Ministry of the Environment

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This document aims to provide a comprehensive and easy-to-understand description of the clean development mechanism (CDM). It should be noted that this document does not replicate in the exact manner all the texts agreed upon in the international negotiations. Also, there are issues yet to be settled in the international negotiations regarding detailed interpretations and processes. As for the details and exact expressions in the agreed texts, please refer to the respective documents available on the website of the United Nations Framework Convention on Climate Change <http://unfccc.int/>.

Other CDM-related publications can be downloaded from <http://www.iges.or.jp/en/cdm/report.html>.

For any queries relating to this document, please contact <cdm-info@iges.or.jp>.

Important changes from previous version (Ver. 21.0/January 2013)

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30	Starting date of a CDM project activity	**Newly added** The case of the absence of the host party DNA
57	Overview of PoA	**Updated** multiple methodologies for PoA

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Abbreviations and Acronyms

AAU	Assigned amount unit
ACM	Approved consolidated methodology
AE	Applicant entity
AM	Approved methodology
AMS	Approved small-scales methodologies
A/R	Afforestation and Reforestation
CCS	Carbon dioxide capture and storage
CDM	clean development mechanism
CDM-AP	CDM Accreditation Panel
CEF	Carbon emission factor
CER	Certified emission reduction
CME	Coordinating/managing entity
CMP (COP/MOP)	Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol
COP	Conference of the Parties (to the UNFCCC)
CPA	CDM programme activity (Component project activity)
CPA-DD	Component project activity design document
CPR	Commitment period reserve
DNA	Designated national authority
DOE	Designated operational entity
EB	Executive Board of the clean development mechanism
EIT	Economies in Transition
ER	Emission Reduction
ERT	Expert Review Team
ERU	Emission Reduction Unit
GHG	Greenhouse gas
GWP	Global Warming Potential
HFCs	Hydro fluorocarbons
l-CER	Long-term certified emission reduction
LDC	Least developed country
IET	International emissions trading under the Kyoto Protocol
IPCC	Intergovernmental Panel on Climate Change

ITL	International Transaction Log
JI	Joint Implementation
KP	Kyoto Protocol
LULUCF	Land Use, Land-Use Change and Forestry
Meth Panel	Methodologies Panel (MP)
MoC	Modalities of communication
MP	Methodologies Panel
NM	New Methodology
OE	Operational Entity
Party	Country or regional integration organization which has ratified the KP, unless otherwise specified
PDD	Project design document
PFCs	Per fluorocarbons
PoA	Programme of activities
PoA-DD	Programme of activities design document
PP	Project Participant
RIT	Registration and issuance team
RMU	Removal Unit
SAR	(the IPCC) 2nd Assessment Report
SBI	Subsidiary Body for Implementation
SBSTA	Subsidiary Body for Scientific and Technological Advice
SF_6	Sulfur Hexafluoride
SIDs	Small Island Developing states
SOP	Share of Proceeds
SSC	Small-Scale
SSC-WG	Small-scale Working Group
t-CER	Temporary certified emission reduction
UNFCCC	United Nations Framework Convention on Climate Change
VVM	Validation and Verification Manual
VVS	Validation and Verification Standard

1. The Kyoto Protocol

♦ The Kyoto Protocol was adopted at the 3rd session of the Conference of the Parties (COP3) to the United Nations Framework Convention on Climate Change (UNFCCC) held in Kyoto, Japan, in December 1997.

♦ The Protocol defines quantified greenhouse gas (GHG) emissions reduction targets for Annex I Parties. [KP Art.3 para1]

GHGs defined by the Protocol are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), HFCs, NF_3, PFCs, and SF_6. FCCC/CP/2011/9/Add.2]

Annex I Parties means those listed in Annex I of the UNFCCC. They are developed countries including Economies in Transitions, e.g. Russia and Eastern Europe.

Annex I Parties have different GHG emission ceilings for the 5-year period of 2008-2012 (1st commitment period).

☞Emission ceiling which is called 'assigned amounts' for each Party is calculated as follows.

"The base-year emissions" x "emission reduction target" x five [KP Art.3 para7]

☞The base-year emissions are basically a Party's aggregate GHG emissions in 1990 (whereas, countries may use 1995 as its base year for HFCs, PFCs, and SF_6). [KP Art.3 para1&8]

♦ The Protocol introduces 3 market mechanisms, namely the Kyoto Mechanisms. Annex I Parties would be able to achieve their emission reduction targets cost-effectively, by using these mechanisms.

Joint Implementation (JI) <Article 6 of the Protocol>	**Clean Development Mechanism (CDM)** <Article 12 of the Protocol>	**International Emissions Trading** <Article 17 of the Protocol>

♦ Besides Parties, private firms may use the Kyoto Mechanisms. [CMP/2005/8/Ad2, p7 para29][CMP/2005/8/Ad1, p13 para33][CMP/2005/8/Ad2, p19 para5]

☞Provided the Parties meet eligibility requirements for using the Kyoto Mechanisms.

BOX: Entry into force of the Kyoto Protocol

The Kyoto Protocol shall enter into force on the 90th day after the date on which not less than 55 Parties to the UNFCCC, incorporating Annex I Parties which accounted in total for at least 55% of the total CO_2 emissions for 1990 of the Annex I Parties, have deposited their instruments of ratification, acceptance, approval or accession. [KP Art.25 para1]

☞Currently, 190 countries and 1 regional economic integration organization (the EEC) have deposited instruments of ratifications, accessions, approvals or acceptances.

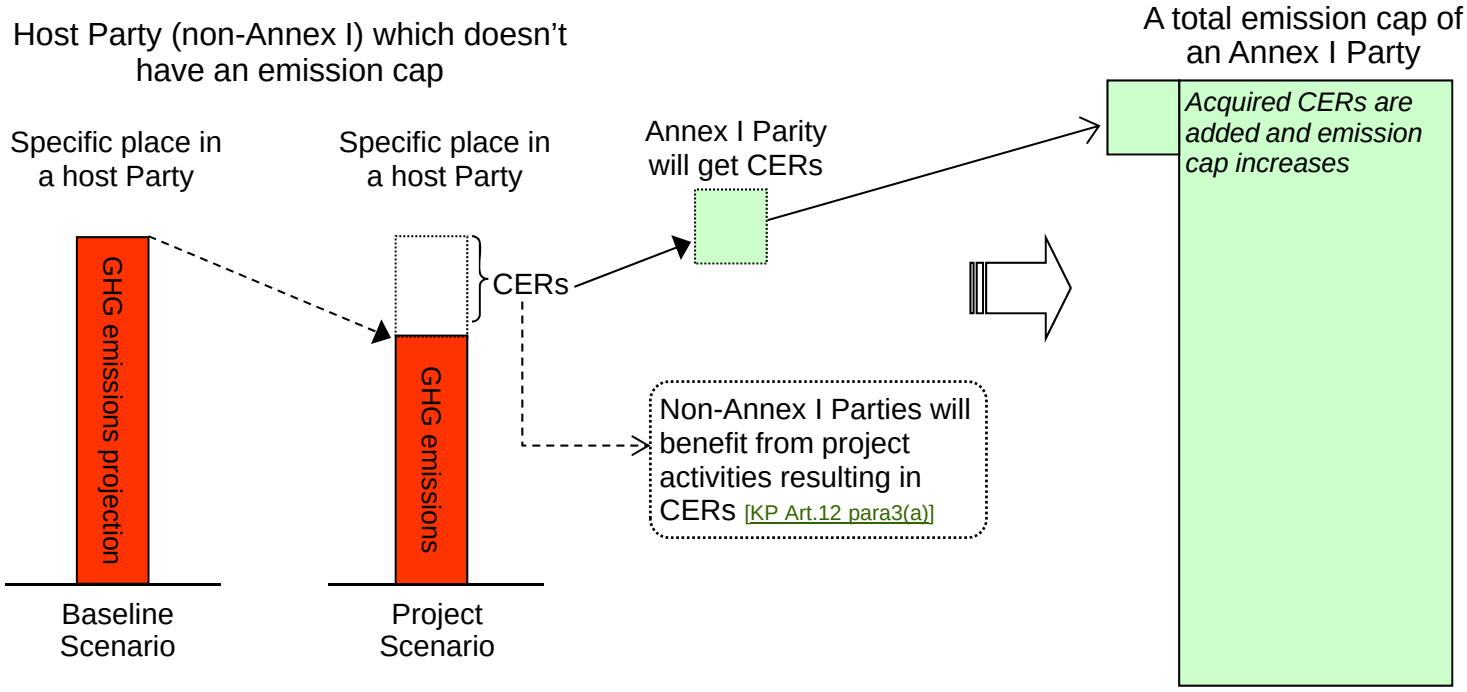
☞55% of the total CO_2 emissions for 1990 of the Annex I Parties have ratified the Protocol.

⇒The Protocol entered into force on 16 February 2005.

2. The Kyoto Mechanisms

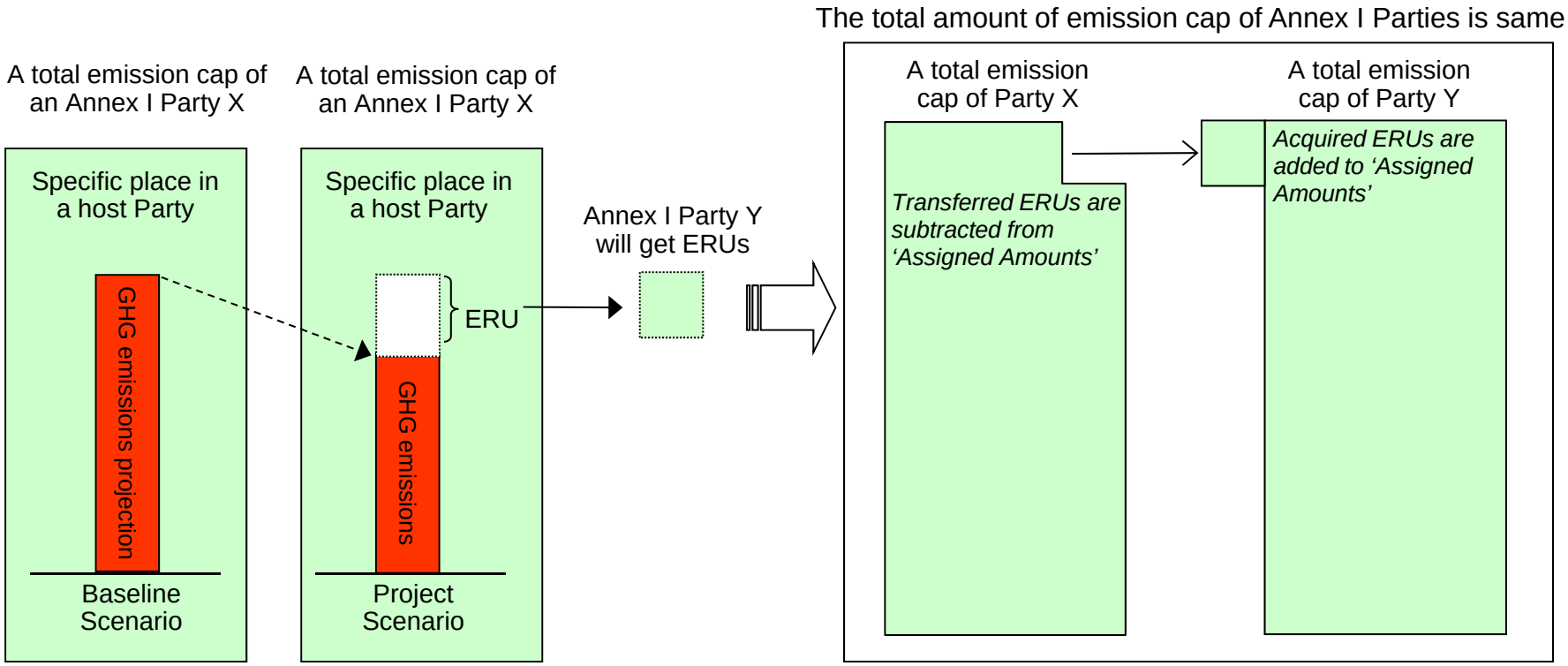
2-1. The Clean Development Mechanism (CDM)

- ◆Annex I Parties which have ceilings for GHG emissions (emission caps), assist non-Annex I Parties which don't have emission caps, to implement project activities to reduce GHG emissions (or remove by sinks), and credits will be issued based on emission reductions (or removals by sinks) achieved by the project activities.
  - ☞ A Party where CDM project is implemented, is called a host Party.
  - ☞ The credit from the CDM is called certified emission reduction (CER). [CMP/2005/8/Ad1, p7 para1(b)]
  - ☞ Reductions in emissions shall be additional to any that would occur in the absence of the certified project activity. [KP Art.12 para5(c)]
- ◆Annex I Parties can use CERs to contribute to compliance of their quantified GHG emissions reduction targets of the Kyoto Protocol. [KP Art.12 para3(b)]
  - ☞ As a result, the amount of emission cap of Annex I Parties will increase.
- ◆The CDM will issue CERs before the 1st commitment period.
  - ☞ CERs issued based on activities during the period from the year 2000 up to 2012 can be used in achieving compliance of Annex I Parties in the 1st commitment period. [KP Art.12 para10]



2-2. Joint Implementation (JI)

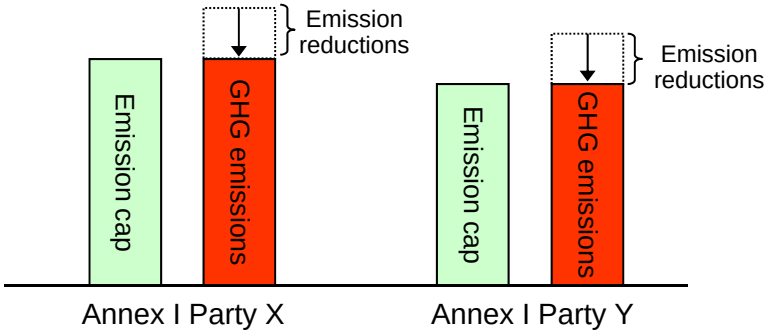
- Annex I Parties which have ceilings for GHG emissions (emission caps), assist other Annex I Parties to implement project activities to reduce GHG emissions (or remove by sinks), and credits will be issued based on amount of emission reductions (or removals by sinks) achieved by the project activities.
  - ☞ A Party where JI project is implemented, is called a host Party.
  - ☞ The credit from the JI is called emission reduction unit (ERU). [CMP/2005/8/Ad1, p7 para1(a)]
  - ☞ Any such project shall provide a GHG emission reductions, or removals by sinks, that is additional to any that would otherwise occur. [KP Art.6 para1(b)]
- Annex I Parties can use ERUs to contribute to compliance of their quantified GHG emissions reduction targets of the Kyoto Protocol. [KP Art.6 para1]
  - ☞ The total amount of emission cap of Annex I Parties will not change, because JI is credits transfer between the Parties both of which have emission caps.
- ERUs will be issued only after 2008. [CMP/2005/8/Ad2, p2 para5]



2-3. International Emissions Trading (IET)

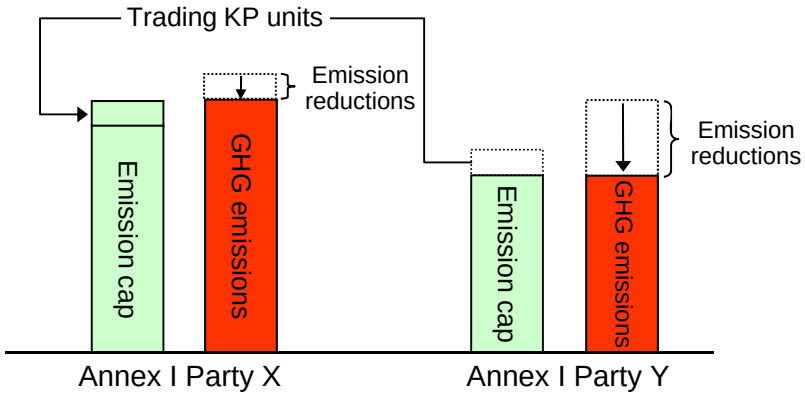
- ♦ International Emissions Trading is to trade Kyoto Protocol units (KP units) including part of assigned amounts, CERs, ERUs and etc, between Annex I Parties.
  - ☞ The total amount of emission cap of Annex I Parties will not change.
  - ☞ Only Annex B Parties of the Kyoto Protocol can participate International Emissions Trading.
  - ☞ Minimum trading unit is 1t-CO_2 equivalent.
- ♦ Through market mechanism, International Emissions Trading can decrease total cost of Annex I Parties to achieve their collective emission reduction targets.

Without International Emissions Trading



	Party X	Party Y	Total
Before ET: Emission cap	10	8	18
Trading a KP unit	-	-	-
After ET: Emission cap	10	8	18
GHG emissions	12	10	22
Necessary reduction	2	2	4
Unit cost of reduction	$200	$100	-
Total cost of reduction	$400	$200	$600
Trading cost	-	-	-
Total compliance cost	$400	$200	**$600**

With International Emissions Trading



	Party X	Party Y	Total
Before ET: Emission cap	10	8	18
Trading a KP units	1	-1	0
After ET: Emission cap	11	7	18
GHG emissions	12	10	22
Necessary reduction	1	3	4
Unit cost of reduction	$200	$100	-
Total cost of reduction	$200	$300	$500
Trading cost	150	-150	0
Total compliance cost	$350	$150	**$500**

Note: Party Y sold a KP unit to Party X at $150.

♦ Annex I Parties can trade following types of Kyoto Protocol units.

☞**Assigned amount unit (AAU)** [CMP/2005/8/Ad1, p7 para1(c)]

⇒ Total amount of AAUs of an Annex I Party is calculated from its base year emissions and emission reduction target

☞**Removal unit (RMU)** [CMP/2005/8/Ad1, p7 para1(d)]

⇒ Total amount of RMU of an Annex I Party is calculated from net removal of GHGs by afforestation and reforestation (A/R) activities [CMP/2005/8/Ad3, p5 para1(a)-(d)] and additional activities related to GHG removals by sinks [CMP/2005/8/Ad3, p5 para1(e)-(h)]

☞**Emission reduction unit (ERU)** from JI

☞**Certified emission reduction (CER)** from the CDM

☞**Temporary CER (tCER)** and **long-term CER (lCER)**

⇒ tCER and lCER are issued from afforestation and reforestation (A/R) CDM project activities.[CMP/2005/8/Ad1, p62 para1(g)-(h)]

BOX: Compliance assessment

GHG emission cap of an Annex I Party at the end of the 1st commitment period is as follows.

Emission cap of Annex I Party	=	AAUs	+	RMUs	+	Acquired credits from JI and the CDM (ERUs+CERs+tCERs+lCERs)	±	Acquired and transferred KP units by International Emissions Trading

Carry-over

If an emission cap of an Annex I Party is more than its GHG emissions during the 1st commitment period, the surplus can be carried over to the subsequent commitment period. [CMP/2005/8/Ad2, p27 para15] [CMP/2005/8/Ad2, p30 para36]

☞The end of additional period is the 100th day after the date set by the CMP. [CMP/2005/8/Ad3, p101 XIII]

☞There are several restrictions for carry-over depending on the type of KP units.

Consequence of non compliance

♦If GHG emissions during the 1st commitment period of an Annex I Party is more than its emission cap, the Annex I Party will be deemed to be non compliance to the Kyoto Protocol.

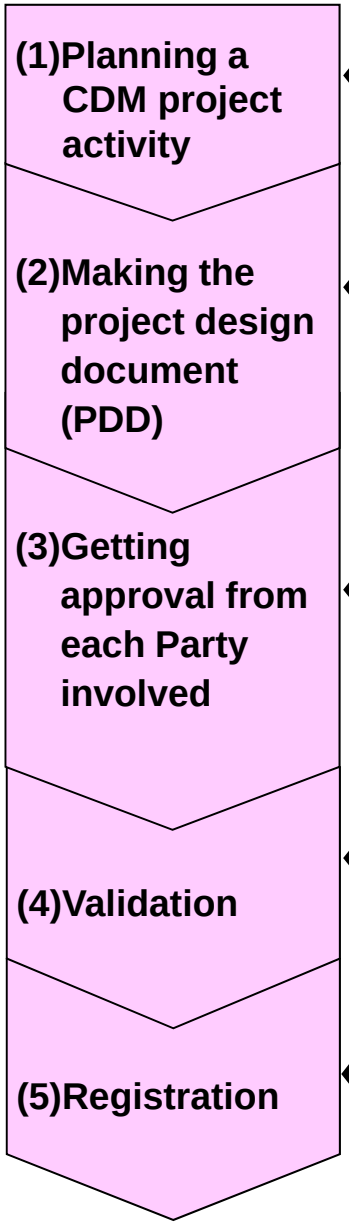
♦The Party not in compliance shall be applied the following consequences. [CMP/2005/8/Ad3, p102 para5]

☞Deduction from the Party's assigned amount for the 2nd commitment period of a number of tonnes equal to 1.3 times the amount in tonnes of excess emissions;

☞Development of a compliance action plan; and

☞Suspension of the eligibility to make transfers under Article 17 of the Protocol until the Party is reinstated.

3. CDM project cycle



♦ CDM project participants (PPs) plan a CDM project activity. (chap.5)
- ☞ There are several conditions in order to be registered as a CDM project activity, and PPs should consider those conditions from a planning stage.

♦ PPs make the project design document (F-CDM-PDD) for a CDM project activity. (chap.6)
- ☞ The F-CDM-PDD presents information on the essential technical and organizational aspects of the project activity and is a key input into the validation, registration, and verification of the project.
- ☞ The F-CDM-PDD contains information on the project activity, the approved baseline methodology applied to the project activity, and the approved monitoring methodology applied to the project.

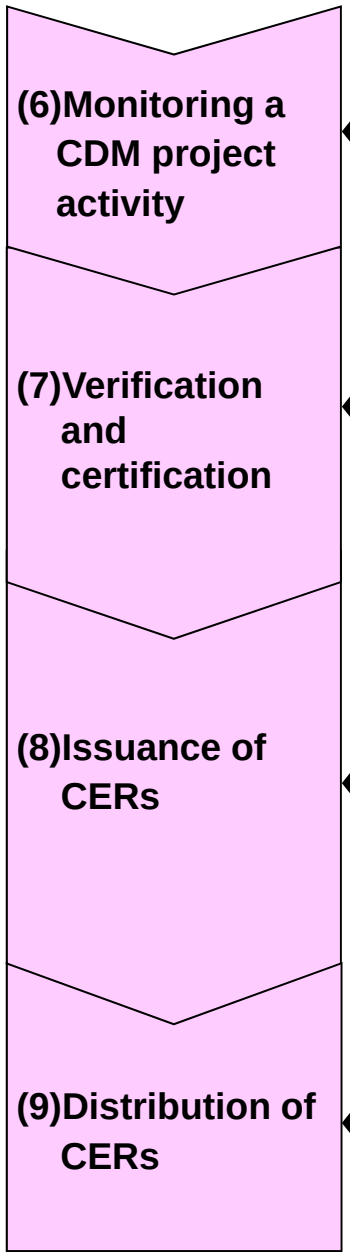
♦ PPs shall get written approvals of voluntary participation from the designated national authority (DNA) of each Party involved, including host Party. (chap.10)
- ☞ The written authorization of an entity(ies) participation in a CDM project activity or PoA and written approval of voluntary participation from the DNA of each Party involved. [Glos ver.6, p4]
- ☞ The registration of a project activity can take place without an Annex I Party being involved at the stage of registration. [EB18 Rep. para57]
- ☞ The details of approval procedure is up to each Party.

♦ PPs may get written approvals in step (1), (2) or even (4).
- ☞ But PPs must get written approvals at least from the host Party before a request for registration.

♦ Validation is the process of independent evaluation of a project activity against the requirements of the CDM on the basis of the PDD. [CMP/2005/8/Ad1, p14 para35]
- ☞ Validation is carried out by a designated operational entity (DOE).
- ☞ There is a formal procedure for validation. (chap.11)

♦ Registration is the formal acceptance of a validated project as a CDM project activity. [CMP/2005/8/Ad1, p14 para36]
- ☞ Registration is done by the CDM executive board (EB).
- ☞ There is a formal procedure for request for registration. (chap.12)
- ☞ PPs shall pay registration fee at registration stage.

♦ If there are changes from the project activity as described in the registered PDD, PPs can notify and request approval of such changes. (chap.13-2)



♦ PPs collect and archive all relevant data necessary for calculating GHG emission reductions by a CDM project activity, in accordance with the monitoring plan written in the PDD. [CMP/2005/8/Ad1, p18 para56][CMP/2005/8/Ad1, p18 para58]

☞Monitoring plan can be revised. (chap.13-1)

♦ Verification is the periodic independent review and *ex post* determination of the monitored GHG emission reductions. [CMP/2005/8/Ad1, p18 para61]

☞Verification is carried out by a designated operational entity (DOE).

☞There is a formal procedure for verification. (chap.14)

♦ Certification is the written assurance by a DOE that a project activity achieved the reductions in GHG emissions as verified. [CMP/2005/8/Ad1, p18 para61]

☞Certification is also done by a DOE.

♦ The EB will issue certified emission reductions (CERs) equal to the verified amount of GHG emission reductions. [CMP/2005/8/Ad1, p19 para64]

☞There is a formal procedure for issuance of CERs. (chap.15)

☞The issuance of CERs, in accordance with the distribution agreement, shall be effected only when the share of proceeds to cover administrative expenses (SOP-Admin) of the CDM has been received. [CMP/2005/8/Ad1, p98 para37]

♦ Among issued CERs, 2% of those will be deducted for the share of proceeds to assist developing Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation (SOP-Adaptation). [CP/2001/13/Ad2, p23 para15(a)]

♦ CERs will be distributed among PPs. (chap.16)

☞CERs are forwarded to the registry accounts of Parties and project participants involved, in accordance with their request. [CMP/2005/8/Ad1., p20, para66. (b)]

4. CDM-related bodies

4-1. CMP

- The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) is the ultimate decision-making body of the CDM. [EB53 Anx38 para3]
  - This body has authority over, and provides guidance to, the EB through the adoption of decisions and resolutions, published in reports of the CMP. The decisions of the CMP outline formal expectations with respect to the CDM.
  - They set direction and establish precedents which serve as reference for future decision making and basis for operating procedures. CMP decisions are treated as directives – mandatory requirements or rules intended to ensure the successful implementation of the KP.
  - All decisions taken by the EB must be consistent with and not contradict decisions of the CMP.
- The CMP: [CMP/2005/8/Ad1, p7 para2-4]
  - Has authority over and provides guidance to the CDM;
  - Decides on the recommendations made by the EB on its rules of procedure, and in accordance with provisions of decision 17/CP.7 [CP/2001/13/Ad2 p20-49], the present annex and relevant decisions of the CMP;
  - Decides on the designation of operational entities (OEs) accredited by the EB;
  - Reviews annual reports of the EB;
  - Reviews the regional and subregional distribution of designated operational entities (DOEs) and CDM project activities.

4-2. Designated National Authority (DNA)

- Parties participating in the CDM shall set up a designated national authority (DNA) for the CDM. [CMP/2005/8/Ad1,p12 para29]
- CDM project participants (PPs) shall receive written approval of voluntary participation from the DNA of each Party involved.
  - The written approval shall include confirmation by the host Party that the project activity assists it in achieving sustainable development. [CMP/2005/8/Ad1, p15 para40(a)]
  - The details of approval procedure is up to each Party.

BOX: Communication with EB [EB62 Anx15_para11-13]

- For the purpose of facilitating communication between the EB and DNAs, and between DNAs themselves, the secretariat shall organise global and regional DNA forum meetings as per the terms of reference of DNA forums.
- The EB shall also allocate time for interaction during the EB meetings with the global DNA forum through its co-chairs **twice a year**
- The EB may invite the co-chairs of the global DNA forum to any of its meetings additional to the two meetings whenever it finds a need for further interaction with the forum

Definition of host Party [Glos. Ver.7 p12] [EB70 Anx38]

- A Party involved not included in Annex I to the UNFCCC on whose territory a CDM project activity or PoA, as applicable, is physically located..
- A project activity and a bundled project activity shall have only one host Party.
- The host Party is the Party in which the project activity is located, as set out in the.PDD.
- Where a methodology provides for the application of a system, such as an electricity grid, and that system extends across more than one Party, a letter of approval from the DNA is only required from the host Party.
- A letter of approval is only required from the Party in which the project activity is located, as set out in the PDD.

4-3. CDM Executive Board (EB)

- ♦ The EB supervises the CDM, under the authority and guidance of the CMP, [CMP/2005/8/Ad1, p8 para5]
- ♦ Decisions of the EB must be consistent with and support the formal decisions of the CMP. Decisions of the EB are hierarchical in nature and are published in the meeting reports of the EB and their accompanying annexes.
- ♦ Taking into account both the rule-making and rule-enforcing roles of the EB, decisions of the EB can be divided into three main classes: [EB53 Anx38 para4-5, 7]
  - ☞**Regulatory** decisions relating to the supervision of the CDM in implementing its modalities and procedures throughout the project activity cycle;
  - ☞**Rulings** relating to compliance with the CDM modalities and procedures by the PPs, AEs and/or DOEs, such as;
    - ⇒Accrediting and provisionally designating operational entities;
    - ⇒Approving methodologies;
    - ⇒Registering CDM project activities;
    - ⇒Issuing certified emissions reduction units.
  - ☞**Operational** decisions relating to the functioning of the regulatory body.
- ♦ There is the code of conduct for member and alternate member of the EB. [EB47 Anx62]
- ♦ There is terms of reference in relation to the membership of the EB. [CMP/2010/L.8 Anx 1]

Members of the EB [CMP/2005/8/Ad1, p9 para7-12]

- ☞The EB comprises 10 members from Parties to the KP.
  - ⇒1 member from each of the 5 UN regional groups, 2 other members from the Annex I Parties, 2 other members from the non-Annex I Parties, and 1 representative of the small island developing States.
  - ⇒The 5 regional groups of the UN are: Asia, Africa, Latin America, Eastern Europe, and the Western European and Others Group
  - ⇒As a result, 4 are from Annex I Parties and 6 are from non-Annex I Parties, unless 1 member from Asia is selected from Japan.
  - ⇒There is an alternate for each member of the EB.
- ☞Members, including alternate members, of the EB are nominated by the relevant constituencies referred above, and be elected by the CMP.
  - ⇒Vacancies shall be filled in the same way.
- ☞Members are elected for a period of 2 years and be eligible to serve a maximum of 2 consecutive terms.
  - ⇒Terms as alternate members do not count.
- ☞5 members and 5 alternate members are elected initially for a term of 3 years, and other members and alternate members for a term of 2 years. Thereafter, the CMP elects, every year, 5 new members, and 5 new alternate members, for a term of 2 years.
- ☞The EB elects its own chair and vice-chair, with one being a member from an Annex I Party and the other being from a non-Annex I Party.
  - ⇒The positions of chair and vice-chair alternate annually between a member from an Annex I Party and a non-Annex I Party.

Meeting and decision of the EB [CMP/2005/8/Ad1, p10 para13-16]

- ☞The EB meets as necessary but no less than 3 times a year.
- ☞At least 2/3 of the members of the EB, representing a majority of members from Annex I Parties and a majority of members from non-Annex I Parties, must be present to constitute a quorum.
- ☞Decisions by the EB is taken by consensus, whenever possible. If that is not possible, decisions shall be taken by 3/4 majority of the members present and voting at the meeting. Members abstaining from voting shall be considered as not voting.
- ☞Meetings of the EB are open to attendance, as observers, except where otherwise decided by the EB.

Regulatory decisions [EB61 Anx25 para1-6]

♦Regulatory decisions are intended to ensure the successful implementation of the modalities and procedures for a CDM. Such decisions, are reflected in the publishing of, or revisions to, the following document types:

CMP is the ultimate decision-making body of the CDM. CMP decisions are treated as **directives**.

Standards are designed to achieve a uniform approach to compliance with the CDM modalities and procedures and include **Approved Methodologies** and their associated **Tools**.

Procedures contain a mandatory series of actions that must be undertaken to ensure that PPs and DOEs comply with the CDM modalities and procedures or standards issued by the EB. Procedures relate to processes in the project activity cycle, **Rules of Procedures** and **Terms of Reference** for established advisory bodies.

Guidelines contain supplemental information such as acceptable methods for satisfying requirements, or instruments on how to fill out forms, identified in standards or procedures. Guidelines are designed to achieve a uniform approach to compliance with the applicable standards or procedures issued by the CMP and/or the EB.

Clarifications is issued to alleviate confusion relating to the application of a standard or procedure and published as an annex to the meeting report. A clarification should not change the scope of the standard, procedure or requirement that it is clarifying. Clarifications are designed to achieve a uniform approach to compliance with the applicable standards or procedures issued by the CMP and/or the EB. Clarifications are transitory in nature, pending the subsequent revision of the related standard or procedure which takes into account and incorporates the clarification.

Forms are used to facilitate the submission of data or information required in a recurring, standardized business process within the CDM project cycle. A form contains pre-defined data fields to be filled in by PPs or AEs/DOEs. Completing and submitting forms is part of a mandatory series of actions (how to), required by the CDM M&Ps or a standard or procedure issued by the EB.

Operational decisions [EB61 Anx25 para9-10]

♦Operational (or administrative) decisions ensure the successful running of the EB and cover matters such as: meeting agendas and reports; schedule of meetings; the management of documentation of the EB; finance and administration (management action plan, fee payments, etc); work programmes and priorities; establishment of panels and/or other subsidiary bodies; calls for input; commissioning of technical reports; recommending and reporting to the CMP on the running of the EB and its programmes of work; information notes and other matters of an operational or administrative nature.

♦Decisions of an operational nature, when not published within the main body of the meeting reports of the EB, are published as annexes to the reports under one of the following document types:

- ☞**Information Note** is a short message containing facts relating to a particular subject including the schedule of upcoming meetings, budget information, work programmes, and other information of an operational or administrative nature;
- ☞**Glossary** is an alphabetical list of terms relating to the CDM;
- ☞**Recommendation** is a document endorsing, approving, supporting, providing options or recommending a course of action.

♦CMP requested the EB to adhere to the principle that any decision, guidance, tool and rules shall not be applied retroactively. [CMP/2010/L.8 para15]

4-4. The Support Structure of CDM EB

- ♦ The EB may establish committees, panels or working groups to assist it in the performance of its functions. The EB shall draw on the expertise necessary to perform its functions, including from the UNFCCC roster of experts [CMP/2005/8/Ad1, p10 para18]
- ♦ The secretariat, all panels and working groups shall operate under the guidance of the EB [EB61 Anx1, para8]
- ♦ The term of service of a member of panels and working groups shall be for a period of one year [EB61 Anx1, para23]
- ♦ There is "Terms of reference of the support structure of the CDM executive board (ver.1)" [EB61 Anx1]

CDM executive board (EB)

Secretariat

- ☞ The secretariat provides institutional and technical support to the EB and its panels and working groups. [EB61 Anx1, para6]
- ☞ The secretariat also supports the EB's broader supervisory role for the CDM processes. [EB61 Anx1, para7]

Meth Panel (MP)
(Methodologies Panel)

- ☞ The MP is responsible for recommendations to the EB on baseline and monitoring methodologies, revisions to the PDD, etc. [EB46 Anx12, para2-3]
- ☞ 16 members; 2 EB members or alternate members may be designated by the EB to support the Chair and Vice-Chair. [EB67 Anx3, page7]

SSC WG
(Working group for small-scale CDM project activities)

- ☞ The SSC WG is responsible for recommendations to the EB on baseline and monitoring methodologies for small-scale project activity, etc.[EB23 Anx20, para1]
- ☞ 7 members, including at least 1 Methodologies Panel member [EB67 Anx3, page8]

CCS WG
(Working group on carbon dioxide capture and storage)

- ☞ The CCS WG is responsible for recommendations to the EB on baseline and monitoring methodologies, carbon capture and storage in geological formations, development of standards or regulations etc. [EB23 Anx14, para2-3]
- ☞ 7 members including at least 1 Methodologies Panel member [EB67 Anx3, page9]

AR WG
(Working group on afforestation and reforestation project activities)

- ☞ The AR-WG is responsible for recommendations to the EB on baseline and monitoring methodologies for A/R CDM, revisions to the PDD for A/R CDM, etc. [EB23 Anx14, para2-3]
- ☞ 7 members [EB67 Anx3, page8]

RIT
(Registration and Issuance Team)

- ☞ The RIT serves to prepare appraisals of requests for registration and issuance of CERs assessing whether their requirements are met and/or appropriately dealt with by DOEs for consideration by the EB. [EB46 Anx58, para5]
- ☞ The RIT is composed of not less than 20 members. [EB46 Anx58, para7]

CDM-AP
(CDM Accreditation Panel)

- ☞ The CDM-AP is responsible for recommendations to the EB on the accreditation of an applicant OE, suspension, withdrawal and/or re-accreditation of accreditation of a DOE, etc [EB23 Anx1, para4-5]
- ☞ The CDM-AP also carries out selecting the members of a CDM accreditation assessment team (CDM-AT).
- ☞ 7 members, including 2 experts in baseline and monitoring methodologies for CDM project; 1 expert identified by the International Accreditation Forum, as appropriate. [EB67 Anx3, page7]

CDM-AT
(CDM accreditation assessment team)

- ☞ The CDM-AT shall undertake an assessment of the applicant and/or DOEs and prepare an assessment report for the CDM-AP.
- ☞ A team shall be composed of a team leader and at least 2 team members chosen to serve in a team for an assessment at a time. [EB09 Anx1]

Appeal Panel

- ☞ The CDM-AP, in accordance with the appeals procedures under the CDM accreditation process, established the appeal panel. The EB requested the secretariat to accomplish the work of the appeal panel expeditiously and submit for the consideration of the EB. [EB42 Rep para7]

4-5. Designated Operational Entity (DOE)

♦ A DOE under the CDM is either a domestic legal entity or an international organization accredited and designated, on a provisional basis until confirmed by the CMP, by the EB.
  ☞ It validates and subsequently requests registration of a proposed CDM project activity.
  ☞ It verifies emission reduction of a registered CDM project activity, certifies as appropriate and requests the EB to issue Certified Emission Reductions (CERs) accordingly.
♦ The list of DOEs is shown in <http://cdm.unfccc.int/DOE/list/index.html>.
♦ Upon request, the EB may allow a single DOE to perform all these functions within a single CDM project activity. [CMP/2005/8/Ad1, p12 para27(e)]

The terms used in DOE related official documents are:
☞ Applicant entity (AE)= once application has been duly submitted/subject to a procedure;
☞ Designated operational entity (DOE)= after designation by CMP.
[EB56 Anx2, p3 footnote]

Procedure for accrediting OEs [EB56 Anx2, para3]

♦ The CMP designates operational entities (OEs) (or withdraws their designation) based on a recommendation by the EB.
♦ The EB takes the decision whether or not to accredit an AE and recommend it to the CMP for designation, and to fully or partially suspend a DOE, or to withdraw accreditation of a DOE. Accreditation by the EB implies provisional designation.
♦ CDM-AP serves as the technical panel of the EB in accordance with its terms of reference and makes recommendations to the EB on effective implementation of the CDM accreditation process.
♦ CDM-AT, in accordance with the CDM accreditation procedure and under the guidance of the CDM-AP, undertakes the assessment of an AE and/or DOE, to identify the level of conformity to the CDM accreditation requirements and reports to the CDM-AP.
♦ The secretariat supports the implementation of the CDM accreditation procedure.

