
 - (c) 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) One member and one alternate member from the African States;
 - (b) One member and one alternate member from the Asia-Pacific States;

² Information in this report covers the period from 17 October 2015 to 17 September 2016, in accordance with decision 1/CMP.2, paragraph 11, and decision 2/CMP.3, paragraph 7, unless otherwise indicated.

³ < <https://cdm.unfccc.int/EB/index.html> >.

- (c) One member and one alternate member from the Latin American and Caribbean States;
- (d) One member and one alternate member from the Western European and other States;
- (e) One member and one alternate member from Parties included in Annex I to the Convention (Annex I Parties).

2. Status of the clean development mechanism

2.1. The clean development mechanism in numbers

6. The CDM in 2016 continued to face low demand, reflected in continuing low levels of project registration and issuance of certified emission reductions (CERs) (see table 1).

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

[Placeholder]

2.2. Challenges faced by the clean development mechanism

7. Due to low demand for CERs and the thus generally low price paid for CERs, many CDM projects face difficulties in continuing implementation or operation. Approximately XX per cent of the projects that had CERs issued up to 31 December 2012, the end of the first commitment period of the Kyoto Protocol, have not had further CERs issued.
8. The decline in CDM activity has continued to affect the mechanism's third-party validators and verifiers, the DOEs. In the reporting period, XX DOEs withdrew accreditation.
9. Furthermore, the CDM faces uncertainty regarding whether, and how, it can be used beyond 2020, when the second commitment period of the Kyoto Protocol is to end.⁴

2.3. Achievements and opportunities

10. The CDM has catalysed registration of more than 8,000 projects and programmes of activities (PoAs) in 107 countries and has issued more than 1.6 billion CERs. Thus, the mechanism has demonstrated its potential as a tool for mobilizing finance for climate action and sustainable development.
11. Parties to the Convention have recommended that experience from the CDM and other mechanisms be taken into account in preparing the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Climate Change

⁴ The Doha Amendment to the Kyoto Protocol, which establishes the Protocol's second commitment period, has yet to be ratified. As at 18 July 2016, 66 countries had ratified the Amendment, of the 144 ratifications required for the Amendment to enter into force.

Agreement. Thus, an opportunity exists for the CDM to be replicated or borrowed from to inform future efforts.

12. In the meantime, the CDM continues to be used by countries to meet commitments both under the Kyoto Protocol and by non-Party stakeholders for purposes not related to targets under the Protocol. Examples of the two were highlighted at the Board's workshop at the forty-fourth sessions of the subsidiary bodies in May 2016,⁵ including, respectively, a compliance-related initiative that provides climate finance for nitrogen dioxide abatement from nitric acid production; and facilities and funds that group several CDM projects into a bond that is sold to institutional investors.
13. Furthermore, the World Bank has continued to use the CDM for its results-based finance programmes: namely (i) the Carbon Initiative for Development, a performance-based low-carbon investment fund that purchases and cancels CERs, providing finance for energy access and low-carbon development in low-income countries; and (ii) the Pilot Auction Facility for Methane and Climate Change Mitigation (PAF), which provides a CER price guarantee or minimum return expectation for CDM sponsors.
14. The online platform for the voluntary cancellation of CERs, launched by the Board in September 2015, was promoted by the secretariat in 2016 as part of its Carbon Neutral Now initiative.⁶ The initiative has generated interest from prominent individuals, private sector entities, local governments and events, including those organized by the United Nations (see chapter 3.3.2 below).
15. In addition, Annex I Parties and a few non-Annex I Parties are using CERs under their own climate policies. Some countries allow CERs to be used in their emissions trading systems or are considering using CERs in other policy instruments.
16. Parties to the UNFCCC were also encouraged (decision 1/CP.21, para. 106) to promote the voluntary cancellation by Party and non-Party stakeholders, without double counting, of units issued under the Kyoto Protocol, including CERs that are valid for the second commitment period of the Protocol.
17. The Board remains of the view that the CDM is a useful tool in the international response to climate change.

3. Work undertaken in the reporting period

18. 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 11.

⁵ Exploring financing and use of the CDM by international climate finance institutions, 16 May 2016, Bonn, Germany <<http://cdm.unfccc.int/stakeholder/index.html>>.

⁶ Climate Neutral Now calls on organizations, cities, local governments, event organizers and individuals to strive towards climate neutrality by mid-century and demonstrate immediate action by measuring emissions, reducing what they can and offsetting the rest <<http://climateneutralnow.org/SitePages/Home.aspx>>.

3.1. Policy issues

3.1.1. Financing the CDM through international climate financing institutions

19. In response to decision 6/CMP.11, paragraph 8, the Board initiated work exploring opportunities for financing the CDM through international climate financing institutions, such as the Green Climate Fund. The Board drew on outcomes from its workshop on the topic at the forty-fourth sessions of the subsidiary bodies.⁷ The Board considered experiences in financing CDM projects, examples of using the CDM for the evaluation of mitigation outcomes, and barriers and opportunities for using the CDM to support climate financing activities, including recommendations for the further improvement of the CDM.⁸

20. Placeholder: EB91 outcome on financing CDM through international climate financing institutions

3.1.2. Options for using the CDM as a tool for other uses

21. In response to decision 6/CMP.11, paragraph 7, the Board at its eighty-eighth and eighty-ninth meetings discussed options for using the CDM as a tool for other uses, taking into consideration submissions received from CDM stakeholders following a call for public input in April 2016.

22. Placeholder: EB 91 outcome on CDM as tool for other uses

3.1.3. Application of E- policy for additionality demonstration

23. In response to the request in decision 6/CMP.11, paragraph 16, the Board continued its deliberation on the application of E- policy in investment analysis for additionality demonstration and selection of baseline scenario.

24. Placeholder: EB 91 outcome on E- policy

3.2. Rulings

3.2.1. Rulings related to accreditation

25. In the reporting period, three DOEs voluntarily withdrew their accreditation status. Also, the Board suspended, on a provisional basis pending the decision of the CMP, the accreditation of two DOEs for certain sectoral scopes. There are now 36 operational entities designated for the validation and verification of projects and certification of emission reductions, down from 39 on 1 October 2015. The Board recommends the entities listed in appendix II for designation or suspension at CMP 12 for the sectoral scopes indicated.

⁷ Exploring financing and use of the CDM by international climate finance institutions, 16 May 2016, Bonn, Germany <<http://cdm.unfccc.int/stakeholder/index.html>>.

⁸ See the report on the ninetieth meeting of the Board, paragraph 7, and the concept note titled “Financing the CDM through international climate finance institutions”, available at <http://cdm.unfccc.int/EB/archives/meetings_16.html>.

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

26. In the reporting period, a total of XXX,XXX,XXX units were issued, which includes XXX,XXX,XXX CERs and XXX,XXX temporary certified emission reductions (tCERs). This brings the total number of CERs issued as at 17 September 2016 to X,XXX,XXX,XXX, which includes X,XXX,XXX,XXX CERs, XX,XXX,XXX tCERs and XXX,XXX long-term certified emission reductions (ICERs). Table 2 shows registration- and issuance-related requests in the period from 1 October 2015 to 17 September 2016. The figure below shows percentage distribution of registered project activities, PoAs and component project activities by UNFCCC region.

