



Functioning and operation of the processes and institutions under the clean development mechanism in the future

Technical paper by the secretariat

Summary

This technical paper was prepared to support the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its eighteenth session in its consideration of the functioning and operation of the processes and institutions under the clean development mechanism in the future. For each process under the clean development mechanism, the paper presents information on its background, the status and an analysis of its functions, and considerations for its future operations. The paper also suggests appropriate time frames for the cessation of processes that would avoid a gap before the operationalization of the corresponding processes under the mechanism established by Article 6, paragraph 4, of the Paris Agreement.



Abbreviations and acronyms

Article 6.4 mechanism	mechanism established by Article 6, paragraph 4, of the Paris Agreement
CDM	clean development mechanism
CER	certified emission reduction
CMP	Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol
DNA	designated national authority
DNA Forum	Designated National Authorities Forum
DOE	designated operational entity
ITL	international transaction log
NDC	nationally determined contribution
PoA(s)	Programme(s) of activities
RCC	regional collaboration centre

I. Introduction

A. Mandate

1. In its guidance relating to the CDM, CMP 17 requested the secretariat to prepare a technical paper to support the consideration at CMP 18 of the functioning and operation of the processes and institutions under the CDM in the future, including appropriate time frames, with a view to avoiding a gap before the operationalization of the corresponding processes under the Article 6.4 mechanism, including the following:¹

(a) Submissions to the secretariat of requests for issuance of CERs for monitoring periods ending before 1 January 2021 in accordance with the relevant procedure developed by the CDM Executive Board;

(b) Submissions to the secretariat of requests for voluntary cancellation of CERs in accordance with the relevant procedure developed by the Board;

(c) Approval of new and revised methodologies, methodological tools and standardized baselines submitted under the bottom-up and initiated under the top-down process in accordance with the relevant procedure developed by the Board;

(d) Operation of the accreditation processes under the CDM.

B. Scope of the paper

2. This technical paper presents an analysis of the functioning and operation of the processes and institutions under the CDM. For each process under the clean development mechanism, the paper presents information on its background, the status and an analysis of its functions, and considerations for its future operations. The paper also suggests appropriate time frames for the cessation of processes that would avoid a gap before the operationalization of the corresponding processes under Article 6.4 mechanism.

II. Governance of the clean development mechanism

3. The CDM was established under the Kyoto Protocol and its operations are supervised by the CDM Executive Board.

4. The following support bodies are tasked with advising the Board on specific aspects under its responsibility and thus helping it perform its functions:

(a) The CDM Accreditation Panel, supported by a roster of experts on accreditation issues, which advises the Board on standards for accrediting DOEs and on the compliance of DOEs with those standards;

(b) The CDM Methodologies Panel, supported by roster of experts on methodological issues, which recommends to the Board the methodologies, tools and guidelines for calculating baseline levels of emissions and monitoring the implementation of plans for CDM projects and PoAs, and also prepares for the Board recommendations on submitted proposals for applying such methodologies to CDM projects and PoAs;

(c) The registration and issuance team, which supports the Board on the registration and renewal of CDM project activities and PoAs, and the issuance of CERs from those activities that are under review;

(d) The Afforestation and Reforestation Working Group, supported by a roster of experts on afforestation and reforestation related issues, which recommends to the Board the methodologies, tools and guidelines for calculating baseline levels of emissions and monitoring plans for CDM afforestation and reforestation projects, and also prepares for the Board recommendations on submitted proposals for applying such methodologies to CDM

¹ Decision 2/CMP.17, para. 6.

afforestation and reforestation projects and PoAs. This working group is not currently active, as the CDM modalities and procedures for afforestation and reforestation projects are not currently in force;

(e) The Carbon Capture and Storage Working Group, which recommends methodologies, tools and guidelines for calculating baseline levels of emissions and monitoring plans for CDM carbon capture and storage projects and also prepares recommendations for the Board on submitted proposals for such methodologies to CDM carbon capture and storage projects and PoAs. The working group has not been active since its establishment, as no methodological submissions have been made for carbon capture and storage projects.