The accreditation (re-accreditation) assessment of an AE consists of following main elements:
☞ Desk review by a CDM-AT of the adequacy of the documented system of AE to meet the CDM accreditation requirements and perform CDM validation and verification functions;
☞ On-site assessment by a CDM-AT to evaluate the implementation of the system. The on-site assessment shall take place at the office of the AE and/or at any other site where the CDM functions are undertaken, as decided by the CDM-AP.
[EB56 Anx2, para4]

There is “CDM accreditation standard for operational entities (ver.4)”. [EB67 Anx4]

Performance assessment
[EB56 Anx2, para6-9]

☞ A DOE shall be subject to performance assessment by the CDM-AT in relation to the scope of its accreditation.
☞ A DOE shall be subject to regular on-site surveillance. The surveillance shall be undertaken at least once in 3 years of the accredited period of a DOE.
  ⇒ EB may extend from 3 to 5 years the frequency of reaccrediting operational entities. [CMP8/CDM]
☞ The EB may initiate a spot-check to be conducted at any time with a view to assessing whether a DOE still meets the CDM accreditation requirements.
☞ A DOE may be subject to additional desk review and/or additional on-site assessment at any time of its accreditation period as and when decided by the CDM-AP or the EB. Reasons for such additional assessments shall be conveyed to the DOE.
  ⇒ There is the type of information regarding DOE performance to be made publicly available. [EB58 Anx1]

Suspension or withdrawal of a DOE [CMP/2005/8/Ad1, p11 para21]

The EB may recommend to the CMP to suspend or withdraw the designation of a DOE if it has carried out a review and found that the entity no longer meets the accreditation standards or applicable provisions in decisions of the CMP.

- ☞The EB may recommend the suspension or withdrawal of designation only after the DOE has had the possibility of a hearing.
- ☞The suspension or withdrawal is with immediate effect, on a provisional basis, once the EB has made a recommendation, and remains in effect pending a final decision by the CMP.
- ☞The affected entity shall be notified, immediately and in writing, once the EB has recommended its suspension or withdrawal.
- ☞The recommendation by the EB and the decision by the CMP on such a case shall be made public.
  - ⇒ It is assumed that if the CMP decides the affected DOE meets the accreditation standards, the DOE will recover from its suspension or withdrawal.

Affect to registered CDM project activities by the suspension or withdrawal of designation of a DOE [CMP/2005/8/Ad1, p11 para22-24]

- ☞ Registered project activities shall not be affected by the suspension or withdrawal of designation of a DOE unless significant deficiencies are identified in the relevant validation, verification or certification report for which the entity was responsible.
  - ⇒ There is no clear definition of “significant deficiencies.”
- ☞ In this case, the EB shall decide whether a different DOE shall be appointed to review, and where appropriate correct, such deficiencies.
  - ⇒ Any costs related to the review shall be borne by the DOE whose designation has been withdrawn or suspended.
- ☞ If such a review reveals that excess CERs were issued, the DOE whose accreditation has been withdrawn or suspended shall acquire and transfer, within **30 days** of the end of review, the excess CERs issued, as determined by the EB, to a cancellation account in the CDM registry.
- ☞ Any suspension or withdrawal of a DOE that adversely affects registered project activities shall be recommended by the EB only after the affected PPs have had the possibility of a hearing.

BOX: CDM Validation and Verification Standard (CDM-VVS) version 02.0 [EB65 Anx4]

☞ Validation and Verification Standard(VVS) is applicable to designated operational entities (DOEs) that are under contractual arrangements with project participants or coordinating/managing entities to validate and/or verify any CDM project activities or programme of activities (PoA) based on CDM methodologies previously approved by the Board.

BOX: Policy framework to monitor performance and address non-compliance by DOEs

- ☞ The EB agreed on it [EB49 Anx3], and it has following contents.
  - ⇒Definitions of DOE performance and non-compliance, scope of the policy, principles, elements of the policy, grading of non-compliance, classification of non-compliances, consequences of non-compliance, and proposal on implementation.
- ☞ The EB also agreed the implementation plan of the policy framework [EB51 Anx2], which contains such as the following.
  - ⇒Issue classification and weighting, indicators, thresholds, usage of the monitoring information and next steps and implementation timeline.

BOX: Annual activity report to the EB by DOEs

- ☞ A DOE shall submit an annual activity report to the EB [CMP/2005/8/Ad1. page12 para27(g)]
- ☞ There is a form to be used by DOEs
- ⇒ DOE Annual Activity Report to the Board Form (F-CDM-AAR) (ver.1) [EB61 Anx2]

4-6. Project Participant (PP)

- Participation in a CDM project activity is voluntary. [CMP/2005/8/Ad1, p12 para28]
- A Party involved that intends to participate, or a private and/or public entity authorized by the DNA of a Party involved to participate in a CDM project activity or a PoA applicable. [Glos ver.6, p14]

A Party involved

- ☞ A non-Annex I Party may participate in a CDM project activity if it is a Party to the Kyoto Protocol. [CMP/2005/8/Ad1, p12 para30]
- ☞ "Party involved" is only considered a PP if this is clearly indicated in section A.3 of the PDD or, in case of registered projects, if the secretariat is explicitly informed of this in accordance with MoC. [EB25 Rep, para110]

A private and/or public entity

- ☞ Private and/or public entities may only transfer and acquire CERs if the authorizing Party is eligible to do so at that time. [CMP/2005/8/Ad1, p13 para33]
- ☞ Approval / authorization by each Party involved constitutes the written authorization of an entity(ies) participation in a CDM project activity or PoA and written approval of voluntary participation from the DNA of each Party involved and including, from the host Party only, confirmation that the CDM project activity or PoA assists it in achieving sustainable development. [Glos ver.6, p4]

- The DOE must have a contractual relationship with the PPs. Upon making the PDD available for global stakeholder consultation (chap.11-1) the DOE shall indicate with which of the PPs listed in the PDD it has a contractual relationship for the purposes of this validation activity. [EB50 Anx48 para7]
- When submitting a request for registration (chap.12-1) all of PPs with a contractual relationship must still be listed in the PDD, unless they have provided a letter of voluntary withdrawal from the project activity. PPs who are listed in the PDD submitted for global stakeholder consultation but who do not have a contractual relationship with the DOE for the purposes of the validation activity may be removed from the PDD which is submitted for registration. [EB50 Anx48 para8]

BOX: Withdrawn of PP before request for registration

☞The EB agreed that where a PP listed in the PDD published at validation is not included in the PDD submitted for registration, the DOE shall provide a letter from the withdrawn PP confirming its voluntary withdrawal from the proposed project activity, and address this issue in its validation report. [EB30 Rep, para41]

BOX: Withdrawn of PP from a registered CDM project activity

☞In cases where PP(s) wish(es) to withdraw their participation from a registered CDM project activity, the secretariat shall ensure that all PPs have communicated their agreement to this withdrawal in writing, in accordance with the MoC (chap.4-7). [EB38 Rep, para57]

4-7. Procedures for modalities of communication (MoC)

(Version 1) [EB45 Anx59]

Modalities of communication statement [Glos ver.6, p12]

♦A modalities of communication statement from (or signed by) all project participants participating in a CDM project activity or PoA, set out in a prescribed form, that designates one or more focal point entities to communicate on their behalf with the secretariat and the EB in accordance with established scopes. Separate entities may be nominated for each scope of authority either in a sole, shared or joint focal point role.

Focal point [EB45 Anx59 para2-3, 6-8]

♦Focal point is defined as any entity, or entities, whether or not registered as PP in the corresponding CDM project activity, nominated through the MoC by all PPs to communicate with the EB and the secretariat in relation to some or all of the scopes of focal point authority.

☞Any change to focal point roles shall be agreed by all PPs and will only be effected through the submission of a new F-CDM-MOC form.

Sole focal point

☞A focal point role granted exclusively to one entity on some or all of the scopes of authority, and whose certified signature is sufficient to effect any instruction from this entity.

Shared focal point

☞A focal point role shared by two or more entities for a given scope of authority where the signature of the corresponding authorised signatories of any one of the focal point entities is sufficient to effect any instruction within the scope of authority.

Joint focal point

☞More than one entity is nominated as focal point for a given scope of authority and the signatures of all nominated focal point entities shall be required for each communication related to that scope.

♦Scope of focal point authority: A focal point entity can be conferred the authority to:

☞<Scope a> Communicate in relation to requests for forwarding of CERs to individual accounts of PPs; and/or,

☞<Scope b> Communicate in relation to requests for addition and/or voluntary withdrawal of PPs; and/or,

☞<Scope c> Communicate on any other matters related to registration and issuance not covered by <scope a> or <scope b> above.

♦Separate entities can be nominated for each scope of authority either in a sole, shared or joint focal point role.

Authorised signatory [EB45 Anx59 para4-5]

♦Authorised signatory of a PP [a focal point] is the person who represents the PP [the focal point] entity in a CDM project activity and whose name, contact details and specimen signature are to be registered in the MoC statement. PPs [focal point entities] may nominate one primary authorised signatory and one alternate authorised signatory in the MoC statement.

Structure and contents of MoC [EB45 Anx59 para12]

♦A statement of MoC shall incorporate the following provisions:

☞Title of the CDM project activity (and UNFCCC reference number if available);

☞Date of submission and list of all PPs;

☞Clear designation of focal point for each scope of authority;

☞Contact details and specimen signature of each focal point and signing authority;

☞Signatures of all PPs confirming their agreement to the terms of the statement of MoC.

Signature [EB45 Anx59 para9-11]

♦Signature is defined as an agreed means of authentication of an MoC statement by a PP, or a given communication from a focal point entity, as the context requires.

♦It may be either an authenticated handwritten signature, accompanied with a company seal or stamp if appropriate, or a cryptographic electronic signature enrolled in the CDM Information System.

☞Electronic signatures will have the same value. The secretariat shall implement and deploy within the CDM Information System the means to provide PPs and focal point entities with digital certificates for authentication of user identity.

♦Due diligence process is defined as a process whereby personal or corporate identity is established and means of signature are registered for CDM related communications. This process is to be performed by DOEs for all new entities entering as PPs at the point of requesting registration. In the case of registered projects, the secretariat will perform this process on entities requesting registration as PPs in accordance with the existing MoC.

Changes to the MoC [EB45 Anx59 para15-18]

♦Modifications to the nomination of focal point in any or all of the scopes of authority are considered to be reasons for changing the MoC. In cases where such modifications are needed, PPs should express their agreement by submitting a new F-CDM-MOC form duly signed by their authorised signatories through the focal point for <scope c>.

☞Changes in authorised signatories (of PPs and focal point entities): the focal point for <scope b> shall submit an updated version of Annex 2 of the F-CDM-MOC form duly signed and completed.

☞Change of name of a PP: the focal point for <scope b> shall submit an updated version of Annex 2 of the F-CDM-MOC form duly signed and completed.

☞Addition or withdrawal of PPs: In cases where the addition or withdrawal is not associated with changes in the nomination of focal points, the focal point for <scope b> shall submit Annex 2 of the F-CDM-MOC form only. If the addition or withdrawal of PPs does encompass changes to the nomination of focal point for any of the scopes of authority, a new F-CDM-MOC form duly signed by the authorised signatories for each PP shall be submitted by the focal point for <scope c>.

Private contractual obligations [EB45 Anx59 para13]

♦ The EB considers that neither itself nor the secretariat has the authority or responsibility to enforce private contractual obligations arising from the sale and buying of CERs. Such instructions shall not be included in an MoC. Honouring such contractual obligations is the sole responsibility of the registered PPs and nominated focal points

Restricted availability of sensitive information in MoC statements on the project page [EB45 Anx59 para14]

♦ Specimen signatures, contact details and other personal information of individuals shall be available only to PPs, focal points, DOEs, members of the EB and secretariat staff.

Implementation of the F-CDM-MOC form [EB45 Anx59 para19-20]

♦(a) New submissions: the F-CDM-MOC form shall be used for any new submission of an MoC statement at both pre- and post-registration stages. The form will be made available on the UNFCCC CDM website.

♦(b) For projects requesting registration: PPs shall complete an F-CDM-MOC form which shall be submitted by a nominated DOE with other project related documentation when a request for registration is proposed. The DOE is required to validate the details of each authorised signatory corresponding to each PP before these details are submitted to the secretariat in the MoC form. In particular, the details of each authorised signatory for all PPs shall correspond to the representatives designated to the project in Annex I of the PDD.

☞Grace period for MoCs already signed (for projects not yet registered): in cases where an MoC statement has already been signed by all PPs in respect of a CDM project before adoption of the F-CDM-MOC form, but the project is not yet registered, the designated focal point may submit the signed statement in its original format providing evidence that it was signed prior to the availability of the F-CDM-MOC form. A grace period of **8 months** will be granted for these exceptional cases to be submitted for registration, after which (b) above shall apply to any new submission.

☞Grace period for MoCs already signed (for registered projects): in cases where an MoC statement has already been signed by all PPs in respect of a CDM project before adoption of the F-CDM-MOC form, but not yet submitted to the secretariat, the designated focal point may submit the signed statement in its original format providing evidence that it was signed prior to the availability of the F-CDM-MOC form. A grace period of **1 month** will be granted for these exceptional cases, after which (a) above shall apply to any new submission. For any subsequent changes, (a) above shall apply.

♦The secretariat shall display the effective date of the updated MoC contained in the F-CDM-MOC form on the corresponding project's view page.

BOX: Direct communication with stakeholders [EB62 Anx15]

☞"Modalities and Procedures for Direct Communication with Stakeholders (ver.1)"

☞The procedure provides for detailed steps and modalities of direct communication of the EB with stakeholders on policy issues as well as general principles for establishing such steps and modalities on case-specific issues in relevant operational procedures dealing with case submissions.

☞Stakeholders include: DNAs (see Chp4-2), AEs/DOEs, PPs, and other stakeholders

5. Conditions for CDM projects

♦ When planning a CDM project activity, it is necessary to keep in mind following points:

- ☞ The purpose of the CDM shall be to assist non-Annex I Parties in achieving sustainable development and in contributing to the ultimate objective of the Convention, and to assist Annex I Parties in achieving compliance with their commitments. [KP Art.12 para2]
  - ⇒ It is the host Party's prerogative to confirm whether a CDM project activity assists it in achieving sustainable development. [CP/2001/13/Ad2, p20]
- ☞ A CDM project activity is additional if GHG emissions are reduced below those that would have occurred in the absence of the registered CDM project activity; [CMP/2005/8/Ad1, p16 para43]
- ☞ Annex I Parties are to refrain from using CERs generated from nuclear facilities to meet their quantified GHG emissions reduction targets; [CP/2001/13/Ad2, p20]
- ☞ The eligibility of land use, land-use change and forestry project activities under the CDM is limited to afforestation and reforestation (A/R); [CP/2001/13/Ad2, p22 para7(a)]

♦ It is necessary to prepare a project design document (PDD) in order to be registered as a CDM project activity..

Public funding for CDM projects

☞Public funding for CDM projects from Annex I Parties is not to result in the diversion of official development assistance (ODA) and is to be separate from and not counted towards the financial obligations of Annex I Parties. [CP/2001/13/Ad2, p20]

⇒Annex I Parties shall provide an affirmation that such funding does not result in a diversion of ODA and is separate from and is not counted towards the financial obligations of those Parties. [PDD GL ver.7, p9]

⇒There is also the document "ODA Eligibility of Expenditures under the Clean Development Mechanism" which was endorsed at the DAC High Level Meeting on 15-16 April 2004. [DAC/CHAIR(2004)4/FINAL]

BOX: CDM project activities under a programme of activities [CMP/2005/8/Ad1, p97 para20]

☞Local/regional/national policy or standard cannot be considered as a CDM project activity

☞But that project activities under a programme of activities can be registered as a single CDM project activity provided that approved baseline and monitoring methodologies are used that, inter alia, define the appropriate boundary, avoid double counting and account for leakage, ensuring that the emission reductions are real, measurable and verifiable, and additional to any that would occur in the absence of the project activity. (chap.20)

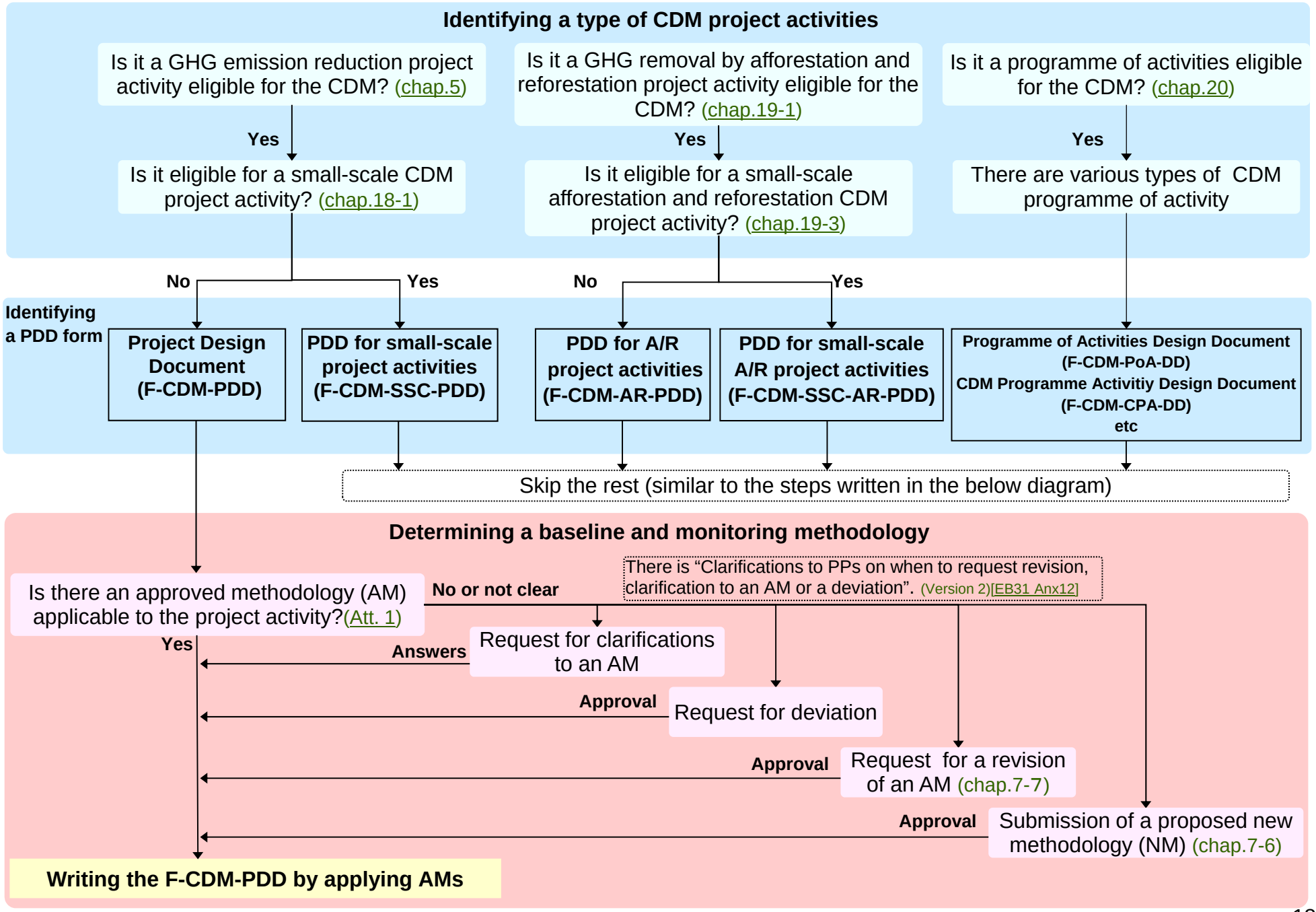
BOX: Carbon dioxide capture and storage (CCS)

☞The CMP7 adopts the modalities and procedures for carbon dioxide capture and storage in geological formations as CDM project activities . [Decision 10/CMP.7 para1]

☞The CMP7 decides to periodically review the modalities and procedures for carbon dioxide capture and storage in geological formations. The first review shall be carried out no later than five years after the adoption of this decision. [Decision 10/CMP.7 para2]

☞There are "Guidelines for competing the proposed new carbon capture and storage baseline and monitoring methodology form" [EB67 Anx25], "Guidelines for competing the project design document form for carbon capture and storage CDM project activities" [EB67 Anx26] and "Procedure for the submission and consideration of a proposed new baseline and monitoring methodology for carbon capture and storage CDM project activities " [EB67 Anx27].

6. Making PDD

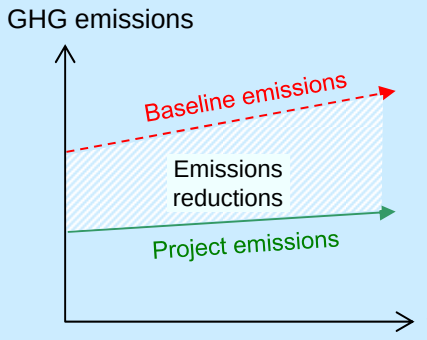

Identifying a type of CDM project activities
Is it a GHG emission reduction project activity eligible for the CDM? (chap.5)
Yes
Is it eligible for a small-scale CDM project activity? (chap.18-1)
No
Yes
Is it a GHG removal by afforestation and reforestation project activity eligible for the CDM? (chap.19-1)
Yes
Is it eligible for a small-scale afforestation and reforestation CDM project activity? (chap.19-3)
No
Yes
Is it a programme of activities eligible for the CDM? (chap.20)
Yes
There are various types of CDM programme of activity
Identifying a PDD form
Project Design Document (F-CDM-PDD)
PDD for small-scale project activities (F-CDM-SSC-PDD)
PDD for A/R project activities (F-CDM-AR-PDD)
PDD for small-scale A/R project activities (F-CDM-SSC-AR-PDD)
Programme of Activities Design Document (F-CDM-PoA-DD)
CDM Programme Activitiy Design Document (F-CDM-CPA-DD)
etc
Skip the rest (similar to the steps written in the below diagram)
Determining a baseline and monitoring methodology
Is there an approved methodology (AM) applicable to the project activity?(Att. 1)
No or not clear
There is "Clarifications to PPs on when to request revision, clarification to an AM or a deviation". (Version 2)[EB31 Anx12]
Yes
Answers
Request for clarifications to an AM
Approval
Request for deviation
Approval
Request for a revision of an AM (chap.7-7)
Approval
Submission of a proposed new methodology (NM) (chap.7-6)
Writing the F-CDM-PDD by applying AMs

		Normal-scale CDM project activity		Small-scale CDM project activity	
		Form	**Guideline**	**Form**	**Guideline**
Emission Reduction	PDD	F-CDM-PDD ver.4.1	Guidelines for completing the project design document form ver.1 [EB66 Anx8]	F-CDM-SSC-PDD ver.4.1	Guidelines for completing the project design document form for small-scale CDM project activities ver.1 [EB66 Anx9]
				F-CDM-SSC-BUN ver.3	Guidelines for completing the small-scale CDM project activities bundling form ver.2 [EB66 Anx22]
		F-CDM-PoA-DD ver.3	Guidelines for completing the programme design document form for CDM programmes of activities ver.3 [EB70 Anx6]	F-CDM-SSC-PoA-DD ver.2	Guidelines for completing the programme design document form for small-scale CDM programmes of activities ver.2 [EB67 Anx30]
		F-CDM-CPA-DD ver.2	Guidelines for completing the component project activity design document form ver.1 [EB66 Anx16]	F-CDM-SSC-CPA-DD ver.2	Guidelines for completing the component project design document form for small-scale component project activities ver.1 [EB66 Anx17]
	Methodology	CDM-NM ver.3.2	Guidelines for completing the proposed new baseline and monitoring methodology form ver.1 [EB66 Anx25]	F-CDM-SSC-NM ver.1.1	Guidelines for completing the proposed new small scale baseline and monitoring methodology form ver.1 [EB66 Anx26]
		F-CDM-AM-Subm ver.1.1, F-CDM-AM-Rev ver.1.1,		F-CDM-SSC-Subm ver.3.1	
A/R (chap.19)	PDD	F-CDM-AR-PDD ver.6	Guidelines for completing the project design form for afforestation and reforestation CDM project activities ver.1 [EB66 Anx10]	F-CDM-SSC-AR-PDD ver.3	Guidelines for completing the project design document form for small-scale afforestation and reforestation CDM project activities ver.1 [EB66 Anx11]
		F-CDM-AR-PoA-DD ver.2	Guidelines for completing the programme design document form for afforestation and reforestation CDM programmes of activities ver.2 [EB67 Anx29]	F-CDM-SSC-AR-PoA-DD ver.2	Guidelines for completing the programme design document form for small-scale afforestation and reforestation CDM programmes of activities ver.2 [EB67 Anx31]
		F-CDM-AR-CPA-DD ver.2.1	Guidelines for completing the component project activity design document form for afforestation and reforestation component project activities ver.1 [EB66 Anx18]	F-CDM-SSC-AR-CPA-DD ver.2	Guidelines for completing the component project activity design document form for small-scale afforestation and reforestation component project activities ver.1 [EB66 Anx19]
	Methodology	CDM-AR-NM ver.4	Guidelines for completing the proposed new afforestation and reforestation baseline and monitoring methodology form ver.1 [EB66 Anx27]	F-CDM-SSC-AR-Subm ver.2	Guidelines for completing the small-scale afforestation and reforestation baseline monitoring and methodology submission form ver.1 [EB66 Anx28]
		F-CDM-AR-AM-Subm ver.1, F-CDM-AR-AM-Rev ver.1			
Monitoring		F-CDM-MR ver.3	Guidelines for completing the monitoring report form ver. 3 [EB70 Anx11] There is information on actual emission reductions or net anthropogenic GHG removals by sinks during the first commitment period and the period from 1 January 2013 onwards		

7. Baseline

7-1. Concept of the baseline and additionality

♦ The baseline (scenario and emissions) for a CDM project activity is the scenario that reasonably represents GHG emissions that would occur in the absence of the proposed project activity. [CMP/2005/8/Ad1, p16 para44]



♦ Difference between the baseline emissions and GHG emissions after implementing the CDM project activity (project emissions) is emission reductions.

☞A baseline (scenario and emissions) shall be established:

(a)By PPs in accordance with provisions for the use of approved and new methodologies;

(b)In a transparent and conservative manner regarding the choice of approaches, assumptions, methodologies, parameters, data sources, key factors and additionality, and taking into account uncertainty;

(c)On a project-specific basis;

(d)In the case of small-scale CDM project activities, in accordance with simplified procedures developed for such activities (chap.18-2);

(e)Taking into account relevant national and/or sectoral policies and circumstances, such as sectoral reform initiatives, local fuel availability, power sector expansion plans, and the economic situation in the project sector. [CMP/2005/8/Ad1, p16 para45]

☞Before calculating baseline emissions, it is necessary to identify baseline scenarios.

☞A baseline (emissions) shall cover emissions from all gases, sectors and source categories within the project boundary. [CMP/2005/8/Ad1, p16 para44]

♦A CDM project activity is **additional** if GHG emissions are reduced below those that would have occurred in the absence of the registered CDM project activity. [CMP/2005/8/Ad1, p16 para43]

☞The DOE shall review the PDD to confirm that the project activity is expected to result in a reduction in GHG emissions that are **additional** to any that would occur in the absence of the proposed project activity. [CMP/2005/8/Ad1, p14 para37(d)]

♦PPs have to write explanation of how and why this project activity is **additional** and therefore not the baseline scenario in accordance with the selected baseline methodology. [PDD GL ver.7, p12]

☞If the starting date of the project activity is before the date of validation, provide evidence that the incentive from the CDM was seriously considered in the decision to proceed with the project activity. This evidence shall be based on (preferably official, legal and/or other corporate) documentation that was available at, or prior to, the start of the project activity (chap.8-1). [PDD GL ver.7, p12]

♦"The tool for the demonstration and assessment of additionality" provides a general framework for demonstrating and assessing additionality. PPs may also propose other tools for the demonstration of additionality (Att 3). [EB22 Anx8 para1]

♦There is a "Combined tool to identify the baseline scenario and demonstrate additionality" [EB60 Anx7]

♦There are guidelines for demonstration of additionality for small scale (chap. 18-2) and micro scale (Att 4)

BOX: Wording

PPs shall refrain from providing glossaries or using key terminology not used in the COP documents and the CDM glossary (environmental/investment **additionality**). [EB09 Anx3, para3]

7-2. Baseline scenario

- ♦ The baseline scenario for a CDM project (non-A/R) or CPA (non-A/R) is the scenario for a CDM project or CPA that reasonably represents the anthropogenic emissions by sources of GHG that would occur in the absence of the proposed CDM project or CPA. [Glos ver.6 P5]
- ♦ Different scenarios may be elaborated as potential evolutions of the situation existing before the proposed CDM project.
  - ☞ The continuation of a current activity could be one of them;
  - ☞ Implementing the proposed project activity may be another;
  - ☞ And many others could be envisaged.
- ♦ Baseline methodologies shall require a narrative description of all reasonable baseline scenarios.
- ♦ To elaborate the different scenarios, different elements shall be taken into consideration.
  - ☞ For instance, the PPs shall take into account national / sectoral policies and circumstances, ongoing technological improvements, investment barriers, etc.
- ♦ The baseline scenario may include a scenario where future GHG emissions are projected to rise above current levels, due to the specific circumstances of the host Party. [CMP/2005/8/Ad1, p16 para46]

Clarifications on the treatment of national and/or sectoral policies and regulations in determining a baseline scenario

The EB agreed to differentiate the following 2 types of national and/or sectoral policies that are to be taken into account when establishing baseline scenarios: [EB22 Anx3]

Type E+ That give comparative advantages to more emissions-intensive technologies or fuels.

☞Only national and/or sectoral policies or regulations that have been implemented before adoption of the Kyoto Protocol (11 December 1997) shall be taken into account when developing a baseline scenario.

☞If such national and/or sectoral policies were implemented since the adoption of the Kyoto Protocol, the baseline scenario should refer to a hypothetical situation without the national and/or sectoral policies or regulations being in place.

Type E- That give comparative advantages to less emissions-intensive technologies (e.g. public subsidies to promote the diffusion of renewable energy or to finance energy efficiency programs).

☞National and/or sectoral policies or regulations that have been implemented since the adoption by the COP of the CDM M&P(11 November 2001) need not be taken into account in developing a baseline scenario.

⇒ i.e. the baseline scenario could refer to a hypothetical situation without the national and/or sectoral policies or regulations being in place).

7-3. Baseline methodology

♦ Baseline emission under the selected baseline scenarios shall be calculated by PPs in accordance with **approved methodologies (AMs)** or **new methodologies (NMs)**.

A baseline methodology approved by the EB is publicly available along with relevant guidance on the UNFCCC CDM website (http://unfccc.int/cdm).

☞DOEs can submit queries regarding the applicability of **approved methodologies**.

If a DOE determines that a proposed project activity intends to use a **new baseline methodology**, it shall, prior to the submission for registration of this project activity, forward the proposed methodology to the EB for review, i.e. consideration and approval, if appropriate. [EB32 Anx13, para2]

☞There is "Technical Guidelines for the Development of New Baseline and Monitoring Methodologies Version 1". [EB24 Anx16]

Baseline approach (para 48 of the CDM M&P) [Glos ver.6, p5][CMP/2005/8/Ad1, p16 para48]

The approach used to establish a baseline methodology. The CDM rules and requirements prescribe the baseline approaches that can apply to CDM project activities and CPAs. Project participants shall select from among the following approaches.

(a)Existing actual or historical emissions, as applicable; or

(b)Emissions from a technology that represents an economically attractive course of action, taking into account barriers to investment; or

(c)The average emissions of similar project activities undertaken in the previous 5 years, in similar social, economic, environmental and technological circumstances, and whose performance is among the top 20 per cent of their category. <See [EB08 Anx1 para4-5] for guidance>

Guidelines for determining baselines for measures [EB69 Anx21]

☞The objective of these guidelines is to ensure consistency of the approaches used in the determination of baselines in the different methodologies, by providing standardized approaches to determine the baseline for different investment scenarios defined for measure(s).

☞The guidelines elaborate when and under which circumstances a baseline based on paragraph 48(a), (b), or (c) of 3/CMP.1

☞The guidelines are applicable to non-afforestation and reforestation (non-A/R) sectors.

BOX: Temporarily result in "negative emission reductions" [EB21 Rep, para18]

☞In some cases and for some methodologies, project activities may temporarily result in "negative emission reductions" in a particular year, for example due to poor performance or due to leakage effects outweighing emission reductions.

☞In these cases, proposed NMs should stipulate that if a project activity temporarily results in "negative emission reductions", any further CERs will only be issued when the emissions increase has been compensated by subsequent emission reductions by the project activity.

BOX: Proposed project activities applying more than one methodology [EB08 Anx1, para6]

☞If a proposed CDM project activity comprises different "sub-activities" requiring different methodologies, PPs may forward the proposal using one F-CDM-PDD but shall complete the methodologies sections for each "sub-activity".

7-4. Standardized baselines

Definition of Standardized Baselines [CMP/2010/L8, p6 para44, 47, 48]

- ♦ A baseline established for a Party or a group of Parties to facilitate the calculation of emission reduction and removals and/or the determination of additionality for clean development mechanism project activities, while providing assistance for assuring environmental integrity.
- ♦ The application of the standardized baselines shall be at the discretion of the host country's designated national authorities
- ♦ The Executive Board to periodically review, as appropriate, the standardized baselines used in the methodologies

Procedure for developing Standardized Baselines [CMP/2010/L8, p6 para45, 46]

Top-down approach

☞The Executive Board to develop standardized baselines, as appropriate, in consultation with relevant designated national authorities, prioritizing methodologies that are applicable to least developed countries, small island developing States, Parties with 10 or less registered CDM project and underrepresented project types or regions

Bottom-up approach

☞Parties, project participants, as well as international industry organizations or admitted observer organizations through the host country's designated national authority, may submit proposals for standardized baselines applicable to new or existing methodologies, for consideration by the Executive Board

BOX: Financial sources and capacity-building of developing standardized baselines [CMP/2010/L8, p6 para45, 46]

☞CMP requested the Executive Board to explore different financial sources to cover the costs of developing and establishing standardized baselines including direct resources from the annual budget of the clean development mechanism.

☞CMP also Encouraged Parties included in Annex I to the Convention and Parties not included in Annex I to the Convention with relevant experience to provide capacity-building and/or support for developing standardized baselines

BOX: Other guidance on the standardized baselines [CMP/2010/L8,]

☞Standardization is being used in some approved baseline and monitoring methodologies under the CDM.

☞Baseline and monitoring methodologies using standardized baselines can be developed, proposed by project participants and approved by the EB of the CDM under the modalities and procedures adopted by decisions 3/CMP.1 and 5/CMP.1.