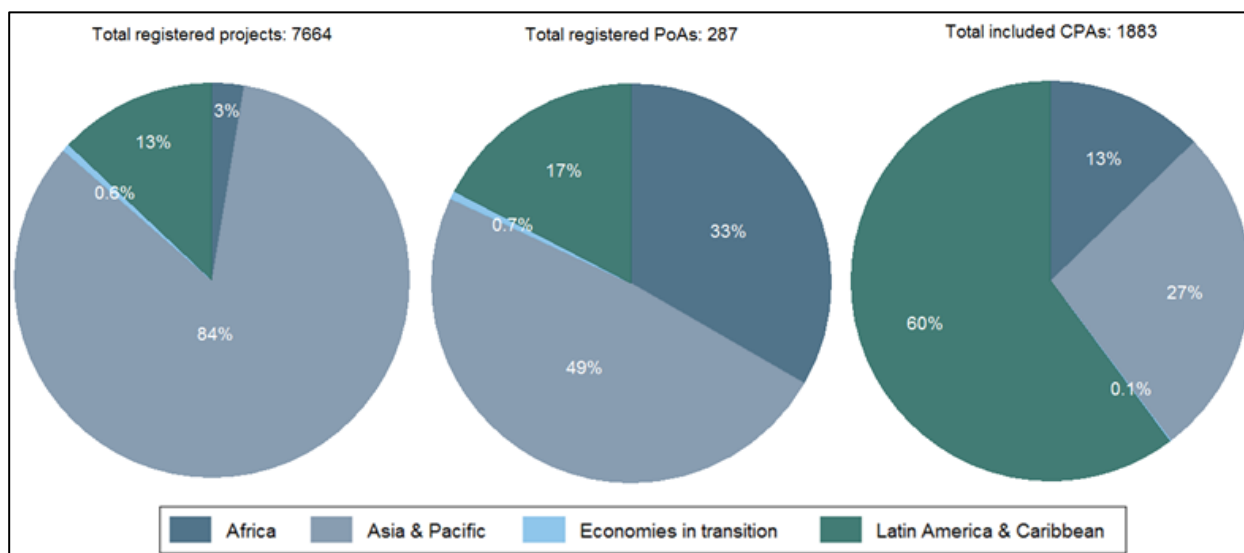
Table 2. Clean development mechanism registration- and issuance-related requests for the period from 1 October 2015 to 17 September 2016

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.

Figure 1. Percentage distribution of registered project activities, programme of activities and component project activities by UNFCCC region <<Figure to be updated>>



Abbreviations: CPAs = component project activities, PoAs = programmes of activities.

27. The number of projects and PoAs that had received issuance by the end of the reporting period is X,XXX and XX, respectively. A total of X,XXX,XXX CERs were issued for PoAs by the end of the reporting period.
28. There was a more than two-month delay (73 days as at 9 February 2016) in commencing the completeness checks for a request for registration and issuance submission during the beginning months of 2016. At the Board's request, the secretariat gave priority to registration and issuance submissions over other planned deliverables and the wait time for the commencement of completeness check was reduced to 26 days (as at 7 June). The period July–August saw wait time increase to 30 days due to a higher number of submissions received than planned for. The secretariat is taking further measures to avoid delays.
29. Further details on forwarding, voluntary and administrative cancellation transactions are provided in table 3.

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

Transaction type	Total as at 30 September 2016		1 October 2015 to 30 September 2016	
	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

Transaction type	Total as at 30 September 2016		1 October 2015 to 30 September 2016	
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
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 by the end of the reporting period, X,XXX,XXX,XXX were issued for the first commitment period of the Kyoto Protocol and XXX,XXX,XXX for the second commitment period. Of the total tCERs issued, XX,XXX,XXX were issued for the first commitment period and X,XXX for the second commitment period. All tCERs and ICERs were issued for the first commitment period.
31. The Board has received XX requests for the voluntary deregistration of CDM project activities by project participants since the implementation of the procedure for voluntary deregistration in February 2015.
32. Detailed figures can be found on the UNFCCC CDM website.⁹

3.3. Regulatory matters

33. During the reporting period, the Board continued to improve the CDM through adoption of new or revised regulatory documents, including amendments to the “CDM project standard” (PS), “CDM validation and verification standard” (VVS) and “CDM project cycle procedure” (PCP), and the standards relating specifically to PoAs, sampling, and sectoral scopes. The Board also agreed on improvements to the stakeholder consultation process.
34. Placeholder: EB 91 outcome on regulatory matters
35. 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.

⁹ <<http://cdm.unfccc.int/Statistics/Public/index.html>>.

3.3.1. CDM Registry

36. The Board considered a request from the CMP to examine how the information specified in decision 3/CMP.1, appendix D, paragraph 12, can be best made publicly available, and the implications thereof.
37. The Board agreed that disclosure of such information (on CER holdings and transfers at the account level and by serial number) would have implications for the confidentiality of data pertaining to individual entities. Therefore, the Board is of the view that confidentiality should be protected through aggregation and/or non-disclosure of account and transfer data as appropriate.
38. The Board considered various approaches, including approaches described in the concept note “How the information specified in decision 3/CMP.1, appendix D, paragraph 12 can be made publicly available” as contained in annex 5 of the annotated agenda of the Board’s ninetieth meeting. Higher levels of aggregation limit transparency, while lower levels of aggregation may cause concerns over confidentiality.
39. The Board decided to request further guidance from the CMP.

3.3.2. Online platform for voluntary cancellation of certified emission reductions

40. In September 2015, the Board launched the United Nations online platform for voluntary cancellation of certified emission reductions (the platform). The platform allows project participants to offer CERs for immediate voluntary cancellation to the general public and issues cancellation certificates to the purchasers.
41. At the end of the reporting period, **XX** projects were offering CERs on the platform. As at 30 September 2016, **XXX** CERs had been cancelled for a total value of USD **XXX**. Efforts are ongoing to increase the number of projects offering CERs.
42. In response to the request in decision 6/CMP.11, paragraph 5, information on sustainable development co-benefits contained in project and programme design documents of projects offering CERs on the platform can be accessed directly on the platform, including information from Sustainable Development co-Benefits Tool reports.
43. During the reporting period, a number of improvements were made to the platform, including the addition of a bank transfer payment method, invoicing and reporting capabilities, layout optimization and cancellation certificate preview. At the request of the Board at its 90th meeting, an independent review of the user-friendliness of the platform will be undertaken in the last quarter of 2016. At the same meeting, the Board requested the platform to be translated into French and Spanish. This work is expected to be completed by the end of 2016.
44. The platform was promoted by the secretariat in the context of the secretariat’s Carbon Neutral Now initiative.¹⁰

¹⁰ <<http://climateneutralnow.org/SitePages/Home.aspx>>.

