

Executive Board of the CDM: Report of 2010 and Expectations for 2011

Question and Answer Session – CMP.6

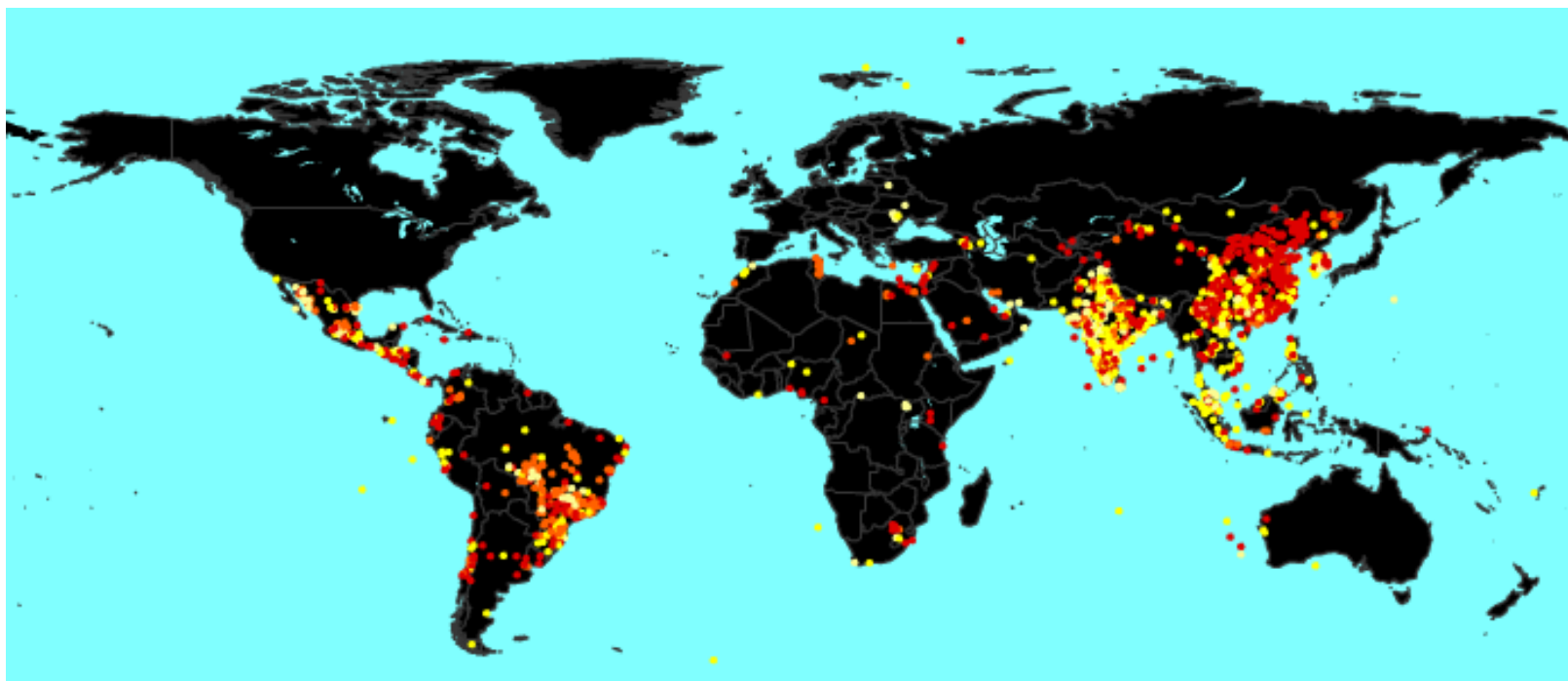
Cancun, Mexico, 30 November 2010



Clifford Mahlung, Chair
CDM Executive Board

2557 registered projects in
69 countries,
>3000 projects in pipeline

474 million CERs
issued to date

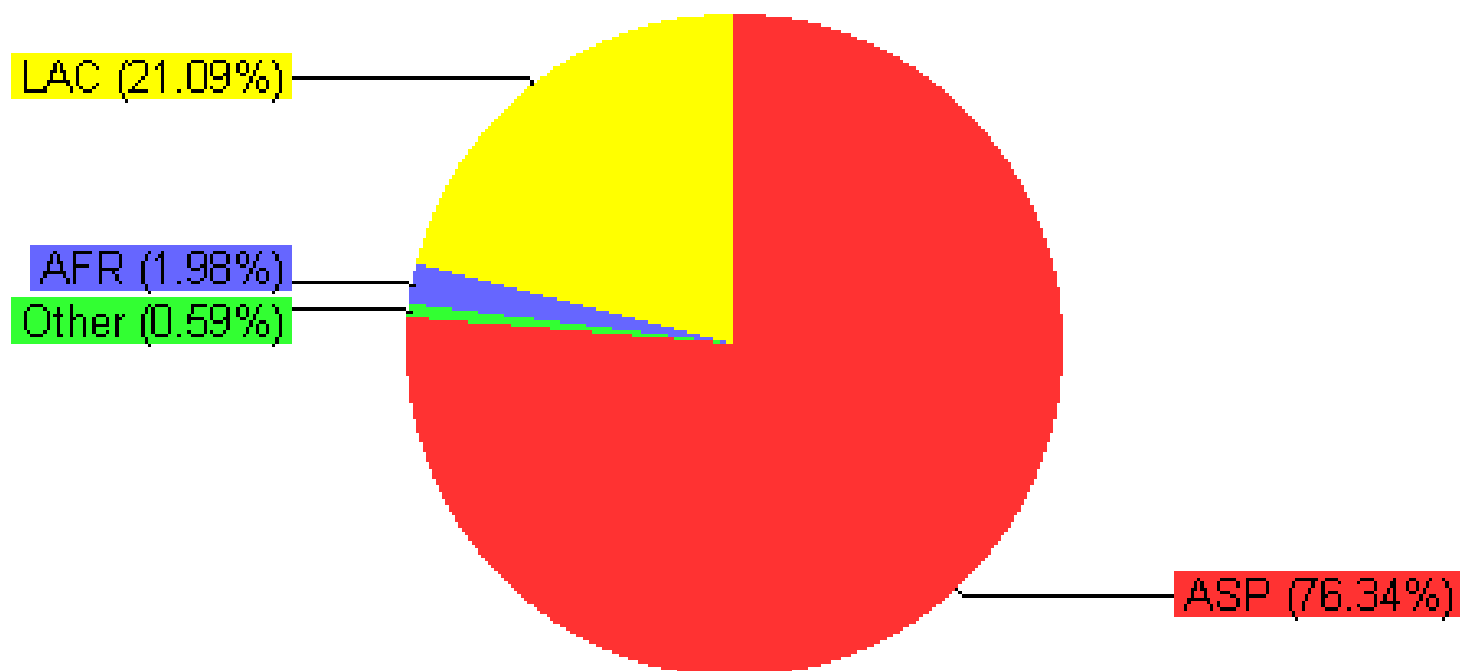


Status: 29 November 2010



REGISTERED PROJECT ACTIVITIES

BY REGION



REVISED PROCEDURES

FOR REGISTRATION, ISSUANCE AND REVIEW

*CMP requested the EB to adopt as soon as possible, and subsequently apply on an interim basis, **revised procedures for registration, issuance and review.***

STATUS

Revised registration, issuance and review procedures adopted.

- o **Transparency/clarity of timelines** improved. PPs now given scheduled start date
- o Completeness check divided into **two phases**,
 - (1) **completeness check** (7 days)
 - (2) **information and reporting** check (23 days)
- o Time from publishing of request for registration to automatic registration **shortened to 28 days from 8 weeks.**

TIMELINES

FOR REGISTRATION AND ISSUANCE

*CMP urged the EB to take effective action to **ensure compliance with established timelines** for each of its procedures as well as with decisions of the CMP and, where possible, to reduce the established timelines.*

STATUS

- o Due to continuing increase in CDM activity, a backlog in the processing of submissions has developed.
- o Backlog due to be reduced to one month by January, due to
 - o Hiring
 - o Reallocation of resources
 - o External experts
 - o Revised procedures

Near-term projections

- By January we should be at a state where projects upon submission will commence assessment within less than a month's time
- Operational planning will continue to make use of outsourcing (external experts) to address future peaks in submissions and reoccurrence of a backlog (December on-site exercise is serving to train experts for future remote use)
- Approved staffing levels will be complete within early first quarter 2011
- As at 29 November:
 - a) Registration – 42 (oldest 22 November)
 - b) Issuance – 231 (oldest 28 September)

As of 22 Oct*	Registration	Issuance
Submissions awaiting commencement	234	312
Expected submissions 22 Oct - 31 Dec	180	200
Expected commencements until 31 Dec	340	450
Expected submissions awaiting commencement on 1 January 2011	74	62

* Data as presented in Annex 3 of EB58 annotations.



