

Agenda item 5.

Paragraph 31 of the annotated agenda, Annex 6

Annual Report on the CDM Loan Scheme

CDM EB 96

Bonn, Germany, 18 to 22 September 2017



Procedural background

- CDM Loan Scheme established through decisions [2/CMP.5](#) and [3/CMP.6](#): made loans available for eligible potential project activities in countries with fewer than 10 registered activities
- Funded through the interest accrued on the trust fund for the CDM
- Administered by UNOPS
- Implementation overseen by the secretariat
- Annually secretariat reports to the CDM EB, and CDM EB incorporates that into its report to the CMP
- 2016 – comprehensive evaluation of the CDM Loan Scheme by secretariat. Board, on basis of findings and recommendations made recommendations to the CMP. CMP agreed and gave further guidance in decision [3/CMP.12](#).
- Reporting period covers **June 2016 to June 2017**.



Procedural background (3/CMP.12)

- 14. *Decides* that the implementing agency of the CDM Loan Scheme, after consultation with the secretariat, **may write off amounts disbursed under individual loans on a case-by-case basis, where it becomes evident that it will not be feasible for the loan recipient to repay the disbursed funds;**
- 15. *Requests* the **implementing agency and the secretariat to work closely with loan recipients that wish to continue under the CDM Loan Scheme to help those recipients to identify ways to progress through the project cycle,** including making adjustments to loan agreement terms, if appropriate;



Procedural background (3/CMP.12)

- 16. *Decides* that the secretariat should not seek a new implementing agency after the expiry of the term of the current contract as required by decision 3/CMP.6, annex III, paragraph 8;
- 17. ***Also decides that other changes to the CDM Loan Scheme are not required at this time;***



Key activities during the reporting period

- No new loan application windows, no new loans. 55 loans are still active.
- Usual activities plus finalization of evaluation and reports to the Board (previous meetings)
- Since decision 3/CMP.12, secretariat and UNOPS have been working together to implement the guidance:
 - Establishing a regular assessment process for determining whether loans can be maintained to completion of the funded part of the project activity
 - Cancellation where necessary
 - Preparing processes for write-off of loan funds disbursed in accordance with CMP guidance
- Since the reporting period ended (June 2017), write-off consideration has advanced



Status of finances for the CDM Loan Scheme

- The CDM Loan Scheme is entirely funded from the interest on the trust fund for the CDM.
- By end of reporting period **USD 8,691,184** had been transferred into UNOPS' loan scheme accounts, of which
 - **USD 7,038,020** was allocated for disbursements of loans;
 - **USD 1,653,164** was allocated for UNOPS service charges;
- Total loan funds disbursements at 30 June 2017 **USD 3,583,386**.
- Total loan repayments **USD 304,307** as at 30 June 2017.
- Write-offs are in process, none finalized in the reporting period.