3.3.3. Accreditation system

45. In response to decision 6/CMP.11, paragraph 11, the Board considered an analysis of the need for measures to ensure the continued participation of DOEs in the CDM, in particular in regions underrepresented in the CDM. The Board noted that a number of measures are already being undertaken in the context of the CDM two-year business plan 2016–2017 and management plan 2016 (MAP 2016),¹¹ such as creating demand for CERs, simplifying the CDM and continuing to standardize the registration and monitoring/verification process. The Board decided that the current activities planned are sufficient to support the continued participation of DOEs in the CDM, in particular in regions underrepresented in the CDM, and decided to revisit this matter as needed in the future.¹²

3.3.4. Project cycle

46. In response to the request in decision 6/CMP.11, paragraph 6, the Board continued to consider ways to simplify and streamline the CDM. More than 20 recommendations were prepared by the secretariat, including:
- (a) Clarifying the conditions for exemption from on-site inspection at validation and verification;
 - (b) Simplifying the inclusion of component project activities (CPAs) in a PoA;
 - (c) Simplifying the registration process for automatically additional project activities;
 - (d) Allowing an excluded CPA to be re-included in a PoA or registered as a project activity;
 - (e) Expanding the validity of methodologies in cases of resubmission of requests for registration;
 - (f) Expanding the number of project types permitted to request post-registration changes at time of request for issuance;
 - (g) Allowing voluntary update or change of an applied methodology for a project activity or PoA after registration;
 - (h) Increasing flexibility in changes to the start date of the crediting period;
 - (i) Clarifying the types of information required for requests for authorization of a DOE to perform both validation and verification for the same project activity or PoA;
 - (j) Allowing the change of a DOE at verification;
 - (k) Providing unlimited flexibility to verification schedules for PoAs;

¹¹ <https://cdm.unfccc.int/filestorage/e/x/t/extfile-20160311063157960-Info_Note60.pdf/Info_Note60.pdf?t=WTJ8b2NldzNpfDDtmk2HIJ-m1mjZ7CQyjRos>.

¹² See the report on the 90th meeting of the Board, paragraph 9, available at <http://cdm.unfccc.int/EB/archives/meetings_16.html>.

- (l) Allowing debundling and flexible verification schedules for bundled project activities;
- (m) Reducing the sample size for geographically scattered project activities.

47. Placeholder: EB 91 outcome on simplification and streamlining

3.3.5. Programmes of activities

48. In response to the request in decision 6/CMP.11, paragraph 18, the Board agreed to develop stand-alone PoA guidance. The Board will develop two sets of regulatory documents, one applicable only to PoAs and the other applicable only to project activities.

49. Placeholder: EB 91 outcome on development of stand-alone PoA guidance

3.3.6. Regulatory framework management

50. In response to the request in decision 6/CMP.11, paragraphs 12 and 13, the Board adopted a revised procedure for the development, revision and clarification of baseline and monitoring methodologies and methodological tools, making the submission of a project design document (PDD) optional when requesting a revision of an approved methodology. The revised procedure also abolished the fee for proposing a new methodology, facilitates the process for correcting obvious errors and for including/revising the references to a new or revised methodological tool in the existing methodologies, and introduced a step for a clarification to specify to which version(s) of a methodology or methodological tool a clarification applies.

51. Placeholder: EB 91 outcome relating to regulatory framework management

3.3.7. Materiality

52. The Board, at its ninetieth meeting, agreed to postpone until 2017 further work on requirements relating to application of materiality in the validation process (decision 3/CMP.9, para. 21) and give priority to revision of the PS, VVS and PCP for projects and PoAs, and assessment of registration and issuance submissions (see para. 28).

3.3.8. Standardized registration template using objective criteria for activities that qualify as automatically additional

53. In response to the request in decision 6/CMP.11, paragraph 20, the Board considered a concept note by the secretariat on standardized registration templates for automatically additional project activities and approved three revised forms, namely the PDD form for CDM project activities, the PDD form for small-scale CDM project activities and the validation report form for CDM project activities.¹³

¹³ See the report of the ninetieth meeting of the Board, annexes 1, 2 and 3.

3.3.9. Simplification and streamlining methodological standards

54. The Board approved the first CDM methodologies for the aviation sector (domestic), covering projects that make use of e-taxiing systems and solar power for at-gate operations.
55. The Board initiated development of guidelines to facilitate development of CDM project activities and PoAs in the urban context.
56. The Board initiated work to develop new methodologies for lightweight, two- or three-wheeled personal transportation infrastructure and methodologies for lower-emitting public transportation.
57. The Board considered initiated revision of existing agriculture methodologies to expand coverage and provided guidance to the secretariat on an approach to develop possible new agriculture methodologies.
58. The Board revised methodologies for projects that spur demand for efficient lighting technologies to include consistent and simplified options for monitoring, including default usage hours of the light bulbs.
59. The Board revised the methodology for recovery and recycling of materials from solid waste to cover recycling of container glass.
60. The Board initiated revision of the "Tool to calculate the emission factor for an electricity system" to: (i) better accommodate small isolated grids in small island developing States and least developed countries (LDCs); and (ii) enhance the clarity of the requirements relating to demonstration of transmission constraints.
61. With a view to broadening the options for projects that promote use of biofuels, the Board requested that existing relevant methodologies be enhanced, for example, to cover bioethanol, biomethanol and biogas.
62. The Board approved revisions of eight methodologies to include consistent guidance on monitoring parameters and measures to address data gaps.

3.3.10. Cost-effective and context-appropriate approaches for monitoring, reporting and verification with a focus on project activities involving households and communities

63. In response to 3/CMP.9, paragraph 15, and with a view to reducing transaction costs, the Board agreed on simplified options for calibrating equipment and requested the secretariat to further elaborate proposals for data gap management, for consideration at EB 92.
64. Placeholder: EB 91 outcome on cost-effective and context-appropriate approaches

3.3.11. Standardized baselines

65. Standardized baselines can be developed to describe the business-as-usual scenario for a wide range of project parameters, for example business-as-usual emissions from electricity generation (so-called grid emission factor) or business-as-usual wood fuel consumption from household cooking. Creation of a standardized baseline for a sector

can reduce the cost of project development, increase objectivity and consistency, and allow for faster development of projects.

66. In the reporting period, the Board approved 10 standardized baselines: five for the power sector, two for the waste sector, two relating to cookstoves and the first ever relating to afforestation and reforestation. This brings to 25 the total number of standardized baselines approved to date.
67. During the reporting period, designated national authorities (DNAs) submitted 15 proposed standardized baselines for consideration, relating to power generation, charcoal, waste management and cookstoves.
68. In addition, the Board is working on a further eight standardized baselines, one each relating to brick and clinker manufacture and six for cookstoves. This work was initiated by the Board and is being carried out in collaboration with respective DNAs.
69. Placeholder: EB 91 outcome on SBs.