5. The Board is further supported by:

(a) DOEs, which are responsible for confirming that projects and PoAs comply with the rules of the CDM and for submitting requests for registration and renewal of CDM project activities and PoAs, and issuance of CERs;

(b) The secretariat, which serves the Board and its support structure and, inter alia, supports its meetings and its panels and working groups, regulatory matters, methodological work and assessment of entities and cases relating to the registration, renewal and issuance of CERs, and provides recommendations to the Board.

III. Processes under the clean development mechanism

A. Project cycle

1. Background

6. CMP 16 decided that requests for registration, renewal of crediting period and issuance of CERs for project activities, as well as the equivalent submissions for PoAs, relating to emission reductions occurring after 31 December 2020 may not be submitted under the CDM.² On the basis of this decision, the elements of the CDM project cycle that continue to operate include the processing of:

(a) Requests for issuance of CERs for monitoring periods ending prior to 1 January 2021;

(b) Requests for post-registration changes.

7. In the absence of a decision on the functioning of the CDM beyond the end of the second commitment period of the Kyoto Protocol (2013–2020), the CDM Executive Board, at its 108th meeting,³ agreed to temporary measures enabling it to receive and process requests and submissions relating to emission reductions occurring after 31 December 2020. Furthermore, CMP 16 decided that the Board may continue receiving and processing the relevant requests and submissions under the temporary measures until the date when the process for submission of requests to the secretariat to transition the requests and other submissions that have been accorded provisional status to the Article 6.4 mechanism becomes operational, as may be specified by the Supervisory Body.⁴ The Supervisory Body, at its 5th meeting,⁵ decided on 30 June 2023 as this date.

² Decision 2/CMP.16, para. 7.

³ See CDM Executive Board document CDM-EB108, available at https://cdm.unfccc.int/EB/archives/meetings_20.html#108.

⁴ Decision 2/CMP.16, para. 15.

⁵ See Supervisory Body document A.645-SB005, para. 8, available at <https://unfccc.int/process-and-meetings/bodies/constituted-bodies/article-64-supervisory-body/meetings-of-the-article-64-supervisory-body>.

2. Considerations for future operations

(a) Issuance of certified emission reductions

8. In accordance with decision 2/CMP.16, paragraph 7, there will be no issuance of CERs for emission reductions occurring on or after 1 January 2021.⁶ However, no CMP decision specifies a deadline for requesting issuance of CERs for emission reductions that occurred prior to 1 January 2021 or indicates when such CER issuance should cease.

9. In addition, in accordance with decision 3/CMA.3, annex, paragraph 75(a–c), CERs issued for CDM project activities or PoAs registered on or after 1 January 2013 may be used towards achievement of the first NDCs only, if such CERs have been transferred to and held in the Article 6.4 mechanism registry.

10. Demand for CERs for such use may continue until the end of the compliance period of the first NDCs. CERs are also used for voluntary cancellation purposes to demonstrate individual or corporate responsibilities that are not necessarily linked to any specific time frame, or for exchanging with equivalent credits to be used under other market mechanisms under the UNFCCC.

11. In the post-2020 period, the number of requests for issuance of first commitment period CERs⁷ is already at a low level and is expected to further diminish naturally, whereas the number of requests for issuance of second commitment period CERs⁸ is at a similar level as in the pre-2021 period. See table 1 for relevant statistics from 2018 to 2022.

Table 1
Number of finalized requests in 2018–2022 for issuance and forwarding (including voluntary cancellation) operations

<i>Operation</i>	<i>Commitment period</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Finalized issuance requests	1	20	11	8	6	45
	2	297	276	366	461	526
Forwarding including voluntary cancellation	1	2 234	2 713	1 309	1 324	1 234
	2	1 569	3 498	3 189	3 809	3 474

12. While some degree of interest in the issuance, forwarding and cancellation of CERs will remain among Parties and stakeholders in the near future, continuing the issuance of CERs indefinitely may not be an option owing to various resource implications related to the administration, operation and maintenance of the processes operated by different CDM stakeholders. In this regard, a deadline for requesting issuance of CERs that includes sufficient time for project participants to allow the completion of any remaining requests may be needed.

