

TABLE 1: HOW SHOULD BE THE ADMINISTRATIVE FRAMEWORK OF THE CDM BE STRUCTURED?

Activities	Memberships	Pros and Cons	Analogy
Option A: Executive Board as a Subsidiary Body subject to the direct authority and guidance of COP/MOP			
<ul style="list-style-type: none"> ↳ Establishing project criteria and guidelines based on guidance from SBSTA and SBI, ↳ Evaluating project proposals against these criteria and guidelines, ↳ Holding technical consultations with project developers when necessary. ↳ Managing the administrative expense and climate change adaptation funds ↳ Coordinating with the operational entities designated by the COP/MOP to certify project emission reductions. ↳ Oversee the day-to-day operations associated with the CDM project cycle, including: <ul style="list-style-type: none"> ☐ soliciting project proposals, ☐ announcing approved projects, ☐ producing CDM informational materials, ☐ ensuring adherence to project cycle timelines. 	<p>Technical experts appointed based on their technical qualifications</p> <p>Executive staff appointed to perform the necessary management and administrative tasks</p>	<p>centralizes CDM management, administrative, and technical functions within one body, and would thus minimize the CDM bureaucracy and potentially maximize efficiency.</p> <p>However the centralization of such a broad scope of activities within one body would result in an EB that lacked transparency.</p>	<p>GEF=s Science and Technology Advisory Panel (STAP)</p> <p>UNEP=s Technical Assistance Committee under the Montreal Protocol</p>
Option B: Executive Board as a Board of Directors with a Secretariat for the technical and operational tasks <i>(Interdepartmental preference)</i>			
<p>Executive Board:</p> <ul style="list-style-type: none"> ↳ oversee the implementation of the modalities and procedures defined by the COP/MOP ↳ management of the administrative expense and climate change adaptation funds. ↳ manage the activities of the Secretariat ↳ grant final approval of projects based on consultations with Secretariat members. <p>*****</p> <p>CDM Secretariat:</p> <ul style="list-style-type: none"> ↳ Perform the day-to-day administrative tasks associated with the CDM project cycle, including: <ul style="list-style-type: none"> ☐ soliciting project proposals, ☐ announcing approved projects, ☐ producing CDM informational materials, and ☐ ensuring adherence to project cycle timelines. ↳ Perform technical functions, such as: <ul style="list-style-type: none"> ☐ establishing CDM project criteria and guidelines based on guidance from the EB, SBSTA and SBI ☐ evaluating project proposals against these criteria and guidelines ↳ holding technical consultations with project developers when necessary. 	<p>represent a regionally diverse pool of Party delegates, some of which could serve on a rotational basis while others could hold permanent positions</p> <p>*****</p> <p>Technical experts appointed by the EB</p>	<p>require creation of an entity beyond those specified in Article 12 on CDM</p> <p>The division of management, administrative, and technical functions among an EB and a Secretariat would establish a transparent and practical governing framework.</p> <p>The division of responsibilities would increase the transparency of the process by making the Secretariat publicly and privately accountable to the EB.</p>	<p>Executive Committee of the Multilateral Fund under the Montreal Protocol</p> <p>Executive Council of the Global Environment Facility</p> <p>*****</p> <p>Multilateral Fund Secretariat under the Montreal Protocol</p>

TABLE 2: WHAT APPROACH TO PROJECT IDENTIFICATION AND PROPOSAL DEVELOPMENT SHOULD BE IMPLEMENTED?

To attract private sector and developing country participants and to ensure that a high number of credible projects flow through the CDM pipeline, it is essential to develop an adequate infrastructure for project identification and proposal development assistance

Description	Pros & Cons
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