3.3.12. Additionality

70. In response to decision 6/CMP.11, paragraph 14, the Board continued its work to develop and digitize methodology-specific design document forms for project activities and PoAs.
71. In response to decision 6/CMP.11, paragraph 17, the Board continued its work assessing methodologies and tools to ensure environmental integrity and additionality. The Board has initiated work on improving the combined tool for demonstration of baseline and additionality.
72. In response to decision 6/CMP.11, paragraph 19, the Board agreed to allow a simplified inclusion process for all types of microscale CPAs. The Board requested the secretariat to draft revised regulations and present them to the Board at EB92.
73. Placeholder: EB 91 outcome on automatic additionality

3.3.13. Direct communication with stakeholders

74. During the reporting period, 236 queries from stakeholders seeking clarification on CDM rules and regulations, including 33 communications addressed to the Board, were processed.
75. To further improve the stakeholder communication process, an online form was launched for submitting non-process-based communications to the secretariat and the Board. This simple online form is accessible via the CDM website. (See CDM – Contact Us at <<https://cdm.unfccc.int/contact/contact.html>>.)

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

3.4.1. Support to designated national authorities

76. The Board continued its support to DNAs, including through:
- (a) Regional training events in Cameroon, Colombia, Ethiopia, Gabon, Honduras, Togo, Rwanda, Senegal, Sri Lanka and Thailand, through the CDM Regional Collaboration Centres (RCCs);
 - (b) Assistance provided by the RCCs for the establishment of a DNA office in South Sudan (DNA in Seychelles fully established in the reporting period);
 - (c) Nairobi Framework Partnership working sessions with regional DNAs at the Africa Carbon Forum, the Asia Pacific Carbon Forum and the Latin America and Caribbean Carbon Forum;
 - (d) Engagement with the co-chairs of the DNA Forum in stakeholder consultations and at the Board's 87th and 89th meetings.
77. In response to decision 3/CMP.9, paragraph 20, the Board continued to offer assistance to DNAs on monitoring sustainable development benefits and development of guidelines for local stakeholder consultation.

3.4.2. CDM Loan Scheme

78. 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 2016, a total of 191 applications had been received, with 78 loans approved, for a total commitment of USD 6.21 million. Projects that have had loans approved are located in Africa (57), Asia and the Pacific (20) 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 70 per cent of the approved loans and African States account for 70 per cent.
79. <<The Board, at its 90th meeting took note of an update on the evaluation of the CDM loan scheme.>>
80. Placeholder: EB91 outcome on loan scheme

3.4.3. Nairobi Framework Partnership

81. In the context of the Nairobi Framework Partnership (NFP),¹⁴ the secretariat coordinates activities of the partners and cooperating organizations.¹⁵ In response to adoption of the

¹⁴ The Nairobi Framework was launched in December 2006 by then United Nations Secretary-General Kofi Annan to spread the benefits of the CDM, especially in sub-Saharan Africa. See <http://unfccc.int/secretariat/partnerships/nairobi_framework_partnership/items/9675.php>.

Paris Agreement, the NFP updated its terms of reference in early 2015 to reflect that the partnership seeks to not only promote regional uptake of CDM but also use its experience with the CDM to support market-based approaches to address climate change at the national and regional levels.

82. Joint efforts in the reporting period included the organization of three regional working sessions, together with DNAs and regional experts, to consider how best to deploy and enhance the CDM skills and expertise of DNAs to support mitigation action through market-based approaches. The working sessions were organized within the Africa Carbon Forum (Kigali, Rwanda, 28–30 June), the Asia Pacific Carbon Forum (Jeju, Republic of Korea, 5–7 September) and the Latin American and Caribbean Carbon Forum (Panama City, Panama, 28–30 September (planned)).
83. NFP coordination meetings were held in January, May and July 2016 in Copenhagen, Cologne and Kigali, respectively. Each partner and collaborating organization also carried out individual initiatives in 2016, such as projects and workshops, according to their mandates and workplans. This work is reported in the Nairobi Framework Partnership 2015 annual report.¹⁶ Examples of activities conducted by the RCCs with Nairobi Framework partners are reported in the following section.
84. The Board wishes to express its gratitude to the DNAs of Rwanda, Republic of Korea and Panama for hosting the events and to the Nairobi Framework partners and cooperating organizations for their continued work on carbon markets and mechanisms, including the CDM.

3.4.4. Regional collaboration centres

85. The first RCC was established in Lomé, Togo, in 2013, and was followed by RCCs in Kampala, Uganda; St. George's, Grenada; Bogota, Colombia, and Bangkok, Thailand. They work in partnership with local and regional agencies and multilateral development banks to improve the regional and subregional distribution of CDM projects.¹⁷ The RCCs together support implementation of the CDM in the Latin America and the Caribbean, Africa, and Asia-Pacific regions.
86. The work of the RCCs is organized into three areas:

(a) Direct assistance to existing projects and identification of new projects;

¹⁵ 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, the United Nations Conference on Trade and Development, International Emissions Trading Association and Asian Development Bank. Cooperating organizations: Institute for Global Environmental Strategies, Inter-American Development Bank, Latin American Energy Organization, Low Emission Development Strategies Global Partnership and Development Bank of Latin America.

¹⁶

http://unfccc.int/files/secretariat/partnerships/nairobi_framework_partnership/application/pdf/nfp_2015_annual_report.pdf.

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; Institute for Global Environmental Strategies, Bangkok, Thailand.

- (b) Promoting use of the CDM;
 - (c) Support for:
 - (i) The identification and development of new bottom-up and top-down standardised baselines;
 - (ii) The renewal of standardized baselines.
87. Since their inception, the RCCs have: maintained contact with over 1,000 CDM projects and PoAs; directly supported more than 450 projects and PoAs, resulting in 84 projects and PoAs moving one or more steps through the CDM project cycle, and 127 additional projects entering the CDM pipeline; initiated the development of 134 standardized baselines, with 22 being submitted to the Board and 19 approved; and provided capacity-building and training at the national level.
88. The work of the RCCs during the reporting period was aligned with the outcomes of an independent evaluation conducted in 2015. That report highlighted important achievements of the RCCs in their support to CDM stakeholders and remarked on the potential of the RCC initiative. The report also identified areas for improvement, in particular with reference to prioritization of countries supported, monitoring and evaluation, communication and outreach, reporting to the Board, and expansion of the scope of work. In response, the secretariat has:
- (a) Re-prioritized RCC work to focus on LDCs and underrepresented countries (with less than 10 CDM projects) above support provided to projects in other countries;
 - (b) Enhanced the RCC webpages, revamped RCC e-newsletters (stakeholder access to e-newsletters is also now tallied), published articles on the UNFCCC Newsroom and CDM website, and used social media to publicize events and enhance the dissemination of web-published content;
 - (c) Prepared a concept note on expanding the scope of the RCC initiative, as mandated by the COP at its twenty-first session,¹⁸ which includes recommendations on reporting.
89. By its decision 6/CMP.11, paragraph 26, the CMP requested the Board to expand, taking into account the transparent and prudent management of the resources of the CDM, the scope and scale of RCC assistance activities in developing countries by exploring the emerging technical and methodological areas in the context of the CDM, where specific assistance is identified as needed by the countries underrepresented in the mechanism.
90. **Placeholder: EB 91 outcome of consideration of RCCs**
91. The following are examples of work conducted by the RCCs:
- (a) RCC Bogota:
 - (i) Held a one-day event with the DNA of Colombia, titled “Marketplace: CDM fair and other carbon market initiatives”, in Bogotá, Colombia on 5

¹⁸ See decision 6/CMP.11, paragraphs 25 and 26.