13. Historically, more than 90 per cent of the monitoring reports for projects or PoAs have been submitted within five years of the occurrence of the corresponding emission reductions (i.e. the end of the relevant monitoring period) (see the figure below). Given this finding, and considering that the latest possible end date of the monitoring period under the CDM is 31 December 2020, the CMP may decide to set a deadline for the submission of requests for issuance as [31 December 2025] [or any other later date]. The deadlines for the other

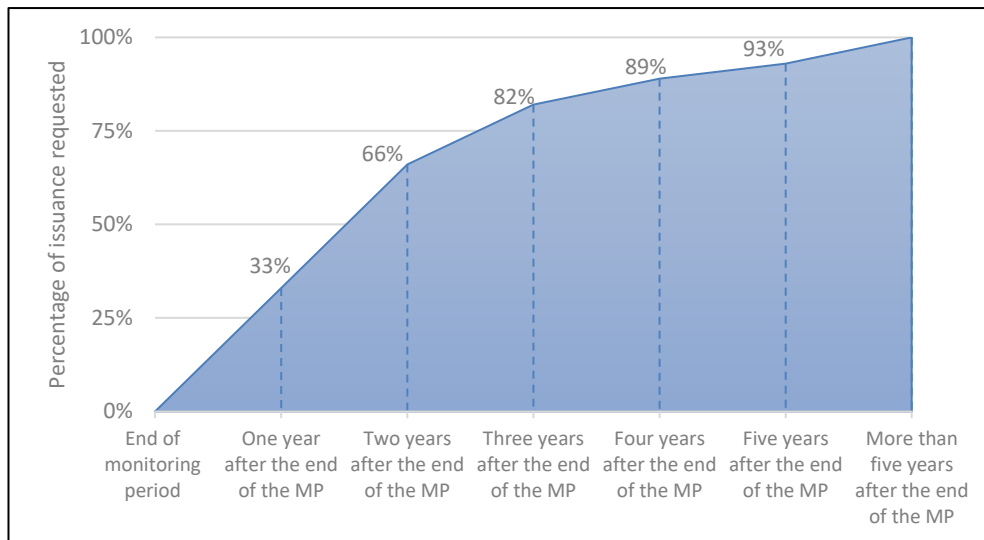
⁶ For commitments under the Kyoto Protocol of Parties included in Annex I to the Convention, the issuance of CERs ended for compliance when the period for fulfilling commitments expired, which was on 18 November 2015 for the first commitment period and on 9 September 2023 for the second commitment period.

⁷ CERs generated by the CDM project activities or PoAs whose monitoring period ends before 1 January 2013.

⁸ CERs generated by the CDM project activities or PoAs whose monitoring period starts on or after 1 January 2013.

processes under the CDM, as discussed in chapter III.B–F below, will vary depending on this deadline for submission of issuance requests.

Time taken to submit monitoring reports for projects and programmes of activities



14. A deadline of [31 December 2025] [or any other later date] would provide project participants with reasonable time for preparing monitoring reports, undergoing verification of projects and PoAs in a monitoring period by DOEs and submitting requests for the issuance of CERs for any remaining monitoring periods until 31 December 2020 for which projects and PoAs have not yet been verified. It will be important to communicate well with project participants that may be affected by the introduction of such a deadline.

15. Based on analysis by the secretariat and historical trends, the projected number of requests for issuance of CERs relating to emission reductions occurring until 31 December 2020 expected during the remaining years leading up to 31 December 2025 is between 700 and 850. The small range in these numbers is attributed to the clear definition of use for the first and first updated NDCs, and for other voluntary cancellation purposes. The volume of CERs expected to be processed during this period is between 150 million and 180 million CERs.

16. Even with the implementation of a deadline for the submission of requests for issuance of CERs, the issuance process will need to continue to be operational until all submitted requests have been processed, including resubmissions arising from the completeness and accuracy check of the original submissions. Based on the secretariat’s experience of request processing time, as long as one year could be needed for this purpose.

17. The completion and cessation of the CER issuance process is independent of the operation of the registry process. The time frame for possible closure of CDM registry functions, including the transfer and voluntary cancellation of CERs, is discussed in chapter III.B below.