☞The use of standardized baselines could reduce transaction costs, enhance transparency, objectivity and predictability, facilitate access to the CDM, particularly with regard to under represented project types and regions, and scale up the abatement of greenhouse gas emissions, while ensuring environmental integrity.

7-5. Procedure for the submission and consideration of SBs

(Version 2) [EB68Anx32]

DNA	UNFCCC secretariat	External Experts (DOE, Panels)

(1) Parties, project participants, international industry organizations or admitted observer organizations may propose a standardized baseline (SB) for a Party [EB68 Anx32, para6]

(2) Approve the proposed SB . Where the proposed SB is developed for a group of Parties, it shall be approved by the DNAs of all these Parties [EB68 Anx32, para7]

(3) Upload the following documentation to submit the proposed SB: [EB68 Anx32, para8]
- (a) The duly completed Proposed SB submission form (form F-CDM-PSB);
- (b) All additional documentation supporting the submission;
- (c) An assessment report on the quality of the data collection, processing and compilation to establish the proposed SB in accordance with relevant procedures or guidelines adopted by the EB.

21 days

(4) Undertake initial assessment on whether: [EB68 Anx32, para11]
- (a) The form F-CDM-PSB has been duly completed;
- (b) The proposed SB was derived from an approved methodology or tool, or from the "Guidelines for the establishment of sector specific SBs";
- (c) The DNA submitted all the information required;
- (d) An assessment report was submitted presenting how the data was collected, processed and compiled to establish the proposed SB and includes an opinion on whether the data was collected and processed in accordance with relevant procedures or guidelines adopted by the EB.

(5) Inform the DNA of the outcome of the initial assessment. If the secretariat finds that the required documentation or information is incomplete, it shall notify the DNA and the proponent of the proposed SB accordingly.[[EB68 Anx32, para12]

(6) The DNA should provide the missing documents or information within **42 days** of the notification. [EB68 Anx32, para12]

(7) The secretariat shall conclude the initial assessment within **14 days** of receipt of missing documents or information and inform the DNA of the conclusion of the initial assessment.. [EB68 Anx32, para13]

Note: Data used to establish the proposed SB shall be provided in a sector-specific data template published by the secretariat on the UNFCCC CDM website. If no applicable data template is available on the UNFCCC CDM website at the time of the DNA's submission of the proposed SB, the proponent of the SB shall propose a sector specific data template for its publication, or, if applicable, request the revision or clarification of a published data template in accordance with the modalities in appendix 1 of this procedure : [EB68 Anx32, Apx1]

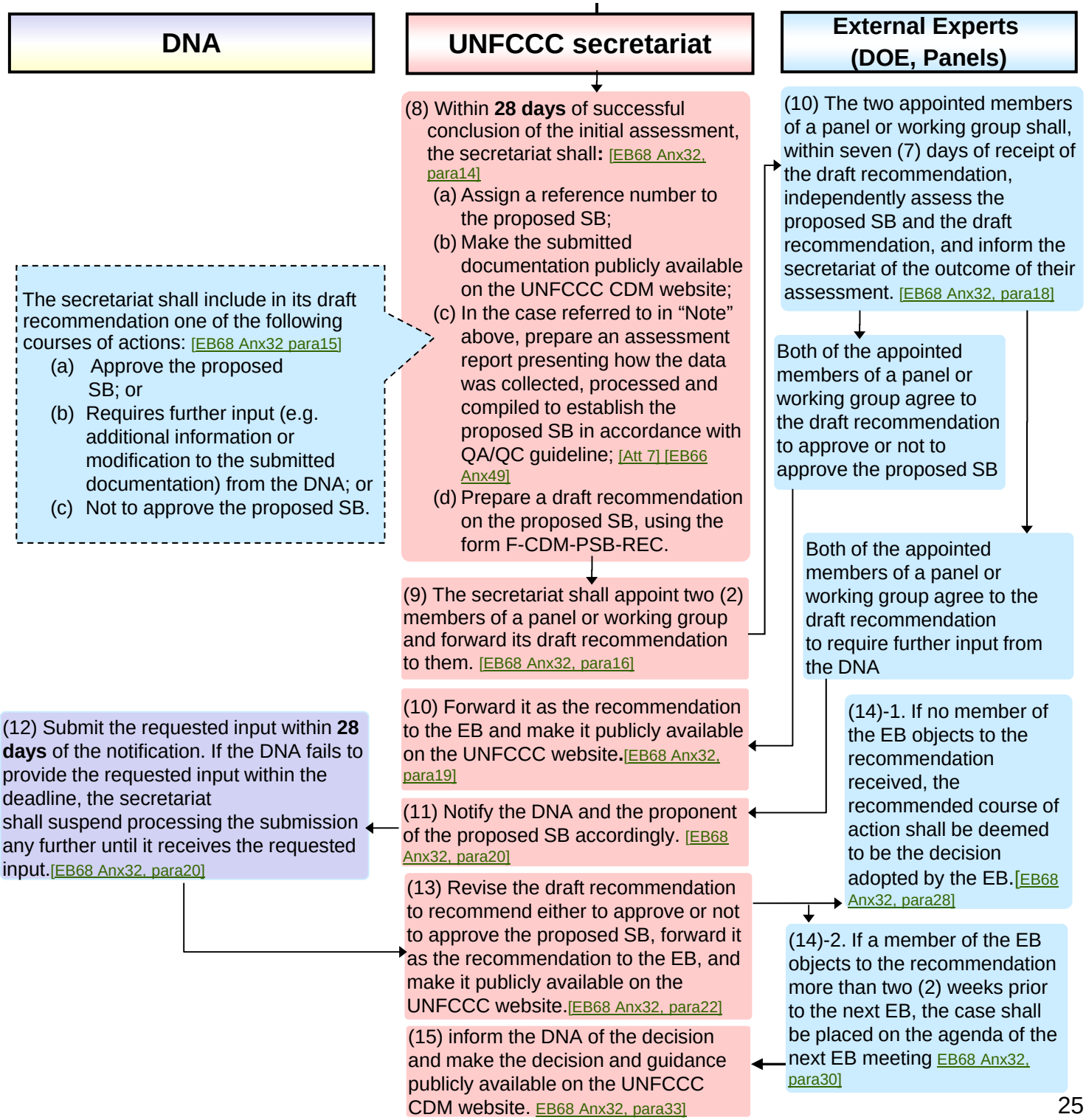
Note: For a Party with fewer than 10 registered CDM project activities as of 31 December 2010, the assessment report may be omitted in up to the first three submissions of a proposed SB regardless of the sector for the Party. [EB68 Anx32 para9]
If the DNA is of a Party that has 10 or fewer registered CDM project activities as of 31 December 2010, or represents a group of Parties, each of which has 10 or fewer registered CDM project activities as of 31 December 2010, the DNA may apply for funding from the secretariat for the DOE's preparation of the assessment report in accordance with the modalities in appendix 2 of this procedure. [EB68 Anx32, Apx2]

BOX: Modalities for publication of sector-specific data templates for establishing standardized baselines [EB68 Anx32, Apx1]

- ☞A proponent may submit to the secretariat through a dedicated UNFCCC CDM website a proposed new sector-specific data template and request its publication.
- ☞The proposed data template shall be developed based on sector-specific situations and mitigation measures

BOX: Modalities for funding for preparation of assessment reports for establishment of standardized baselines [EB68 Anx32, Apx2]

- ☞A DNA that wishes to receive funding for the preparation of the assessment report shall request funding by submitting required documentation to the secretariat:
- ☞The maximum funding shall be USD 20,000 for each funding request. For a funding request submitted for a group of Parties, the maximum funding shall be USD 20,000 plus USD 5,000 per additional Party.
- ☞Within 14 days of receipt of the complete submission of the documentation, the secretariat shall prepare an "Agreement for funding for preparation of assessment report for submission of SB "(F-CDM-PSB-FA) , including the provisions on the amount to be funded and the deadline for the submission by the DNA of the required documents.



7-6. Procedure for development, revision and clarifications of baseline and monitoring methodologies and methodological tools

(Version 1)
[EB70 Anx36]

Development of new methodology or methodological tool

Bottom-up process

1. Submission of proposed new methodology

- **The secretariat** shall publish the schedules of the meetings of the methodological panel and working groups and the deadlines for the submission of proposals of new methodologies.
- **The proponent** of a planned CDM project activity may propose a new methodology to the Board by submitting the following documents:
  a) The duly completed CDM-PNM-FORM
  b) The proposed new methodology
  c) The draft PDD or PoA-DD with at least the following sections
    i. For planned CDM project activities: **a)** Description of project activity, **b)** Application of selected approved baseline and monitoring methodology, **c)** Duration of crediting period
    ii. For planned CDM PoAs: **a)** General description of PoA, **b)** Demonstration of additionality and development of eligibility criteria, **c)** Duration of PoA, **d)** General description of a generic CPA, **e)** Application of baseline and monitoring methodology
- A fee of **USD1,000** shall e payable for each submission from the proponent

2. Completeness check

- **The secretariat** shall conduct completeness check of the submission within **7 days** of the deadline for submissions.

3. Initial assessment

- **The secretariat** shall conduct an initial assessment of the submission using the CDM-PNIA-FORM within **30 days** of the deadline for submissions.
- If the submission is concluded as qualified for consideration, **the secretariat** shall issue a unique reference number to the proposed new methodology and make the submission publicly available on the UNFCCC CDM website for global stakeholder consultation. The duration shall be **15 days**.

4. Preparation of draft recommendation

- **The secretariat** shall prepare a draft recommendation to the relevant methodological panel or working group on the proposed new methodology and using the CDM-PNMR-FORM.
- **The secretariat** shall select two members of the relevant methodological panel or working group and forward the draft recommendation to them for their review.

5. Consideration by panel of working group

- **The relevant methodological panel or working group** shall consider the recommendation and prepare a draft recommendation with in **three consecutive meetings**.

6. Consideration by the Board

- **The Board shall** decide to either
  a) Approve the proposed new methodology as recommended by the relevant methodological panel or working group;
  b) Reject the proposed new methodology; or
  c) Request the relevant methodological panel or working group to review the recommendation to the Board, and provide guidance on the issues for review
- If the Board approves the proposed new methodology, **the secretariat** shall publish the approved new methodology on the UNFCCC CDM website within **7 days** of the approval.

7. Other

- **The secretariat** shall maintain a publicly available list of all proposed new methodologies deemed qualified for consideration on the UNFCCC website.

Top-down process

1. Initiation

- **The Board** may decide to develop a new methodology (including a new consolidated methodology) or methodological tool at any time

2. Preparation of draft new methodology or methodological tool

- **The secretariat** shall prepare a draft development plan of the new methodology or methodological tool using CDM-NMP-FORM
- **The secretariat** shall select two members of the relevant methodological panel or working group
- **The secretariat** shall prepare a draft new methodology or methodological tool using CDM-NMD-FORM

3. Consideration by panel or working group

- **The relevant methodological panel or working group** shall consider the draft new methodology or methodological tool and prepare a draft recommendation to the Board
- The secretariat shall make the draft recommendation to the Board publicly available on the UNFCCC CDM website for global stakeholder consultation The duration shall be **15 days**.

4. Consideration by the Board

- **The Board** shall decide to either
  a) Approve the proposed new methodology or methodological tool;
  b) Reject the proposed new methodology or methodological tool; or
  c) Request the relevant methodological panel or working group to review the recommendation to the Board and provide guidance on the issues for review.
- If the Board approves the proposed new methodology or methodological tool, **the secretariat** shall publish the approved new methodology or methodological tool on the UNFCCC CDM website within **7 days** of the approval.

Revision of approved methodology or methodological tool

(Version 1) [EB70 Anx36]

Bottom-up process

1. Submission of proposed new methodology

- **The secretariat** shall publish the schedules of the meetings of the methodological panel and working groups and the deadlines for the submission of requests for revision of an approved methodology or methodological tool.
- **The proponent** of a planned CDM project activity may request the Board to revise an approved methodology or methodological tool by submitting the following documents:
  a) The duly completed CDM-AMR-FORM
  b) The proposed revised methodology or methodological tool
  c) The draft PDD or PoA-DD with at least the following sections
    i. For planned CDM project activities: **a)** Description of project activity, **b)** Application of selected approved baseline and monitoring methodology, **c)** Duration of crediting period
    ii. For planned CDM PoAs: **a)** General description of PoA, **b)** Demonstration of additionality and development of eligibility criteria, **c)** Duration of PoA, **d)** General description of a generic CPA, **e)** Application of baseline and monitoring methodology
- A request shall not include proposed changes to the methodology or methodological tool that would result in the exclusion, restriction or narrowing of the applicability conditions of the methodology or methodological tool as a whole for other project activities or PoAs.

2. Completeness check

- **The secretariat** shall conduct completeness check of the submission within **7 days** of the deadline for submissions.

3. Initial assessment

- **The secretariat** shall conduct an initial assessment of the submission using the CDM-AMIA-FORM within **30 days** of the deadline for submissions
- If the submission is concluded as qualified for consideration, **the secretariat** shall make the submission publicly available on the UNFCCC CDM website for global stakeholder consultation. The duration shall be **15 days**.

4. Preparation of draft recommendation

- **The secretariat** shall prepare a draft recommendation to the relevant methodological panel or working group on the proposed revised methodology or methodological tool and using the CDM-AMRR-FORM.
- **The secretariat** shall select two members of the relevant methodological panel or working group and forward the draft recommendation to them for their review.

5. Consideration by panel of working group

- **The relevant methodological panel or working group** shall consider the recommendation and prepare a draft recommendation to the Board within **two consecutive meetings**.

6. Consideration by the Board

- **The Board shall** decide to either
  a) Approve the proposed revised methodology or methodological tool as recommended by the relevant methodological panel or working group, indicating:
    i. The revision is a major revision; or
    ii. The revision is a minor revision;
  b) Reject the proposed revised methodology or methodological tool; or
  c) Request the relevant methodological panel or working group to review the recommendation to the Board and provide guidance on the issues for review
- If the Board approves the proposed revised methodology or methodological tool, the secretariat shall publish the approved revised methodology or methodological tool on the UNFCCC CDM website within **seven** days of the approval.

7. Other

- **The secretariat** shall maintain a publicly available list of all proposed revised methodologies and methodological tools deemed qualified for consideration on the UNFCCC website.

Top-down process

1. Initiation

- **The Board** shall also decide to either
  a) Put on hold the approved methodology or methodological tool with immediate effect
  b) Put on hold the approved methodology or methodological tool with a grace period of 28 days.
  c) Maintain the current version of the approved methodology or methodological tool until the expiry of its validity

2. Preparation of draft new methodology or methodological tool

- **The secretariat** shall prepare a draft revised methodology or methodological tool using the CDM-AMRD-FORM
- **The secretariat** shall select two members of the relevant methodological panel or working group

3. Consideration by panel or working group

- **The relevant methodological panel or working group** shall consider the draft new methodology or methodological tool and prepare a draft recommendation to the Board
- The secretariat shall make the draft recommendation to the Board publicly available on the UNFCCC CDM website for global stakeholder consultation The duration shall be **15 days**.

4. Consideration by the Board

- **The Board** shall decide to either
  a) Approve the proposed revised methodology or methodological tool;
  b) Reject the proposed revised methodology or methodological tool; or
  c) Request the relevant methodological panel or working group to review the recommendation to the Board and provide guidance on the issues for review
- If the Board approves the proposed revised methodology or methodological tool, **the secretariat** shall publish the approved revised methodology or methodological tool on the UNFCCC CDM website within **7 days** of the approval.

(Version 1) [EB70 Anx36]

Clarification of approved methodology or methodological tool

Bottom-up process

1. Submission of proposed new methodology

- **The secretariat** publish the schedules of the meetings of the methodological panel and working groups and the deadlines for the submission of requests for clarification of an approved methodology or methodological tool.
- **The proponent** of a planned CDM project activity may request clarification of an approved methodology or methodological tool, by submitting the duly completed CDM-AMC-FORM to the secretariat

2. Completeness check

- **The secretariat** shall conduct completeness check of the submission within **7 days** of the deadline for submissions.

3. Initial assessment

- **The secretariat** shall conduct an initial assessment of the submission using the F-CDM-AMC-IA within **15 days** of the deadline for submissions to determine either that:

a) It does not involve any regulatory and/or technical ambiguity, or involves only simple regulatory and/or technical issues, hence requires no analysis or only a simple analysis to formulate a clarification; or

b) It involves complex regulatory and/or technical issues, hence requires a thorough analysis to formulate a clarification.

4. Fast track

- If the submission is determined as being the case referred to in paragraph 3(a) above, **the secretariat** shall prepare a clarification using the CDM-AMCR-FORM and send it to the enquirer within 30 days of the deadline for submissions
- **The secretariat** shall send a draft clarification to the panel or working group within **30 days** of the deadline for submissions.
- If no member of the panel or working group objects to the draft clarification within **7 days** of receipt of the draft clarification, the clarification shall be deemed finalized by the panel or working group.
- **The secretariat** shall publish the clarification on the UNFCCC CDM website.

5. Regular track

- If the submission is determined as being the case referred to in paragraph 3(b) above, **the secretariat** shall prepare a draft recommendation of a clarification to the relevant methodological panel or working group using the CDM-AMCR-FORM.
- **The secretariat** shall select one member of the relevant methodological panel or working group and forward the draft recommendation to him/her for review.
- **The relevant methodological panel or working group** shall consider the recommendation, finalize the recommendation to the Board within **1** meeting
- **The Board shall** decide to either

a)Approve the recommended clarification; or

b) Request the relevant methodological panel or working group to review the recommendation

- **The secretariat** shall publish the clarification on the UNFCCC CDM website

Top-down process

If the Board, a relevant methodological panel or working group, or the secretariat finds it necessary to clarify provisions of an approved methodology or methodological tool, the process to revise the methodology or methodological tool shall be followed. In this case, the revised methodology or methodological tool shall incorporate all relevant clarifications issued prior to the revision.

BOX: Validity of new, revised and previous versions

- An approved new or revised methodology or methodological tool shall be effective from the date of publication on the UNFCCC CDM website.
- If the Board approves a revised methodology or methodological tool indicating that it is a major revision, the version number of the methodology or methodological tool shall increase by one whole number (e.g. from 1.0 to 2.0), and the previous version shall continue to be valid for 240 days from the date that the revised version becomes effective unless the previous version has been put on hold by the Board.
- If the Board approves a revised methodology or methodological tool indicating that it is a minor revision, or if an editorial revision to an approved methodology or methodological tool has been, the version number of the methodology or methodological tool shall increase by one fractional number (e.g. from 1.0 to 1.1), and the previous version shall continue to be valid until the next revision for mandatory use.
- If the Board approves a new or revised consolidated methodology or methodological tool, the approved methodology or methodological tool that has been consolidated shall continue to be valid for 240 days from the date when the consolidated methodology or methodological tool becomes effective unless the approved methodology or methodological tool that has been consolidated has been put on hold by the Board.
- For the purpose of publication of a monitoring report and submission of a request for issuance, a project activity or PoA shall apply the version of the methodology or methodological tool that the project activity or PoA has been registered with.
- The revision of an approved methodology or methodological tool or the consolidation of methodologies or methodological tools shall not affect registered CDM project activities or PoAs until the end of the crediting periods.

8. Starting date and crediting period

8-1. Starting date of a CDM project activity

The definition and clarification of starting date of a CDM project activity [EB41 Rep, para67]

- ♦ The start date of a CDM project activity is “the earliest date at which either the implementation or construction or real action of a project activity begins”.
  - ☞ The F-CDM-PDD should contain not only the date, but also a description of how this start date has been determined, and a description of the evidence available to support this start date.
  - ☞ Further, it should be noted that if this starting date is earlier than the date of publication of the F-CDM-PDD for global stakeholder consultation by a DOE(chap.11-1), Section B.5 of the F-CDM-PDD should contain a description of how the benefits of the CDM were seriously considered prior to the starting date. [EB41 Anx12, p17]
- ♦ The EB further clarified that: "In light of the above definition, the start date shall be considered to be the date on which the PP has committed to expenditures related to the implementation or related to the construction of the project activity.
  - ☞ This, for example, can be the date on which contracts have been signed for equipment or construction/operation services required for the project activity.
  - ☞ Minor pre-project expenses, e.g. the contracting of services /payment of fees for feasibility studies or preliminary surveys, should not be considered in the determination of the start date as they do not necessarily indicate the commencement of implementation of the project.
- ♦ For those project activities which do not require construction or significant pre-project implementation (e.g. light bulb replacement) the start date is to be considered the date when real action occurs.
  - ☞ In the context of the above definition, pre-project planning is not considered “real action”.
- ♦ The EB further noted that there may be circumstances in which an investment decision is taken and the project activity implementation is subsequently ceased. If such project activities are restarted due to consideration of the benefits of the CDM the cessation of project implementation must be demonstrated by means of credible evidence such as cancellation of contracts or revocation of government permits.
  - ☞ Any investment analysis used to demonstrate additionality shall comply with the requirements that the investment analysis should reflect the economic decision making context at point of the decision to recommence the project. [EB41 Anx45, para7]
- ♦ The EB shall register the proposed project activity if the secretariat does not receive a request for review. The effective date of registration for the proposed project activity shall be the date that the DOE had submitted a complete request for registration. [EB59 Anx12 para24-25]

Guidelines on the demonstration and assessment of prior consideration of the CDM (Version 4) [EB62 Anx13]

♦ In consideration of requests for registration, the EB takes notes that the issue of prior consideration of the CDM as a major element in assessing that the CDM benefits were considered necessary in the decision to undertake the project as a CDM project activity. As such the EB has introduced a guidance on the means of demonstrating compliance with this requirement.

New project activities

☞ The EB decided that for project activities with a starting date **on or after 2 August 2008**, the PP must inform a Host Party DNA, if the DNA exists, and the UNFCCC secretariat in writing of the commencement of the project activity and of their intention to seek CDM status. [EB72 Anx5]

⇒ Such notification must be made within **6 months** of the project activity start date.

⇒ Such notification is not necessary if a PDD has been published for global stakeholder consultation or a NM proposed to the EB before the project activity start date.

☞ When validating a project activity with a start date on or after 2 August 2008 DOEs shall ensure by means of confirmation from the DNA or UNFCCC secretariat that such a notification has been provided. If such a notification has not been provided the DOE shall determine that the CDM was not seriously considered in the decision to implement the project activity.

☞ Additionally for project activities for which a PDD has not been published for global stakeholder consultation or a NM proposed or request for revision of an AM is requested, every subsequent 2 years after the initial notification the PPs shall inform the DNA and/or the UNFCCC secretariat of the progress of the project activity.

Existing project activities with a start date prior to 2 August 2008

☞ Proposed project activities with a start date before 2 August 2008, for which the start date is prior to the date of publication of the PDD for global stakeholder consultation, are required to demonstrate that the CDM was seriously considered in the decision to implement the project activity. Such demonstration requires the following elements to be satisfied:

⇒ The PP must indicate awareness of the CDM prior to the project activity start date, and that the benefits of the CDM were a decisive factor in the decision. Evidence to support this would include one or more of the following: *contracts with consultants for CDM/PDD/methodology services, draft versions of PDDs and underlying documents such as letters of authorization, and if available, letters of intent, emission reduction purchase agreement (ERPA) term sheets. ERPAs or other documentation related to the potential sale of CERs (including correspondence with multilateral financial institutions or carbon funds), evidence of agreements or negotiations with a DOE for validation services, submission of a new methodology or requests for clarification or revision of existing methodologies to the EB, publications in newspaper, interviews with DNAs, earlier correspondence on the project with the DNA or the UNFCCC secretariat*

☞ Assessment of real and continuing actions shall be validated by the DOE and the validation should focus on real documented evidence, including an assessment by the DOE of the authenticity of the evidence. *Letters, e-mail exchanges and other documented communications may help to substantiate the evidence, but can be considered as evidence only after the DOE has assessed and confirmed the authenticity of such communications, inter alia through cross-checking (e.g. interviews). In such cases the DOE must describe the cross-checking process in detail in the validation report.*

☞ In validating proposed CDM project activities where:

⇒ there is **less than 2 years** of a gap between the documented evidence the DOE shall conclude that continuing and real actions were taken to secure CDM status;

⇒ the gap is **greater than 2 years and less than 3 years**, the DOE may validate that continuing and real actions were taken to secure CDM status for the project activity and shall justify any positive or negative validation opinion based on the context of the evidence and information assessed;

⇒ the gap is **greater than 3 years**, the DOE shall conclude that continuing and real actions were not taken to secure CDM status for the project activity.

☞ If evidence to support the serious prior consideration of the CDM as indicated above is not available the DOE shall determine that the CDM was not considered in the decision to implement the project activity.

BOX: Guidelines on the prior consideration and PoA The EB agreed that the "Guidelines for the demonstration and assessment of prior consideration of the CDM" **do not apply** to **PoAs**, as it is expected that no component of the programme will commence prior to the start date of validation. [EB60 Rep Anx26]

8-2. Crediting period

- ♦ CERs shall only be issued for a crediting period starting after the date of registration of a CDM project activity. [CP/2001/13/Ad2, p23 para12]
- ♦ PPs select a crediting period for a proposed project activity from one of the following alternative approaches [CMP/2005/8/Ad1, p17 para49] :
  - ☞ A maximum of 7 years which may be renewed at most 2 times.
    - ⇒ For each renewal, a DOE determines and informs the EB that the original project baseline is still valid or has been updated taking account of new data where applicable.
  - ☞ A maximum of 10 years with no option of renewal.
- ♦ GHG emission reductions since 2000 may be eligible to claim CERs. [CP/2001/13/Ad2, p23 para13]

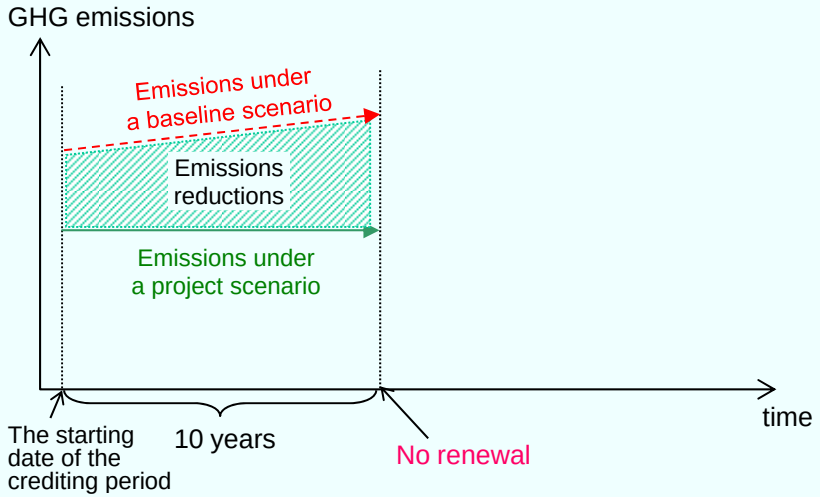
Regarding the procedures and documentation which need to be used for the renewal of a crediting period, the EB agreed that at the start of the 2nd and 3rd crediting period for a project activity, assessing the continued validity of the baseline and updating the baseline, need to be addressed. [EB20 Anx7, para1] (chap.17)

Indicating the starting date of the crediting period [EB24 Anx31, para4-5]

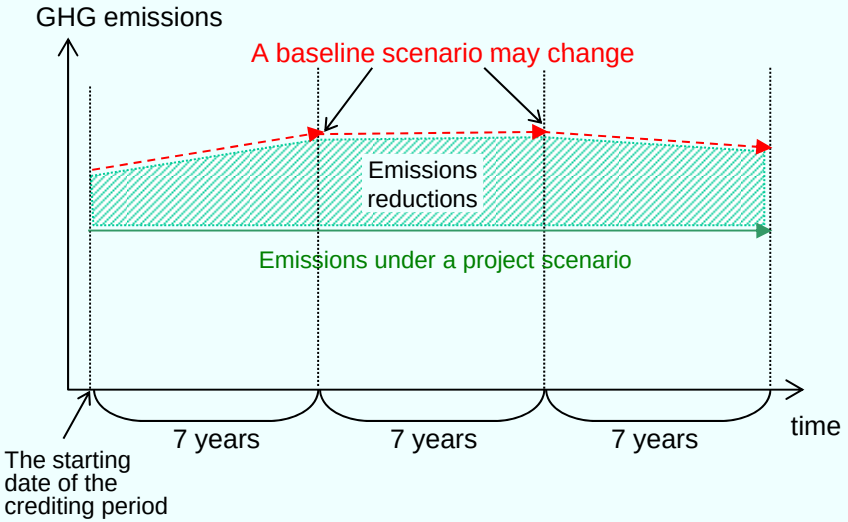
- ♦ PPs shall state in the PDD the starting date of the crediting period in the format dd/mm/yyyy, no qualifications, e.g. “expected”, can be made to this date. PPs shall specify only one starting date for the crediting period, even in cases of phased implementation.

- ☞ The starting date of a CDM project activity (chap.8-1) does not need to correspond to the starting date of the crediting period for this project activity. Therefore project activities starting as of 1 January 2000 may be validated and registered. [EB21 Rep, para63]
- ☞ The crediting period of a project activity cannot commence prior to the date of registration. The date in a PDD is an indicative starting date and it will be updated by the secretariat as the date of registration, if the listed date is prior to the date of registration.
  - ⇒ This update will not affect the specified length of the crediting period nor does this impact the rights of PPs to subsequently request a change of the starting date of the crediting period. [EB41 Anx12, p18]

A maximum of 10 years with no option of renewal



A maximum of 7 years which may be renewed at most 2 times



Requesting post-registration changes to the start of the crediting period [EB52 Anx59, para6-10]

- ♦ PPs in projects for which the starting date of the crediting period is prior to the date of registration (i.e. project claiming retroactive credits) cannot request changes in the starting date of the crediting period.
- ♦ PPs of projects for which the starting date of the crediting period is after the date of registration may:
  - ☞ (a) Inform the secretariat that the starting date of the crediting period be moved to a date up to 1 year earlier than the one indicated in the PDD, provided that this date is not earlier than the date of registration of the project activity;
  - ☞ (b) Inform the secretariat to delay the starting date of the crediting period by up to 1 year;
  - ☞ (c) Make a request to the secretariat, via a DOE, that the start date of the crediting period be delayed by more than 1 year but no more than 2 years, by submitting to the secretariat a confirmation from a DOE that no changes have occurred which would result in a less conservative baseline and that substantive progress has been made by the project participants to start the project activity.
- ♦ With regard to provisions in (b) and (c) above, PPs of projects hosted by a Least Developed Country may:
  - ☞ (d) Inform the secretariat to delay the start date of the crediting period by up to 2 years;
  - ☞ (e) Make a request to the secretariat, via a DOE, that the start date of the crediting period be delayed by more than 2 years but no more than 4 years, by submitting to the secretariat a confirmation from a DOE that no changes have occurred which would result in a less conservative baseline and that substantive progress has been made by the PPs to start the project activity.
- ♦ The secretariat will consider requests made under (c) or (e), in consultation with the Chair of the EB, before making the requested change to the start of the crediting period.
- ♦ PPs may only make use of provisions of (a) to (e) above once for each registered project activity.
- ♦ For the case of a request for a change in the starting date of the crediting period of a project activity for which CERs have already been issued, procedures above apply and that the secretariat can proceed to make the change as requested. [EB25 Rep, para105]

Treatment of the lifetime of plants and equipment in proposed new baseline methodologies [EB22 Anx2, para4-9]

- ☞ Where a project activity involves the replacement or retrofit of existing equipment or facilities, it is reasonable to assume that emission reductions shall only be accounted from the date of replacement until the point in time when the existing equipment would have been replaced in the absence of the project activity or the end of crediting period, whatever is earlier.
- ☞ In order to estimate the point in time when the existing equipment would need to be replaced in the absence of the CDM, a new methodology may consider the following approaches:
  - ⇒ A sector and/or activity specific method or criteria to determine when the equipment would be replaced or retrofitted in the absence of the CDM;
  - ⇒ The typical average technical lifetime of the type equipment may be determined and documented, taking into account common practices in the sector and country, e.g. based on industry surveys, statistics, technical literature, etc.;
  - ⇒ The practices of the responsible entity/PPs regarding replacement schedules may be evaluated and documented, e.g. based on historical replacement records for similar equipment.

9. Monitoring plan

- **Monitoring** refers to collecting and archiving all relevant data necessary for determining the baseline, measuring anthropogenic emissions by sources of GHGs within the project boundary, and leakage, as applicable. [Glos ver.6 p12]
- **A monitoring methodology** refers the methodology used for monitoring a CDM project or CPA, which constitutes one part of a baseline and monitoring methodology. . [Glos ver.6 p12]
- **A monitoring plan** for a proposed project activity shall be based on a previously approved monitoring methodology or a new methodology. [CMP/2005/8/Ad1, p17 para54]
- Revisions, if any, to the monitoring plan to improve its accuracy and/or completeness of information shall be justified by PPs and shall be submitted for validation to a DOE. [CMP/2005/8/Ad1, p18 para57]
  - ☞ There is the "procedures for revising monitoring plans" (chap.13-1)

Project Boundary

☞The project boundary shall encompass all anthropogenic GHG emissions by sources under the control of the PPs that are significant and reasonably attributable to the CDM project activity. [CMP/2005/8/Ad1, p17 para52]

Leakage

☞Leakage is defined as the net change of anthropogenic emissions by sources of greenhouse gases (GHG) which occurs outside the project boundary, and which is measurable and attributable to the CDM project activity. [Glos ver.6 p11]

☞Reductions in GHG emissions shall be adjusted for leakage in accordance with the monitoring and verification provisions. [CMP/2005/8/Ad1, p17 para50]

BOX: Calibration

☞The specific uncertainty levels, methods and associated accuracy level of measurement instruments and calibration procedures to be used for various parameters and variables should be identified in the PDD, along with detailed quality assurance and quality control procedures. In addition standards recommended shall either be national or international standards. The verification of the authenticity of the uncertainty levels and instruments are to be undertaken by the DOE during the verification stage. [EB23 Rep, para24]

☞A zero check cannot be considered as a substitute for calibration of the measurement instrument. [EB24 Rep, para37]

☞There is "Guidelines for assessing compliance with the calibration frequency requirements". [EB52 Anx60]

BOX: The standardized format for monitoring report [EB54 Anx34]

☞There is guidelines for completing the monitoring report form (F-CDM-MR) and the standardized format for monitoring report to improve consistency in reporting of the implementation and monitoring of the project activity by PPs. [EB54 Rep, para71]

10. Approval from each Party involved

Approval by Parties involved [Glos ver.5, p6-7]

- A written approval constitutes the authorization by a designated national authority (DNA) of specific entity(ies)' participation as project proponents in the specific CDM project activity.
- The DNA of a Party involved in a proposed CDM project activity shall issue a statement including the following:
  - ☞ The Party has ratified the Kyoto Protocol.
  - ☞ The approval of voluntary participation in the proposed CDM project activity
  - ☞ In the case of Host Party(ies): statement that the proposed CDM project activity contributes to sustainable development of the host Party(ies).
- The written approval shall be unconditional with respect to the above.
- A written approval from a Party may cover more than one project provided that all projects are clearly listed in the letter
- The DOE shall receive documentation of the approval.

☞ Multilateral funds do not necessarily require written approval from each participant's DNA. However those not providing a written approval may be giving up some of their rights and privileges in terms of being a Party involved in the project. [Glos ver.5, p6]

☞ Multilateral funds do not necessarily require written approval from each participant's DNA. However those not providing a written approval may be giving up some of their rights and privileges in terms of being a Party involved in the project. [Glos ver.5, p6]

BOX: Contents of actual approval letters

☞An approval letter is addressed and sent to PPs.

☞In most cases, an approval letter is the same with an authorization letter. (chap.4-6)

⇒ In some cases, a DNA authorizes an entity in another country.

☞In some cases, a DNA sets conditions on issues other than unconditional issues.

⇒ For example, conditions on amount of CERs to be transferred, validity of the approval, the rejection of an unilateral CDM project, the requirement of reports to a DNA, etc.

☞In some cases, an official approval letter is written in the original language and validated with a seal, while an unofficial English translation is attached.

11. Validation

http://cdm.unfccc.int/Reference/Procedures/valid_proc01_v04.pdf (Version 4 / 8 June 2005)
Procedures for processing and reporting on validation of CDM project activities (Version 03)[EB50 Anx48]

11-1. Procedures for validation

CDM project participants (PPs)

(1)Select a DOE for validation from a list of DOEs and contract with them. [CMP/2005/8/Ad1, p14 para37]

(2)Submit a PDD and any supporting documentation to the DOE.
☞A DOE may recommence the validation activity through a new or revised contract with a different set of PPs. [EB50 Anx49, para9]

Designated operational entity (DOE)

(3)Review the PDD to confirm that the requirements for the CDM have been met.[CMP/2005/8/Ad1, p14 para37]

(4)Establish a web site where F-CDM-PDDs shall be made publicly available in PDF format with a link to the UNFCCC CDM web site; or directly publicly available on the UNFCCC CDM web.
Submit the following information to be made publicly available:
(a)The name of the proposed CDM project activity
(b)The address of the web page where the F-CDM-PDD will be found or the F-CDM-PDD which would be made available on the UNFCCC CDM web site.