November 2015. The event promoted the CDM and other ongoing initiatives effecting demand for CERs, such as the Nordic Environment Finance Corporation initiative and the voluntary cancellation of CERs in the context of Climate Neutral Now;

- (ii) Organized a workshop titled “Standardized baseline for GEF: Estimating the grid emission factor (GEF) using CDM tools/methodologies”, in collaboration with the Inter-American Development Bank (IDB) and the DNA of Honduras, in Tegucigalpa, Honduras from 26 to 30 April 2016;
 - (iii) Co-organized with RCC St. George’s a webinar titled “Green finance and carbon credits: Opportunities in Latin America and the Caribbean”, in Spanish on 1 June 2016, which presented eight initiatives: Climate Mundial, PAF, ALLCOT Group, First Climate Group - Green Investment, Neutralidad Climática de Noruega, Amsterdam Capital Trading, Development Bank of Latin America and Climate Neutral Now;
 - (iv) Forged new partnerships with Energising Development and the International Hydro Association (IHA) in Norway, providing support for reporting emission reductions/sustainable development from energy projects in rural areas, using approved CDM methodologies/tools, and providing expertise on the CDM at IHA-organized capacity-building events;
 - (v) Initiated resource mobilization through the IDB to cover expenses for a workshop and an assessment fee for a standardized baseline in Honduras, under the RCC’s existing partnership with IDB;
- (b) RCC Kampala:
- (i) Organized a practitioners’ workshop on clean cookstoves in Addis Ababa, Ethiopia, from 5 to 7 April 2016;
 - (ii) Organized a workshop titled “Developing CDM project activities and standardized baselines in Rwanda”, in Kigali, Rwanda, from 26 to 27 April 2016;
 - (iii) Forged new partnerships with the International Renewable Energy Agency (IRENA) and the DNA of Rwanda, sharing expenses related to organizing CDM workshops in the region;
 - (iv) Maintained existing partnerships with the World Bank for work on PAF; the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Uganda to organize capacity-building events for DNAs and other stakeholders; the Government of Norway to follow up on project selection relating to that country’s CER purchase programme; and Carbon Africa to organize training for Rwandan stakeholders on the CDM and its application within the wider mitigation framework;
- (c) RCC Lomé:
- (i) Organized in collaboration with the General Secretariat of the West African Power Pool (WAPP) and the West African Development Bank (BOAD), and with financial support from GIZ and the United States Agency for International Development a “Grid Emission Factor Capacity Building

Workshop on WAPP”, in Lomé from 30 November to 1 December 2015, which investigated possibilities for the development of a regional grid emission factor for the WAPP Interconnected Power System and examined its potential use for CDM project development;

- (ii) Co-organized a workshop titled “GEF calculation training workshop”, in Dakar, Senegal, in collaboration with IRENA on 29 January 2016;
 - (iii) Co-organized with IRENA, seminars titled “Experts Meeting for Renewable Energy and Climate Change for West and Central Africa”, in Dakar, Senegal, from 29 February to 2 March 2016 and in Libreville, Gabon, from 31 May to 1 June 2016, which explored the use of the CDM structure as an opportunity to raise NDC ambitions and promote sustainable development;
 - (iv) Co-organized a regional conference on sustainable cities, energy and climate, in Yaoundé, Cameroon from 2 to 4 May 2016, with the support of the Cameroon Ministry of Housing and Urban Development, in collaboration with the United Nations Human Settlements Programme (UN-Habitat) and Institute de la Francophonie pour le Développement Durable (IFDD), which highlighted the key role played by CDM projects and standardized baseline development in driving climate;
 - (v) Forged new partnerships with the United Nations Development Programme’s (UNDP) Global Support Programme (GSP) and IFDD for capacity-building activities on CDM project and standardized baseline development;
 - (vi) Maintained partnerships with and received support from BOAD, UNDP’s Millennium Development Goals, IRENA, UN-Habitat, the Government of Norway, the African Biofuel and Renewable Energy Company, the Economic Community of West African States (ECOWAS), the ECOWAS Centre for Renewable Energy and Energy Efficiency and KfW Development Bank for organizing CDM capacity-building activities;
- (d) RCC St. George’s:
- (i) Co-organized with RCC Bogota a webinar titled “Green finance and carbon credits: Opportunities in Latin America and the Caribbean” (see paragraph 92 (a) (iii));
 - (ii) Forged a partnership with UNDP Barbados, which received funding from the Japan-Caribbean Climate Change Partnership to provide government officials of six Caribbean countries with training in use of the CDM as a measuring, reporting and verification tool and to strengthen links between PoAs and nationally appropriate mitigation actions in the region;
- (e) RCC Bangkok:
- (i) Organized a regional workshop on use of the CDM and market mechanisms in the implementation of nationally determined contributions under the Paris Agreement, in Bangkok, Thailand, on 15 February 2016;
 - (ii) Organized, from 30 March to 1 April 2016 in Bangkok, in collaboration with the Thailand Greenhouse Gas Management Organization (the DNA of

Thailand), a CDM marketplace which brought together CDM project participants in the region and representatives of the Norwegian Carbon Credit Procurement Program;

- (iii) Co-organized, from 30 to 31 May 2016 in Colombo, in collaboration with the DNA of Sri Lanka, the Third CDM Dialogue Forum to support CDM participants in Sri Lanka.

3.5. Sustainable development co-benefits of clean development mechanism project activities and programmes of activities

3.5.1. Communicating the sustainable development co-benefits of clean development mechanism project activities and programmes of activities to the public

- 92. In response to the request in decision 6/CMP.11, paragraph 21, the Board, through the secretariat, implemented a schedule of activities through the UNFCCC's Newsroom website and social media channels to further communicate on the sustainable development co-benefits of CDM project activities and PoAs. A promotional flyer was also developed and made available on the SD Tool micro-website, the CDM website and through physical and digital means at the sessions of the subsidiary bodies in Bonn in May. Furthermore, information on CDM co-benefits was delivered to audiences attending events organized by the secretariat under the mandate of the Board and to RCC and Nairobi Framework partners.
- 93. In parallel, the secretariat conducted an email campaign directed to CDM project participants, PoA coordinating/managing entities (CMEs) and CDM DNAs to remind them about the availability of the SD Tool and the benefits of publishing a CDM sustainable development co-benefits description report.

3.5.2. Improved user-friendliness of the Sustainable Development co-Benefits Tool

- 94. In 2014, the secretariat launched the SD Tool as an online web interface where project participants could, on a voluntary basis, systematically report the sustainable development co-benefits of their CDM projects and PoAs.
- 95. As at 17 September 2016, a total of XX sustainable development description reports had been published, of which XX reports were published in the reporting period.
- 96. In the reporting period, the secretariat received XXX requests from project participants or CMEs for access to the SD Tool, of which:
 - (a) XX were granted, X of which were for a project activity at the pre-registration stage;
 - (b) XX were not granted due to invalid or insufficient information provided by the requester, and XX were duplicate requests and not processed.
- 97. In response to the request in decision 6/CMP.11, paragraph 22, the Board considered a review of the first two years of implementation of the SD Tool, which identified several areas for improvement. The Board requested the secretariat to implement specific measures to enhance the SD Tool's workflow efficiency and online interface usability, including by making it possible to search co-benefits reported through the SD Tool. The work is expected to be completed in the first half of 2017.