(b) Post-registration changes

18. Under the CDM, with the exception of two specific types of changes,⁹ there is no deadline for requesting the approval of post-registration changes. The post-registration change process exists to ensure consistency between the information on activities contained in publicly available project design documents and the implementation and operation of these activities on the ground. In the post-2020 period, the request for approval of any post-registration changes that affect the monitoring and calculation of emission reductions for the

⁹ These changes are increase in installed capacity of the project activity equipment and addition of technologies or measures, for which requests for approval of post-registration changes are to be submitted within two years of the commissioning or implementation of the changes, whichever is later.

period up until 31 December 2020 will need to be brought forward to before one year of reaching the deadline agreed for the submission of requests for issuance noted in paragraph 13 above, particularly if the project participants concerned intend to request the issuance of CERs for this period.

19. Consideration of the future operation of the post-registration change process is thus linked to that of the future operation of the CER issuance process. Given that issuance requests can be submitted for CDM project activities and PoAs impacted by post-registration changes, the deadline for the submission of requests for approval of post-registration changes should, in principle, be the same as that for the submission of requests for the issuance of CERs. As such, the CMP may decide to set the deadline for the submission of requests for approval of post-registration changes as [31 December 2025] [or any other later date].

(c) Temporary measures

20. The deadline for the submission of requests under the temporary measures mentioned in paragraph 7 above, 30 June 2023, has passed. The processing of requests submitted is expected to be completed by the end of 2024 at the latest. Continued implementation of the temporary measures is needed until that time, but there is no need for further consideration in this regard.

B. Registry operations

1. Background

21. The CDM registry is one of the two types of registries operating under the Kyoto Protocol for the recording and tracking of Kyoto Protocol units, the other type being the national registries of the Parties included in Annex I with a commitment inscribed in the third column of Annex B in the Doha Amendment to the Kyoto Protocol.¹⁰ Each registry operates and communicates data related to Kyoto Protocol units with other registries through a link established with the ITL,¹¹ which was put in place and is administered by the secretariat under CMP guidance. Under current rules set by the CMP, the ITL validates all transactions involving Kyoto Protocol units, including those that are internal to a registry system.

22. The secretariat acts as the CDM registry administrator under the authority of the CDM Executive Board.

23. The CDM registry's objective is to issue CERs in the pending account on the request of the CDM Executive Board. These CERs are then distributed or cancelled as per the instruction of project participants according to their requests for forwarding (within the CDM registry to permanent holding accounts or outside the CDM registry to accounts of project participants in national registries) or voluntary cancellation. The CDM registry also supports the online purchase and voluntary cancellation of CERs through a voluntary carbon offset platform.¹²

24. This technical paper does not include an analysis of the functions of the CDM registry beyond those performed under the CDM institutions (e.g. involvement of the World Bank, various issues identified in terms of operations of the CDM registry).

2. Considerations for future operations

25. The future operations of the CDM registry and of the processes on which its functioning relies (e.g. modalities of communication, issuance, forwarding, voluntary cancellation), as well as the eventual decommissioning of the registry, are contingent on the following factors:

¹⁰ Information on registry systems under the Kyoto Protocol is available at <https://unfccc.int/process/the-kyoto-protocol/registry-systems>.

¹¹ See decision 24/CP.8, annex, para. 18.

¹² <https://offset.climateneutralnow.org>.

(a) Timeline for the issuance process, including for the processing of all issuance requests and subsequent transactions, such as voluntary or administrative cancellation and/or forwarding of CERs;

(b) Legacy CERs¹³ that will be accumulated up until the point when the issuance activities cease;

(c) Timelines for the use of long-term certified emission reductions and temporary certified emission reductions that are held in the CDM registry;

(d) Accounting prudence, cost-benefit balance and service to Parties.

26. A technical analysis of the future operations of the CDM registry has not yet been conducted, as performing such an analysis depends on several factors that require further analysis. These factors encompass the legal and financial implications of the ownership of the assets under custody in the CDM registry after the CMP decides on a deadline for discontinuation of issuances.

27. The length of time during which project participants will wish to process transactions will depend on their individual asset realization timelines, which are difficult to assess in advance.

28. The further analysis mentioned in paragraph 27 above is independent from the decision that the CMP will take on discontinuation of issuances and can be conducted once a decision has been taken by the CMP.

29. The CMP may wish to establish a procedure for handling CERs that remain in the CDM registry once issuance activities cease.