REGIONAL DISTRIBUTION

EXTENDING THE REACH OF THE CDM

CMP requested the EB to establish simplified modalities for demonstrating additionality and develop top-down methodologies that are particularly suited to countries hosting fewer than 10 registered CDM projects.

STATUS

- The EB developed a **micro-scale additionality** tool
- The EB approved a **methodology** on displacement of kerosene lamps with LED
- The EB developed a **methodology booklet**



LOAN MECHANISM

TO ENHANCE REGIONAL DISTRIBUTION

*The CMP requested the EB to provide **loans to support countries with fewer than 10 registered CDM project activities**. The loans are expected to cover the costs of the development of project design documents as well as the costs of validation and the first verification for these project activities.*

STATUS

The Executive Board has made a recommendation to CMP.6 as requested



APPEALS MECHANISM

FOR STAKEHOLDERS

*CMP requested the **EB** to establish procedures for considering appeals by stakeholders in relation to:*

- a) Situations where a **DOE** may not have performed its duties.*
- b) Rulings taken by or under the authority of the **EB** regarding the rejection or alteration of requests for registration or issuance.*

STATUS

- The accreditation procedure now contains provisions for complaints and appeals against DOEs
- The EB has recommended an appeals procedure to CMP for the consideration of Parties



DESIGNATED OPERATIONAL ENTITIES

MONITORING OF PERFORMANCE

*The CMP requested the EB to develop and apply, as a priority, a **system for continuous monitoring of performance of DOEs** and a system to improve performance of these entities.*

STATUS

Monitoring framework developed and adopted:

- o System to **monitor and report on performance** of individual DOEs, providing regular and timely feedback to enable self-improvement of their level of performance.
- o System provides **data to support substantive improvement** of CDM system, and provides a sound platform for further analysis
- o Includes **policies to address non-compliance** by DOEs



INDICATIVE STRATEGIC PRIORITIES FOR 2011

APPROACH

- Two year workplan to be considered at EB59 in February

CONSOLIDATING DECISIONS

- Applying the hierarchy of decisions more rigidly and consolidating decisions in a more user friendly manner

STREAMLINING PROCESSES AND SYSTEMS

- Standardizing templates, simplifying procedural steps, analyzing the appropriateness of current assessment approaches

ENHANCING TRANSPARENCY AND BROADENING PARTICIPATION

- Continued improvements in stakeholder dialogue and explanations of Board decisions

OTHER PRIORITIES

- Objectivity in baseline and additionality, simplification in methodologies



FURTHER INFORMATION:

<http://cdm.unfccc.int/>

THANK YOU

Clifford Mahlung, Chair

CDM Executive Board



Matters related to AM0001

Question and Answer session – CMP.6

Cancun, Mexico, 30 November 2010



Background

- The methodology AM0001 is applicable to project activities that destroy HFC-23 generated during the production of HCFC-22.
- The Meth Panel considered publicly available information on potential issues related to the application of AM0001 at its 44th meeting and prepared a note to the Board for its consideration.
- The Board considered the note and requested the Meth Panel to further work on the subject following the request provided in annex 19 to the EB55 report.



Meth Panel Report

- The report of the Meth Panel aimed to address the underlying question:
Do the baseline emissions calculated under AM0001 in its current version provide an accurate description of what would have happened in the absence of the CDM?
- The report analyses the impact of the CDM on:
 - (i) the waste ratio of HFC-23 vs HCFC-22 produced;
 - (ii) the level of production of HCFC-22; and
 - (iii) the lifetime of equipment.
- The executive summary of the report is available in annex 11 to the EB58 report, at the UNFCCC website.



Decision from the Board

The Board at its 58th meeting, after considering the outcome of the work undertaken by the Meth Panel:

- requested the Meth Panel to revise the methodology AM0001 based on the shortcomings identified in their analysis; and
- agreed to put the methodology AM0001 on hold with immediate effect.

Furthermore, the Board decided to accept the pending requests for issuance of the related project activities which comply with all requirements according to the current version of the methodology AM0001.