4. Governance and management matters

98. In November 2015, the Board adopted the CDM two-year business plan 2016–2017 and MAP 2016¹⁹ and agreed to continue its practice from the previous year and conduct a mid-year review of the status of implementation of the approved MAP.
99. The Board reviewed the management plan at its 90th meeting, taking into consideration a document titled “Status of CDM MAP 2016 implementation,”²⁰ which contained an update on the achievements as at 31 May 2016 against the two business plan goals, associated three objectives under each goal, and specific products and priorities agreed at the 87th meeting of the Board. The Board took note that the work was on track and no amendment to the MAP was required.
100. 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).
101. During the reporting period, the CDM Accreditation Panel met three times (19–21 October 2015, 16–18 February 2016 and 28–30 June 2016); the Methodologies Panel met three times (5–9 October 2015, 4–8 April 2016 and 20–24 June 2016) and the Small-Scale Working Group met three times (29 September–2 October 2015, 11–14 April 2016 and 20–23 June 2016). The Afforestation and Reforestation Working Group and the Carbon Dioxide Capture and Storage Working Group did not meet during the reporting period.

4.1. Membership issues

102. At CMP 11, 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. Amjad Abdulla ^b	Mr. Gerald Lindo ^b	Latin American and Caribbean States
Mr. Eduardo Calvo ^a	Mr. Arthur Rolle ^a	Western European and other States
Mr. Maosheng Duan ^b	Mr. José Miguez ^b	African States
Mr. Martin Enderlin ^a	Mr. Olivier Kassi ^a	Eastern European States
Mr. Balisi Gopolang ^a	Mr. Joseph Amarthé Amougou ^a	Non-Annex I Parties
Mr. Kazunari Kainou ^b	Mr. Lambert Schneider ^{b,1}	Annex I Parties

¹⁹ Available at https://cdm.unfccc.int/filestorage/e/x/t/extfile-20160311063157960-Info_Note60.pdf/Info_Note60.pdf?t=bHJ8b2NueGdhfDAmi_oKZgSelzbNZdbZ8dHc.

²⁰ Available at <http://cdm.unfccc.int/Meetings/MeetingInfo/DB/9COMWSV54JHAQ1P/view>.

Members	Alternate members	Nominated by
Ms. Natalie Kushko ^b	Ms. Diana Harutyunyan ^b	Small island developing States
Mr. Muhammad Tariq ^a	Mr. Daegyun Oh ^a	Asia-Pacific States
Mr. Frank Wolke ^b	Mr. Piotr Dombrowicki ^b	Annex I Parties
Mr. Washington Zhakata ^b	Mr. Moises Alvarez ^b	Non-Annex I Parties

^a Term: 2 years, i.e. ending prior to the first meeting in 2017.

^b Term: 2 years, i.e. ending prior to the first meeting in 2018.

¹ Member and alternate member resigned effective the first meeting of 2016.

Mr. Kainou and Mr. Schneider have been nominated by the relevant constituency to serve as member and alternate member respectively, as of the first meeting of 2016.

103. 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 12, pending the conclusion of a long-term solution.

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

104. The Board, at its 88th meeting, elected Mr. Eduardo Calvo, from a non-Annex I Party, and Mr. Frank Wolke, from an Annex I Party, as Chair and Vice-Chair, respectively. Their tenures as Chair and Vice-Chair will end just before the first meeting of the Board in 2017.²¹
105. The Board expressed its appreciation to the Chair and Vice-Chair for their excellent leadership of the Board in 2016.

4.2. Meetings in 2016

106. In the reporting period, the Board held four meetings. A fifth meeting is scheduled for November 2016 (see table 5).
107. 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.²²

²¹ Rule 12 of the rules of procedure of the Board (decision 4/CMP.1, annex I).

²² <<http://cdm.unfccc.int/EB/index.html>>.

Table 5. Meetings of the Executive Board of the clean development mechanism in 2016

Meeting	Date	Location
Eighty-eighth	7–11 March	Bonn, Germany
Eighty-ninth	9–13 May	Bonn (in conjunction with the sessions of the subsidiary bodies)
Ninetieth	18–22 July	Bonn
Ninety-first	13–17 September	Bonn
Ninety-second	31 October to 4 November	Marrakech, Morocco (in conjunction with the session of the CMP)

4.3. Interaction with forums and stakeholders

108. The Board and its support structure continued their 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 two meetings of the Board, and with DOEs through the DOE/AIE Coordination Forum's interaction with the Board at each meeting of the Board.
109. 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 through communications to the secretariat and the Board.
110. 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. The Board made itself available to registered observers at its meetings.
111. 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. Members of the CDM Accreditation Panel participated in these conference calls as observers.
112. The Board held a special side event at CMP 11 titled "The CDM and voluntary cancellation for closing the pre-2020 ambition gap". The agenda and presentations of the event are available on the UNFCCC website.²³

4.4. Communication and outreach

113. Communication and outreach efforts in 2016 focused on promoting (1) the usefulness and benefits of the CDM, in the broader context of the use of markets and mechanisms in the ongoing international response to climate change; and (2) use of CERs for voluntary offsetting, in the context of the secretariat's Climate Neutral Now initiative.
114. The core message is that the CDM is a functioning tool, at the disposal of Parties and non-Party stakeholders, that can incentivize projects that reduce or avoid greenhouse gas emissions and contribute to sustainable development.
115. Activities of note included the following: publication of CDM-specific content on the UNFCCC Newsroom website, with stories in English, French and Spanish; publication of

²³ <https://seors.unfccc.int/seors/reports/archive.html>.

stories on the CDM website; use of social media to focus attention on secretariat-generated content and relevant content from outside sources; outreach at targeted carbon market events; addition of subtitles to existing promotional videos; promotional outreach work to encourage demand for the CDM and its CERs; engagement with intergovernmental and private sector organizations; and promotion of the voluntary cancellation tool.

116. The RCCs have raised awareness about the CDM in regions with limited numbers of CDM projects. In the reporting period, the Internet presence of the RCC was enhanced with creation of a new website landing page and dedicated pages for each centre. As well, a new electronic newsletter dissemination service and new newsletter templates were introduced.
117. During the reporting period, more than **XX** news releases and announcements were disseminated.
118. The period also saw continued growth of the Facebook and Twitter accounts dedicated to the Kyoto Protocol mechanisms **<<numbers to be added>>**.