30. The technical analysis mentioned in paragraph 27 above should be prepared by the secretariat with the guidance of the CDM Executive Board and should include procedures for handling the CERs held in accounts of the CDM registry. This analysis could cover aspects such as:

(a) The status of the payment of share of proceeds: whereas up until 1 January 2018 the share of proceeds to cover administrative costs was to be paid after issuance of CERs,¹⁴ for requests for issuance submitted after 1 June 2018, the share of proceeds for administration shall be payable in full prior to the commencement of a completeness and accuracy check of the request;

(b) The large amounts of CERs held in the CDM registry for projects for which issuance was requested prior to 1 January 2018, for which the share of proceeds for administration has not been paid (see table 2);

(c) Whether and how the World Bank, as trustee of the Adaptation Fund, will monetize the large quantities of CERs held in its CDM registry accounts;

(d) The possible sources of demand for CERs up until 2030, giving consideration to the legal aspects related to assets owned by private entities, in addition to the options for assets held in the CDM registry, given that CERs are eligible for the International Civil Aviation Organization;

(e) The dependency of the operations of the CDM registry on the CDM information system and the ITL, including an analysis of options for operations of the CDM registry in the future that takes into account:

(i) The capabilities of the CDM information system, for example workflows for the forwarding and voluntary cancellation of CERs and the modalities of communication;

¹³ Those CERs issued before the end of the second commitment period of the Kyoto Protocol, including the CERs from the first commitment period, and that are still valid. The fate of this type of CERs is uncertain, as there is no clear guidance on how they can be used or transferred under the Paris Agreement.

¹⁴ See CDM Executive Board documents CDM-EB93-A06-PROC, para. 226, and CDM-EB93-A09-PROC, para. 252.

- (ii) The operation of the ITL and its linkage to the CDM registry;
- (iii) The potential for operation of the CDM registry, with modification, as a stand-alone registry, if required. An assessment of operation of the CDM registry as a stand-alone system was provided in section 3.3 of the concept note presented to the CDM Executive Board at its 110th meeting on the technical assessment of options with regard to the CDM registry in order to enable issuance of CERs with respect to emission reductions occurring after the end of the second commitment period for voluntary cancellation purposes;¹⁵
- (iv) The operation of the CDM registry with essential capabilities. In this regard, an analysis of the capabilities essential to the operations of the CDM registry is necessary.

Table 2

Outstanding share of proceeds to cover administrative costs for processing issuance requests

<i>Kyoto Protocol commitment period</i>	<i>CDM activities</i>	<i>Issuances</i>	<i>CERs</i>	<i>Outstanding fees</i>
1	347	414	76 137 758	14 664 260
2	115	161	133 504 851	26 591 739
Straddling 1 and 2	134	134	27 080 586	5 373 019
Total	560^a	709	236 723 195	46 629 018

^a The total number of cases is not the result of the direct sum of the cases in the rows above because one project may have issues with outstanding fees in different commitment periods.

31. Possible scenarios regarding future operations of the CDM registry that will be dependent on the deadline indicated in paragraph 13 above include one of the following options:

- (a) The complete discontinuation of CDM registry operations by an agreed deadline;
- (b) The continued operation of the CDM registry, under the direct authority of the CMP following the dissolution of the CDM Executive Board (this option takes into account the complex nature of the assets in the registry and their ownership issues).

32. The CDM registry is a transactional tool that will need to continue operating in its entirety until the CMP decides on the future of the assets held within it; that is, there is no potential for some components or services of the registry to be shut down while others temporarily continue. This includes the maintenance of all internal workflows that are related to modalities of communication and specific operations.

C. Methodological processes

1. Background

33. This section provides information on the assessment and development of new and revised methodologies, methodological tools and standardized baselines submitted under the bottom-up and initiated under the top-down process, and on the clarification of approved methodologies and standardized baselines.

34. At the time of registration of project activities or PoAs and at the time of renewal of the crediting period or the PoA period, the latest version of the applicable methodology is to be applied.

35. With regard to the development, revision and update of standardized baselines, each new, revised or updated standardized baseline has a validity period indicated in the approval¹⁶

¹⁵ CDM Executive Board document CDM-EB110-AA-A01.

¹⁶ The default validity period is three years, but the period may be longer or shorter for a particular baseline.

and cannot be used outside that validity period for the purpose of registration, issuance and renewal requests of the project activities or PoAs.