(6)Receive comments from Parties, stakeholders and accredited NGOs within **30 days**. [CMP/2005/8/Ad1, p15 para40(c)] The DOE promptly acknowledges receipt of comments.
Specify how comments on a PDD are communicated providing both e-mail and fax details. Display at the end of the **30 days** period all comments received.
☞In cases where during validation of a project activity the PPs wish to change (a)the methodology applied from one AM to another and/or (b)the version of a methodology applied due to the expiry of the version originally applied, after the PDD was available to the public, the DOE shall make publicly available again, for **30 days**, the F-CDM-PDD. [EB25 Rep, para92-93]

(7)Make a determination whether the project activity should be validated. [CMP/2005/8/Ad1, p15 para40(d)]

No

Inform PPs of reasons for non-acceptance

May be reconsidered for validation and subsequent registration, after appropriate revisions. [CMP/2005/8/Ad1, p16 para42]

Yes

(8)Inform PPs of confirmation of validation. [CMP/2005/8/Ad1, p15 para40(e)]

Registration Procedure

UNFCCC secretariat

(5) In case the DOE is accredited for all sectoral scope(s), the secretariat, through the CDM information system, makes automatically available the link to the web page of the DOE or the F-CDM-PDD on the UNFCCC CDM web site. The system will forward the announcement to the DOE.

6 months subsequent to the end of the period for submitting public comments for each proposed CDM project activity, the DOE shall provide an update of the status of its validation activity, unless the project activity has been submitted for registration. [EB40 Anx20 para13]

11-2. Validation requirements

The DOE selected by PPs to validate a project activity, being under a contractual arrangement with them, shall review the PDD and any supporting documentation to confirm that the following requirements have been met. [CMP/2005/8/Ad1, p14 para37]

- ☞The participation requirements, as follows, are satisfied;
  - ⇒Participation in a CDM project activity is voluntary. Parties participating in the CDM shall designate a national authority (DNA) for the CDM. A non-Annex I Party may participate in a CDM project activity if it is a Party to the Kyoto Protocol.
- ☞Comments by local stakeholders have been invited, a summary of the comments received has been provided, and a report to the DOE on how due account was taken of any comments has been received;
- ☞PPs have submitted to the DOE documentation on the analysis of the environmental impacts of the project activity or an environmental impact assessment in accordance with procedures as required by the host Party;
- ☞The project activity is expected to result in GHG reductions that are additional to any that would occur in the absence of the proposed project activity;
- ☞The baseline and monitoring methodologies comply with requirements pertaining to methodologies previously approved by the EB, or modalities and procedures for establishing a new methodology;
- ☞Provisions for monitoring, verification and reporting are in accordance with the CDM M&P and relevant decisions of the CMP;
- ☞The project activity conforms to all other requirements for CDM project activities in CDM M&P and relevant decisions by the CMP and the EB.

Validation Report [CMP/2005/8/Ad1, p15 para40]

The DOE shall:

- ☞ Prior to the submission of the validation report to the EB, have received from the PPs written approval of voluntary participation from the DNA of each Party involved, including confirmation by the host Party that the project activity assists it in achieving sustainable development;
- ☞ In accordance with provisions on confidentiality[CMP/2005/8/Ad1, p12 para27(h)], make publicly available the PDD;
- ☞ Submit to the EB, if it determines the proposed project activity to be valid, a request for registration in the form of a validation report including the PDD, the written approval of the host Party, and an explanation of how it has taken due account of comments received;
- ☞ Make this validation report publicly available upon transmission to the EB.

BOX: Revisions to AM and validation

[EB50 Anx48, para6]

- ☞In cases where a PDD of a project activity applying the previous version of the AM was published for global stakeholder consultation, but has not been submitted for registration within the grace period (chap.7-7), project participants shall revise the PDD using the revised version of the methodology.
- ☞The revised PDD shall not be republished for global stakeholder consultation prior to the submission of a request for registration, unless otherwise stated by the EB when it approves the revised methodology.
- ☞Similarly, it is not required to republish the PDD for global stakeholder consultation in cases when PPs are required to use elements of a revised version of a methodology (i.e. in the case of an approved deviation).

12. Registration

12-1. Procedures for requests for registration (Version 02) [EB59 Anx12]

DOE (and PPs)

(1)The DOE submits a request for registration for a proposed CDM project activity for registration only after it determines that a proposed project activity is valid and meeting the requirements of the "CDM-VVM" and other CDM requirements. The DOE submits the required documents listed in latest applicable version of the completeness checklist for requests for registration. The DOE submits the required documents using the electronic, internet-based, submission tool provided to the DOE by the secretariat.

(3)The DOE communicates to the PP(s) the unique reference number; and shall also communicate to the PP(s) the registration fee due.

(4) The PP(s) shall pay any required registration fee by bank transfer identifying the unique reference number. The DOE, using the submission tool, submits proof of payment. If the proposed project activity applies a methodology that has been revised, withdrawn, or suspended by the EB, either proof of payment must be uploaded within **20 calendar days** or payment must be received within **40 calendar days** of the deadlines prescribed in the procedures for the revision of an AM (chap.7-7).

UNFCCC secretariat (and the EB)

(2) The secretariat will send to the DOE a unique reference number for the proposed project activity; and shall also send to the DOE a statement of the registration fee due, calculated in accordance with the latest guidelines adopted by the EB, or a confirmation that no registration fee is due.

(5) The secretariat maintains a publicly available list of all submitted requests for registration for which the applicable registration fee has been received. The schedule of requests for registration to be processed, including the expected date of commencement, shall be made publicly available.

☞CMP6 urged the EB and the secretariat to ensure that the average time between the receipt of a submission and commencement of the completeness check is less than 15 calendar days in 2011 [CMP/2010/12/Add.2 para.60]

(6) The secretariat will complete within **7 calendar days** a completeness check to determine whether the request for registration submission is complete, in accordance with the completeness checklist for requests for registration (ver.01.0 10 June 2010).

(7) Upon completion of the completeness check, the secretariat will notify the PP(s), as identified in the MoC form (chap.4-7), and the DOE of the result of the completeness check, and make the result publicly available. If the request does not meet the requirements of the completeness check, then upon submission of the revised documentation the request for registration shall be treated as a new submission of a request for registration.

(8) Upon a determination that the request meets the requirements of the completeness checklist, the secretariat will conduct within **23 calendar days** an information and reporting check in accordance with the information and reporting checklist for request for registration (ver.01.0 10 June 2010), which secretariat shall make publicly available.

(9) Upon conclusion of the information and reporting check, the secretariat will notify the PP(s), as identified in the MoC form, and the DOE of the result of the check, and make the result. If the request does not meet, then upon submission of the revised documentation the request for registration shall be treated as a new submission of a request for registration.

(10) Upon a determination by the secretariat that the request for registration meets the requirements of the information and reporting check, the secretariat will publish the request for registration on the UNFCCC CDM website, and **the request for registration shall be deemed received by the EB for consideration**.

(11) The secretariat will notify the PP(s) (as identified in the MoC form), the DNA(ies) of the Party(ies) involved, and the DOE: that the secretariat has published the request for registration, that the EB has received the request for registration for consideration of registration, and the last date by which members of the EB or a Party involved may request a review of the request for registration, which shall be **28 days** after the date of publication of the request for registration.

(12) The secretariat prepares and sends to the EB a summary note on the request for registration, within **14 days** of date of publication of the request for registration.

Whether a Party involved in a proposed CDM project activity or at least 3 EB members request a review of the request for registration before 17:00 GMT of the last day of the 28 day period following the publication of the request for registration .

Yes → **(chap. 12-2)**

No

(13) The EB shall register the proposed project activity.

12-2. Procedures for review of requests for registration

(Version 1.2)[EB55 Anx40]

There is "**Guidelines for requesting a review and making decisions and objections regarding review assessments" (ver.02)** to maintain the consistency and objectivity of its decisions and rulings and to provide greater transparency to CDM stakeholders. . [EB59 Anx14]

(1) Commencement of Review

☞If Party involved in a proposed CDM project activity or at least 3 EB members request a review of the request for registration, the secretariat shall:
- ⇒ Notify the PPs and the DOE that validated the proposed project activity;
- ⇒ Make publicly available an anonymous version of each request for review form;
- ⇒ Assign a team comprising 2 experts from the RIT to participate in the assessment of the request for review and appoint one of the assigned Team members to serve as the lead, who is responsible for all communications with the secretariat.

A request for review by a Party involved shall be sent by the relevant DNA to the EB, through the secretariat, using official means of communication (such as recognized official letterhead and signature or an official dedicated e-mail account). [EB54 Anx28 para20]

☞The PPs and the DOE shall provide responses to the issues identified in the request for review no later than **28 calendar days** after the notification. For each issue raised in the request for review, the PPs and DOE shall either:
- ⇒ Respond by making any revisions to the PDD and/or validation report (VR); or
- ⇒ Respond in writing by addressing why no revisions to the PDD and/or VR are necessary.

☞The secretariat shall schedule the commencement of the review of the request for registration, and make these publicly available. Upon scheduling the commencement date, the secretariat shall inform the PPs and DOE of this date. The commencement of the review shall be defined as the date on which the secretariat notifies the PPs and the DOE that the review has commenced.

(2) Assessment

☞The secretariat shall prepare an assessment of the request for registration in the context of the reasons for the request for review, taking into account the responses of the PPs and the DOE. Concurrently and independently, the RIT Team shall prepare an assessment of the request for registration, taking into account the responses of the PPs and the DOE. The secretariat and the RIT Team shall finalize their respective assessments no later than **2 weeks** after the commencement of the review.

☞Each assessment shall include a proposed decision. Each proposed decision shall propose to either: (a) register the proposed project activity; or (b) reject the request for registration. If a proposed decision is to reject the request for registration, then the assessment shall included a proposed ruling, containing an explanation of the reasons and rationale.

☞In addition both the secretariat and the RIT Team shall, in their assessments, highlight any policy issues of significant importance related to the policies and goals of the CDM. The secretariat, in consultation with the Chair of the EB, shall bring these issues to the attention of the EB through the agenda of its meetings through the preparation of background notes and policy options.

☞The RIT Team shall communicate its assessment to the EB by submitting it to the secretariat. The secretariat shall inform the EB of the availability of each assessment, and make each assessment available to the EB, together with any responses from the PP and DOE and any revision to the project documentation.

(3) Consideration by the EB

☞If the assessment of the secretariat and the RIT Team contain the same proposed decision, then that shall become the final decision of the EB after **20 days**, unless a member of the EB objects to that. An objection by a member of the EB shall be made by notifying the Chair of the EB, giving reasons in writing, through the secretariat. The secretariat shall make the objection available to the EB.
- ⇒ If an EB member objects to the proposed decision more than 2 weeks prior to the next EB meeting, the matter shall be placed on the agenda of the next EB meeting (otherwise the subsequent EB meeting).

☞If the assessments of the secretariat and the RIT Team contain different proposed decisions and the EB receives both proposed rulings more than **2 weeks** prior to the next EB meeting, the matter will be placed on the agenda of the next EB (otherwise the subsequent EB meeting).

☞At the EB meeting for which the matter is placed on the agenda, the EB shall decide to either: **register the proposed project activity**; or **reject the request for registration**.

(4) Finalization and implementation of the ruling

☞If a final decision approves the registration of the project activity, the secretariat shall register the proposed project activity on the first working day subsequent to the finalization of the decision. The effective date of registration shall be day on which the latest revisions to the validation report and/or supporting documentation were submitted.

☞If the final decision rejects the request for registration, the secretariat shall update the information on the UNFCCC CDM website on the first working day subsequent to the finalization of the decision. Furthermore, within **3 weeks** of the final decision of the EB, the secretariat will provide the Chair of the EB with an information note, which shall contain a proposed final ruling incorporating the final decision. The proposed final ruling shall contain an explanation of the reasons and rationale for the final decision.

☞Once approved by the Chair of the EB, the secretariat shall make the proposed final ruling available to the EB. The proposed final ruling shall become the final after **10 days**, unless a member of the EB objects to the proposed final ruling.

☞An objection by a member of the EB shall be made by notifying the Chair of the EB, giving reasons in writing, through the secretariat. The secretariat shall make the objection available to the EB.

☞If an EB member objects to the proposed final ruling more than **2 weeks** prior to the next EB meeting, the matter shall be placed on the agenda of the next. EB meeting (otherwise the subsequent EB meeting).

☞This formal ruling shall be made publicly available by the secretariat once approved by the EB.

12-3. Registration fee [EB54 Anx29]

Registration fee of the CDM project activity

- The registration fee schedule applies to submissions of request for registration of proposed project activities under the CDM.
- The registration fee shall be the share of proceeds to cover administrative expenses (SOP-Admin) applied to the expected average annual certified emission reductions for the proposed project activity over its crediting period, as identified in the PDD and as validated by the DOE.
- SOP-Admin is:
  - ☞**USD 0.10/CER** issued for the first 15,000 t-CO_2 equivalent for which issuance is requested in a given year.
  - ☞**USD 0.20/CER** issued for any amount in excess of 15,000 t-CO_2 equivalent for which issuance is requested in a given year.
- The maximum registration fee payable based on this calculation shall be **USD 350,000**.
- The registration fee shall be deducted from the SOP-Admin due for issuance of the CERs. In effect, the registration fee is an advance payment of the SOP-Admin due for the issuance of CERs likely to be achieved during the first year.
- For the purpose calculating the registration fee for proposed A/R project activities, CERs mean the net GHG removals by sinks.

No registration fee must be paid:

☞For proposed project activities with expected average annual emission reductions over the crediting period below 15,000 t-CO_2 equivalent;

☞For proposed project activities hosted in least developed countries;

⇒ The application of this exemption is based on the status of the country on the date of the publication of the request for issuance of CERs.

☞Until after the date of the first issuance of CERs in countries with fewer than 10 registered CDM project activities.

⇒ The application of this exemption shall be based on the number of registered CDM projects in the country on the date of the submission of the request for registration.

- In issuing a validation opinion in the validation report, the DOE shall include a statement of the likelihood of the project activity to achieve the anticipated emission reductions stated in the F-CDM-PDD. This statement will constitute the basis for the calculation of the registration fee. [EB11 Anx6 para2]

☞SOP-Admin is a fee that PPs have to pay at issuance of CERs. (chap.16)

BOX: Example of registration fee

Expected average annual emission reduction	Registration fee
10,000 t	-
15,000 t	$ 1,500
30,000 t	$ 4,500
100,000 t	$ 18,500
1,000,000 t	$ 198,500
1,757,500 t	$ 350,000
3,000,000 t	$ 350,000

BOX: Reimbursement of registration fee

☞The registration fee shall be reimbursed in full if the DOE withdraws the request for registration of the proposed project activity prior to date that the secretariat publishes the request for registration on the UNFCCC website.

☞The amount of the paid registration fee greater than **USD 30,000** shall be reimbursed if the DOE withdraws the request for registration of the proposed project activity subsequent to the date that the secretariat publishes the request for registration on the UNFCCC website, or if the EB declines to register the proposed project activity.

12-4. Procedures for withdrawal of a request for registration [EB54 Anx27]

Applicability

☞This procedure shall be applied if a DOE wishes to request the withdrawal of a request for registration after the concerned request for registration has been submitted by the DOE to the EB.

☞This procedure shall be applied in case:

⇒The PP voluntarily wishes to withdraw the proposed project activity requesting registration;

⇒The DOE has a revised its validation opinion based on new insights and has determined that the project is not yet suitable for registration as a CDM project activity.

☞The DOE shall submit the form for submission of a request for withdrawal "CDM: Request for withdrawal form" (F-CDM-WR) dully completed uploading it through the dedicated internet interface on the UNFCCC CDM website.

☞Upon receipt of the request for withdrawal, the secretariat shall as soon as possible check the documents submitted.

☞The types of request for withdrawal of request for registration, and the procedures applicable to each type of withdrawal are as follows:

Type 1

☞The DOE requests the withdrawal of the request for registration prior to the publication of the request for registration for the period for requesting a review.

⇒ The registration fee will be reimbursed in full to the PP. The project activity will not be marked as withdrawn however the project reference number assigned to the withdrawn project activity will be blocked from further use.

Type 2

☞The DOE requests the withdrawal of the request for registration during the **4/8 week** period for requesting a review.

⇒ Any registration fee paid above 30 000 USD will be reimbursed to the PP and the proposed project activity will be marked as withdrawn on the CDM Information System.

Type 3

☞The DOE requests the withdrawal of the request for registration subsequent to receiving a request for review.

⇒ Any registration fee paid above 30 000 USD will be reimbursed to the PP and the proposed project activity will be marked as withdrawn on the CDM Information System. Type 3 requests must be submitted and considered complete **2 weeks** prior to EB meeting at which the request for review/review/corrections have been scheduled to be considered.

☞Submission of requests for withdrawal will be incorporated into the framework for addressing noncompliance by DOEs.

13. Changes after operation of a CDM project

13-1. Procedures for revising monitoring plans

(Version 2) [EB49 Anx28]

☞If a DOE during verification finds that the monitoring plan is not in accordance with the monitoring methodology applied to the registered project activity and/or does not reflect the actual monitoring activity based on the registered PDD, the DOE shall request a revision of the monitoring plan.

(1)Submission for revising monitoring plans

☞Prior to requesting issuance of CERs, the DOE shall submit a request for revising monitoring plan, as appropriate, to the secretariat.

☞The submission by the DOE shall contain:

⇒ Request for revision of monitoring plan form;
⇒ A Validation Opinion;
⇒ Revised Monitoring Plan (in clean and track change versions); and
⇒ Supplemental documentation.

☞For the cases where the EB requests the PP/DOE to revise the monitoring plan via deviation, request for issuance and/or request for review, the DOE shall indicate it in the form.

☞The DOE shall prepare a validation opinion including information on how:

⇒ The proposed revision ensures that the level of accuracy and completeness. The DOE shall, using objective evidence, assess the accuracy and completeness of each proposed revision including the frequency of measurements, the quality of monitoring equipment (eg. calibration requirements, and the QA/QC procedures).
⇒ The proposed revision is in accordance with the AM applicable to the project activity. In cases where the proposed revision refers to a later version of the applied methodology, the DOE shall ensure that this application does not compromise the conservativeness in the monitoring and verification process and of the emission reduction calculations.
⇒ The findings of previous verification reports, if any, have been taken into account.

(2) Processing Request for a Revision to the Monitoring Plan

☞Upon receipt of submission by the DOE, the secretariat shall expeditiously carry out a completeness check of the documentation and when deemed complete assign the proposed revision to a member of the Registration and Issuance Team (RIT) to prepare an appraisal. The appraisal shall be submitted to the secretariat within a period of **10 days**. However, for cases where the request for revising monitoring plan is submitted as per the request by the EB, the secretariat shall proceed directly with summary note preparation and forward the assessment together with the request and all documentation to the Chair of the EB and a relevant panel or WG within **10 working days**.

☞Upon receipt of the RIT Members appraisal, the secretariat shall within **10 working days** prepare a summary and assessment of the request and forward them to the Chair of the EB and a relevant panel or WG.

☞If the secretariat during the summary note preparation requires further clarification, it shall request the DOE to submit the clarification. The DOE shall submit the clarification within **2 weeks**. The secretariat upon receiving this clarification shall finalise the summary note with its recommendation and forward it to the Chair of EB and Chair of the relevant panel or WG, within **10 working days**.

(3) Consideration for a request for revision of monitoring plan

☞The Chair in consultation with the Chair of relevant Panel or WGs shall decide on each request within **5 working days** whether:

⇒To approve the revised monitoring plan;
⇒To approve the revised monitoring plan with corrections, or
⇒To reject the revised monitoring plan

☞If the Chair does not provide his/her decision within 5 working days, the secretariat recommendation is deemed to be accepted by the Chair.

☞The Chair of the EB, in consultation with the Chair of the relevant Panel or WG, may decide to discuss case(s) in the EB. The Chair of the EB shall put the case(s) on the agenda of a subsequent EB meeting.

☞The decision of the Chair above shall be communicated to all the EB members. In exceptional cases, EB member(s) may disagree with the decision of the Chair, the concerned member(s) within **10 working days** of receiving this communication shall request the Chair, giving reasons in writing, to put the case for further consideration by the EB at its subsequent meeting.

☞Once a decision has been made, the secretariat shall inform the DOE.

☞For cases where the Chair approves the revised monitoring plan with corrections, if the secretariat considers the corrections as satisfactory, the revised monitoring plan shall be approved, otherwise the request shall be rejected in consultation with the Chair of the EB.

☞The approved revised monitoring plan and validation opinion shall be made publicly available on the UNFCCC CDM website. This version of the monitoring plan shall be applied for future requests for issuance.

BOX: Change in the dates of a monitoring period

☞ The EB decided to allow DOEs to request a change in the dates of a monitoring period undergoing verification, provided the change is the result of the corrective action request raised by the DOE during the verification process. [EB41 Rep. para78]

13-2. Procedures for requests for deviation prior to submitting request for issuance

(Version 1)
[EB49 Anx26]

A DOE shall, prior to requesting registration of a project activity or issuance of CERs, notify the EB of deviations from AMs and/or provisions of registered project documentation and explain how it intends to address such deviations. The DOE shall only proceed with further actions after receipt of guidance from the EB. [EB21 Rep, para66]

(1) Submission of a request for deviation prior to submitting request for issuance

☞ If a DOE determines at verification that PPs deviated from the provisions of the registered monitoring plan it shall not conclude the certification of the emission reductions for the verified period, and inform the EB accordingly, or seek guidance from the EB on the acceptability of the deviation prior to concluding on its verification/certification decision.

☞ If guidance is sought, the DOE shall submit the form for submission of a request for deviation (F-CDM-DEV-ISS) through the dedicated internet interface. The submission by the DOE shall provide complete, clear, and precise assessment and a description of the impact of the deviation on the emission reductions from the project activity.

☞ Upon submission of the form, the secretariat will do the completeness check on 'first come first serve' basis, in no longer than **20 working days** to assess that:

- ⇒ The form has been completed by the DOE, including the monitoring period for which the deviation is requested;
- ⇒ The proposed request for deviation is not a request for revision of monitoring plan or request from changes in the project design document;
- ⇒ Relevant technical information is submitted.

☞ If the secretariat considers that the form and documentation are incomplete, it shall ask the DOE to resubmit the request for deviation, addressing the concerns raised.

☞ No request for deviation shall be considered confidential and the request as well as the decision on the case shall be made publicly available. However, additional information provided as supporting document may be submitted by the DOE as a confidential document.

☞ If the secretariat assesses that the request satisfies the deviation criteria, it shall promptly publish the deviation request on deviation section of the UNFCCC CDM website. The secretariat after publication of the request shall prepare a summary note with its recommendation and forward it to the Chair of the EB and Chair of the relevant panel or WG, within **10 working days**.

☞ If the secretariat during the summary note preparation requires further clarification from the DOE, it shall ask the DOE to submit the clarification. The DOE shall submit the clarification within **10 working days** to the secretariat after receiving this request. The secretariat upon receiving this clarification shall finalise the summary note with its recommendation and forward it to the Chair of the EB and Chair of the relevant panel or WG, within **10 working days**.

(2) Consideration of a request for deviation by Panel/WG

☞ If secretariat during the summary note preparation identifies that the proposed request requires further consideration by the relevant panel or WG, it shall in consultation with the Chair of the relevant panel or WG put the case on the agenda of a subsequent Panel or WG meeting.

☞ The secretariat shall inform the DOE about the request being considered by the Panel or WG. The secretariat shall finalise the summary note with its recommendation including inputs of the panel or WG and forward it to the Chair of the EB and Chair of the relevant panel or WG, within **10 working days**.

(3) Consideration of a request for deviation

☞ Upon receiving the secretariat summary note, the Chair of the EB, in consultation with the and Chair of the relevant panel or WG(s), shall decide within **5 working days**:

- ⇒ To accept the request for deviation; or
- ⇒ To reject the request for deviation.

☞ If the Chair does not provide his/her decision within 5 working days, the secretariat recommendation is deemed to be accepted by the Chair.

☞ The Chair of the EB, in consultation with the Chair of the relevant Panel or WG, may decide to discuss case(s) in the EB meeting, if it is considered that the request for deviation requires further discussion on some policy issue(s). The Chair of the EB in consultation with the secretariat shall put the case(s) on the agenda of a subsequent EB meeting.

☞ The decision of the Chair above shall be communicated to all EB members. In exceptional cases, EB member(s) may disagree with the decision of the Chair, the concerned member(s) within **10 working days** of receiving this communication shall request the Chair, giving reasons in writing, to put the case for further consideration by the EB at its subsequent meeting.

☞ Once a decision has been made the secretariat shall promptly inform the DOE about the decision. In case where the Chair decided to discuss the case in the EB meeting, the DOE shall be informed about it.

☞ The decision the EB shall be made publicly available on the CDM website. If the EB decides to issue general guidelines it shall be made publicly available in the UNFCCC CDM website and through the CDM news facility.

13-3. Changes from the project activity as described in the registered PDD

Guidelines on assessment of different types of changes from the project activity as described in the registered PDD

(Version 1) [EB48 Anx67]

♦If there are permanent changes which would impact at least one of the following aspects, the DOE must notify and request approval of changes from the project activity as described in the registered PDD.

Changes which may impact the additionality of the project activity

☞Within this category changes may include:

(a) Changes in the effective output capacity due to increased installed capacity or number of units, or installation of units with lower capacity or units with a technology which is less advanced than that described in the PDD;

(b) Addition of component or extension of technology;

(c) Removal or addition of one (or more) site of a project activity registered with multiple-sites;

(d) Different values of those actual operational parameters relevant to determination of emission reduction which are within the control of project participant and which result in the IRR passing the benchmark as described in the registered PDD.

☞The additionality of the project activity reflects specific conditions applicable to the project activity (investment/costs variables, barriers, relevant regulations) at the time when the decision to proceed with CDM took place. Therefore when project has not been implemented as described in the PDD, these conditions may change and the additionality of the project activity should be re-assessed.

☞The DOE shall assess how the affected data/information in the registered PDD have been derived, and validate if the assumptions underlying this original data/information is correct.

☞The re-assessment of additionality shall be based on all original input data, thereby – in case of investment analysis – in principle only modifying the changed key parameters in the original spreadsheet calculations.

☞In the case only barriers have been claimed to demonstrate additionality, it shall be explained why the barriers are still valid under new circumstances.

Changes in the scale of CDM project activity

☞Within this category are the changes which cause a project activity no longer meeting the criteria for small-scale CDM project activities, therefore, simplified modalities, including the applicability and the application of relevant small-scale baseline methodologies, may no longer be applicable.

☞The assessment of changes shall refer to the types of SSC project activities as per the CMP decision (Type I, Type II, Type III) (chap.18-1).

Changes which impact the applicability/ application of baseline methodology

☞Within this category are the changes in the implementation of project activity which result in:

(a)The original methodology would no longer be applicable; or

(b)Another methodology would have been applicable; or

(c)Another baseline scenario would be more appropriate.

☞If it is derived using a baseline methodology approved by the EB, the applicability and application of baseline methodology with which the project has been registered shall be reassessed.

Procedures for notifying and requesting approval of changes from the project activity as described in the registered PDD

(Version 1) [EB48 Anx66]

♦The procedure shall be applied by the DOE for permanent changes from the registered project activity under situations (a) the project has never been implemented in accordance with description in the registered PDD, or (b) permanent changes occur after the project activity has been implemented in accordance with the description in the PDD and issuance of CERs has taken place.

♦See [EB48 Anx66] for exact procedures.

14. Verification and certification

♦ Verification is the periodic independent review and ex post determination by the DOE of the monitored reductions in GHG emissions that have occurred as a result of a registered CDM project activity during the verification period.
♦ Certification is the written assurance by the DOE that, during a specified time period, a project activity achieved the GHG emission reductions as verified. [CMP/2005/8/Ad1, p18 para61]

☞Unless the EB has agreed grant an exception, a DOE shall not perform verification functions on a CDM project activity for which it has performed the function of validation/registration. [Procedures for making the monitoring report available to the public in accordance with paragraph 62 of the modalities and procedures for the CDM version 01 / 7 April 2005, para1]
☞Timing and frequency of verification and certification are not specified in the official documents.

Procedures for verification and certification

[Procedures for making the monitoring report available to the public in accordance with paragraph 62 of the modalities and procedures for the CDM version 01 / 7 April 2005]

(1)The DOE shall make the monitoring report directly publicly available in PDF format on the UNFCCC CDM web site using a dedicated interface by selecting from a list of registered project activities the particular activity to be verified, specifying the start and ending date of the monitoring period covered by the monitoring report and uploading the report in PDF format.

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(2) Immediately upon completion of the entry by the DOE in the dedicated interface, the information shall be made available on the UNFCCC CDM web site and the public shall be informed of the availability of the monitoring report through the CDM news facility. PPs shall be informed in accordance with the MoC (chap.4-7) for the project activity. The announcement to the public shall specify the link in the UNFCCC CDM web page where the monitoring report will be found and the name of the project activity. The secretariat shall promptly inform the DOE when the announcement has been made. The UNFCCC CDM web page where a monitoring report is made available shall contain in list:
☞The name and reference number of the CDM project activity;
☞A link to the monitoring report in PDF format;
☞The name of the DOE contracted by the PPs;
☞The name of the DOE that performed registration and validation for that activity.

(3) The DOE contracted by the PPs to perform the verification shall make the monitoring report publicly available, and shall:
☞Determine whether the project documentation provided is in accordance with the requirements of the registered PDD and relevant provisions of decisions of the COP/MOP;
☞Conduct on-site inspections, as appropriate, that may comprise, inter alia, a review of performance records, interviews with PPs and local stakeholders, collection of measurements, observation of established practices and testing of the accuracy of monitoring equipment;
☞If appropriate, use additional data from other sources;
☞Review monitoring results and verify that the monitoring methodologies for the estimation of GHG emission reductions have been applied correctly and their documentation is complete and transparent;
☞Recommend to the PPs appropriate changes to the monitoring methodology for any future crediting period, if necessary;
☞Determine the GHG emission reductions that would not have occurred in the absence of the CDM project activity, based on the data and information obtained above, as appropriate, using calculation procedures consistent with those contained in the registered PDD and in the monitoring plan;
☞Identify and inform the PPs of any concerns relating to the conformity of the actual project activity and its operation with the registered PDD. PPs shall address the concerns and supply relevant additional information;
☞Provide a verification report to the PPs, the Parties involved and the EB. The report shall be made publicly available. [CMP/2005/8/Ad1, p18 para62]

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(4) The DOE shall, based on its verification report, certify in writing that, during the specified time period, the project activity achieved the verified amount of GHG emission reductions that would not have occurred in the absence of the CDM project activity. It shall inform the PPs, Parties involved and the EB of its certification decision in writing immediately upon completion of the certification process and make the certification report publicly available. [CMP/2005/8/Ad1, p18 para63]

15. Issuance of CERs

15-1. Procedures for requests for issuance of CERs (Version 01.2) [EB54 Anx35]

DOE (and PPs)

(1)The DOE submits the request for issuance of CERs only after it verifies the monitoring report and certifies the quantity CERs claimed in the monitoring report, and meeting the requirements of the CDM-VVM and other CDM requirements. The DOE submits the required documents listed in the completeness checklist for requests for issuance. The DOE submits the required documents using the electronic, internet-based, submission tool provided by the secretariat to the DOE.

UNFCCC secretariat (and the EB)

(2) The secretariat maintains a publicly available list of all submitted requests for issuance. The schedule of requests for issuance to be processed, including the expected date of commencement, shall be made publicly available. The commencement of the processing of these requests for issuance shall be scheduled in accordance with the secretariat's operational plans, i.e. monthly quotas. The secretariat's operational plans will also incorporate any relevant instructions from the EB.

(3) Upon commencement of the processing of the request for issuance the secretariat will conduct within 7 **calendar days** a completeness check to determine whether the request for issuance is complete in accordance with the completeness checklist for requests for issuance (ver.01.0 10 June 2010).

(4) Upon conclusion of the completeness check, the secretariat will notify the PP(s), as identified in the MoC form (chap.4-7), and the DOE of the result of the completeness check, make the result of the completeness check publicly available by publishing it on the UNFCCC website. If the request for issuance does not meet the requirements of the completeness check, then upon submission of the revised documentation the request for issuance shall be treated as a new submission of a request for issuance.

(5) Upon a determination by the secretariat that the request for issuance meets the requirements of the completeness checklist, the secretariat will conduct within **23 calendar days** an information and reporting check in accordance with the latest applicable version of the information and reporting checklist for request for issuance (ver.01.0 10 June 2010).

(6) Upon conclusion of the information and reporting check, the secretariat will notify the PP(s), as identified in the MoC form, and the DOE of the result of the information and reporting check, and make the result of the information and reporting check publicly available by publishing it on the UNFCCC website. If the request for issuance does not meet the requirements of the information and reporting check, then upon submission of the revised documentation the request for issuance shall be treated as a new submission of a request for issuance.

(7) Upon a determination by the secretariat that the request for issuance meets the requirements of the information and reporting check, the secretariat will publish the request for issuance on the UNFCCC website, and **the request for issuance shall be deemed received by the EB for consideration of issuance**.

(8) The secretariat will notify the PP(s), as identified in the MoC form, the DNA(ies) of the Party(ies) involved, and the DOE: that the secretariat has proposed request for issuance, that the request for issuance has been received by the EB for consideration of issuance, and the last date by which members of the EB or a Party involved may request a review of request for issuance, which shall be **28 days** after the date of publication of the request for registration

(9) The secretariat will prepare and send to the EB a summary note on the request for issuance, within **14 calendar days** of date of publication of the request for issuance

Whether a Party involved in a CDM project activity or at least 3 EB members request a review of the request for issuance before 17:00 GMT of the last day of the 28 day period following the publication of the request for issuance.

Yes → **(chap. 15-2)**

No

(10) The EB shall instruct the CDM registry administrator to issue a specified quantity of CERs into the pending account of the EB of the CDM registry. The EB's instructions to the CDM registry administrator (chap.21-1) shall be communicated to the PP(s), as identified in the MoC form. The secretariat will make the instructions publicly available.

15-2. Procedures for review of requests for issuance

(Version 2.0)[EB64 Anx4]

There is "**Guidelines for requesting a review and making decisions and objections regarding review assessments" (ver.02)** to maintain the consistency and objectivity of its decisions and rulings and to provide greater transparency to CDM stakeholders. . [EB59 Anx14]

(1) Commencement of Review

☞If Party involved in a proposed CDM project activity or at least 3 EB members request a review of the request for issuance, the secretariat shall:
- ⇒ Notify the PPs and the DOE that verified and certified the claimed CERs;
- ⇒ Make publicly available an anonymous version of each request for review form;
- ⇒ Assign a team comprising 2 experts from the RIT to participate in the assessment of the request for review and appoint one of the assigned Team members to serve as the lead, who is responsible for all communications with the secretariat.

A request for review by a Party involved shall be sent by the relevant DNA to the EB, through the secretariat, using official means of communication (such as recognized official letterhead and signature or an official dedicated e-mail account). [EB54 Anx28 para20]

☞The PPs and the DOE shall provide responses to the issues identified in the request for review no later than **28 calendar days** after the notification. For each issue raised in the request for review, the PPs and DOE shall either:
- ⇒ Respond by making any revisions to the monitoring report (MR) and attached spreadsheets, verification report (VR), and/or certification; or
- ⇒ Respond in writing by addressing why no revisions to the MR, VR, and/or certification are necessary.

☞The secretariat shall schedule the commencement of the review of the request for issuance, and make these publicly available. Upon scheduling the commencement date, the secretariat shall inform the PPs and DOE of this date. The commencement of the review shall be defined as the date on which the secretariat notifies the PPs and the DOE that the review has commenced.

(2) Assessment

☞The secretariat shall prepare an assessment of the request for issuance in the context of the reasons for the request for review, taking into account the responses of the PPs and the DOE. Concurrently and independently, the RIT Team shall prepare an assessment of the request for issuance, taking into account the responses of the PPs and the DOE. The secretariat and the RIT Team shall finalize their respective assessments no later than **2 weeks** after the commencement of the review.

☞Each assessment shall include a proposed decision. Each proposed decision shall propose to either: (a) to approve the request for issuance; or (b) to reject the request for issuance. If a proposed decision is to reject the request for issuance, then the assessment shall included a proposed ruling, containing an explanation of the reasons and rationale.

☞In addition both the secretariat and the RIT Team shall, in their assessments, highlight any policy issues of significant importance related to the policies and goals of the CDM. The secretariat, in consultation with the Chair of the EB, shall bring these issues to the attention of the EB through the agenda of its meetings through the preparation of background notes and policy options.

☞The RIT Team shall communicate its assessment to the EB by submitting it to the secretariat. The secretariat shall inform the EB of the availability of each assessment, and make each assessment available to the EB, together with any responses from the PP and DOE and any revision to the project documentation.

(3) Consideration by the EB

☞If the assessment of the secretariat and the RIT Team contain the same proposed decision, then that shall become the final decision of the EB within **10 days**, unless a member of the EB objects to that. An objection by a member of the EB shall be made by notifying the Chair of the EB, giving reasons in writing, through the secretariat. The secretariat shall make the objection available to the EB.