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

119. This section presents information on income and expenditure **as at the end of August 2016 <<numbers here are to the end of July; will be updated in final iteration>>**. 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.
120. The total fees received during the first eight months in 2016 amounted to USD 6 million (table 6).²⁴ A conservative zero projected income for 2016–2017 was included in the CDM two-year business plan 2016–2017.²⁵ The total fees received during the same period last year (Jan.–Aug. 2015) amounted to USD 6.4 million.
121. 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 2016, CERs resting in pending accounts represented approximately USD 35.6 million in uncollected fees. Under the prevailing market conditions, the secretariat does not expect to recover the corresponding fees in 2016.
122. The total interest accrued in the CDM Trust Fund from prior years to 31 May 2016 amounted to USD 9.9 million and is included in the carry-over and balance reported in table 6. The accrued interest is currently ear-marked to fund the CDM Loan Scheme to support the development of CDM project activities in countries with fewer than 10 such

²⁴ The data presented in this report is subject to change as the financial period remains open at the time the report is being finalized.

²⁵ As per the CDM two-year business plan 2016–2017 and management plan 2016 (CDM-EB87-A01-INFO, appendix, paragraph 7).

activities registered, in accordance with decision 3/CMP.6, paragraph 65. Expenditure in 2016 related to the CDM Loan Scheme amounts to USD 27,631.

Table 6. Clean development mechanism status of income as at 31 August for 2015 and 2016 (United States dollars)

	2015	2016 ^a
Carry-over from previous year (A)^b	128 031 562	109 382 561
Fee income during the year (B)		
Methodology fees^c	4 000	2 000
Registration fees^d	567 822	1 725 592
Share of proceeds^e	5 784 748	4 141 744
Accreditation fees	22 500	82 500
Accreditation process-related fees	27 116	15 012
Total of previous year's carry-over and current year's income (A + B)	134 437 748	115 349 409

^a 1 January to 30 August 2016. USD 45 million held in reserve (EB45, 2009) is not included.

^b The carry-over balance presented in this table is not equivalent to the balance available at 31 May 2016 documented in table 7 of the 2016 Q2 financial report (CDM-EB90-AA-A08). The difference is due to transactions processed between the date of issuance of the Q2 2016 report and the closure of the 2015 accounts. The 2015 accounts closed as of 30 June 2016.

^c 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.

^d 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.

^e 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.

123. Table 7 below shows the status of budget and expenditure for the first eight months of 2015 and 2016.
124. At its 87th meeting, the Board approved MAP 2016 and related budget amounting to USD 19.6 million for the calendar year 2016. This represents a decrease of USD 8.5 million, or 30.1 per cent, compared with the 2017 budget (see table 7).
125. Expenditures of USD 10.6 million were made in the eighth month period to 31 August 2016. The rate of expenditure for the 2016 budget is slightly below the expected linear rate (66.3 per cent) for the period and it is projected to more closely align with the linear rate as the year progresses.

Table 7. Status of budget and expenditure for the first eight months of 2015 and 2016 (United States dollars)

	2015 ^a	2016 ^b
Budget (12 months)	28 085 660	19 618 431
Expenditure (8 months)	17 536 009	10 440 021
Expenditure as percentage of budget	62.4%	53.8%

^a Expenditure from 1 January to 31 December 2014.

^b Expenditure from 1 January to 31 August 2015.

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

126. [Placeholder EB 91 agenda item: CDM Registry (para 24 of decision 6/CMP.11)]
127. [Placeholder EB 91 agenda item: Options for using the CDM as a tool for other uses (para 7 of decision 6/CMP.11)]
128. [Placeholder EB 91 agenda item: Financing CDM through international climate financing institutions (para 8 of decision 6/CMP.11)]
129. [Placeholder EB 91 agenda item: Application of E- policy in investment analysis for additionality demonstration and selection of baseline scenario (para 16 of decision 6/CMP.11)]
130. [Placeholder EB 91 agenda item: Loan scheme (3/CMP.6, annex III)]

Appendix I. Current list of deliverables to the CMP

Table. Current list of deliverables to the CMP

<i>Decision 6/ CMP.11 paragraph reference</i>	<i>Guidance relating to the CDM Action to be taken by the CDM Executive Board</i>	<i>Status of implementation</i>
4	Welcomes the launch of the online platform for voluntary cancellation of certified emission reductions	N/A
5	Requests the Executive Board and the secretariat to facilitate access to the section concerning sustainable development in the project and programme design documents of the project activities and programmes of activities on the online platform for voluntary cancellation of certified emission reductions referred to in paragraph 4 above;	Completed: EB88 (March) took note of the measures implemented for the access to the sustainable development section of the project development document (PDD) on the online platform for voluntary cancellation of certified emission reductions (CERs). EB89 (May) considered a concept note for the further development of the platform and agreed on translating the platform into French and Spanish. It also requested the independent evaluation of the platform's user-friendliness.
6	Encourages the Executive Board to continue the simplification process of the clean development mechanism with the aim of further simplifying and streamlining the project cycle, the registration and verification process, the development and approval of standardized baselines, the methodological standards and procedures, and the accreditation procedure;	Completed: EB88 (March), EB89 (May) and EB90 (July) considered concept notes for the simplification and streamlining of the CDM and agreed on areas for the secretariat to develop concrete proposals. Ongoing: EB91 (September) and EB92 (October/November) to consider the revision of relevant regulatory documents.

<i>Decision 6/ CMP.11 paragraph reference</i>	<i>Guidance relating to the CDM Action to be taken by the CDM Executive Board</i>	<i>Status of implementation</i>
7	Also encourages the Executive Board to continue exploring options for using the clean development mechanism as a tool for other uses and report back to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its twelfth session (November 2016);	<p>Completed: EB88 (March) and EB89 (May) considered options for using the CDM as a tool for other uses and discussed focus areas of work and possible actions using the CDM infrastructure in other areas, including the use of CERs.</p> <p>Ongoing: EB91 (September) to agree on a recommendation and include it in its report to the CMP at its twelfth session.</p>
8	Further encourages the Executive Board to explore the opportunities for the financing of the clean development mechanism through international climate financing institutions, such as the Green Climate Fund, and report back to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its twelfth session;	<p>Completed: EB88 (March) and EB90 (July) considered opportunities for financing and the use of the CDM by international climate finance institutions and agreed on activities for the secretariat to prioritize, and the associated cost implications of undertaking them.</p> <p>Ongoing: EB91 (September) to agree on a recommendation and include it in its report to the CMP at its twelfth session.</p>
9	Invites the Executive Board, as part of the implementation of paragraph 8 above, to consider hosting an in-session workshop at the forty-fourth sessions of the subsidiary bodies (May 2016), taking into account paragraph 28 below;	<p>Completed: EB88 (March) agreed to host an in-session workshop at the forty-fourth session of the Subsidiary Bodies in May 2016. EB90 (July) took note of a report on the in-session workshop held on this matter at the forty-fourth session of the Subsidiary Bodies in May 2016, which</p>