2. Consideration for future operations

(a) Submissions on proposed new methodologies, methodological tools and standardized baselines and on updates to approved standardized baselines

36. In accordance with the process described in paragraph 7 above for the transition of CDM project activities and PoAs to the Article 6.4 mechanism, stakeholders will not be able to make submissions related to registration and renewal of project activities, registration of PoAs, and inclusion and renewal of component project activities after 30 June 2023. Therefore, an approved methodology can no longer be applied to a CDM project activity or PoA or to a component project activity. However, CDM methodologies are widely used in voluntary carbon markets beyond their application to CDM projects, PoAs and component project activities, as they can lower costs for investors.¹⁷

37. Eight submissions for new methodologies have been received by the secretariat since January 2021, three of which were received after July 2023, that is, after the announcement of the start of the transition process.

38. The CDM Executive Board, at its 119th meeting,¹⁸ decided to stop processing submissions on proposed standardized baselines and updates to approved standardized baselines received by the secretariat after 31 December 2023. The CMP may wish to take note of this decision of the Board.

39. In terms of future scenarios regarding CDM operations, the CMP may request the Board continue receiving and processing the relevant submissions for proposed new methodologies or methodological tools, until the date when the Supervisory Body for the Article 6.4 mechanism operationalized the process for submitting requests for new methodologies and methodological tools, avoiding any gap before the operationalization of the corresponding processes under the mechanism.

40. Further, the CMP may decide to allow processing of all requests for new methodologies and methodological tools received before the deadline agreed by the CMP until the submission is concluded.¹⁹

(b) Submissions on revision of methodologies, methodological tools and standardized baselines

41. Stakeholders may submit a request for the revision of a methodology, methodological tool or standardized baseline. In addition, the CDM Executive Board may mandate the CDM Methodologies Panel to revise a methodology, methodological tool or standardized baseline at any time during the CER issuance process. In accordance with the provisions of the CDM project standard for project activities and the CDM project standard for PoAs, stakeholders should apply the revised version of the methodology, methodological tool or standardized baseline in question to a CDM project activity or PoA when submitting a request for CER issuance.

42. The CMP may wish to allow requests for the revision of methodologies, methodological tools and standardized baselines to be submitted until the deadline agreed for submitting requests for issuance of CERs (i.e. [31 December 2025], [or any other later date]) (see para. 13 above).

¹⁷ See, for example, <https://wupperinst.org/en/p/wi/p/s/pd/377> and <https://www.carbon-mechanisms.de/en/introduction/the-kyoto-mechanisms-cdm-and-ji>.

¹⁸ CDM Executive Board document CDM-EB119, para. 12.

¹⁹ The submission is considered as concluded upon receiving the Board's decision either to accept or reject the proposed new methodology or methodological tool.

(c) **Submissions on clarification of methodologies, methodological tools and standardized baselines**

43. Clarification of methodologies, methodological tools and standardized baselines can be requested by a stakeholder at any time during the CER issuance process. Also, the CDM Executive Board may issue a clarification at any time during the process.

44. The CMP may wish to allow requests for the clarification of methodologies, methodological tools and standardized baselines to be submitted until the deadline agreed for submitting requests for issuance of CERs (i.e. [31 December 2025], [or any other late date]) (see para. 13 above).

(d) **Specific submissions from designated national authorities**

45. *Submission on automatic additionality of microscale technologies and for recognition of a special underdeveloped zone:* The CDM Executive Board has not received any submissions from the DNAs under the automatic additionality for microscale technologies and for recognition of a special underdeveloped zone since April 2016.

46. *Submissions from DNAs on a change in the definition of forest:* The Board has not received any submissions from the DNAs regarding a change in the definition of forest since November 2008.

47. Noting the inactivity under these processes over last 7 and 15 years respectively, the CMP may wish to stop receiving submissions from the DNAs under these processes from 31 December 2023.

3. **Considerations for future operations**

48. The proposals regarding ceasing the operations of the methodological processes mentioned in paragraphs 39, 42, 44 and 47 above will result in a reduction in the operations of the CDM Methodologies Panel. However, the Panel may continue working on its mandate to support the CDM Executive Board on methodological issues until [31 December 2026] [or any other later date] that is, for at least one year following the deadline for each process, as agreed by the CMP. These deadlines are summarized in the annex.