☞If an EB member objects to the proposed decision more than **2 weeks** prior to the next EB meeting, the matter shall be placed on the agenda of the next EB meeting (otherwise the subsequent EB meeting).

☞If the assessments of the secretariat and the RIT Team contain different proposed decisions and the EB receives both proposed rulings more than **2 weeks** prior to the next EB meeting, the matter will be placed on the agenda of the next EB (otherwise the subsequent EB meeting).

☞At the EB meeting for which the matter is placed on the agenda, the EB shall decide to either: **to approved the request for issuance**; or **to reject the request for issuance**.

(4) Finalization and implementation of the ruling

☞If a final decision approves request for issuance, the EB shall instruct the CDM registry administrator to issue a specified quantity of CERs into the pending account of the EB of the CDM registry. The EB's instructions to the CDM registry administrator shall be communicated to the PP(s), as identified in the MoC form. The secretariat will make the instructions publicly available on the UNFCCC website.

☞If the final decision rejects the request for issuance, the secretariat shall update the information on the UNFCCC CDM website accordingly on the first working day subsequent to the finalization of the decision. Furthermore, within **3 weeks** of the final decision of the EB, the secretariat will provide the Chair of the EB with an information note, which shall contain a proposed final ruling incorporating the final decision.

☞Once approved by the Chair of the EB, the secretariat shall make the proposed final ruling available to the EB. The proposed final ruling shall become the final after **10 days**, unless a member of the EB objects to the proposed final ruling.

☞An objection by a member of the EB shall be made by notifying the Chair of the EB, giving reasons in writing, through the secretariat. The secretariat shall make the objection available to the EB.

☞If an EB member objects to the proposed final ruling more than **2 weeks** prior to the next EB meeting, the matter shall be placed on the agenda of the next EB meeting (otherwise the subsequent EB meeting).

☞This formal ruling shall be made publicly available by the secretariat once approved by the EB.

15-3. Procedures for withdrawal of a request for issuance of CERs [EB54 Anx33]

Applicability

☞The procedure shall be applied if a DOE wishes to request the withdrawal of a request for issuance submitted to the EB in cases where:

⇒ The PPs voluntarily wish to withdraw the request for issuance for the specified monitoring period;

⇒ The DOE has revised its verification report and/or certification decision based on new insights.

☞The DOE shall submit to the secretariat the form for submission of a request for withdrawal of a request for issuance CDM: Request for withdrawal form (F-CDM-IW) dully completed by uploading it through the dedicated internet interface on the UNFCCC CDM website.

☞Upon receipt of the request for withdrawal, the secretariat shall as soon as possible check the documents submitted.

☞The types of request for withdrawal of request for issuance, and the procedures applicable to each type of withdrawal are as follows:

Type 1

☞The DOE requests the withdrawal of the request for issuance prior to the publication of the request for issuance.

⇒ The request for issuance for the specified monitoring period will not be marked withdrawn. If the DOE re-submits the request for issuance for the same monitoring period after such a withdrawal, the resubmission shall be treated as a new submission.

Type 2

☞The DOE requests the withdrawal of the request for issuance during the 15 day period for requesting a review.

⇒ The request for issuance for the specified monitoring period will be marked withdrawn. If the DOE intends to re-submit the request for issuance for the same monitoring period after such a withdrawal, the DOE may re-submit the request without requesting permission from the EB.

Type 3

☞The DOE requests the withdrawal of the request for issuance subsequent to receiving a request for review.

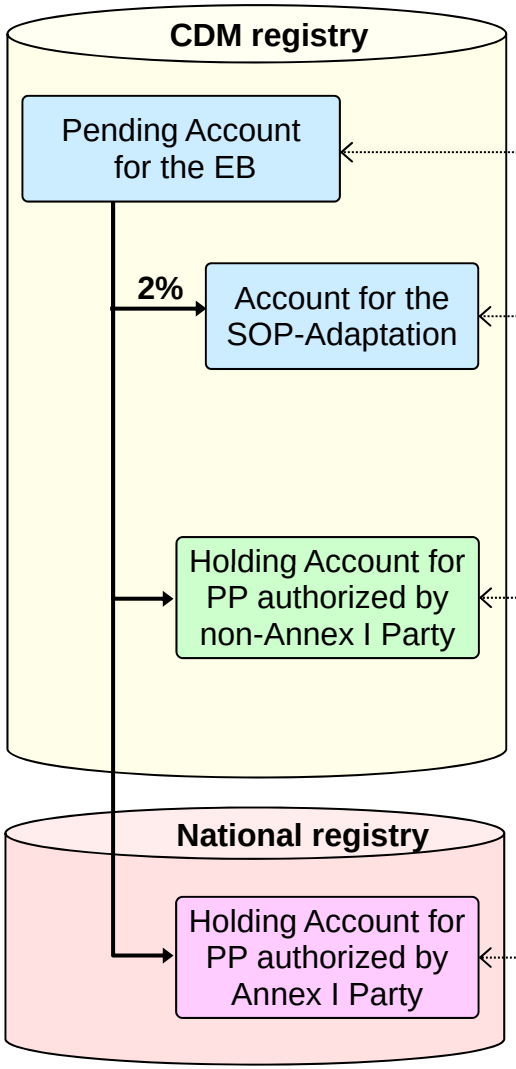
⇒ The request for issuance for the specified monitoring period will be marked withdrawn. Type 3 requests must be submitted and considered complete **2 weeks** prior to EB meeting at which the request for review/review/corrections have been scheduled to be considered. If the DOE intends to re-submit the request for issuance for the same monitoring period after such a withdrawal, the DOE shall request a permission to the EB to re-submit such a request.

☞Submission of requests for withdrawal will be incorporated into the framework for addressing noncompliance by DOEs.

BOX: Guidance on a request for issuance of CERs

The EB clarified that only verification activities undertaken after the publishing of monitoring report on the UNFCCC CDM website shall be used as a basis for DOEs to conclude their verification and submit a request for issuance of CERs to the EB. [EB60 Rep para101]

16. Distribution of CERs



- ♦ Upon being instructed by the EB to issue CERs for a CDM project activity, the CDM registry administrator shall, promptly, issue the specified quantity of CERs into the pending account of the EB in the CDM registry. [CMP/2005/8/Ad1, p19 para66]
- ♦ The issuance of CERs, in accordance with the distribution agreement, shall be effected only when the share of proceeds to cover administrative expenses (SOP-Admin) of the CDM has been received [CMP/2005/8/Ad1, p98 para37]
  - ☞ The **SOP-Admin** shall be:
    - ⇒**USD 0.10** per CER issued for the 1st 15,000 t-CO_2 equivalent for which issuance is requested in a given calendar year;
    - ⇒**USD 0.20** per CER issued for any amount in excess of 15,000 t-CO_2 equivalent for which issuance is requested in a given calendar year. [EB23 Anx35, para1]
  - ☞ The registration fee shall be deducted from the SOP-Admin. (chap.12-3)
  - ☞ No registration fee and share of proceeds at issuance have to be paid for CDM project activities hosted in least developed countries. [EB37 Anx20, para5]

Among issued CERs, 2% of those will be deducted for share of proceeds to assist developing Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation (SOP-Adaptation). [CP/2001/13/Ad2, p23 para15(a)]

- ☞CDM project activities in least developed country Parties shall be exempt from the SOP to assist with the costs of adaptation. [CP/2001/13/Ad2, p23 para15(b)]

- ♦ CERs are forwarded to the registry accounts of PPs, in accordance with their request. [CMP/2005/8/Ad1, p20 para66(b)]
- ♦ The decision on the distribution of CERs shall exclusively be taken by PPs. [Glos ver5, p25]
  - ☞ PPs shall communicate with the EB, through the secretariat, in writing in accordance with the "modalities of communication" as indicated at the time of registration or as subsequently altered.
  - ☞ If a PP does not wish to be involved in taking decisions on the distribution of CERs, this shall be communicated to the EB through the secretariat at the latest when the request regarding the distribution is made.
  - ☞ The request regarding the distribution of CERs can only be changed if all signatories have agreed to the change and signed the appropriate document. [Glos ver5, p26]
- ♦ Requests for the partial distribution of CERs issued in a single transaction shall be allowed. [EB21 Rep, para70]

BOX: Transferring CERs from the CDM registry

The CDM registry is to enable non-Annex I Parties, and entities from non-Annex I Parties, to transfer CERs from their holding accounts in the CDM registry to accounts in national registries. [CP/2004/2/, p15 para58]

17. Renewal of crediting period

Procedures for renewal of the crediting period of a registered CDM project activity (Version 6) [EB63 Anx29]

The renewal of a crediting period of a registered CDM project activity shall only be granted if a DOE determines and informs the EB that the original project baseline is still valid or has been updated taking account of new data where applicable.

(1) Preparation of a revised PDD

PPs shall update those sections of the PDD relating to the baseline, estimated emission reductions and the monitoring plan using an AM as follows:

- ☞ a) The latest AM, applied in the original PDD of the registered CDM project activity, shall be used whenever applicable;
- ☞ b) If a baseline and monitoring methodology, applied in the original PDD, was withdrawn after the registration of the CDM project activity and replaced by a consolidated methodology, the latest approved version of the respective consolidated methodology shall be used;
- ☞ c) If the registered CDM project activity does not meet applicability criteria of the options provided for by a) or b), due to their revision or due to the update of the baseline, the PPs shall either select another applicable AM or request a deviation from an AM for the purpose of renewal.

The demonstration of the validity of the original baseline or its update does not require a reassessment of the baseline scenario, but rather an assessment of the emissions which would have resulted from that scenario.

(2) Application for renewal of a crediting period

PPs shall notify the secretariat of their intention to request a renewal of a crediting period of the registered CDM project activity by submitting an updated PDD and informing of their selection of a DOE, within **9 to 6 months** prior to the date of expiration of the current crediting period.

- ☞ For the purpose of renewal of the crediting period it is not necessary to obtain a new letter of approval from Parties involved.
- ☞ No fee is due for the application for the renewal of the crediting period.

The DOE's validation opinion shall assess the validity of the original baseline or its update through an assessment of the following issues:

- ☞ a) an impact of new relevant national and/or sectoral policies and circumstances on the baseline taking into account relevant EB guidance; and
- ☞ b) the correctness of the application of an AM for the determination of the continued validity of the baseline or its update, and the estimation of emission reductions for the applicable crediting period.

A DOE shall submit a request for renewal of a crediting period of a registered CDM project activity using the form "Renewal of the crediting period of a registered CDM project activity" (F-CDM-REN) along with the updated PDD and validation report.

(3) Processing of an application

Upon receipt of a request for renewal of a crediting period of the registered CDM project activity the secretariat will determine whether all information and documentation requested in the F-CDM-REN form has been provided by the DOE.

Once the secretariat has determined that the request is complete it shall be made publicly available through the UNFCCC CDM web site for a period of **4 weeks**.
The secretariat shall announce a request for renewal of a crediting period of the registered CDM project activity on the UNFCCC CDM web site and notify the requesting DOE, the PPs and the DNA.

Unless there is a request for review within **4 weeks** after the publication of the request for renewal, the crediting period of the registered CDM project activity shall be deemed renewed.

If the notification of the intention to request a renewal of a crediting period is not received by the secretariat **6 months** prior to the date of expiration of the current crediting period, the PP shall not be entitled to the issuance of CERs for the period from the expiration date of the current crediting period until the date on which the crediting period is deemed renewed.

- ☞ The procedures to be applied for review of a request for renewal of a crediting period are the same as the procedures for review of registration. (chap.12-2)
- ☞ The start date of the renewed crediting period is the first day after the ending date of the previous crediting period.

17. Renewal of crediting period

Step 1: Assess the validity of the current baseline for the next crediting period

Step 1.1: Assess compliance of the current baseline with relevant mandatory national and/or sectoral policies

The current baseline complies with all relevant mandatory national and/or sectoral policies which have come into effect after the submission of the project activity for validation or the submission of the previous request for renewal of the crediting period and are applicable at the time of requesting renewal of the crediting period?

No or if it cannot be shown that the policies are systematically not enforced and that non-compliance with those policies is widespread in the country or region

Yes

Not plausible

Step 1.2: Assess the impact of circumstances

Assess the impact of circumstances existing at the time of requesting renewal of the crediting period on the current baseline emissions, without reassessing the baseline scenario. The new circumstances make a continued validity of the current baseline not plausible?

Plausible

Step 1.3: Assess whether the continuation of the use of current baseline equipment(s) is technically possible

This Sub-step should only be applied if the baseline is the continuation of the current practice. Assess whether the remaining technical lifetime of the equipment that would have continued to be used in the absence of the project activity exceeds the crediting period for which renewal is requested.

No

Yes

Option: Limit the crediting period to the end of the technical lifetime of the baseline equipment

Step 1.4: Assessment of the validity of the data and parameters

Assess whether data and parameters that were only determined at the start of the crediting period and not monitored during the crediting period are still valid or whether they should be updated. Updates should be undertaken in the following cases:

- ☞Where IPCC default values are used, the values should be updated if any new default values have been adopted and published by the IPCC;
- ☞Where emission factors, values or emission benchmarks are used and determined only once for the crediting period, they should be updated, except if those figures are based on the historical situation at the site of the project activity and can not be updated because the historical situation does not exist anymore as a result of the CDM project activity.

Not valid

Valid

If the application of Steps 1.1, 1.2, 1.3 and 1.4 confirmed that the current baseline as well as data and parameters are still valid for the subsequent crediting period, then this baseline, data and parameters can be used for the renewed crediting period.

The current baseline needs to be updated for the subsequent crediting period.

Step 2: Update the current baseline and the data and parameters

Step 2.1: Update the current baseline

Update the current baseline emissions for the subsequent crediting period, without reassessing the baseline scenario, based on the latest version of the AM applicable to the project activity. The procedure should be applied in the context of the sectoral policies and circumstances that are applicable at the time of request for renewal of the crediting period.

Step 2.2: Update the data and parameters

If the application of Step 1.4 showed that the data and/or parameter(s) that were only determined at the start of the crediting period and not monitored during the crediting period are not valid anymore, PPs should update all applicable data and parameters, following the guidance in Step 1.4.

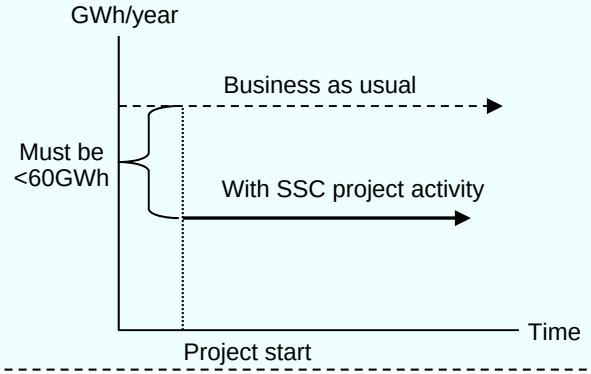
18. Small-scale CDM (SSC)

18-1. Definition of small-scale CDM (SSC)

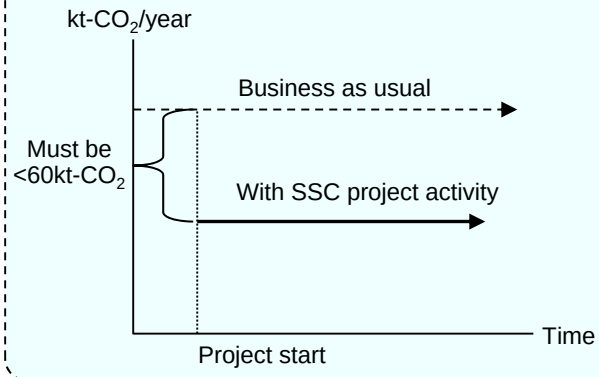
Simplified modalities and procedures are applicable for the following small-scale CDM project activities. [CMP/2005/8/Ad1, p43-45]

Type I project activities shall remain the same, such that renewable energy project activities shall have a maximum output capacity of 15 MW (or an appropriate equivalent) [CMP/2006/10/Ad1, p8 para28(a)]

Type II project activities or those relating to improvements in energy efficiency which reduce energy consumption, on the supply and/or demand side, shall be limited to those with a maximum output of 60 GWh/y (or an appropriate equivalent); [CMP/2006/10/Ad1, p8 para28(b)]



Type III project activities, otherwise known as other project activities, shall be limited to those that result in emission reductions of less than or equal to 60 kt CO2 equivalent annually; [CMP/2006/10/Ad1, p8 para28(c)]



Eligibility of SSC project activities [EB55 Anx35 para3]

- SSC project activities shall remain under the limits for SSC project activities types every year during the crediting period. If a project activity goes beyond the limit of its type in any year of the crediting period, the emission reduction that can be claimed during this particular year will be capped by the maximum emission reduction estimated in the F-CDM-SSC-PDD by the PP for that year during the crediting period.
- PPs shall provide:
  - ☞For type I: Proof that the installed capacity of the proposed project activity will not increase beyond 15 MW;
  - ☞For type II: Proof that the efficiency improvements do not exceed the equivalent of 60 GWh/year every year throughout the crediting period;
  - ☞For type III: An estimation of emission reductions by the project activity over the crediting period and proof that the emission reductions every year will not go beyond the limits of 60 kt-CO_2/y over the entire crediting period.
- The three types of project activities outlined above, are mutually exclusive. In a project activity with more than one component that will benefit from simplified CDM modalities and procedures, each component shall meet the threshold criterion of each applicable type, e.g. for a project with both a renewable energy and an energy efficiency component, the renewable energy component shall meet the criterion for “renewable energy” and the energy efficiency component that for “energy efficiency”.
- The sum of the size of components of a project activity belonging to the same type (capacity for Type I, energy savings for Type II and emission reductions for Type III) should not exceed the limits for SSC project.
- Definition of “maximum output capacity equivalent of up to 15 MW (or an appropriate equivalent)”, how to determine equipment performance, etc are written in the Guidelines to SSC CDM methodologies. [EB55 Anx35]

18-2. Simplified modalities and procedures

◆ SSC project activities shall follow the stages of the project cycle specified in the CDM M&P. In order to reduce transaction costs, however, modalities and procedures are simplified for SSC project activities, as follows: [CMP/2005/8/Ad1, p45 para9]

- ☞Project activities may be bundled or portfolio bundled at the following stages in the project cycle: the PDD, validation, registration, monitoring, verification and certification;
- ☞The requirements for the PDD are reduced;
- ☞Baselines methodologies by project category are simplified to reduce the cost of developing a project baseline;
- ☞Monitoring plans are simplified to reduce monitoring costs;
- ☞The same OE may undertake validation, and verification and certification.

Leakage in CDM project

- ☞For a CDM project (non-A/R) or PoA (non-A/R), the net change of anthropogenic emissions by sources of GHG which occurs outside the project boundary, and which is measurable and attributable to the CDM project or PoA, as applicable. [Glos ver6, p11]
- ☞For an A/R or SSC A/R CDM project or PoA (A/R), the increase in GHG emissions by sources or decrease in carbon stock in carbon pools which occurs outside the boundary of an A/R or SSC A/R CDM project or PoA (A/R), as applicable, which is measurable and attributable to the A/R or SSC A/R CDM project or PoA (A/R), as applicable. [Glos ver6, p11]

General guidelines for sampling and surveys for SSC project activities [EB50 Anx30]

- ☞Several AMs require estimates of parameter values using sampling methods. This guidelines are to specify the reliability requirements and provide guidance on appropriate sampling methods.
- ☞While the focus of the guidelines is on end-use energy efficiency and renewable energy applications, its application is not limited to these applications alone.

BOX: Simplified baseline and monitoring methodologies

- ☞There is a “General Guidelines to SSC CDM methodologies”. (Version 17) [EB61 Anx21]
- ☞There is a “Guidelines for Completing F-CDM-SSC-PDD, F-CDM-SSC-Subm and F-CDM-SSC-BUNDLE”. (Version 5) [EB34 Anx9]
- ☞There are approved methodologies for small scale CDM project activities (AMS). (Att.1)
- ☞There is a “Procedures for submission and consideration of request for clarification on the application of approved small scale methodologies (applies mutatis mutandis to small-scale A/R) ”. (Version 1)[EB34 Anx6]
- ☞There is a “Procedures for the revisions of an approved small scale methodology by the EB”. (Version 1)[EB34 Anx7]
- ☞There is a “Procedures for submission and consideration of proposed SSC methodologies”. (Version 3)[EB40 Anx2]

Additionality for SSC project activities (Guidelines on the demonstration of additionality of small-scale project activities) [EB68 Anx27]

♦ PPs shall provide an explanation to show that the project activity would not have occurred anyway due to at least one of the following barriers:

Investment barrier:
☞a financially more viable alternative to the project activity would have led to higher emissions;

Barrier due to prevailing practice:
☞prevailing practice or existing regulatory or policy requirements would have led to implementation of a technology with higher emissions;

Technological barrier:
☞a less technologically advanced alternative to the project activity involves lower risks due to the performance uncertainty or low market share of the new technology adopted for the project activity and so would have led to higher emissions;

Other barriers:
☞ without the project activity, for another specific reason identified by the PP, such as institutional barriers or limited information, managerial resources, organizational capacity, financial resources, or capacity to absorb new technologies, emissions would have been higher.

♦ Quantitative evidence that the project activity would otherwise not be implemented may be provided instead of a demonstration based on the barriers listed above.

♦ Documentation of barriers is not required for the positive list of technologies and project activity types that are defined as automatically additional for project sizes up to and including the small-scale CDM thresholds (e.g. installed capacity up to 15 MW). The positive list comprises of: [EB68 Anx27 para2]

(a)The following grid-connected and off-grid renewable electricity generation technologies
- (i) Solar technologies (photovoltaic and solar thermal electricity generation);
- (ii) Off-shore wind technologies;
- (iii) Marine technologies (wave, tidal);
- (iv) Building-integrated wind turbines or household rooftop wind turbines of a size up to 100 kW;

(b) The following off-grid electricity generation technologies where the individual units do not exceed the thresholds indicated in parentheses with the aggregate project installed capacity not exceeding the 15 MW threshold:
- (i) Micro/pico-hydro (with power plant size up to 100 kW);
- (ii) Micro/pico-wind turbine (up to 100 kW);
- (iii) PV-wind hybrid (up to 100 kW);
- (iv) Geothermal (up to 200 kW);
- (v) Biomass gasification/biogas (up to 100 kW);

(c) Project activities solely composed of isolated units where the users of the technology/measure are households or communities or Small and Medium Enterprises (SMEs) and where the size of each unit is no larger than 5% of the small-scale CDM thresholds;

(d) Rural electrification project activities using renewable energy sources in countries with rural electrification rates less than 20%; the most recent available data on the electrification rates shall be used to demonstrate compliance with the 20 per cent threshold. In no case shall data be used if older than three years from the date of commencement of validation of the project activity.

18-3. Bundling of SSC

Bundling [Glos ver6, p6]

♦Bundle is defined as several SSC or SSC A/R CDM project activities which form a single project activity or portfolio without the loss of distinctive characteristics of each component.

Debundling [EB54 Anx13]

♦Debundling is defined as the fragmentation of a large scale project activity into smaller parts.

♦A small-scale project activity that is part of a large scale project activity is not eligible to use the simplified modalities and procedures for SSC project activities.

♦There is the "Guidelines on assessment of de-bundling for SSC project activities (Version 03)". [EB54 Anx13]

♦A proposed small-scale project activity shall be deemed to be a debundled component of a large scale project activity if there is a registered SSC project activity or a request for registration by another small-scale project activity:

- ☞ By the same project participants;
- ☞ In the same project category and technology/measure;
- ☞ Registered within the previous 2 years;
- ☞ Whose project boundary is within 1 km of the project boundary of the proposed small-scale activity at the closest point.

♦The flow chart for judging the occurrence of debundring is described in the guidance.

General Characteristics [EB34 Anx10, para1-8]

☞Project activities wishing to be bundled shall indicate this when making the request for registration.

☞The composition of bundles shall not change over time. A project activity shall not be taken out of a bundle nor shall a project activity be added to the bundle after registration.

☞All project activities in the bundle shall have the same crediting period.

☞PPs shall at registration provide a written statement along with the submission of the bundle indicating:

⇒The agreement of all PPs to bundle their individual project activities;

⇒One PP who represents all PPs in order to communicate with the EB.

☞Bundled project activities shall be submitted in a single submission to the EB and pay only one fee proportional to the amount of expected average annual emission reductions of the total bundle.

☞If 3 EB members or a Party involved in a project activity requests the review of the project activity, the total bundle remains under review.

☞Project participants shall complete the CDM small-scale project activities bundling form (F-CDM-SSC-BUN) and should follow the applicable guidelines (Guidelines for completing the small-scale CDM project activities bundling form [EB66 Anx22]). [EB66 Anx21, para11, 12]

Letter of approval [EB34 Anx10, para15]

The letter of approval by the host Party(ies) has to indicate that the Party is aware that the project activity(ies) taking place in its territory is part of the bundle.

Overall monitoring plan [Glos ver6, p13]

☞ In the context of bundled SSC CDM project activities or CPAs of the same category and using the same technology/measure, means one monitoring plan that applies to all the SSC CDM project activities or CPAs in the bundle.

Validation and verification [EB34 Anx10, para12-14]

☞ One DOE can validate this bundle.

☞ One verification report is adequate, one issuance will be made at the same time for the same period, and a single serial number will be issued for all the project.

19. Afforestation and Reforestation CDM (A/R CDM)

19-1. Overview of A/R CDM

Rules and procedures regarding A/R CDM project activities are similar to those of GHG emission reduction CDM project activity. The most significant difference of A/R CDM is non-permanence. In A/R CDM, CO_2 once sequestered in trees could be release back into the atmosphere in an occasion of such as forest fire or die back from pests. The issue of non-permanence is addressed by creating different type of CERs, namely temporary CERs (**tCERs**) and long-term CERs (**lCERs**).

Procedures to demonstrate the eligibility of lands for A/R CDM project activities [EB35 Anx18]

- 1. PPs shall provide evidence that the land within the planned project boundary is eligible for an A/R CDM project activity. (a)Demonstrate that the land at the moment the project starts does not contain forest by providing transparent information that:
  - ⇒ Vegetation on the land is below the forest thresholds adopted by the host country; and
  - ⇒ All young natural stands and all plantations on the land are not expected to reach the minimum crown cover and minimum height chosen by the host country to define forest; and
  - ⇒ The land is not temporarily unstocked, as a result of human intervention.
  - ☞ (b)Demonstrate that the activity is a reforestation or afforestation project activity:
    - ⇒ For reforestation project activities, demonstrate that the land was not forest by demonstrating that the conditions outlined under (a) above also applied to the land on 31 December 1989.
    - ⇒ For afforestation project activities, demonstrate that for at least 50 years vegetation on the land has been below the thresholds adopted by the host country for definition of forest.
- 2. In order to demonstrate steps 1 (a) and 1 (b), PPs shall provide information that reliably discriminates between forest and non-forest land according to the particular thresholds, *inter alia:*
  - ☞ (a) Aerial photographs or satellite imagery complemented by ground reference data; or
  - ☞ (b) Land use or land cover information from maps or digital spatial datasets; or
  - ☞ (c) Ground based surveys (land use or land cover information from permits, plans, or information from local registers such as cadastre, owners registers, or other land registers).

If options (a), (b), and (c) are not available/applicable, project participants shall submit a written testimony which was produced by following a Participatory Rural Appraisal (PRA) methodology or a standard Participatory Rural Appraisal (PRA) as practised in the host country.

- ☞ An non-Annex I Party may host an A/R CDM project, if it has selected and reported to the EB through its DNA:
  - (a) A single minimum tree crown cover value between 10 and 30%; and
  - (b) A single minimum land area value between 0.05 and 1 hectare; and
  - (c) A single minimum tree height value between 2 and 5 metres.

  [CP/2003/6/Ad2, p17 para7-8]
- ☞ There is the procedure on change in the selected values of minimum tree crown cover, minimum land area and minimum tree height required for hosting an A/R CDM project activity. [EB40 Anx1]

Crediting period of the A/R CDM project activity
[CMP/2005/8/Ad1, p67 para23]

- It begins at the start of the A/R CDM project activity and can be either:
  - ☞A maximum of 20 years, may be renewed twice (total 60 years maximum)
  - ☞A maximum of 30 years

- ☞ A/R CDM project activity starting after 1 January 2000 can be validated and registered after 31 December 2005 as long as the 1st verification of the project activity occurs after the date of registration.
- ☞ Given that the crediting period starts at the same date as the starting date of the project activity, the projects starting 2000 onwards can accrue tCERs/lCERs as of the starting date. [EB21 Rep. para64]

The initial verification and certification of an A/R CDM project activity may be undertaken at a time selected by the PPs. Thereafter, verification and certification shall be carried out **every 5 years** until the end of the crediting period. [CMP/2005/8/Ad1, p69 para32]

Project boundary [EB44 Rep para38]

- The EB agreed to the "Guidance on the application of the definition of project boundary to A/R CDM project activities" [EB44 Anx14], which provides the option for fixing the project boundary at the first verification, thereby allowing for more flexibility in delineation of areas of land at registration.

19-2. Non-permanence of A/R CDM (tCER and lCER)

Temporary CERs (**tCERs**) and Long-term CERs (**lCERs**):

- ☞The PPs shall select one of the following approaches to addressing non-permanence of an A/R CDM project activity [CMP/2005/8/Ad1, p70 para38]:
  - (a) Issuance of **tCERs** for the net GHG removals by sinks achieved by the project activity since the project starting date; or
  - (b) Issuance of **lCERs** for the net GHG removals by sinks achieved by the project activity during each verification period
- ☞The approach chosen to address non-permanence shall remain fixed for the crediting period including any renewals.

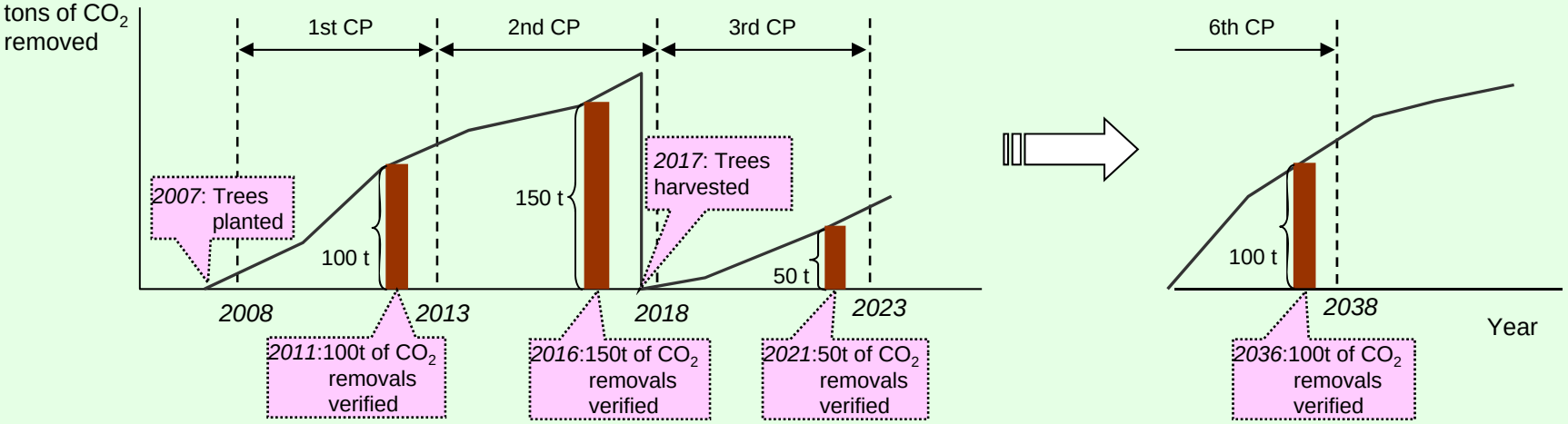
Expiry of tCERs and lCERs

- ☞Each **tCER** shall expire at the end of the commitment period subsequent to the commitment period for which it was issued. [CMP/2005/8/Ad1, p71 para42]
- ☞Each **lCER** shall expire at the end of the crediting period or, where a renewable crediting period is chosen, at the end of the last crediting period of the project activity. [CMP/2005/8/Ad1, p71 para46]

Example: Changes in net GHG removals by a A/R project activity

The chart below shows changes in GHG removals by an A/R project activity. In the next two pages, an explanation of issuance and expiration of **tCERs** and **lCERs** will be given based on the assumptions shown in the chart below.

- ☞Trees are planted in *2007*.
- ☞1st issuance of **tCERs** or **lCERs** takes place in *2011*. Trees are left to grow during the 1st and 2nd commitment periods and 2nd issuance of **tCERs** or **lCERs** takes place in *2016*.
- ☞**Assuming** each commitment period (CP) would be **5 years**.
- ☞Trees are cut in *2017* before the end of the 2nd commitment period (CP) and 3rd issuance takes place in *2021*. The last issuance takes place in in *2036*.
- ☞Each **tCER** or **lCER** issued will be used for achieving a Party's emission reduction target.
- ☞Crediting period is 30 years without renewal.



19-3. Small-scale A/R CDM

Definition of small-scale A/R CDM project activity

- ♦ Those that are expected to result in net GHG removals by sinks of less than 16,000 t-CO_2/year; [CMP/2007/9/Ad1, p26]
  - ☞The average projected net GHG removals by sinks for each verification period shall not exceed 16,000 t-CO_2/year. [CP/2004/10/Ad2, p26 para1(b)]
- ♦ Developed or implemented by low-income communities and individuals as determined by the host Party. [CMP/2005/8/Ad1, p62 para1(j)]
  - ☞Prior to the submission of the validation report to the EB, the DOE have received from the PPs a written declaration of that. [CMP/2005/8/Ad1, p85 para15(b)]

If a small-scale A/R CDM project activity results in net GHG removals by sinks greater than 16,000t of CO_2 per year, the excess removals will not be eligible for the issuance of **tCERs** or **lCERs**. [CMP/2007/9/Ad1, p26]

The "General principles for bundling" [EB21, Anx 21] may not be applicable mutatis mutandis in the context of bundles of small scale A/R project activities created for the purpose of validation. [EB32 Rep. para42]

Simplified modalities and procedures for small-scale A/R CDM project activity

♦ In order to reduce transaction costs, modalities and procedures are simplified for small-scale A/R CDM project activities as follows: [CMP/2005/8/Ad1, p82 para1]
- ☞ The requirements for the project design document are reduced;
- ☞ Baseline methodologies by project type are simplified to reduce the cost of developing a project baseline;
- ☞ Monitoring plans are simplified, including simplified monitoring requirements, to reduce monitoring costs;
- ☞ The same operational entity may undertake validation, and verification and certification.

♦ Small-scale A/R CDM project activities shall be:
- ☞ exempt from the share of proceeds to be used to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change;
- ☞ entitled to a reduced level of the non-reimbursable fee for requesting registration and a reduced rate of the share of proceeds to cover administrative expenses of the CDM. [CMP/2005/8/Ad1, p83 para13]

☞ There is a "Guidelines for completing the simplified project design document for small scale A/R (F-CDM-SSC-AR-PDD) and the form for submissions on methodologies for small scale A/R CDM project activities (F-CDM-SSC-AR-Subm) ." (Version 4) [EB35 Anx23]

There is "Guidelines on application of specified versions of A/R CDM methodologies in verification of registered A/R CDM project activities" (ver.01) to allow a registered A/R CDM project activity to apply, at the time of verification, the improvements in the methodology that occurred after the date of registration of the project activity. [EB63 Anx26]

There is "Guidelines on accounting of specified types of changes in A/R CDM project activities from the description in registered project design documents" (ver.02) to provide guidelines on addressing, in verification of A/R CDM project activities, specified types of changes from the description contained in the registered PDD. [EB66 Anx24]

20. CDM Programme of activities (PoA)

20-1. Overview of programme of activities (PoA)

A programme of activities (PoA) and a CDM programme activity (CPA)

A programme of activities (***PoA***) is [Glos ver.6, p13] :
- ☞a voluntary coordinated action;
- ☞by a private or public entity which coordinates and implements any policy/measure or stated goal (i.e. incentive schemes and voluntary programmes);
- ☞which leads to GHG emission reductions or net anthropogenic GHG removals by sinks that are additional to any that would occur in the absence of the ***PoA***;
- ☞via an unlimited number of CDM programme activities (***CPAs***) .

A CDM programme activity (***CPA***) is [Glos ver.6, p8] :
- ☞ a single, or a set of interrelated measures under a PoA,, to reduce GHG emissions by sources or result in net anthropogenic GHG removals by sinks, applied within a designated area defined in the baseline methodology(ies).