*Decision 6/
CMP.11
paragraph
reference*

*Guidance relating to the CDM
Action to be taken by the CDM Executive Board*

Status of implementation

		spotlighted a number of activities the secretariat may facilitate.
11	Requests the Executive Board to analyse the need for measures to ensure the continued participation of designated operational entities in the clean development mechanism, in particular in the regions underrepresented in the clean development mechanism, taking into account paragraph 28 below;	Completed: EB90 (July) decided that the current activities planned are sufficient to support the continued participation of designated operational entities (DOEs) in the CDM, to revisit this matter on an as-needed basis in the future, and to include its assessment in its report to the CMP at its twelfth session.
12	Decides to allow the submission of a request for the revision of a baseline and monitoring methodology without a draft project or programme design document in cases where the Executive Board considers that the assessment of such a request can be conducted without the project-specific information;	N/A
13	Requests the Executive Board to implement paragraph 12 above by revising the relevant regulations;	Completed: EB89 (May) adopted the revised procedure "Development, revision and clarification of baseline and monitoring methodologies and methodological tools" (EB89, annex 7), to reflect the changes to the provisions as requested by the CMP at its eleventh session.
14	Encourages the Executive Board to continue the development of digitized project and programme design document forms for clean development mechanism project activities and programmes of activities;	Ongoing: The development of digitized project and programme design document forms for CDM project activities and programmes of activities (PoAs) will continue in 2017.

<i>Decision 6/ CMP.11 paragraph reference</i>	<i>Guidance relating to the CDM Action to be taken by the CDM Executive Board</i>	<i>Status of implementation</i>
15	Requests the Executive Board to develop more cost-effective and context-appropriate approaches for monitoring, reporting and verification with a focus on project activities involving households and communities, addressing, inter alia: (a) Procedures to manage data gaps; (b) Regionally appropriate calibration requirements; (c) The use of sectoral and nationally collected data where appropriate;	Completed: EB90 (July) considered cost-effective and context-appropriate approaches for monitoring, reporting, and verification and agreed on areas for revisions to regulatory documents and additional analysis. Ongoing: EB92 (October/November) to consider additional analysis and approve revised regulatory documents.
16	Encourages the Executive Board to continue its work related to the “Application of E- policy in investment analysis for additionality demonstration and selection of baseline scenario”, and to report back to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its twelfth session;	Completed: EB88 (March) continued its deliberation on the application of E- policy in investment analysis for additionality demonstration and selection of baseline scenario. Ongoing: EB91 (September) to include its assessment in its report to the CMP at its twelfth session.
17	Also encourages the Executive Board to continue assessing methodologies in order to ensure environmental integrity and additionality;	Ongoing: The Board continues to assess methodologies in order to ensure environmental integrity and additionality.
18	Requests the Executive Board to develop a stand-alone programme of activity guidance, consisting, inter alia, of a “CDM PoA standard”, a “CDM PoA validation and verification standard” and a “CDM PoA cycle procedure”;	Completed: EB88 (March) considered a concept note on the structure of a stand-alone PoA guidance, and agreed on the structure for the secretariat to develop the document. Ongoing: EB91 (September) and EB92 (October/November) to

<i>Decision 6/ CMP.11 paragraph reference</i>	<i>Guidance relating to the CDM Action to be taken by the CDM Executive Board</i>	<i>Status of implementation</i>
19	Reiterates its request to the Executive Board, as contained in decision 4/CMP.10, to consider allowing, as an option, a simplified inclusion process for activities that satisfy microscale thresholds and are considered automatically additional; this option shall allow for inclusion on the basis of a pre-approved standardized inclusion template of component project activities carried out directly by the coordinating/managing entity without prior validation through a designated operational entity;	consider the development of relevant regulatory documents. Completed: EB89 (May) considered a concept note on simplified inclusion process for automatically additional microscale component project activities (CPAs) in a PoA, and agreed on the process. Ongoing: EB91 (September) and EB92 (October/November) to consider the revision of relevant regulatory documents.
20	Requests the Executive Board to consider developing a standardized registration template using objective criteria for activities that qualify as automatically additional;	Completed: EB89 (May) considered a concept note on standardized registration templates for automatically additional project activities and agreed on areas for the secretariat to develop concrete proposals. EB90 (July) approved three revised forms: the project design document form for CDM project activities (CDM-PDD-FORM), the project design document form for small-scale CDM project activities (CDM-SSC-PDD-FORM) and the validation form for CDM project activities (CDM-VAL-FORM), to include objective criteria for project activities that qualify as automatically additional (EB90, annexes 1, 2 and 3).
21	Encourages the Executive Board to continue its efforts in communicating the sustainable development co-benefits of clean development mechanism project activities and programmes of activities to the public;	Completed: EB90 (July) took note of communication efforts to raise awareness of sustainable development co-benefits of CDM project activities and PoAs to the

<i>Decision 6/ CMP.11 paragraph reference</i>	<i>Guidance relating to the CDM Action to be taken by the CDM Executive Board</i>	<i>Status of implementation</i>
		public.
22	Also encourages the Executive Board to improve the user-friendliness of the existing sustainable development co-benefits tool;	Completed: EB90 (July) considered a concept note to improve the user-friendliness of the sustainable development co-benefits tool and agreed on areas for the secretariat to implement proposed improvements.
23	Requests the designated operational entity to confirm that the request for issuance of emission reductions is submitted only to the Executive Board;	Ongoing: EB91 (September) and EB92 (October/November) to consider the revision of relevant regulatory documents.
24	Also requests the Executive Board to examine how the information specified in paragraph 12 of appendix D to decision 3/CMP.1 can be best made publicly available, and the implications thereof, and report back on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its twelfth session;	Completed: EB89 (May) considered how information specified in decision 3/CMP.1, appendix D, paragraph 12, can best be made publicly available and agreed on areas for the secretariat to develop concrete proposals. EB90 (July) decided to request further guidance from the CMP at its twelfth session on the preferred approaches to disclosing information on both holdings and transfers.
26	Requests the Executive Board to expand, taking into account paragraph 28 below, the scope and scale of regional collaboration centres' assistance activities in developing countries by exploring the emerging technical and methodological areas in the context of the clean development mechanism where specific assistance is identified as needed by the countries underrepresented in the mechanism;	Completed: EB90 (July) considered the expansion of the scope and scale of the Regional Collaboration Centres' (RCCs) assistance activities in developing countries and agreed on areas for the secretariat to develop concrete proposals. Ongoing: EB91 (September) to consider how the RCCs can support the mandated technical and methodological

*Decision 6/
CMP.11
paragraph
reference*

*Guidance relating to the CDM
Action to be taken by the CDM Executive Board*

Status of implementation

28

Requests the Executive Board to ensure the transparent and prudent management of the resources of the clean development mechanism, including the spending for those serving on the Executive Board.

work, including the cost estimates to carry out these additional CDM related activities.

Completed:
EB90 (July) took note of the status of implementation of the 2016 management plan (MAP) and the management of resources.
EB90 further considered current additional benefits of members and alternate members of the CDM Executive Board and agreed to further consider this matter in the context of the discussions on the CDM MAP 2017.

Ongoing:
EB92 (October/November) to consider the MAP 2017 and the current additional benefits of members and alternate members of the CDM Executive Board.

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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 2016]**

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Document information

<i>Version</i>	<i>Date</i>	<i>Description</i>
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