D. Accreditation of designated operational entities

1. **Background**

49. The processes for accreditation and reaccreditation of DOEs and for other accreditation assessments run independently of Kyoto Protocol commitment periods. As discussed under chapter III.A above, the verification and certification services of DOEs for emission reductions achieved before 1 January 2021 will be required. The CMP has not set an end date for issuance of CERs for any emission reductions or removals achieved, and the CDM registry continues to issue CERs for emission reductions and removals achieved in the first commitment period of the Kyoto Protocol (2008–2012), albeit in diminishing quantities. Subject to CMP guidance, the CDM registry is expected to issue CERs for emission reductions and removals achieved in the second commitment period, indicating the need for DOEs to remain operational for a few more years.

50. The number of DOEs in 2021, 2022 and 2023 was 29, 28 and 28 respectively.²⁰

2. **Considerations for future operations**

51. The functioning of DOEs is linked to the future of the CER issuance process discussed in chapter III.A.2 above. In order to ensure the processing of all issuance requests, including resubmissions, DOEs are expected to remain operational until [31 December 2026] [or any other later date], that is, for at least one year following the deadline set by the CMP for the submission of requests for the issuance of CERs (see para. 13 above).

²⁰ There are four applicant entities still in the process of being accredited as DOEs by the CDM in accordance with its accreditation procedure.

52. The bodies and processes that support the CDM accreditation process²¹ will also need to operate for at least one year beyond this deadline in order to ensure that DOEs are able to verify and certify emission reductions and removals achieved in the first and second commitment periods.

E. Stakeholder interaction

1. Background

53. The CDM Executive Board and its support bodies interact with stakeholders involved in the CDM through multiple communication channels and opportunities for interaction. These include:

(a) Dedicated provisions in process procedures: for the Board to communicate with project participants, DOEs and Parties involved in specific CDM activities, the development of methodologies and the accreditation of DOEs;

(b) Calls initiated by the Board: for obtaining public input on specific policies that the Board is developing (e.g., input on regulatory documents);

(c) Emails to the secretariat (through the CDM-info email account): for stakeholders to query CDM regulations or provide input on policy matters;

(d) Letters to the Board: for stakeholders to query regulations or provide input on policy matters;

(e) DNA Forum: for DNAs to exchange their views on their roles and functions in terms of participation in the CDM and on policy matters;

(f) DOE coordination forum: for DOEs to exchange their views on policy matters relating to accreditation and the validation, verification and certification functions of DOEs, as well as opportunities for DOE interaction with the Board during and after each Board meeting;

(g) The provision of technical support by RCCs: for assisting DNAs, project participants and other stakeholders in participating in the CDM.

54. The necessity for and duration of continued operation of these communication channels in the future will vary by channel and as a result of various factors, as discussed in the remainder of this section.

55. The communication channels linked to process procedures (e.g. project cycle procedures, methodology procedures, DOE accreditation procedure) will need to be maintained as long as the respective processes are in operation. Requesting registration and renewal of crediting periods under the CDM is no longer possible, while requesting issuance of CERs and post-registration changes relating to the period until 31 December 2020 is still possible. As described in paragraph 7 above, the deadline for requesting registration, issuance and renewal of the crediting period under the temporary measures for the post-2020 period was 30 June 2023. For processes that are still open for submission or for which requests are being processed, communication channels need to be maintained.

56. The necessity of the CDM Executive Board to initiate calls for public input on policy matters has decreased substantially in line with its decreasing need to develop new or revise existing policies related to the operation of the CDM owing to the cessation of operation of some CDM processes.

57. It will be necessary to keep channels of communication open for stakeholders to raise unsolicited queries for as long as any CDM processes are in operation, as the queries that come through these channels (i.e. emails to the secretariat and letters to the CDM Executive Board) may be on any subject relating to the CDM. Although the volume of such

²¹ CDM Accreditation Panel, CDM accreditation roster of experts, CDM accreditation workflow and the process for monitoring the performance of DOEs.

communication in the coming years is unpredictable, it is reasonable to assume that it will decrease over time.