Coordinating / managing entity (CME) [Glos ver.6, p8]
- ☞CME is an entity authorized by all participating host country DNAs involved in a particular PoA and nominated in the MoC (chap. 4-7) statement as the entity that communicates with the EB and the secretariat, including on matters relating to the distribution of CERs, tCERs or lCERs, as applicable.
- ☞The operators of individual ***CPAs*** are not required to be PPs. CDM programme participation is only recorded at the ***PoA*** level.[EB55 Anx38 para8]
- ☞The procedures for MoC between PPs and the EB shall apply, with the exception that the CME shall be either sole or joint focal point for each area of communication. The limit of joint focal points for the programme shall be 5, or equal to the number of host Parties if greater than 5 . [EB55 Anx38 para11]

Boundary
- ☞A new host Party(ies) may be added after the registration of the ***PoA***. In this case, CME shall request for approval by the Board, following the post-registration change process as defined in the Project cycle procedure. [EB70 Anx2 para171]

- ☞The CME shall obtain letters of approval from each host Party and Annex I Party which wishes to be involved in the ***PoA***, in accordance with the guidance provided by the EB. The CME shall obtain letters of authorization of its coordination of the ***PoA*** from each Host Party. [EB55 Anx38 para9-10]
- ☞If, subsequent to the registration of the programme, the CME has changed then the DOE who is undertaking the next inclusion of a ***CPA*** shall submit, (a) new letter(s) of authorization by the each respective host Party, (b) a confirmation from new CME that the ***PoA*** will be the same set framework, and (c) a validation opinion by a DOE regarding the compliance of the new CME. [EB55 Anx38 para12]

Registration fee for a *PoA* [EB33 Rep. para60]
- ☞The registration fee for a ***PoA*** is based on the total expected annual emission reductions of the ***CPA(s)*** that will be submitted together with the request for registration of the ***PoA***. The calculation of the amount to be paid and the procedures for payment will follow mutatis mutandis the existing rules. (chap.12-3)
- ☞For each ***CPA*** which is included subsequently, no fee is to be paid.
- ☞Fees are to be paid by the CME to the secretariat.

Application of multiple methodologies for *PoA*

☞The EB approved the combination:

⇒AMS-III.R and AMS-I.C. [EB59 Anx9 para11(a)]

⇒Any type III meth. lead to methane generation (III.H, III.D, III.F, and III.G) with Type I meth. Generation of renewable energy (I.A, I.C, I.D, and I.F) [EB59 Anx9 para11(a)]

⇒AMS-III.D, AMS-I.C, and AMS-I.F [EB61 rep para59]

⇒AMS-I.C and AMS-I.F [EB61 rep para59]

⇒AMS-I.D and AMS-I.F [EB62 rep para51]

⇒ AMS-III.AO and AMS-I.E [EB69 Anx27 para16]

⇒AMS-I.A, AMS-I.D and AMS-I.F [EB69 Anx27 para16]

⇒ AMS-I.E and AMS-II.G [EB69 Anx27 para16]

Where one or more methodologies are removed from a PoA applying multiple methodologies after the publication of the relevant PoA-DD for global stakeholder consultation, the requirement for the revision the PoA-DD dose not apply if the removed methodologies are optional to the remaining methodologies and, as a consequence, the physical design and end-use service of the PoA are not changed. [EB72 Anx6]

BOX1: Additionality of *CPA*

The EB clarified that a full additionality assessment is not required in the context of CPA, rather the confirmation of additionality for CPAs should be conducted by means of the eligibility criteria. [EB60 Anx26 para4].

BOX2: De-bundling under a *PoA*

There is the "Guidance for determining the occurrence of de-bundling under a ***PoA***.[EB47 Anx32 para7-9] . The flow chart for judging the occurrence of de-bundring under a ***PoA*** is described in the guidance.

BOX3: Interactive effects for a *PoA*

There is the "Guidance for the consideration of interactive effects for the application of multiple CDM methodologies for a programme of activities.[EB68 Anx3] . This document provides guidance on consideration of interactive effects when applying different technologies/measures pertaining to the same methodology and/or combinations of approved CDM methodologies.

Sampling of the *PoA*

There are "Standard for sampling and surveys for CDM project activities and programme of activities" [EB69 Anx4] and "Guidelines for sampling and surveys for CDM project activities and programme of activities" including examples [EB69 Anx5]

Start date of a *PoA* [EB70 Anx2 para159]

☞The start date of a ***PoA*** shall be either of the two dates below:

a) . The date of notification of the intention to seek the CDM status by the coordinating/managing entity to the secretariat and the DNA; or

b) The date of publication of the PoA-DD for global stakeholder consultation.

Duration of the *PoA* [EB70 Anx2 para160]

☞The duration of the ***PoA***, shall not exceed **28 years** (**60 years** for A/R project activities), and shall be defined by the entity at the time of request for registration of the ***PoA***.

⇒ Any ***CPA*** can be added to the ***PoA*** at any time during the duration of the ***PoA*** by the CME. The entity shall inform the EB of the adding of ***CPA(s)*** through a DOE using a predefined format.

Crediting period and starting date of the *CPA* [EB70 Anx2 para163]

a) The start date of the crediting period of a ***CPA*** shall be on or after

i. The date of registration of the PoA, if the corresponding CPA-DD is submitted together with the request for registration;

ii. The date of approval of the corresponding specific case CPA-DD, if the specific case CPA-DD is submitted for approval by the Board

iii. The date when the CPA was included in accordance with the Project cycle procedure

b) Each renewable crediting period shall be at most seven years (20 years for an A/R CPA) and may be renewed at most two times, for a maximum total length of 21 years (60 years for an A/R CPA). The first renewal of the crediting period of the CPA shall be conducted seven years after the start date of the crediting period of the CPA

c) A fixed crediting period shall be at most 10 years;

d) The duration of the crediting period of a CPA shall not exceed the duration of the PoA, regardless of the crediting period type of the CPA (renewable or fixed).

☞The EB agreed that the "Guidelines for the demonstration and assessment of prior consideration of the CDM" **do not apply** to **PoAs**, as it is expected that no component of the programme will commence prior to the start date of validation. [EB60 Anx26]

☞The EB agreed that if an A/R project activity was started after 10 December 2005 and complies with the eligibility criteria for inclusion as an A/R ***CPA*** under the A/R ***PoA***, then the project activity may be included as an A/R ***CPA*** and its crediting period starts at the starting date of the project activity. [EB53 Rep para40]

20-2. Procedures for programme of activities (PoA)

Procedures for registration of a *PoA* as a single CDM project activity and issuance of CERs for a *PoA* (Version 4.1) [EB55 Anx38]

Preparation of a F-CDM-PoA-DD and the F-CDM-CPA-DD

☞The **F-CDM-PoA-DD** shall include, *inter allia*, the following information:

⇒ Description of the operational and management arrangements established by the CME for the implementation of the ***PoA***, including a record keeping system for each ***CPA*** under the ***PoA***, a system/procedure to avoid double accounting e.g. to avoid the case of including a new ***CPA*** that has been already registered either as CDM project activity or as a ***CPA*** of another ***PoA***, the provisions to ensure that those operating the ***CPA*** are aware and have agreed that their activity is being subscribed to the ***PoA***; [EB55 Anx38 para6(j)]

⇒ If the CME does not wish to have all ***CPAs*** verified, a description of the proposed statistically sound sampling method/procedure to be used by DOEs for verification of the amount of GHG emission reductions or removals achieved by ***CPAs*** under the ***PoA***. [EB55 Anx38 para6(k)]

☞The **F-CDM-CPA-DD** shall include, *inter allia*, confirmation that the ***CPA*** is neither registered as a CDM project activity nor included in another registered ***PoA***. [EB55 Anx38 para7(h)]

Request for issuance of CERs for a *PoA*

☞A DOE who has not performed validation/inclusion/renewal of crediting period activities for the ***PoA***, unless approved by the EB, shall, *inter allia*:

⇒Identify those ***CPAs*** that it shall consider for verification in accordance with the method/procedure to be used for verification,

⇒Take into account the possible existence of different versions of the ***PoA*** and the need to account for this in its sampling approach, to ensure that a statistically sound sample of ***CPAs*** from each version of the ***PoA*** are being verified.

☞A DOE shall request issuance of CERs for a ***PoA***. The request shall relate to all ***CPAs*** included in the ***PoA*** with a crediting period which overlaps with the specified monitoring period. The monitoring periods shall be consecutive.

☞The period to request review by a Parties involved or 3 EB members shall be **6 weeks** from the date of receipt of the request for issuance.

☞A DOE shall not request issuance of CERs for a ***PoA*** within **3 months** of the previous request for issuance. [EB55 Anx38 para35-39]

Inclusion of a crediting period of a *CPA* under a registered *PoA*

☞ A ***CPA*** can be included in a registered ***PoA*** at any time during the duration of the ***PoA.*** To include an additional ***CPA*** in a registered ***PoA,*** the CME shall forward the completed **F-CDM-CPA-DD** form to any DOE for consistency checking. The CME may forward more than one **F-CDM-CPA-DD** at one time.

☞If consistency/integrity is confirmed, the DOE shall include the proposed ***CPA(s)*** in the registered ***PoA*** by forwarding the **F-CDM-CPA-DD** to the EB via uploading it through a dedicated interface on the CDM website. Such uploads shall be grouped and not occur more frequently than **once per month**.

☞The **F-CDM-CPA-DD(s)** uploaded by the DOE will be automatically included in the registered ***PoA*** and displayed on the view page of that ***PoA***. [EB55 Anx38 para22-24]

☞There is “Procedures for review of erroneous inclusion of a ***CPA***“ (see next page)

Renewal of a crediting period of a *CPA* under a registered *PoA*

☞The latest version of the “Procedures for Renewal of a Crediting Period of a Registered CDM project activity (chap.17)” shall be applied, mutatis mutandis, to a ***PoA*** every 7 years (20 years for A/R project activities).

⇒ If the version of the ***PoA*** has been revised, the renewal shall occur 7 years (or 20 years for A/R project activities) after the approval of the revised version.

☞To renew the crediting period of a ***CPA***, the CME shall forward, after having ensured that the ***CPA*** meets all the requirements, the completed latest version of the **F-CDM-CPA-DD** to **any DOE**.

☞If consistency/integrity is confirmed, the DOE shall renew the crediting period of the existing ***CPA*** by forwarding the **F-CDM-CPA-DD** to the EB via uploading it through a dedicated interface on the CDM website.

☞The **F-CDM-CPA-DD(s)** uploaded by the DOE will automatically have its crediting period renewed and displayed on the view page of that ***PoA***. [EB55 Anx38 para28-32]

20-2. Procedures for programme of activities (PoA)

Procedures for approval of the application of multiple methodologies to a *PoA* (Version 1) [EB47 Anx31]

(1) The DOE shall submit a request for approval to the secretariat together with the latest version of the ***F-CDM-PoA-DD*** and ***F-CDM-CPA-DD***.
(2) The secretariat shall evaluate the request for approval and place it on the agenda of the next meeting of the relevant Panel or WG, if the request has been received and considered complete **4 weeks** prior to the start of the meeting of the relevant Panel or WG.
(3) The Panel or WG shall evaluate the request to determine whether the applied combination of methodologies will be sufficient to address all project emissions and leakages that may occur as a result of the implementation of the ***CPA***.
(4) If the Panel or WG considers the combination to be sufficient, the request shall be recommended for approval by the EB.
(5) If the Panel or WG does not consider the combination to be sufficient, the request shall be rejected and the CME shall be recommended to submit a request for new methodology or a revision to an existing methodology to ensure such issues are addressed.
(6) The secretariat shall make the recommendation of the Panel or WG publicly available, and forward it to the EB for final decision.
☞A combination of any one of the Type III methodologies where activities lead to generation of methane with any one of the Type I methodologies for utilising the methane generated for generation of renewable energy can be applied in ***PoAs*** without pre approval of the EB. [EB56 Rep para57]

Procedures for review of erroneous inclusion of a *CPA* (Version 3) [EB61 Anx22]

(1) Requesting a review of erroneous inclusion

☞ Erroneous inclusion of a ***CPA*** into a ***PoA*** means that the ***CPA*** does not meet the eligibility criteria as specified in the ***F-CDM-PoA-DD***.
☞ If a DNA of a Party involved in the ***PoA*** or a EB member identifies information that may disqualify a ***CPA*** from inclusion in the ***PoA*** or renewal of its crediting period, the EB shall be notified, by means of a request for review form within **1 year** after the inclusion of ***CPA*** into a registered ***PoA*** or renewal of the crediting period of the ***CPA***, or within **6 months** after the first issuance of CERs for that ***CPA***, whichever is the latter.
☞ In case the request is received from an EB member, the Chair of the EB will decide, within **10 working days**, whether or not to include the request for review of inclusion on the agenda of the next EB meeting. If the Chair of the EB decides to include, or if the request has been received from a Party involved, the secretariat shall notify the CME, the validating DOE and the DNAs of all Parties involved. The CME and the validating DOE shall be invited to provide initial comments to the request for review. Such comments be submitted **no later than 4 weeks** from the date of notification of the review.

(2) Consideration of a request for review

☞ At the meeting during which the EB considers the request for review it shall, taking into account any comments received from CME and the including DOE

Initiate a full review in case the EB determines that the consideration of the request for review raises concerns

If the EB determines that the CPA was erroneously included, it excludes the CPA from the PoA with immediate effect

(3) Full review of erroneous inclusion

☞ If the EB initiates the review, it shall request the secretariat to contract a DOE that has not performed validation, registration, inclusion or verification functions with regard to this PoA to assess ***CPAs*** which have been included in the ***PoA*** concerned in the **12 month period** or have had their first issuance in the **6 month period** preceeding the request for review.
☞ An assessment team shall be established by the EB to analyse the DOE review report and make findings and recommendations to the EB **within 2 weeks**. The assessment team may discuss the findings of the review report and seek comments from the CME and including DOE, as appropriate.
☞ Based on this assessment, the assessment team shall make a finding as to:
(a) Whether any ***CPAs*** have been erroneously included into the ***PoA***; and
(b) Whether the compliance of each of the ***CPAs*** being reviewed with the eligibility criteria for inclusion in the ***PoA*** was adequately assessed by the including DOE in accordance with the EB-established validation requirements applicable at the time of the inclusion and, if any, validation requirements established in the ***F-CDM-POA-DD***.
☞ The EB shall consider the DOE review report and the finding of the assessment team at the next EB meeting for which the report and the finding have been made available **within the 2 week** document deadline.
☞ The EB shall decide to exclude any of the ***CPAs*** from the ***PoA***, if it is determined that they have been erroneously included. Any ***CPA*** that has been excluded shall not be re-included again in that or any other ***PoA***, or qualify as a CDM project

(4)Consequence of erroneous inclusion

☞ Where, for any of the ***CPAs*** excluded, the DOE shall acquire and transfer, **within 30 days** of the exclusion of the ***CPAs***, an amount of reduced t-CO_2e to the amount of CERs issued for the ***CPAs*** as a result of the ***CPAs*** having been included, to a cancellation account maintained in the CDM registry by the EB

20-3. Standard for the development of eligibility criteria

A. Requirements for the development of eligibility criteria

Coordinating/Managing Entity (CME)

Develop eligibility criteria for inclusion of a CPA under the PoA and shall include these criteria in the PoA design documents (F-CDM-PoA-DD, F-CDM-SSC-PoA-DD,F-CDM-PoA-DD-AR, or F-CDM-PoA-DD-SSC-AR) and demonstrate their usability to assess the inclusion of CPAs in the generic F-CDM-CPA-DD. [EB63 Anx3 para6][

☞ There is a minimum set of elements to be covered by the eligibility criteria. [EB63 Anx3 para13]

Develop and implement a management system that includes the following: [EB63 Anx3 para9]

(a) Clear definition of roles and responsibilities of personnel involved in the process of inclusion of CPAs, including a review of their competencies made available to the DOE at the time of validation of the PoA;
(b) Records of arrangements for training and capacity development for personnel made available to the DOE at the time of validation of the PoA;
(c) Procedures for technical review of inclusion of CPAs made available to the DOE at the time of validation of the PoA;
(d) A procedure to avoid double counting (e.g. to avoid the case of including a new CPA that has already been registered either as a CDM project activity or as a CPA of another PoA);
(e) Records and documentation control process for each CPA under the PoA, made available to the DOE at the time of request for inclusion of the CPA;
(f) Measures for continual improvements of the PoA management made available to the DOE at the time of validation of the PoA;
(g) Any other relevant elements.

Designated operational entity (DOE)

The validating DOE shall determine whether the eligibility criteria are sufficiently objective and comprehensive to permit the assessment of the inclusion of CPAs in the PoA. [EB63 Anx3 para8]

Assess the elements of the management system as part of the validation of the PoA or as part of the validation of the CPA inclusion. [EB63 Anx3 para10]

The CPAs shall be included in the PoA on the basis that the DOE has confirmed the eligibility of CPAs, where applicable undertaking sample-based checks in accordance with approved guidelines/standard from the EB. [EB63 Anx3 para11]

In the case of PoAs involving combinations of technologies/measures and/or methodologies, distinct eligibility criteria shall be proposed per combination applied as indicated in paragraph 11(a) to 11(d) of the ”Standard for application of multiple CDM methodologies for a programme of activities” [EB63 Anx4]

20-4. Requirement for the development of eligibility criteria

B. Requirements for updating eligibility criteria

(1) The version of methodology/ies applied by the PoA is revised or replaced, subsequent to being placed on hold

☞ CMEs shall update the eligibility criteria to the requirements of the revised or new methodology/ies with immediate effect and include them in a new version of the PoA DD (e.g. version 1.1) and new generic F-CDM-CPA-DD validated by a DOE, and shall submit it to the EB for approval. [EB63 Anx3 para14]

- Once changes have been approved by the EB, the inclusion of all new CPAs shall be based on the updated eligibility criteria applying the new generic F-CDM-CPA-DD
- CPAs that were included before the methodology was put on hold shall apply the revised version of the generic F-CDM-CPA-DD only at the time of the renewal of the crediting period.

(2) The version of methodology/ies applied by the PoA is revised without being placed on hold or is withdrawn for the purpose of inclusion in a consolidated methodology/ies unless otherwise indicated in the respective report of the meeting of the EB that has approved the new methodology/ies.

☞ No action is required. [EB63 Anx3 para15]

(3) The boundary of the PoA is amended post-registration to expand the geographic coverage or to include an additional host Party/ies,

☞ CMEs shall update the eligibility criteria to reflect the consequent changes and include them in a new version of the PoA DD (e.g. version 1.2) and new generic F-CDM-CPA-DD validated by a DOE, and shall submit it to the EB for approval.[EB63 Anx3 para16]

- Once changes have been approved by the EB, the inclusion of all new CPAs shall be based on the updated eligibility criteria applying the new generic F-CDM-CPA-DD
- CPAs that were included before the boundary of the PoA was amended shall apply the revised eligibility criteria only at the time of the renewal of the crediting period.

The revision of eligibility criteria of a registered PoA may be initiated by the EB at any time during the lifetime of the PoA if any significant problem is identified. [EB63 Anx3 para17]

(a) In case the revision of the eligibility criteria of a PoA is requested by the EB, the CME shall update them to reflect the consequent changes and include them in a new version of the PoA DD (e.g. version 1.2) and new generic F-CDM-CPA-DD validated by a DOE, and shall submit it to the EB for approval;
(b) Once changes have been approved by the EB, the inclusion of all new CPAs shall be based on the updated eligibility criteria applying the new generic F-CDM-CPA-DD;
(c) CPAs that were included before the revision of the eligibility criteria shall apply the revised eligibility criteria only at the time of the renewal of the crediting period.

At the renewal of the crediting period of a PoA (at the renewal of the first CPA), the CMEs shall update the eligibility criteria as per the latest revised applicable methodology/ies and include them in a new version of the PoA DD (e.g. version 1.3) and new generic F-CDM-CPA-DD validated by a DOE, and shall submit it to the EB for approval.[EB63 Anx3 para18]

(a) Once changes have been approved by the EB, the inclusion of all new CPAs shall be based on the revised eligibility criteria;
(b) The subsequent CPAs requesting the renewal of the crediting period shall apply the revised version of the generic F-CDM-CPA-DD.

21. Registry and international transaction log (ITL)

21-1. CDM registry

♦ The EB establishes and maintains a CDM registry to ensure the accurate accounting of the issuance, holding, transfer and acquisition of CERs by non-Annex I Parties. [CMP/2005/8/Ad1, p27 para1-2]

☞ The EB identifies a registry administrator to maintain the registry under its authority

☞ The CDM registry is in the form of a standardized electronic database, which enables the accurate, transparent and efficient exchange of data between national registries, the CDM registry and the international transaction log.

♦ The CDM registry will have the following accounts.

(1) One pending account for the EB, into which CERs are issued before being transferred to other accounts. [CMP/2005/8/Ad1, p27 para3(a)]

(2) Holding accounts for non-Annex I Party of hosting a CDM project activity or requesting an account. [CMP/2005/8/Ad1, p27 para3(b)]

(3) Cancellation accounts for excess CERs, to cancel KP units equal to excess CERs issued, as determined by the EB. [CMP/2005/8/Ad1, p27 para3(c)]

(4) Cancellation account for tCERs and lCERs, that have expired in a holding account of the CDM registry, and lCERs that have become ineligible. [CMP/2005/8/Ad1, p80 para3]

(5) Accounts for the share of proceeds, to hold and transfer CERs corresponding to the SOP-Adaptation. [CMP/2005/8/Ad1, p27 para3(d)]

(6) Voluntary cancellation account for the cancellation of CERs in the CDM registry for voluntary purposes. [EB69 Anx2 para1]

♦ Accounts described in (2)(3)(5) above may have multiple accounts.

☞ Each account will have a unique account number comprising a Party/organization identifier and a number unique to that account. [CMP/2005/8/Ad1, p27 para5]

♦ KP units transferred to a cancellation account may not be further transferred or used for the purpose of demonstrating the compliance of a Party with its commitment.

♦ Each CER has a unique serial number and be held in only one account in one registry at a given time. [CMP/2005/8/Ad1, p27 para4]

♦ CERs transferred to the voluntary cancellation account in the CDM Registry may not be transferred further to any other account in any registry. [EB69 Anx2 para5]

Publicly accessible information through the CDM registry

The CDM registry shall make non-confidential information publicly available through the Internet. [CMP/2005/8/Ad1, p28 para9-12]

◆Up-to-date information for account name, representative identifier, Party/organization identifier, etc for each account.

◆CDM project activity information including project name, years of CER issuance, operational entities involved, downloadable documentation to be made publicly available, etc.

◆Holding and transaction information relevant to the CDM registry, by serial number, for each calendar year

Monthly report [EB21 Rep, para70]

The CDM registry will provide the monthly reports to DNAs of respective Parties involved.

21-2. National registry

♦ Each Annex I Party must establish and maintain a national registry to ensure the accurate accounting of the issuance, holding, transfer, acquisition, cancellation and retirement of ERUs, CERs, AAUs and RMUs and the carry-over of ERUs, CERs and AAUs. [CMP/2005/8/Ad2, p28 para17]

☞ Each Party designates an organization as its registry administrator to maintain the national registry of that Party. [CMP/2005/8/Ad2, p28 para18]

⇒ Any 2 or more Parties may voluntarily maintain their respective national registries in a consolidated system, provided that each national registry remains distinct.

☞ A national registry is in the form of a standardized electronic database. The accurate, transparent and efficient exchange of data between national registries, the CDM registry and the transaction log should be ensured. [CMP/2005/8/Ad2, p28 para19]

♦ Each national registry has the following accounts in order to account for KP units (AAUs, ERUs, CERs, tCERs, lCERs and RMUs): [CMP/2005/8/Ad2, p28 para21]

(1) Holding account for the Party

(2) Holding account for each legal entity authorized by the Party, to hold KP units under its responsibility.

(3) Cancellation account for LULUCF activities, to cancel the KP units in case such activities result in a net source of GHG emissions.

(4) Cancellation account for non compliance, to cancel the KP units equal to 1.3 times the amount of excess emissions in case the Party was not in compliance in the 1st commitment period

(5) Cancellation account for other cancellations by the Party, to cancel KP units for purposes of cancellations other than (3) and (4) above.

(6) tCER replacement account, to cancel AAUs, CERs, ERUs, RMUs and/or tCERs for the purposes of replacing tCERs prior to expiry. [CMP/2005/8/Ad1, p71 para43]

(7) lCER replacement account, to cancel AAUs, CERs, lCERs, ERUs and/or RMUs for the purposes of replacing lCERs. [CMP/2005/8/Ad1, p71 para47]

(8) Retirement account, used to retire KP units valid for that commitment period for use towards meeting the Party's commitments. [CMP/2005/8/Ad2, p27 para14]

☞ For accounts described in (1) (2)(3)(5), multiple accounts may be established.

☞ Accounts described in (3) (4) (5) (6) (7) (8) should be established for each commitment period.

☞ Each account must have a unique account number comprising a Party identifier and a unique number. [CMP/2005/8/Ad2, p28 para22]

♦ KP units transferred to cancellation accounts may not be further transferred or carried over to the subsequent commitment period, or be used for the purpose of demonstrating the compliance of a Party. [CMP/2005/8/Ad2, p30 para35]

♦ KP units transferred to the retirement account may not be further transferred or carried over to the subsequent commitment period. [CMP/2005/8/Ad2, p30 para35]

Serial number of KP units *Below are images for illustrative purposes

- Every t-CO_2 of KP units is given a unique serial number.
- Each KP unit shall be held in only one account in one registry at a given time.
  [CMP/2005/8/Ad2, p28 para20]

Serial Number Identifiers

1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*
XX	1		000,000,000,000,001	999,999,999,999,999	01	01	1	0000001	1	XX/YY/ZZ

	Identifier	Range or Codes
1	Originating Registry	Two-letter country codes in ISO3166, as of 01 January 2005
2	Unit Type	1 = AAU, 2 = RMU, 3 = ERU converted from AAU, 4 = ERU converted from RMU, 5 = CER, 6 = tCER, 7 = lCER
3	Supplementary Unit Type	Blank for Kyoto-only Units, or as defined by STL (supplementary transaction log)
4	Unit Serial Block Start	Unique numeric values assigned by registry from 1 - 999,999,999,999,999
5	Unit Serial Block End	Unique numeric values assigned by registry from 1 - 999,999,999,999,999
6	Original Commitment Period	1 - 99
7	Applicable Commitment Period	1 - 99
8	LULUCF Activity	1 = Afforestation and reforestation, 2 = Deforestation, 3 = Forest management, 4 = Cropland management, 5 = Grazing land management, 6 = Revegetation
9	Project Identifier	Numeric value assigned by registry for Project, unique per originating registry. The Project Number is the combination of the Originating Registry and the Project Identifier.
10	Track	1 or 2
11	Expiry Date	Expiry Date for tCERs or lCERs

[Data exchange standards for registry system under the Kyoto Protocol, technical specifications (Version 1.1.2), 7 April, 2009, p F-2]

Publicly accessible information through national registry

Each national registry shall make non-confidential information publicly available through the Internet.
[CMP/2005/8/Ad2, p32 para44-48]

☞This also applies to information on accounts held by legal entities.

♦Information on accounts
☞The holder of the account, representative name and contact information of the account holder, etc.

♦Information on the total quantity of KP units

♦Holdings of KP units in each account

♦Information on the JI project
☞Project name, location, years of ERU issuance, relevant publicly available documentation.

♦A list of legal entities authorized by the Party to participate to the Kyoto Mechanisms.

21-3. International transaction log (ITL)

♦ The UNFCCC secretariat establishes and maintain an international transaction log (ITL) to verify the validity of transactions, including issuance, transfer and acquisition between registries, cancellation, expiration and replacement (in case of tCER and lCER), retirement and the carry-over of KP units. [CMP/2005/8/Ad2, p31 para38] [CMP/2005/8/Ad1, p73 para55-56]

☞ The ITL is in the form of a standardized electronic database. The accurate, transparent and efficient exchange of data between national registries, the CDM registry and the ITL should be ensured

♦ The ITL conducts the following automated check. [CMP/2005/8/Ad2, p31 para42]

(1) All transactions (issuance, transfer and acquisition between registries, cancellation, retirement and carry-over)

☞ units previously retired or cancelled; units existing in more than one registry; units for which a previously identified discrepancy has not been resolved;

☞ units improperly carried over; units improperly issued;

☞ the authorization of legal entities involved to participate in the transaction.

(2) Transfers between registries

☞ the eligibility of Parties involved in the transaction to participate in the KM;

☞ infringement upon the commitment period reserve of the transferring Party.

(3) Acquisitions of CERs from A/R CDM projects

☞ infringement of the limits (limitation for net acquisitions of tCERs and lCERs).

(4) Retirement of CERs

☞ the eligibility of the Party involved to use CERs to contribute to its compliance.

♦ Prior to the completion of any transactions, the initiating registry sends a record of the proposed transaction to the ITL and, in the case of transfers to another registry, to the acquiring national registry. [CMP/2005/8/Ad2, p31 para41]

♦ The ITL shall records, and makes publicly available, all transaction records and the date and time of completion of each transaction. [CMP/2005/8/Ad2, p32 para43(d)]

♦ The ITL notifies the Annex I Party that a replacement of the tCER or lCER has to occur, **1 month** prior to the expiry of each tCER or lCER. [CMP/2005/8/Ad1, p73 para55]

☞ Where a Annex I Party does not replace tCERs or lCERs in accordance with the rules, the ITL shall forward a record of non-replacement to the secretariat, for consideration as part of the review process for the relevant Party, under Art.8 of the KP, to the EB and to the Party concerned. [CMP/2005/8/Ad1, p73 para56]

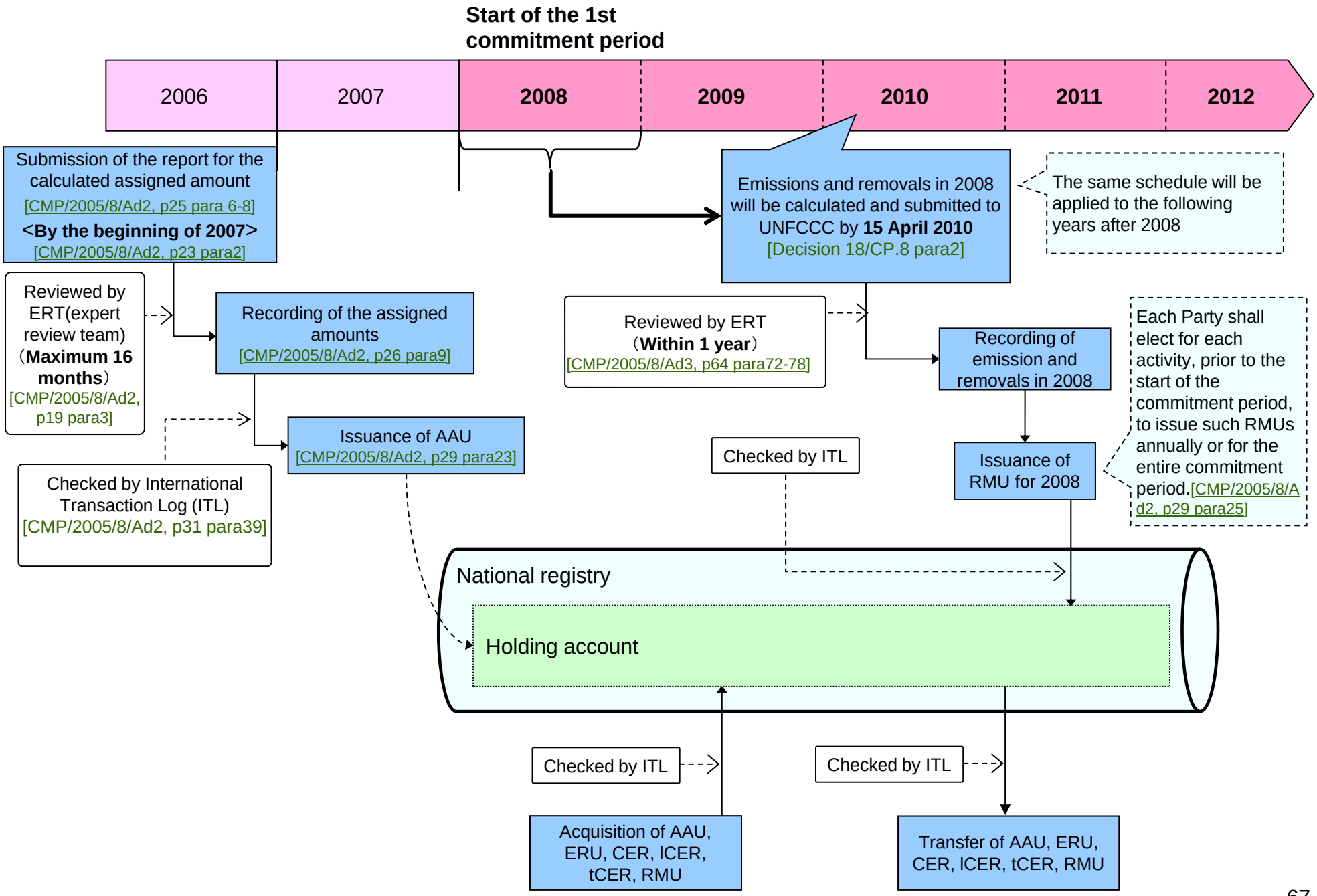
BOX: In case a discrepancy is notified in the automated check by the ITL

☞ The initiating registry shall terminate the transaction, notify the ITL and, in the case of transfers to another registry, the acquiring registry of the termination. The ITL shall forward a record of the discrepancy to the secretariat for consideration as part of the review process for the relevant Party or Parties under Article 8. [CMP/2005/8/Ad2, p32 para43(a)]

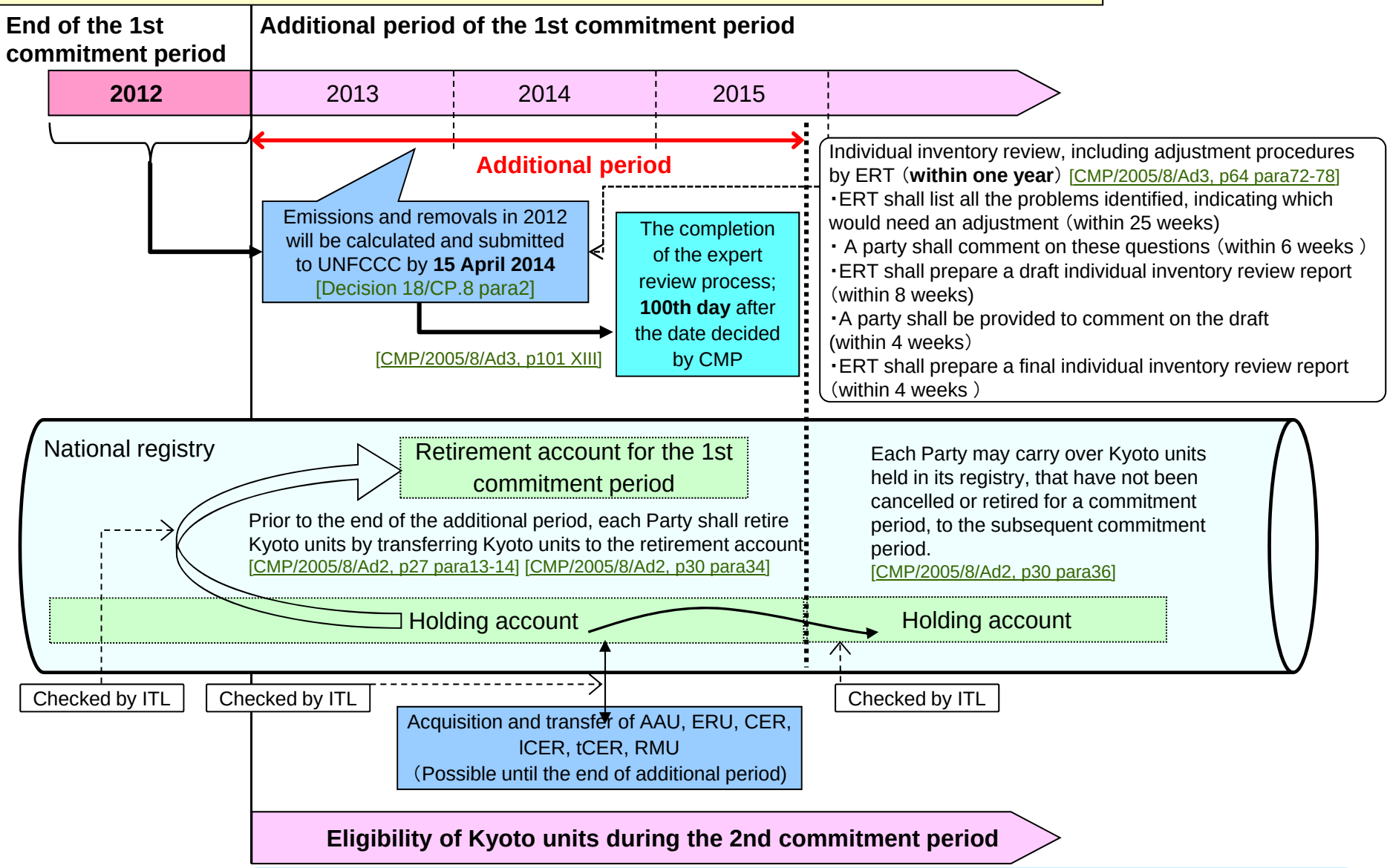
☞ In the event of a failure by the initiating registry to terminate the transaction, KP units involved in the transaction shall not be valid for use towards compliance with commitments, until the problem has been corrected and questions have been resolved.

⇒ The Party shall perform any necessary corrective action within **30 days**. [CMP/2005/8/Ad2, p32 para43(b)]

21-4. Issuance, transfer and acquisition of Kyoto units



21-5. Retirement, carry-over of Kyoto units and the 2nd commitment period



- Party included in Annex I may continue to participate in ongoing project activities under Article 12 and in any project activities to be registered after 31 December 2012 But only a Party with a QELRO shall be eligible to transfer and acquire CERs. [FCCC/KP/CMP/2012/L.9 para13]
- As of 1 January 2013, only a Party with a commitment shall be eligible to transfer and acquire CERs and AAUs, ERUs and RMUs valid for the second commitment period under Article 17 of the Kyoto Protocol para14 [FCCC/KP/CMP/2012/L.9 para14]

Attachment 1. Approved methodologies (AMs) and tools

Methodological Tools for Emission Reduction CDM Project Activities (AM Tools)	
1. Tool for the demonstration and assessment of additionality (ver.7) [EB70 Anx8]	This document provides for a step-wise approach to demonstrate and assess additionality. (Att.3)
2. Combined tool to identify the baseline scenario and demonstrate additionality (ver.5)[EB70Anx9]	This tool provides for a step-wise approach to identify the baseline scenario and simultaneously demonstrate additionality.
3. Tool to calculate project or leakage CO_2 emissions from fossil fuel combustion (ver.2) [EB41 Anx11]	This tool provides procedures to calculate project and/or leakage CO_2 emissions from the combustion of fossil fuels. It can be used in cases where CO_2 emissions from fossil fuel combustion is calculated based on the quantity of fuel combusted and its properties.
4. Emissions from solid waste disposal sites (ver.6.0.1) [EB66 Anx46]	This tool provides procedures to calculate baseline, project or leakage emissions of methane from solid waste disposed or prevented from disposal at a solid waste disposal sites (SWDS). The amount of methane generated from disposal of waste at the SWDS is calculated based on a first order decay (FOD) model
5. Tool to calculate baseline, project and/or leakage emissions from electricity consumption (ver.1) [EB39 Anx7]	The tool may, for example, be used in methodologies where auxiliary electricity is consumed in the project and/or the baseline scenario. The tool can also be applied in situations where electricity is only consumed in the baseline or in the project or as leakage source.
6. Project emissions from flaring (ver.2) [EB68 Anx15]	This tool provides procedures to calculate project emissions from flaring of a residual gas.
7. Tool to calculate the emission factor for an electricity system (ver.3) [EB70 Anx22]	This methodological tool determines the CO_2 emission factor for the displacement of electricity generated by power plants in an electricity system, by calculating the “operating margin” (OM) and “build margin” (BM) as well as the “combined margin” (CM).
8. Tool to determine the mass flow of a greenhouse gas in a gaseous stream (ver.2) [EB61 Anx11]	This tool provides procedures to determine the mass flow of a greenhouse gas in a gaseous stream. The tool can be used to determine the mass flow of the following gases: CO_2, CH_4, N_2O, SF_6 and/or PFCs.
9. Tool to determine the baseline efficiency of thermal or electric energy generation systems (ver.1) [EB48 Anx12]	The tool provides various options to determine the baseline efficiency of an energy generation system with the purpose of estimating baseline emissions.
10.Tool to determine the remaining lifetime of equipment (ver.1) [EB50 Anx15]	This tool may, for example, be used for project activities which involve the replacement of existing equipment with new equipment or which retrofit existing equipment as part of energy efficiency improvement activities.
11. Assessment of the validity of the original/current baseline and update of the baseline at the renewal of the crediting period (ver.3.0.1) [EB66 Anx47]	This tool provides a stepwise procedures to assess the continued validity of the baseline and to update the baseline at the renewal of a crediting period. The tool consist of 2 steps. The first step provides an approach to evaluate whether the current baseline is still valid for the next crediting period. The second step provides an approach to update the baseline in case that the current baseline is not valid anymore for the next crediting period
12.Project and leakage emissions from road transportation of freight (ver.1.1.0) [EB70 Anx23]	This tool provides procedures to estimate project and/or leakage CO2 emissions from road transportation of freight by vehicles.
13. Project and leakage emissions from composting (ver.1) [EB65 Anx9]	This tool provides procedures to calculate project and/or leakage emissions from composting and co-composting. Typical applications of the tool include projects composting municipal solid wastes, agricultural wastes and digestate.
14. Project and leakage emissions from anaerobic digesters (ver.1) [EB66 Anx32]	This tool provides procedures to calculate project and leakage emissions associated with anaerobic digestion in an anaerobic digester. The tool is not applicable to other systems where waste may be decomposed anaerobically, for instances stockpiles, SWDS or un-aerated lagoons.
15. Upstream leakage emissions associated with fossil fuel use (ver.1) [EB69 Anx12]	This tool provides a procedure to calculate leakage upstream emissions associated with the use of fossil fuels. The tool is applicable to fossil fuel use in either or both the baseline scenario and project activity as well as fossil fuel consumption for leakage emission sources.

Classification based on the key words are made by the author, and not described in the UNFCCC documents.
AM Tools*: Methodological tools which are referenced in the approved methodology. Please see p73 to identify the exact name of the AM tools.
Reg*: Total number of registered CDM projects which applies the listed methodology, including previous versions, as of Mar 29, 2013.

Attachment 1. AMs and tools

Key word	Number	Ver.	Name of the Approved Methodology	AM Tools*	Valid from	Reg*
Renewable energy	**ACM0002**	**13**	**Consolidated baseline methodology for grid-connected electricity generation from renewable sources**	1,2,3,7	17-Sep-10	2925
	AM0019	2	Renewable energy project activities replacing part of the electricity production of one single fossil-fuel-fired power plant that stands alone or supplies electricity to a grid, excluding biomass projects	1	18-May-06	0
	AM0026	3	Methodology for zero-emissions grid-connected electricity generation from renewable sources in Chile or in countries with merit order based dispatch grid	1,7	2-Nov-07	6
	AM0072	2	Fossil Fuel Displacement by Geothermal Resources for Space Heating	2,3,5	30-Oct-09	1
	AM0100	*1*	Integrated Solar Combined Cycle (ISCC) projects	2,3,7,11	25-Nov-11	0
	AM0103	*2*	Renewable energy power generation in isolated grids	2,3	02-Mar-12	0
	AMS-I.A	*16*	*Electricity generation by the user*		11-Jun-10	32
	AMS-I.B	*10*	*Mechanical energy for the user with or without electrical energy*		10-Aug-07	0
	AMS-I.C	*19*	*Thermal energy for the user with or without electricity*	3,5,9	17-Jun-11	266
	AMS-I.D	*17*	*Grid connected renewable electricity generation*	7	17-Jun-11	1796
	AMS-I.F	*2*	*Renewable electricity generation for captive use and mini-grid*	3,5	17-Jun-11	34
	AMS-I.J	*1*	*Solar water heating systems (SWH)*		15-Apr-11	0
	AMS-IK	*1*	*Solar cookers for households*	5	02-Mar-12	0
	AMS-IL	*1*	*Electrification of rural communities using renewable energy*	0	02-Mar-12	0
Biomass	**ACM0006**	**12.1.1**	**Consolidated methodology for electricity and heat generation from biomass residues**	1,3,4,5,7, 9,10	17-Sep-10	137
	ACM0018	**2**	**Consolidated methodology for electricity generation from biomass residues in power-only plants**	1,2,3,4,5, 7	12-Feb-10	45
	ACM0020	**1**	**Co-firing of biomass residues for heat generation and/or electricity generation in grid connected power plants**	2,3,7,9	29-Sep-11	0
	AM0007	1	Analysis of the least-cost fuel option for seasonally-operating biomass cogeneration plants		13-Jun-04	0
	AM0036	4	Fuel switch from fossil fuels to biomass residues in heat generation equipment	1,3,4,7,9	18-Dec-09	7
	AM0042	2.1	Grid-connected electricity generation using biomass from newly developed dedicated plantations	1,7	2-Nov-07	0
	AM0094	2	Distribution of biomass based stove and or heater for household or institutional use	2,3,5	15-Jul-11	0

There is “Guidelines for the reporting and validation of plant load factors” for the determination of the plant load factor of renewable energy power plants. [EB48 Anx11]

There is “Definition of renewable biomass” [EB23 Anx18] and “General Guidance on Leakage in biomass project activities.” [EB47 Anx28]

Key word	Number	Ver.	Name of the Approved Methodology	AM Tools*	Valid from	Reg*
Biomass	*AMS-I.E*	*5*	*Switch from non-renewable biomass for thermal application by the user*		29-Apr-11	17
	AMS-III.E	*16*	*Avoidance of methane production from decay of biomass through controlled combustion, gasification or mechanical/thermal treatment*	4	31-Jul-09	35
	AMS-III.AS	*1*	*Switching from fossil fuel to biomass in existing manufacturing facilities for non-energy applications*		18-Feb-11	4
Waste gas or heat	**ACM0012**	**4**	**Consolidated baseline methodology for GHG emission reductions from waste energy recovery projects**	3,7,9,10	15-Apr-11	115
	AM0009	6	Recovery and utilization of gas from oil wells that would otherwise be flared or vented	1,3,5,11	25-Nov-11	12
	AM0037	2.1	Flare (or vent) reduction and utilization of gas from oil wells as a feedstock	1,3,5,7	28-Mar-08	2
	AM0055	2.1	Recovery and utilization of waste gas in refinery	2,5,9	3-Jun-11	4
	AM0066	2	GHG emission reductions through waste heat utilization for pre-heating of raw materials in sponge iron manufacturing process	2,3,5,7	5-Dec-08	1
	AM0074	3	Methodology for new grid connected power plants using permeate gas previously flared and/or vented	1,3,5,7	18-Dec-09	1
	AM0077	1	Recovery of gas from oil wells that would otherwise be vented or flared and its delivery to specific end-users	1,2,3,5	12-Feb-09	0
	AM0081	1	Flare or vent reduction at coke plants through the conversion of their waste gas into dimethyl ether for use as a fuel	1,3,5	27-May-09	0
	AM0095	1	Waste gas based combined cycle power plant in a Greenfield iron and steel plant	1,7,11	29-Sep-11	0
	AM0098	1	Utilization of ammonia-plant off gas for steam generation	2,3,5,9	29-Sep-11	0
	AM0102	1	Greenfield cogeneration facility supplying electricity and steam to a Greenfield Industrial Consumer and exporting excess electricity to a grid and/or project customer(s)	2,3,7,10,11	02-Mar-12	0
	AMS-II.I	*1*	*Efficient utilization of waste energy in industrial facilities*	2	16-May-08	0
	AMS-III.P	*1*	*Recovery and utilization of waste gas in refinery facilities*	3,5	19-Oct-07	4
	AMS-III.Q	*5*	*Waste Energy Recovery (gas/heat/pressure) Projects*	3,5,7	29-Apr-11	40
Fuel switch	**ACM0009**	**4**	**Consolidated methodology for industrial fuel switching from coal or petroleum fuels to natural gas**	1	27-Jul-06	5
	ACM0011	**2.2**	**Consolidated baseline methodology for fuel switching from coal and/or petroleum fuels to natural gas in existing power plants for electricity generation**	1,2,3,7	2-Nov-07	1
	AM0014	4	Natural gas-based package cogeneration	1	10-Aug-07	6
	AM0029	3	Methodology for Grid Connected Electricity Generation Plants using Natural Gas	1,7	30-May-08	47
	AM0048	3.1	New cogeneration facilities supplying electricity and/or steam to multiple customers and displacing grid/off-grid steam and electricity generation with more carbon-intensive fuels	1,7	26-Feb-10	2
	AM0099	1	Installation of a new natural gas fired gas turbine to an existing CHP plant	1,3,7,9,10,11	25-Nov-11	0
	AMS-III.B	*16*	*Switching fossil fuels*		4-Mar-11	23

There is “Note on tools and guidance on energy efficiency methodologies”. [EB41 Anx13]

Attachment 1. AMs and tools

Key word	Number	Ver.	Name of the Approved Methodology	AM Tools*	Valid from	Reg*
Fuel switch	*AMS-III.Z*	*4*	*Fuel Switch, process improvement and energy efficiency in brick manufacture*	3,5	11-Jun-10	4
	AMS-III.AC	*1*	*Electricity and/or heat generation using fuel cell*	2,7	28-May-09	0
	AMS-III.AG	*2*	*Switching from high carbon intensive grid electricity to low carbon intensive fossil fuel*	2,7	11-Jun-10	0
	AMS-III.AH	*1*	*Shift from high carbon intensive fuel mix ratio to low carbon intensive fuel mix ratio*		16-Oct-09	1
	AMS-III.AM	*2*	*Fossil fuel switch in a cogeneration/trigeneration system*	3	4-Mar-11	1
	AMS-III.AN	*2*	*Fossil fuel switch in existing manufacturing industries*	3	4-Mar-11	0
Energy efficiency - supply side	**ACM0007**	**6.1**	**Conversion from single cycle to combined cycle power generation**	2,3,7,10	15-Apr-11	11
	ACM0013	**5**	**Consolidated baseline and monitoring methodology for new grid connected fossil fuel fired power plants using a less GHG intensive technology**	1,7	13-Sep-12	6
	ACM0021	**1**	**Reduction of emissions from charcoal production by improved kiln design and/or abatement of methane**	2,3,5,10	11-May-12	0
	AM0017	2	Steam system efficiency improvements by replacing steam traps and returning condensate		21-Jun-05	0
	AM0018	3	Steam optimization systems	1,2,3,5	30-May-08	10
	AM0038	3	Methodology for improved electrical energy efficiency of an existing submerged electric arc furnace used for the production of silicon and ferro alloys	7,10	3-Jun-11	1
	AM0044	2	Energy efficiency improvement projects: boiler rehabilitation or replacement in industrial and district heating sectors	1	21-Dec-06	0
	AM0045	2	Grid connection of isolated electricity systems	1,7	2-Nov-07	1
	AM0049	3	Methodology for gas based energy generation in an industrial facility	1,7	27-Feb-09	0
	AM0052	2	Increased electricity generation from existing hydropower stations through Decision Support System optimization	1,7	2-Nov-07	0
	AM0054	2	Energy efficiency improvement of a boiler by introducing oil/water emulsion technology	1,2,7	2-Nov-07	0
	AM0056	1	Efficiency improvement by boiler replacement or rehabilitation and optional fuel switch in fossil fuel-fired steam boiler systems	2,3	26-Jul-07	0
	AM0058	3.1	Introduction of a new primary district heating system	1,2,3,7	11-Jun-09	11
	AM0061	2.1	Methodology for rehabilitation and/or energy efficiency improvement in existing power plants	2,3,7	30-May-08	1
	AM0062	2	Energy efficiency improvements of a power plant through retrofitting turbines	2,3,7,9	13-Aug-10	2
	AM0087	2	Construction of a new natural gas power plant supplying electricity to the grid or a single consumer	1,3,7,9	13-Aug-10	0
	AM0104	2	Interconnection of electricity grids in countries with economic merit order dispatch	1,7	11-May-12	0
	AM0107	2	New natural gas based cogeneration plant	2,3,7,8,10,11	20-Jul-12	0

There is “Note on tools and guidance on energy efficiency methodologies”. [EB41 Anx13]

Attachment 1. AMs and tools

Key word	Number	Ver.	Name of the Approved Methodology	AM Tools*	Valid from	Reg*
Energy efficiency - supply side	AM0108	1	Interconnection between electricity systems for energy exchange	1, 7	13-Sep-12	0
	AM0109	1	Introduction of hot supply of Direct Reduced Iron in Electric Arc Furnaces	2, 3, 5, 11	13-Sep-12	0
	AMS-II.A	*10*	*Supply side energy efficiency improvements – transmission and distribution*		31-Jul-09	0
	AMS-II.B	*9*	*Supply side energy efficiency improvements – generation*		10-Aug-07	11
	AMS-II.K	*2*	*Installation of co-generation or tri-generation systems supplying energy to commercial building*	3,5,9,10	27-May-10	0
	AMS-II.Q	*1*	*Energy efficiency and/or energy supply projects in commercial buildings*		20-Jul-12	0
	AMS-III.M	*2*	*Reduction in consumption of electricity by recovering soda from paper manufacturing process*		10-Aug-07	0
	AMS-III.AL	*1*	*Conversion from single cycle to combined cycle power generation*	3,5,9	29-Jul-10	2
	AMS-III.BB	*1*	*Electrification of communities through grid extension or construction of new mini-grids*		11-May-12	0
	AMS-III.BG	*1*	*Emission reduction through sustainable charcoal production and consumption*	3,5	23-Nov-12	0
Energy efficiency - demand side	AM0020	2	Baseline methodology for water pumping efficiency improvements	1,7	2-Nov-07	0
	AM0046	2	Distribution of efficient light bulbs to households	1,7	2-Nov-07	1
	AM0060	1.1	Power saving through replacement by energy efficient chillers	2,7	29-Nov-07	0
	AM0067	2	Methodologies for installation of energy efficient transformers in a power distribution grid	2,7	16-Aug-08	0
	AM0068	1	Methodology for improved energy efficiency by modifying ferroalloy production facility	2,5	15-May-08	0
	AM0070	3.1	Manufacturing of energy efficient domestic refrigerators	7	8-Apr-10	1
	AM0076	1	Methodology for implementation of fossil fuel trigeneration systems in existing industrial facilities	2,3,5,7	12-Feb-09	0
	AM0084	2	Installation of cogeneration system supplying electricity and chilled water to new and existing consumers	2,3,4,7,10	3-Dec-09	0
	AM0086	2	Installation of zero energy water purifier for safe drinking water application	1,3,5,7	25-Mar-10	0
	AM0088	1	Air separation using cryogenic energy recovered from the vaporization of LNG	2,3,5	29-Jul-10	0
	AM0091	1	Energy efficiency technologies and fuel switching in new buildings	3,5,7,11	3-Jun-11	0
	AM0097	1	Installation of high voltage direct current power transmission line	2,7,11	29-Sep-11	0
	AM0105	1	Energy efficiency in data centres through dynamic power management	2,7	20-Jul-12	0
	AM0106	2	Energy efficiency improvements of a lime production facility through installation of new kilns	2,3,5,7,11	20-Jul-12	0
	AMS-II.C	*14*	*Demand-side energy efficiency activities for specific technologies*		31-Jul-09	12
	AMS-II.D	*12*	*Energy efficiency and fuel switching measures for industrial facilities*		18-Dec-09	54

Key word	Number	Ver.	Name of the Approved Methodology	AM Tools*	Valid from	Reg*
Energy efficiency - demand side	*AMS-II.E*	*10*	*Energy efficiency and fuel switching measures for buildings*		2-Nov-07	9
	AMS-II.F	*10*	*Energy efficiency and fuel switching measures for agricultural facilities and activities*		10-Aug-07	1
	AMS-II.G	*5*	*Energy efficiency measures in thermal applications of non-renewable biomass*		29-Apr-11	20
	AMS-II.H	*3*	*Energy efficiency measures through centralization of utility provisions of an industrial facility*	3,5,9,10	29-Apr-11	2
	AMS-II.J	*4*	*Demand-side activities for efficient lighting technologies*		11-Jun-10	36
	AMS-II.L	*1*	*Demand-side activities for efficient outdoor and street lighting technologies*		15-Apr-11	0
	AMS-II.M	*1*	*Demand-side energy efficiency activities for installation of low-flow hot water savings devices*		15-Jul-11	0
	AMS-IIN	*1*	*Demand-side energy efficiency activities for installation of energy efficient lighting and/or controls in buildings*		02-Mar-12	0
	AMS-IIO	*1*	*Dissemination of energy efficient household appliances*	11	02-Mar-12	0
	AMS-IIP	*1*	*Energy efficient pump-set for agriculture use*		20-Jul-12	0
	AMS-III.V	*1*	*Decrease of coke consumption in blast furnace by installing dust/sludge recycling system in steel works*	2,3,5	26-Sep-08	0
	AMS-III.AE	*1*	*Energy efficiency and renewable energy measures in new residential buildings*		17-Jul-09	0
	AMS-III.AR	*4*	*Substituting fossil fuel based lighting with LED/CFL lighting systems*		9-Dec-11	1
	AMS-IIIAW	*1*	*Electrification of rural communities by grid extension*	7,9	02-Mar-12	0
Biofuel	**ACM0017**	**2.1**	**Production of biodiesel for use as fuel**	1,3,5,6,AR13	17-Sep-10	0
	AM0089	1.1	Production of diesel using a mixed feedstock of gasoil and vegetable oil	1,5	17-Sep-10	0
	AMS-I.G	*1*	*Plant oil production and use for energy generation in stationary applications*	3,5	30-Jul-10	0
	AMS-I.H	*1*	*Biodiesel production and use for energy generation in stationary applications*	3,5,AR13	30-Jul-10	0
	AMS-III.T	*2*	*Plant oil production and use for transport applications*	3,5	13-Aug-10	1
	AMS-III.AK.	*1*	*Biodiesel production and use for transport applications*	3,5,AR13	30-Jul-10	0
Transportation	**ACM0016**	**3**	**Mass rapid transit projects**	1,3,5	25-Nov-11	8
	AM0031	5	Bus Rapid Transit Projects	1,2,3,5,6	25-Nov-11	10
	AM0090	1.1	Modal shift in transportation of cargo from road transportation to water or rail transportation	2,3,5	17-Sep-10	0
	AM0101	1	High speed passenger rail systems	1,5	02-Mar-12	0
	AM0110	1	Modal shift in transportation of liquid fuels	2,3,5,11	23-Nov-12	0
	AMS-III.C	*13*	*Emission reductions by electric and hybrid vehicles*	5	17-Jun-11	6

Key word	Number	Ver.	Name of the Approved Methodology	AM Tools*	Valid from	Reg*
Transportation	*AMS-III.S*	*4*	*Introduction of low-emission vehicles to commercial vehicle fleets*	3,5	13-Aug-10	0
	AMS-III.U	*1*	*Cable Cars for Mass Rapid Transit System (MRTS)*	5,7	26-Sep-08	1
	AMS-III.AA	*1*	*Transportation Energy Efficiency Activities using Retrofit Technologies*		28-May-09	0
	AMS-III.AP	*2*	*Transport energy efficiency activities using post - fit idling stop device*		4-Mar-11	0
	AMS-III.AQ	*1*	*Introduction of Bio-CNG in transportation applications*		26-Nov-10	0
	AMS-III.AT	*2*	*Transportation energy efficiency activities installing digital tachograph systems to commercial freight transport fleets*		15-Apr-11	1
	AMS-III.AY	*1*	*Introduction of LNG buses to existing and new bus routes*		02-Mar-12	0
	AMS-III.BC	*1*	*Emission reductions through improved efficiency of vehicle fleets*		20-Jul-12	0
Cement	**ACM0003**	**7.4.1**	**Emissions reduction through partial substitution of fossil fuels with alternative fuels or less carbon intensive fuels in cement or quicklime manufacture**	2,3,4,5	14-Dec-07	24
	ACM0005	**7.1**	**Increasing the Blend in Cement Production**	1,7	25-Nov-11	15
	ACM0015	**3**	**Consolidated baseline and monitoring methodology for project activities using alternative raw materials that do not contain carbonates for clinker manufacturing in cement kilns**	1,7	26-Mar-10	0
Material use	AM0027	2.1	Substitution of CO_2 from fossil or mineral origin by CO_2 from renewable sources in the production of inorganic compounds	1	5-Oct-06	1
	AM0050	3	Feed switch in integrated Ammonia-urea manufacturing industry	2,7	2-Nov-07	0
	AM0057	3.0.1	Avoided emissions from biomass wastes through use as feed stock in pulp and paper production or in bio-oil production	1,3,4,5,6	13-Aug-10	1
	AM0063	1.2	Recovery of CO_2 from tail gas in industrial facilities to substitute the use of fossil fuels for production of CO_2	1,2,3,5,7	29-Nov-07	1
	AM0096	1	CF_4 emission reduction from installation of an abatement system in a semiconductor manufacturing facility	2,3,5,11	29-Sep-11	0
	AMS-III.J	*3*	*Avoidance of fossil fuel combustion for carbon dioxide production to be used as raw material for industrial processes*		10-Aug-07	1
	AMS-III.O	*1*	*Hydrogen production using methane extracted from biogas*	3.6	19-Oct-07	1
	AMS-III.AD	*1*	*Emission reductions in hydraulic lime production*		28-May-09	1

Key word	Number	Ver.	Name of the Approved Methodology	AM Tools*	Valid from	Reg*
Material use	*AMS-III.AI*	*1*	*Emission reductions through recovery of spent sulphuric acid*		25-Mar-10	0
	AMS-III.BA	*1*	*Recovery and recycling of materials from E-waste*	7	11-May-12	0
	AMS-III.BD	*1*	*GHG emission reduction due to supply of molten metal instead of ingots for aluminium castings*	3,5	20-Jul-12	0
Others	AM0082	1	Use of charcoal from planted renewable biomass in the iron ore reduction process through the establishment of a new iron ore reduction system	2,3,5, 7, 9,13	16-Jul-09	0
	AMS-III.A	*2*	*Offsetting of synthetic nitrogen fertilizers by inoculant application in legumes grass rotations on acidic soils on existing cropland*	2	31-Jul-09	0
	AMS-III.AJ	*4*	*Recovery and recycling of materials from solid wastes*	4,7	29-Jul-11	0
	AMS-III.AV	*3*	*Low greenhouse gas emitting water purification systems*	3,5	29-Jul-11	0
Biogas	**ACM0010**	**7**	**Consolidated methodology for GHG emission reductions from manure management systems**	1,3,5,6,7	10-Oct-08	15
	ACM0014	**5**	**Mitigation of greenhouse gas emissions from treatment of industrial wastewater**	1,3,5,6,7	13-Aug-10	17
	ACM0022	**1**	**Alternative waste treatment processes**	2,3,4,5,6,8,9, 11,13,14	13-Sep-12	0
	AM0053	4	Biogenic methane injection to a natural gas distribution grid	1,3,5,6	25-Nov-11	1
	AM0069	2	Biogenic methane use as feedstock and fuel for town gas production	1,2,3,5	18-Dec-09	1
	AM0073	1	GHG emission reductions through multi-site manure collection and treatment in a central plant	3,5,6,7	27-Nov-08	2
	AM0075	1	Methodology for collection, processing and supply of biogas to end-users for production of heat	1,3,5,6	12-Feb-09	0
	AM0080	1	Mitigation of greenhouse gases emissions with treatment of wastewater in aerobic wastewater treatment plants	2,3,5,6,7	27-May-09	1
	AMS-I.I	*4*	*Biogas/biomass for thermal applications for households/small users*		17-Jun-11	0
	AMS-III.AO	*1*	*Methane recovery through controlled anaerobic digestion*	3,4,6,7	26-Nov-10	1
	AMS-III.D	*19*	*Methane recovery in animal manure management systems*	6	13-Oct-11	172
	AMS-III.H	*16*	*Methane recovery in wastewater treatment*	3,4,5,6	10-Dec-10	207
	AMS-III.I	*8*	*Avoidance of methane production in wastewater treatment through replacement of anaerobic lagoons by aerobic systems*		31-Jul-09	7
	AMS-III.Y	*2*	*Methane avoidance through separation of solids from wastewater or manure treatment systems*		30-Oct-09	1

Key word	Number	Ver.	Name of the Approved Methodology	AM Tools*	Valid from	Reg*
Landfill gas	**ACM0001**	**13**	**Flaring or use of landfill gas**	2,3,4,5,6,8, 9,10	25-Nov-11	199
	AM0083	1.01	Avoidance of landfill gas emissions by in-situ aeration of landfills	1,3,4,5,8	16-Jul-09	1
	AM0093	1.01	Avoidance of landfill gas emissions by passive aeration of landfills	1,3,4,5,8	15-Jul-11	0
	AMS-III.G	*8*	*Landfill methane recovery*	4	13-Oct-11	39
	AMS-III.AX	*1*	*Methane oxidation layer (MOL) for solid waste disposal sites*	3,4,5	25-Nov-11	0
Composting	*AMS-III.F*	*11*	*Avoidance of methane emissions through composting*	3,4,6	4-Mar-11	47
	AMS-III.AF	*1*	*Avoidance of methane emissions through excavating and composting of partially decayed municipal solid waste (MSW)*	4	16-Oct-09	0
Coal mine/bed methane	**ACM0008**	**7**	**Consolidated methodology for coal bed methane, coal mine methane and ventilation air methane capture and use for power (electrical or motive) and heat and/or destruction through flaring or flameless oxidation**	1,3,6,7	13-Aug-10	71
	AM0064	3	Methodology for mine methane capture and utilisation or destruction in underground, hard rock, precious and base metal mines	1,2,3,5,6,7	10-Oct-08	1
Leak reduction	AM0023	4	Leak detection and repair in gas production, processing, transmission, storage and distribution systems and in refinery facilities	1	29-Sep-11	12
	AM0043	2	Leak reduction from a natural gas distribution grid by replacing old cast iron pipes or steel pipes without cathodic protection with polyethylene pipes	1	2-Nov-07	0
Other methane related	*AMS-III.K*	*5*	*Avoidance of methane release from charcoal production*	4	9-Dec-11	1
	AMS-III.L	*2*	*Avoidance of methane production from biomass decay through controlled pyrolysis*	4	10-Aug-07	0
	AMS-III.R	*3*	*Methane recovery in agricultural activities at household/small farm level*		4-Mar-11	29
	AMS-III.W	*2*	*Methane capture and destruction in non-hydrocarbon mining activities*	3,5,6,7,9	9-Dec-11	0
	AMS-III.AU	*3*	*Methane emission reduction by adjusted water management practice in rice cultivation*		15-Apr-11	0

Key word	Number	Ver.	Name of the Approved Methodology	AM Tools*	Valid from	Reg*
N_2O	**ACM0019**	**1**	**N2O abatement from nitric acid production**	3,8	3-Jun-11	24
	AM0021	3	Baseline Methodology for decomposition of N_2O from existing adipic acid production plants	1,3,5	27-Feb-09	4
	AM0028	5.1	N2O destruction in the tail gas of Nitric Acid or Caprolactam Production Plants	1,3	26-Feb-10	21
	AM0034	5.1.1	Catalytic reduction of N_2O inside the ammonia burner of nitric acid plants	1	13-Aug10	57
	AM0051	2	Secondary catalytic N_2O destruction in nitric acid plants	1	2-Nov-07	0
	AMS-III.BE	*1*	*Avoidance of methane and nitrous oxide emissions from sugarcane pre-harvest open burning through mulching*	3,5	23-Nov-12	0
	AMS-III.BF	*1*	*Reduction of N2O emissions from use of Nitrogen Use Efficient (NUE) seeds that require less fertilizer application*		23-Nov-12	0
HFCs, PFCs, and SF_6	AM0001	6	Decomposition of fluoroform (HFC-23) waste streams	3,5,11	25-Nov-11	19
	AM0030	4	PFC emission reductions from anode effect mitigation at primary aluminium smelting facilities	1	5-Dec-08	3
	AM0035	2	SF_6 Emission Reductions in Electrical Grids	1	28-Sep-06	2
	AM0059	1.1	Reduction in GHGs emission from primary aluminium smelters	2,5,7	18-Oct-07	1
	AM0065	2.1	Replacement of SF_6 with alternate cover gas in the magnesium industry	2	16-Aug-08	3
	AM0071	2	Manufacturing and servicing of domestic refrigeration appliances using a low GWP refrigerant	2	8-Apr-10	0
	AM0078	2	Point of Use Abatement Device to Reduce SF6 emissions in LCD Manufacturing Operations	2,3,5	12-Feb-09	4
	AM0079	2	Recovery of SF6 from Gas insulated electrical equipment in testing facilities	2,3,5	18-Dec-09	1
	AM0092	2	Substitution of PFC gases for cleaning Chemical Vapour Deposition (CVD) reactors in the semiconductor industry	2,10	15-Jul-11	0
	AM0111	1	Abatement of fluorinated greenhouse gases in semiconductor manufacturing	2,3,5,10,11	23-Nov-12	0
	AMS-III.N	*3*	*Avoidance of HFC emissions in rigid Poly Urethane Foam (PUF) manufacturing*		8-Apr-09	0
	AMS-III.X	*2*	*Energy Efficiency and HFC-134a Recovery in Residential Refrigerators*	7	01-Oct-10	0
	AMS-III.AB	*1*	*Avoidance of HFC emissions in Standalone Commercial Refrigeration Cabinets*		28-May-09	0

Methodological Tools for A/R CDM Project Activities (AR-AM Tools)

1. Tool for the demonstration and assessment of additionality in A/R CDM project activities (ver.2) [EB35 Anx17]
2. Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities (ver.1) [EB35 Anx19]
3. Calculation of the number of sample plots for measurements within A/R CDM project activities (ver.2.1) [EB58 Anx15]
4. Estimation of GHG emissions related to fossil fuel combustion in A/R CDM project activities (ver.1) [EB33 Anx14]
5. Procedure to determine when accounting of the soil organic carbon pool may be conservatively neglected in CDM A/R project activities (ver.1) [EB33 Anx15]
6. Estimation of direct nitrous oxide emission from nitrogen fertilization (ver.1) [EB33 Anx16]
7. Estimation of non-CO2 GHG emissions resulting from burning of biomass attributable to an A/R CDM project activity (ver.4) [EB65 Anx 31]
8. Tool for calculation of GHG emissions due to leakage from increased use of non-renewable woody biomass attributable to an A/R CDM project activity (ver.1) [EB39 Anx11]
9. Estimation of carbon stocks and change in carbon stocks in dead wood and litter in A/R CDM project activities (ver.2**)** [EB67 Anx23]
10. Tool for the identification of degraded or degrading lands for consideration in implementing CDM A/R project activities (ver.1) [EB41 Anx15]
11. Estimation of carbon stocks and change in carbon stocks of trees and shrubs in A/R CDM project activity (ver.3) [EB70 Anx35]
12. Estimation of the increase in GHG emissions attributable to displacement of pre-project agricultural activities in A/R CDM project activity (ver.1) [EB51 Anx15]
13. Tool for estimation of change in soil organic carbon stocks due to the implementation of A/R CDM project activities (ver.1.1) [EB60 Anx12]
14. Demonstrating appropriateness of allometric equations for estimation of aboveground tree biomass in A/R CDM project activities (ver.1) [EB65 Anx28]
15. Demonstrating appropriateness of volume equations for estimation of aboveground tree biomass in A/R CDM project activities (ver.1.0.1) [EB67 Anx24]

There are guidance and guidelines for A/R methodologies. <http://cdm.unfccc.int/Reference/Guidclarif/ar/index_guid.html>
There are also clarifications for A/R methodologies. <http://cdm.unfccc.int/Reference/Guidclarif/ar/index_clarif.html>

Key word	Number	Ver.	Name of the Approved A/R Methodology	AR-AM Tools*	Valid from	Reg*
Afforestation and reforestation	**AR-ACM0003**	**1**	**Afforestation and reforestation of lands except wetlands**	2,8,10,12,13,14	23-Nov-12	0
	AR-AM0014	2	Afforestation and reforestation of degraded mangrove habitats	2,8,11	3-Jun-11	0
	AR-AMS0003	*2*	*Simplified baseline and monitoring methodology for small scale CDM afforestation and reforestation project activities implemented on wetlands*		14-Dec-07	1
	AR-AMS0007	*2*	*Simplified baseline and monitoring methodology for small-scale A/R CDM project activities implemented on grasslands or croplands*	3,9,14,15,16	17-Sep-10	0

Attachment 2. Guidelines on the consideration of suppressed demand in CDM methodologies [EB68 Anx2]

◆In decision 3/CMP.6, Parties reiterated their encouragement to the Board to "further explore the possibility of including in baseline and monitoring methodologies, as appropriate, a scenario where future anthropogenic emissions by sources are projected to rise above current levels due to specific circumstances of the host Party." [EB68 Anx2 para3]

◆In decision 8/CMP.7, Parties requested the Board to accelerate the implementation of guidelines on suppressed demand in baselines and monitoring methodologies, prioritizing those that are more applicable to the least developed countries, small island developing States, African countries and countries underrepresented in the clean development mechanism. [EB68 Anx2 para4]

Definitions [EB68 Anx2 para7]

◆**Income effect**: This effect occurs when the demand for a service, such as energy services, would increase in the baseline scenario over time as a result of the increase of the income of the user of the service, even without access to a better quality service.

◆**Rebound effect**: This effect occurs when the demand for a service, such as energy services, increases as a result of the decreased cost of the service per unit in the project scenario. For example, the benefits from savings in energy demand due to technical efficiency improvement and hence reductions in greenhouse gas (GHG) emissions may result in an increase in the demand (e.g. extended operating hours in lighting).

◆**Minimum service level (MSL)**: A service level that is able to meet basic human needs. In some situations, this service level may not have been provided prior to the implementation of the CDM project activity, indicating suppressed demand with a consequent future emissions increase due to income effect, rebound effect or other technical factors such as limited availability of a service (e.g. connection to a very weak grid) or low quality of a service (e.g. aversion to pollution caused by kerosene lanterns)

◆**Basic human needs**: For the purpose of these guidelines, these include physical and physiological needs such as basic housing, basic energy services (including lighting, cooking, drinking water supply and space heating), sanitation (waste treatment/disposal) and transportation.