58. The main role of DNAs under the CDM, to approve activities for registration, is no longer required owing to the closure of the window for requesting registration under the regular CDM project cycle as well as under the temporary measures. Furthermore, because host Party approval is a key requirement for the transition of CDM activities to the Article 6.4 mechanism, interaction of the Board with DNAs has already shifted from registration matters towards this transition. The usefulness of the DNA Forum for exchanging views on the CDM is thus now small and will diminish further in the near future.

59. Concerning the CDM Executive Board's interaction with DOEs, members of the DOE coordination forum are raising fewer and fewer issues at Board meetings and at ex post meetings with the secretariat as part of DOE teleconferences owing to fewer activities relating to DOEs. Also, the rate of participation of DOEs in the teleconference after Executive Board meetings is decreasing significantly. Nevertheless, this communication channel may need to be maintained as long as DOEs still have a role under the CDM (with that role being mainly verification and certification of requests for issuance of CERs for the period until 31 December 2020), which is dependent on a CMP decision on the continuation of the CER issuance process for the period until 31 December 2020.

60. The focus of the technical support provided to DNAs, project participants and other stakeholders at the regional level through the RCCs has already shifted.²² The RCCs now provide capacity-building in developing countries for applying the Article 6.4 mechanism and support for the transition of CDM project activities and PoAs to the Article 6.4 mechanism. Technical support for CDM activity transition is primarily an issue under the Article 6.4 mechanism.

2. Considerations for future operations

61. On the basis of the analysis of communication channels for stakeholder interaction, future scenarios are to:

- (a) Maintain stakeholder interaction defined within process procedures for as long as the relevant processes are in operation;
- (b) Maintain channels for unsolicited communication from stakeholders (emails to the secretariat and letters to the CDM Executive Board) for as long as any CDM processes are in operation;
- (c) Maintain, but with reduced effort, interactions through the DOE coordination forum;
- (d) Cease interactions with DNAs through the DNA Forum and cease the provision of support to DNAs for the CDM through the RCCs.

F. Financial management

62. As shown in chapter III.A–E above, the minimum level of operations may need to continue, albeit with activity levels and corresponding resources being reduced over time. CDM operations are envisioned to be needed in the bienniums 2024–2025, 2026–2027 and, possibly, 2028–2029 or even beyond, where registry operations are concerned.

63. However, how much longer the CDM Executive Board and its support bodies will need to continue operations depends on the time frame for processing the last CER issuance requests and for operating the CDM registry.

²² In accordance with decision 2/CMP.16, para. 19.

G. Possible action by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

64. The CMP may wish to consider the analysis in this technical paper and decide on possible time frames regarding the functioning and operation of the processes and institutions under the CDM.

65. The CMP may also wish to consider providing guidance on the future of CDM registry operations, the treatment of any unclaimed CERs that remain in the registry and the share of proceeds for administrative costs that are as yet uncollected for requests for issuance of CERs submitted prior to 1 June 2018.

66. The CMP may further wish to request the CDM Executive Board to both review the operations of its support bodies and consider how to make prudent use of that support structure.

Annex

Proposed deadlines for making submissions under various processes under the clean development mechanism

<i>CDM processes</i>	<i>Deadline</i>
Submission of requests for issuances	31 December 2025 or any other later date
Submission of requests for post-registration changes	31 December 2025 or any other later date
CDM registry operations	[until an agreed deadline] [under the direct authority of the CMP]
Submissions of proposed new methodologies	Date until an equivalent process becomes operational under the Article 6.4 mechanism
Submissions of requests of revisions of methodologies, methodological tools or standardized baselines	31 December 2025 or any other later date
Submissions of requests for clarifications on methodologies, methodological tools or standardized baselines	31 December 2025 or any other later date
Submissions from DNAs on automatic additionality of microscale technologies and for recognition of a special underdeveloped zone	31 December 2023
Submissions from DNAs on a change in the definition of forest	31 December 2023
Operations of the Methodologies Panel	31 December 2026 or any other later date
Operations of the Accreditation Panel	31 December 2026 or any other later date
Accreditation process for DOEs	31 December 2026 or any other later date
Operations of stakeholder interaction processes	Maintain stakeholder interactions defined within process procedures as long as they are in operation