Methodological approaches

A. Identification of the baseline technology/measure [EB68 Anx2 para13]

Step 1. identify the various alternative technologies/measures

↓

Step 2. Identify which alternatives technologies/measures identified in Step 1 are in compliance with the local regulations.

↓

Step 3. Rank the alternatives remaining after Step 2

↓

Step 4. Assess the alternatives in the sequence identified in Step 3 and eliminate in that sequence those alternatives that face barriers such as the ones listed right

↓

Step 5. The first alternative not eliminated by Step 4 and that is able to meet the minimum service level under realistic conditions is deemed as the baseline technology/measure.

B. Identification of the baseline service level [EB68 Anx2 para14]

In baseline and monitoring methodologies, the service level used to determine baseline emissions can correspond to the following levels:

(a) The service level provided prior to the implementation of the project activity:
(b) The service level provided under the project activity:
(c) A minimum service level:

(a) Income barrier, i.e. inability to meet the capital cost;
(b) Lack of infrastructure (e.g. non-existence of supply/service infrastructure);
(c) Lack of skills to operate the alternative;
(d) Technological barrier, e.g. technologies

Box1: Example of applied methodologies for scope and applicability

AMS-I.A, AMS-I.L, AMS-III.AV, AMS-III.F [EB68 Anx2 para8]

C. Determination of the minimum service level [EB68 Anx2 para16]

For establishing a minimum service level the following approached may be used:

(a) National/international peer-reviewed research or relevant studies
(b) Benchmarks that take into account that emissions will rise to achieve the international/national development goals.

Further, in setting the minimum service level, the following should be taken into account:

(a) Environmental integrity of the emission reductions has to be safeguarded;
(b) Climatic zones may be taken into account where feasible;
(c) Normative decisions have to be clearly referenced and explained;
(d) Decisions regarding suppressed demand have to be re-evaluated and updated periodically based on recent data to ensure they are based on realistic assumptions.

Attachment 3. Tool for the demonstration and assessment of additionality

(Version 7) [EB70 Anx8]

The use of this tool is not mandatory for PPs when proposing new methodologies. PPs may propose alternative methods to demonstrate additionality for consideration by the EB, or submit revisions to approved methodologies(AMs) using this tool. But once this tool is included in an AM, its application by PPs using this methodology is mandatory.

Measure

Fuel and feedstock switch / Switch of technology with or without change of energy source / Methane destruction / Methane formation avoidance

Step 0. Demonstration whether the proposed project activity is the first-of-its-kind (Optional)

- ☞ If the proposed CDM project activity(ies) apply the defined measure(s) , the latest version of the "Guidelines on additionality of first-of-its-kind project activities" shall be applied. [EB69 Anx7]
- ☞ If the proposed CDM project activity(ies) apply other measure(s), the project proponents shall propose approach for demonstrating that a project is a "first-of-its-kind".

Pass

Not applicable

Step 1. Identification of alternatives to the project activity consistent with current laws and regulations

Sub-step 1a. Define alternatives to the project activity:

- ☞ Identify realistic and credible alternative scenario(s) available to the PPs or similar project developers that provide outputs or services comparable with the proposed CDM project activity.

Sub-step 1b. Consistency with mandatory laws and regulations:

- ☞ The alternative scenario(s) shall be in compliance with all mandatory applicable legal and regulatory requirements. If an alternative does not comply with all mandatory applicable legislation and regulations, then show that those applicable legal or regulatory requirements are systematically not enforced;
- ☞ If the proposed project activity is the only alternative amongst the ones considered by the PPs that is in compliance with all mandatory regulations with which there is general compliance, then the proposed CDM project activity is not additional.

Pass

Step 2 or Step 3, or both step 2 and step 3

Step 2. Investment analysis (also see "Guidance on the Assessment of Investment Analysis ver.5" [EB62 Anx5])

Determine whether the proposed project activity is not the most economically or financially attractive, or economically or financially feasible, without the revenue from the sale of CERs.

Sub-step 2a. Determine appropriate analysis method :

☞ If the CDM project activity and the alternatives identified in Step 1 generates no financial or economic benefits other than CDM related income, then apply Option I below. Otherwise, use Option II or Option III.

Sub-step 2b.

Option I. Apply simple cost analysis

☞ Document the costs associated with the CDM project activity and demonstrate that there is at least one alternative which is less costly than the project activity.

Option II. Apply investment comparison analysis

☞ Identify the financial indicator, such as IRR , NPV, cost benefit ratio, or unit cost of service most suitable for the project type and decision-making context.

Option III. Apply benchmark analysis

☞ Identify the financial/economic indicator, such as IRR. The financial/economic analysis shall be based on parameters that are standard in the market but not linked to the subjective profitability.

☞ Only in the particular case where the project activity can be implemented by the PP, the specific financial/economic situation of the company undertaking the project activity can be considered.

Sub-step 2c. Calculation and comparison of financial indicators (only applicable to options II and III):

☞ Present in the F-CDM-PDD a clear comparison of the financial indicator for the proposed CDM activity and:

⇒ (a) The alternatives, if Option II (investment comparison analysis) is used, or (b) the financial benchmark, if Option III (benchmark analysis) is used. If the CDM project activity has a less favourable indicator, then the CDM project activity cannot be considered as financially attractive.

Sub-step 2d. Sensitivity analysis (only applicable to options II and III) :

☞ Include a sensitivity analysis that shows whether the conclusion is robust to reasonable variations in the critical assumptions.

Pass

Step 3. Barrier analysis (also see the "Guidelines for objective demonstration and assessment of barriers" [EB50 Anx13])

Determine whether the proposed project activity faces barriers that prevent the implementation of this type of proposed project activity, and do not prevent the implementation of at least one of the alternatives. Provide transparent and documented evidence, and offer conservative interpretations of this documented evidence, as to how it demonstrates the existence and significance of the identified barriers.

If the CDM does not alleviate the identified barriers that prevent the proposed project activity from occurring, then the project activity is not additional.

Sub-step 3a. Identify barriers that would prevent the implementation of type of the proposed project activity:

☞Establish that there are realistic and credible barriers that would prevent the implementation of the type of proposed project activity from being carried out if the project activity was not registered as a CDM activity. Such barriers may include, among others, investment barriers other than the economic/financial barriers in Step 2 above, technological barriers and other barriers.

Sub-step 3 b. Show that the identified barriers would not prevent the implementation of at least one of the alternatives (except the proposed project activity):

☞If the identified barriers also affect other alternatives, explain how they are affected less strongly than they affect the proposed CDM project activity.

Pass

Step 4. Common practice analysis

The above generic additionality tests shall be complemented with an analysis of the extent to which the proposed project type has already diffused in the relevant sector and region. This test is a credibility check to complement the investment analysis (**Step 2**) or barrier analysis (**Step 3**).

Sub-step 4a. The proposed CDM project activity(ies) applies the listed measure(s) :

☞The latest version of the "Guidelines on common practice" available shall be applied. [EB69 Anx8]

Sub-step 4b. The proposed CDM project activity(ies) does not apply any of the listed measures

☞Provide an analysis to which extent similar activities to the proposed CDM project activity have been implemented previously or are currently underway. Similar activities are defined as activities that are of similar scale, take place in a comparable environment, inter alia, with respect to the regulatory framework and are undertaken in the applicable geographical area, as defined above. Other CDM project activities are not to be included in this analysis. Provide documented evidence and, where relevant, quantitative information. On the basis of that analysis, describe whether and to which extent similar activities have already diffused in the applicable geographical area

Stepwise approach for common practice [EB69 Anx8]

Step 1: calculate applicable capacity or output range as +/-50%.
Step 2: identify similar projects (both CDM and non-CDM)
Step 3: identify those that are neither registered CDM, request for registration, nor under validation. Note their number N_{all}
Step 4: identify those that apply technologies that are different to the technology applied in the proposed activity. Note their number N_{diff}
Step 5: calculate factor $F=1-N_{diff}/N_{all}$
The proposed project is a "common practice" if the factor F is greater than 0.2 and $N_{all} - N_{diff}$ is greater than 3.

The proposed CDM project activity is additional

Pass

Attachment 4. Guidelines for demonstrating additionality of microscale project activities

(Version 4) [EB68 Anx26]

◆Projects **up to 5 MW** that employ renewable energy technology are **additional** if any one of the conditions below is satisfied
◆Energy efficiency projects that aim to achieve energy savings at a scale of **no more than 20GWh/yr** are additional if any one of the conditions below is satisfied
◆Other projects (i.e. Type III projects) that aim to achieve ERs at a scale of **no more than 20 ktCO2e per year** are additional if any one of the conditions below is satisfied
◆Projects that meet the requirements above are termed **'Microscale CDM project activities'**
◆The guidelines are applicable to CPAs under PoAs [EB68 Anx26 para6]

The project size <=5 MW of installed capacity of renewable energy

Is the geographic location of the project in one of **LDCs/SIDs** or **in a special underdeveloped zone(SUZ)** of the host country?

Yes

No

Is the project an **off grid** activity supplying energy to **households/communities**? (<12 hrs grid availability per 24 hrs is also considered as "off grid" for this assessment)

Yes

No

Is the project for **distributed energy generation** (not connected to a national or regional grid) with both condition satisfied?
☞Each of the independent subsystems/measures in the project <=1500 kW;
☞End users of the subsystems or measures are households/communities/SMEs.

Yes

No

Does the project employ **specific renewable energy technologies/ measures** recommended by the host country DNA and approved by the EB? The following conditions shall apply for DNA recommendations:

(i) Specific renewable energy technologies/measures. refers to grid connected renewable energy technologies5 of installed capacity equal to or smaller than 5 MW;

(ii) The ratio of installed capacity of the specific grid connected renewable energy technology in the total installed grid connected power generation capacity in the host country shall be equal to or less than 3 per cent;

(iii) Most recent available data on the percentage of contributions of specific renewable energy technologies shall be provided to demonstrate compliance with the 3 per cent threshold. In no case shall data older than three years from the date of submission be used;

(vi) Technologies/measures recommended by DNAs and approved by the EB to be additional in the host country remain valid for three years from the date of approval. However, additionality of eligible project activities applying the guidelines remains valid for the entire crediting period;

(v) DNA submissions shall include the specific grid connected renewable electricity generation technologies that are being recommended and provide the required data as indicated above (e.g. wind power, biomass power, geothermal power, hydropower).

Yes

No

Use other means of additionality demonstration (e.g. Tool for demonstration of additionality (Att. 3), Guidelines on the demonstration of additionality of small-scale project activities(chap.18-2)

Project is additional

The project size <=20 GWh energy savings per year

☞All technologies/measures included in approved Type II SSC methodologies are eligible to be considered.
[Footnote13 of EB68 Anx26 para3]

Is the geographic location of the project in **LDCs/SIDs** or **SUZ** of the host?

Yes → **Project is additional**

No

Are the following two conditions satisfied?
☞Each of the independent subsystem/measure in the project **annually saves <=600 MWh**;
☞End users of the subsystem or measure are households/communities/SME

Yes → **Project is additional**

No

Use other means of additionality demonstration (e.g. Tool for demonstration of additionality (Att.3), Guidelines on the demonstration of additionality of small-scale project activities (chap.18-2)

The project ERs <=20 ktCO2e per year

☞All technologies/measures included in approved Type III SSC methodologies are currently eligible to be considered, except for AMS-III.V, III.P, III.Q, III.W (Att.2).
[Footnote14 of EB68 Anx26 para4]

Is the geographic location of the project in **LDCs/SIDs** or **SUZ** of the host?

Yes → **Project is additional**

No

Are the following two conditions satisfied?
☞Each of the independent subsystem/measure in the project **annually ERs <=600 tCO2e per year**;
☞End users of the subsystem or measure are households/communities/SME

Yes → **Project is additional**

No

Use other means of additionality demonstration (e.g. Tool for demonstration of additionality (Att.3), Guidelines on the demonstration of additionality of small-scale project activities (chap.18-2)

BOX: Procedure: Submission and consideration of microscale renewable energy technologies for automatic additionality

[EB70 Anx37]

☞The document contains the process for the submission of proposed specific renewable energy technologies/measures and proposed SUZs by DNAs.

BOX: Special underdeveloped zone (SUZ) [EB68 Anx26]

☞A region in the host country (zone, municipality or any other designated official administrative unit) identified by the Government in official notifications for development assistance including for planning, management, and investment satisfying any one of the following conditions using most recent available data:
- The proportion of population with income less than USD 2 per day (PPP) in the region is greater than 50%;
- The GNI per capita in the country is less than USD 3000 and the population of the region is among the poorest 20% in the poverty ranking of the host country as per the applicable national policies and procedures;

☞In cases where, based on the recommendation of the designated national authority of the host country the SUZ in the host country has been approved by Executive Board (hereinafter referred to as the Board) of the clean development mechanism (CDM), the list of such SUZ shall be maintained on the UNFCCC website (e.g. at<http://cdm.unfccc.int/DNA/submissions/index.html>). In the case of these SUZ listed on the CDM website there is no need for the project proponents to provide proof.

BOX: Other guidance on PoA, bundled projects and Eligibility

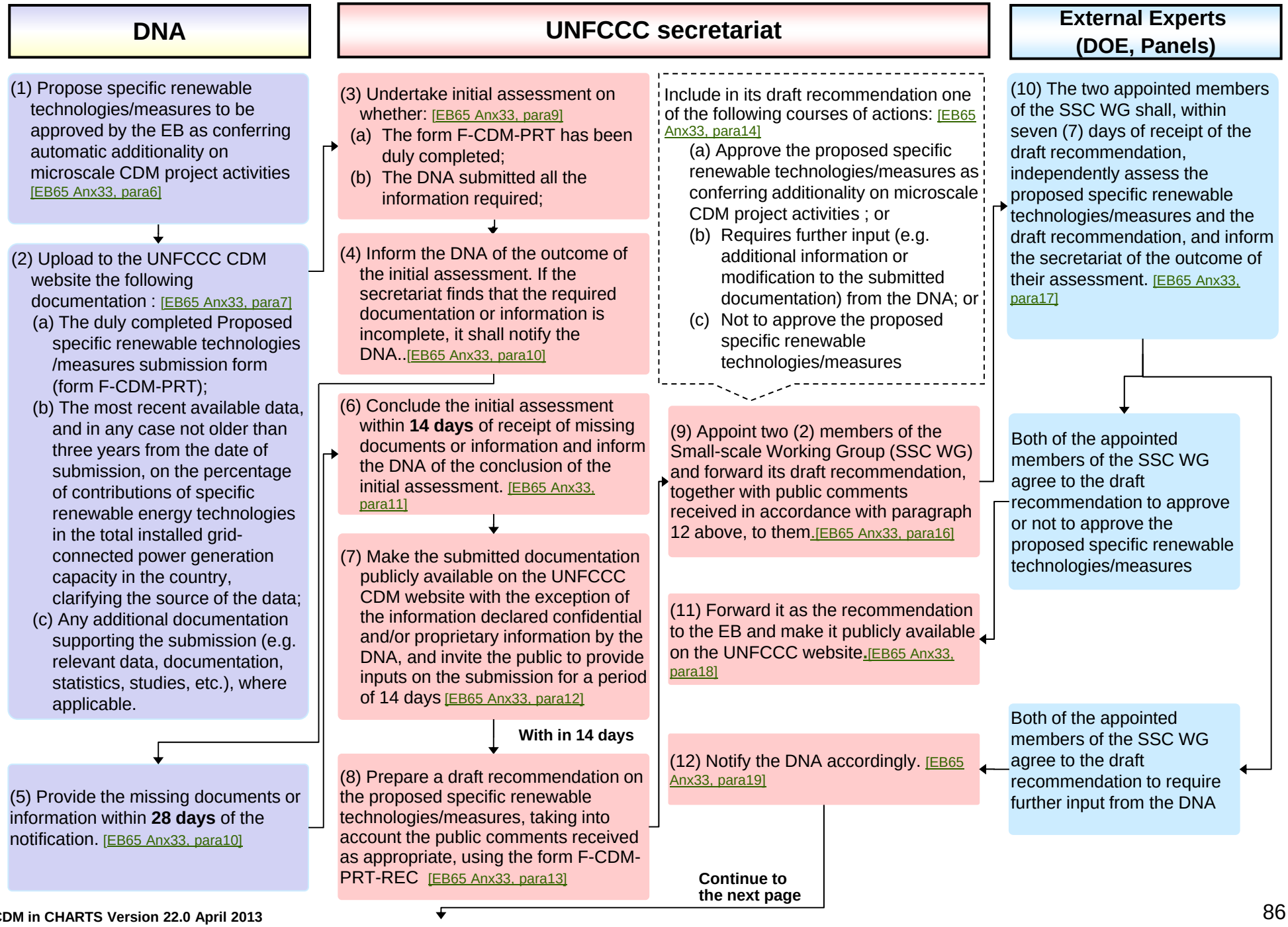
☞'Project activity' means a small scale or large scale CDM project activity or a project activity under a PoA (CPA of a PoA). [EB60 Anx25 para6]

☞In the case of bundled projects, individual projects within the bundle and these guidelines are applied in conjunction with the "Guidelines on assessment of debundling for SSC project activities" (chap. 18-3 Bundling of SSC)

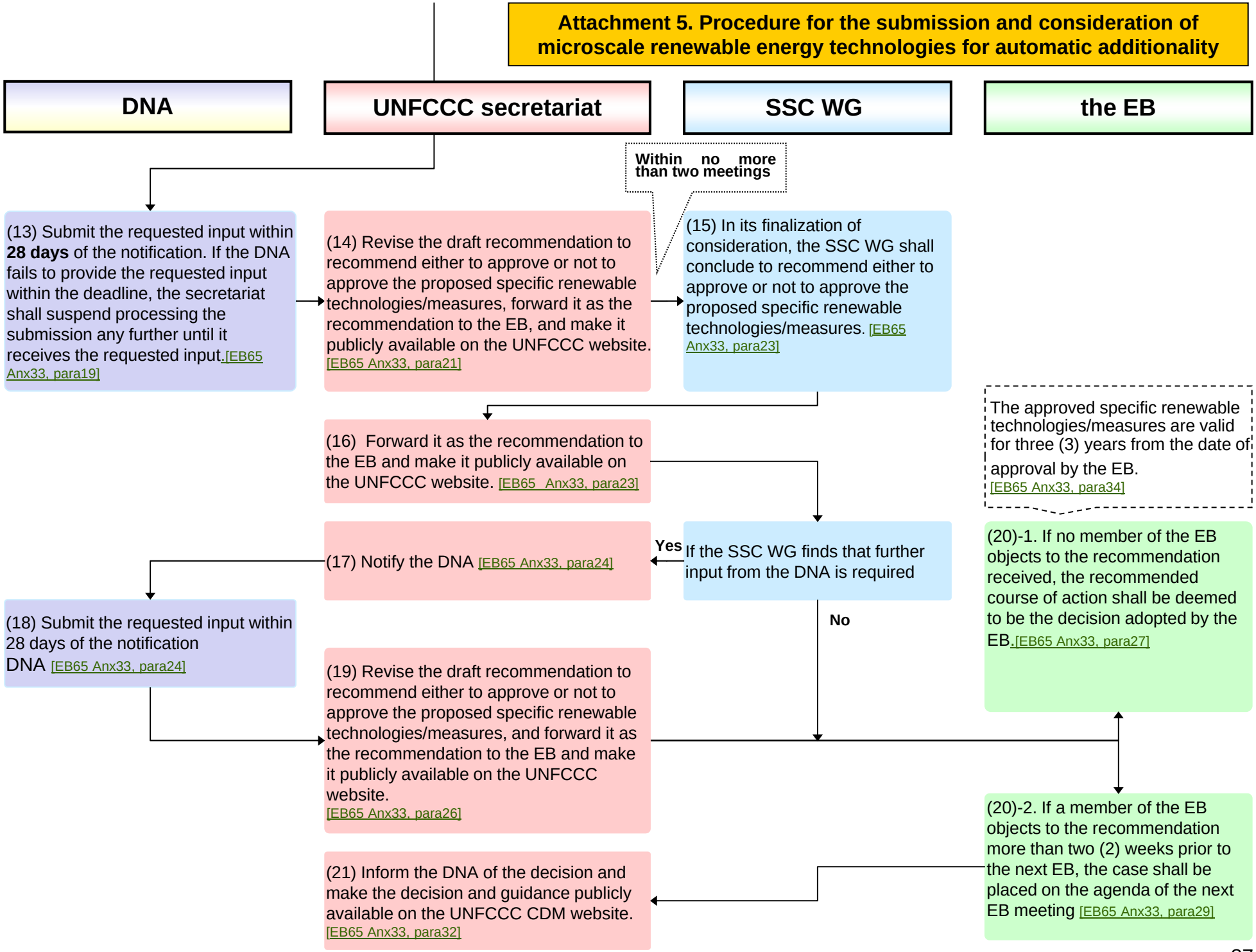
☞Eligibility as microscale CDM project activities will be determined in accordance with the principle laid out in the "General Guidelines to SSC CDM methodologies" (chap. 18-1 Definition of small-scale CDM)

Attachment 5. Procedure for the submission and consideration of microscale renewable energy technologies for automatic additionality

(Version 1) [EB65Anx33]



Attachment 5. Procedure for the submission and consideration of microscale renewable energy technologies for automatic additionality



Attachment 6. Tool to calculate the emission factor for an electricity system

(Version 03)[EB70 Anx22]

This methodological tool determines the CO2 emission factor for the displacement of electricity generated by power plants in an electricity system, by calculating the "combined margin" emission factor (CM) of the electricity system.

Scope and applicability

$EF_{grid,OM,y0}$	Operating margin (**OM**) CO_2 emission factor for project electricity system in year *y*	OM refers to the group of existing power plants whose current electricity generation would be affected by the proposed CDM project activity.
$EF_{grid,BM,y}$	Build margin (**BM**) CO_2 emission factor for project electricity system in year *y*	BM refers to the group of prospective power plants whose construction and future operation would be affected by the proposed CDM project activity
$EF_{grid,CM,y}$	Combined margin (**CM**) CO_2 emission factor for project electricity system in year *y.*	The result of a weighted average of two emission factors pertaining to the electricity system:

- This tool may be applied to estimate the OM, BM and/or CM when calculating baseline emissions for a project activity that substitutes grid electricity that is where a project activity supplies electricity to a grid or a project activity that results in savings of electricity that would have been provided by the grid
- The emission factor for the project electricity system can be calculated either for grid power plants only or, as an option, can include off-grid power.

Step 1. Identify the relevant electric power system

A grid/project electricity system (the reference system)
The spatial extent of the power plants that are physically connected through transmission and distribution lines to the project activity

Electricity import ⟵

⟶ **Electricity export**

A connected electricity system
An electricity system that is connected by transmission lines to the project electricity system.

Significant transmission constraint

BM emission factor calculation:
The spatial extent is limited to the project electricity system, except where recent or likely future additions to the transmission capacity enable significant increases in imported electricity.

Options for CO2 emission factor for net electricity imports in OM emission factor calculation:
(a) 0 t CO2/MWh; (b) The simple operating margin emission rate of the exporting grid, (c) The simple adjusted operating margin emission rate of the exporting grid, or (d) The weighted average operating margin (OM) emission rate of the exporting grid,

Step 2. Choose whether to include off-grid power plants in the project electricity system (optional)

Option I: Only grid power plants are included in the calculation

Option II: Both grid power plants and off-grid power plants are included in the calculation

Option IIa: Collecting data on off-grid power generation and can only be used if the conditions outlined therein are met

Option IIb: The default CO2 emission factor (0.8 t CO2/MWh)and the default value of the electricity generated by the off-grid power plants (10% of the total electricity generation by grid power plants in the electricity system for OM determination, and 10% of the electricity generation by grid power plants included in the sample group as per Step 5 for BM determination) can be applied for the first crediting , when the following conditions apply;

(a) The project activity is located in (i) LDC; (ii) a SIDS or (iii) a country with less than 10 registered CDM projects at the starting date of validation; and

(b) The project activities consist of grid-connected renewable power generation; and

(c) It can be demonstrated that there is a load shedding program in place to compensate the deficit of the generation capacities.

Step 3. Select a method to determine the operating margin (OM)

Calculation method and data vintage

(a) Simple OM	Calculated as the generation-weighted average CO2 emissions per unit net electricity generation of all generating power plants serving the system, not including low-cost/must-run power plants/units	Ex ante option: The emission factor is determined once at the validation stage. Use a 3-year generation-weighted average for grid power plants . Use a single calendar year within the five most recent calendar years for off-grid power plants. Ex post option The emission factor is determined for the year in which the project activity displaces grid electricity, requiring the emissions factor to be updated annually during monitoring.
(b) Simple adjusted OM	A variation of the simple OM. The power plants/units are separated in low-cost/must-run power sources and other power sources.	
(d) Average OM	Calculated as the generation-weighted average CO2 emissions per unit net electricity generation of all generating power plants serving the system, but also including the low-cost/must-run power plants in all equations.	
(c) Dispatch data analysis OM	Determined based on the grid power units that are actually dispatched at the margin during each hour where the project is displacing grid electricity.	Use the year in which the project activity displaces grid electricity and update the emission factor annually during monitoring.

Applicability of Simple OM method: Low-cost/must-run resources constitute less than 50 % of total grid generation (excluding electricity generated by off-grid power plants) in: 1) average of the five most recent years, or 2) based on long-term averages for hydroelectricity production.

Step 4. Calculate the operating margin emission factor according to the selected method

Simple OM (Only one method out of four methods is introduced here)

Option A: Calculation based on average efficiency and electricity generation of each plant

Option A1: Determined based on data of fuel consumption and electricity generation, and the CO2 emission factor and net calorific value of the fuel type used

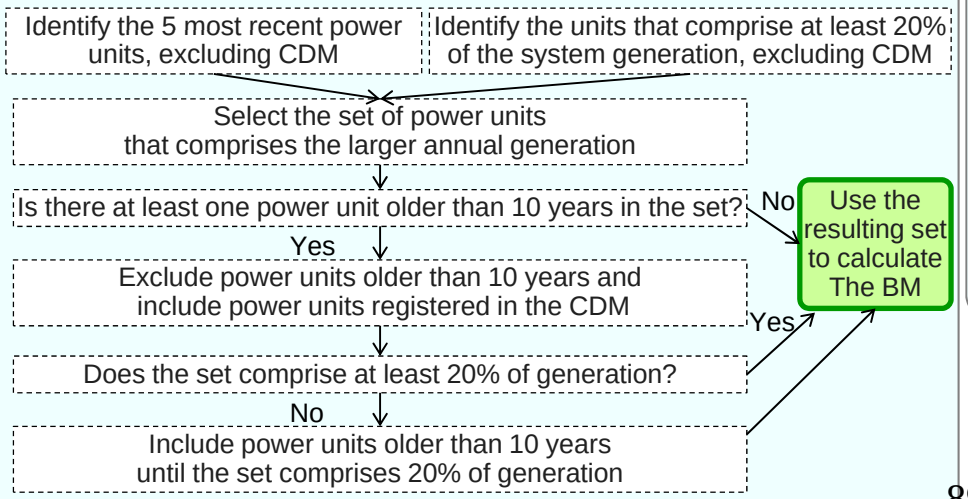
Option A2: Determined based on the CO2 emission factor of the fuel type used and the efficiency of the power unit

Option A3: An emission factor of 0 t CO2 /MWh can be assumed as a simple and conservative approach

Option B: Calculation based on total fuel consumption and electricity generation of the system

Step 5. Calculate the build margin (BM) emission factor

Procedure to determine the sample group of power



The BM emissions factor is the generation-weighted average emission factor of all power units during the most recent year y.

Step 6. Calculate the combined margin emissions factor

$EF_{grid,CM,y} = EF_{grid,OM,y} \times w_{OM} + EF_{grid,BM,y} \times w_{BM}$ $(w_{OM} + w_{BM} = 1)$

	Application	w_{OM}	w_{BM}
Weighted average CM	Wind power and solar power	0.75	0.25
	Others for 1st crediting period	0.5	0.5
	Others for 2nd & 3rd crediting period	0.25	0.75
Simplified CM	•The project activity is located in LDC, a country with less than 10 registered CDM projects at the starting date of validation or SIDS •The data requirements for the application of Step5 cannot be met.	1	0

BOX: Low-cost/must-run resources

Power plants with low marginal generation costs or dispatched independently of the daily or seasonal load of the grid. They include hydro, geothermal, wind, low-cost biomass, nuclear and solar generation. If a fossil fuel plant is dispatched independently of the daily or seasonal load of the grid and if this can be demonstrated based on the publicly available data, it should be considered as a low-cost/must-run

Attachment 7. Guidelines for the establishment of sector specific standardized baselines

[EB65 Anx23]

◆This framework allows for setting baselines that are not necessarily specific to one type of project activity in a sector, but can be applicable to most of the possible project activities in a sector.
◆Additionality is not to be demonstrated for each individual project activity ex-post (after its formulation) but rather for types of measures and ex-ante.

Definitions

◆**Level of aggregation**: The level of aggregation measures the extent to which consolidation of information from any parts or units to form a collective whole is undertaken. This consolidation is usually done within a common sector, to provide information at a broader level to that at which detailed observations are taken. Information on categories can be grouped or aggregated to provide a broader picture when this does not lead to misrepresentation. It can also be split or disaggregated when finer details are required by too much non-homogeneity
◆**Measure**: a broad class of GHG emission reduction activities possessing common features. **4 types of measures** are currently covered in the framework
☞(i) Fuel and feedstock switch, (ii) Switch of technology with or without change of energy source (including energy efficiency improvement), (iii) Methane destruction; (iv) Methane formation avoidance
◆**Output**: goods or services with comparable quality, properties, and application areas (e.g. clinker, lighting, residential cooking)
◆**Positive lists**: lists of emission reduction activities that are considered automatically additional under certain conditions (e.g. location, technology / measure, size)
◆**Sector**: a segment of a national economy that delivers defined output(s) (e.g. clinker manufacturing, domestic / household energy supply). The sector is characterized by the output(s) O_i it generates

Steps for establishing standardized baseline [EB65 Anx23 para15]

Step 1. Identify host country (ies), sectors, output(s) and measures

☞Selecting an appropriate level of aggregation is important to ensuring that the standardized baseline is representative of the applicable projects. Geographical parameters may account for a substantial portion of the differences in GHG intensities and the cost of and potential for emission reductions. [EB65 Anx23 para9]

Step 2. Establish additionality criteria for the identified measures

☞***e.g. positive lists of fuels /feed stocks and technologies***

☞For project activities that include multiple types of independent measures, the additionality of each measure is demonstrated by checking against the positive list of measures. [EB65 Anx23 para13]

Step 3. Identify the baseline for the measures

☞***e.g. baseline fuel, technology, level of GHG destruction***

☞The baseline technology and the baseline energy source are to be identified simultaneously and the
☞positive list is a positive list of technologies using given energy sources. [EB65 Anx23 para11]

Step 4. Determine the baseline emission factor where relevant

☞For grid connected electricity generation where information on the output and the fuels consumed by individual power plants are available, it may be preferable to establish the baseline emission factor for the sector based on the actual emissions of the connected power plants instead of baseline technology under the design conditions [EB65 Anx23 para13]

Thresholds for additionality
[EB65 Anx23 p9]

Sectors	Energy* sectors	Other sectors
Xa	80%	90%
Xb	80%	90%
Ya	80%	90%
Yb	80%	90%
Data vintage	Most recent 3 years	Most recent 3 years
Frequency of updates	3 years	3 years

*Energy for household; Energy generation in isolated systems; Agriculture

Attachment 8. Guideline on the application of materiality in verifications

(Version 1) [EB69Anx6]

◆Decision 9/CMP.7 decided that the scope of materiality under the CDM initially covers the stage of verification by DOEs.

◆Materiality is an auditing concept to be applied by DOEs in verifications in order to detect errors, omissions or misstatements in emission reductions (ERs) or removals being claimed by PPs in monitoring reports for CDM projects.

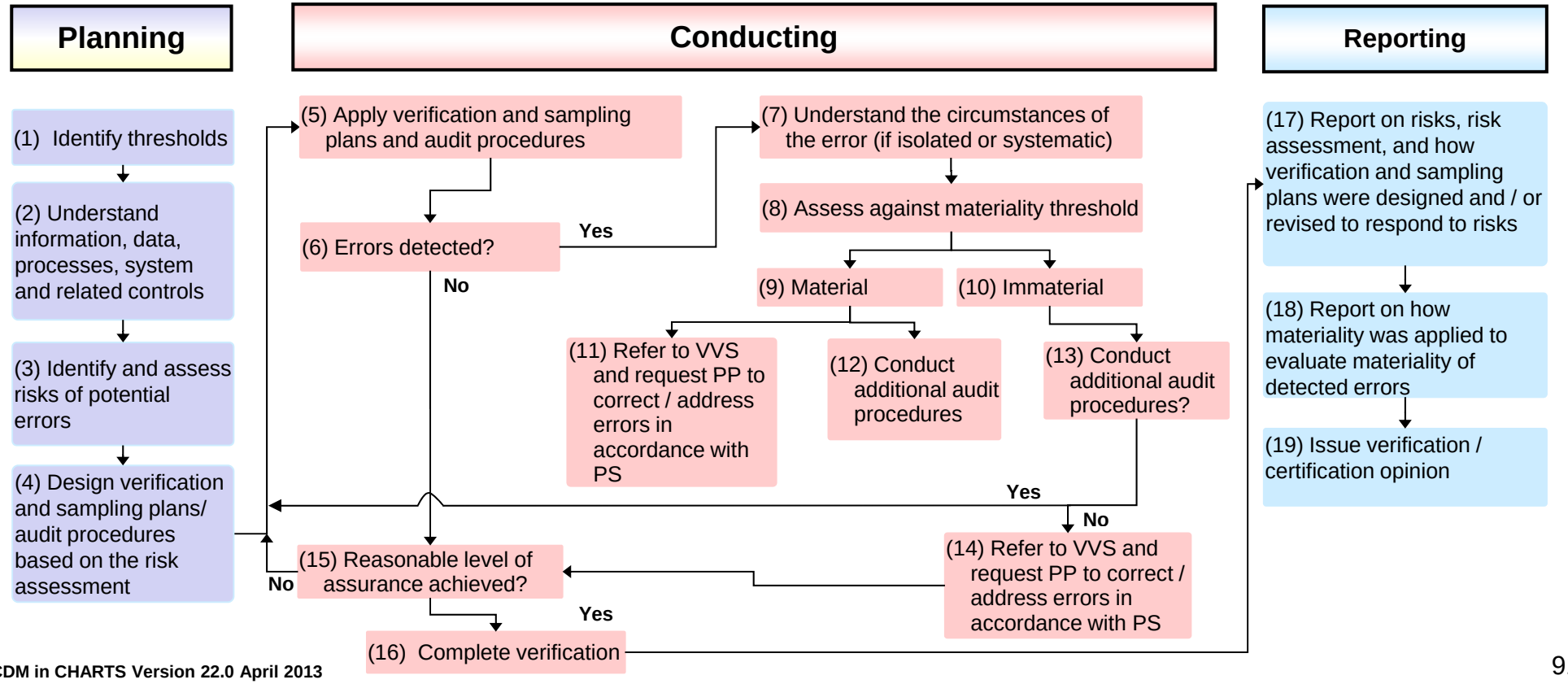
◆Terms and definitions

- **"Material information"** is a piece of information for which its omission, misstatement or erroneous reporting could change a decision by the EB;
- **"Reasonable level of assurance"** is a high, but not absolute, level of assurance;

◆The application of materiality and reasonable level of assurance imply that some data or information may not be checked. However, DOE should design their verification and sampling plans to detect all material errors, omissions, or misstatements, and any unchecked data or information should not contain any material errors, omissions or misstatements.

◆The decision prescribes the thresholds for the application of materiality in verifications, by defining that information is material if it might lead, at an aggregated level, to an overestimation of the total emission reductions or removals achieved by a CDM project equal to or higher than:

(a) 0.5 % of the ERs or removals for project achieving a total ER or removal of equal to or more than 500,000 t-CO_2e/y;
(b) 1 % of the ERs or removals for project achieving a total ER or removal between 300,000 and 500,000 t-CO_2e/y;
(c) 2 % of the ERs or removals for large-scale project achieving a total ER or removal of 300,000 t-CO_2e/y or less;
(d) 5 % of the ERs or removals for small-scale project other than project covered under subparagraph (e) below;
(e) 10 % of the ERs or removals for the type of project referred to in decision 3/CMP.6, paragraph 38 (referred to as microscale project activities)



Attachment 9. Global warming potential (GWP) and carbon emission factor (CEF)

- Global warming potential (GWP) is a measure of the relative radioactive effect of GHGs compared to CO_2. GWP used by Parties should be those provided by the IPCC 2nd Assessment Report ("1995 IPCC GWP values") based on the effects of the GHGs over a 100-year time horizon [CP/1997/7/Ad1, p31 para3]. The value of GWP is fixed for the 1st commitment period, but it is subject to change for the subsequent commitment periods depending on new scientific findings.
- All emission reductions and removals achieved by CDM project and PoAs in the second commitment period of the Kyoto Protocol shall be calculated using the GWPs adopted by the CMP, in accordance with decision 4/CMP.7. This requirement shall apply from 1 January 2013. [EB69 Anx3 para2]
- PDDs for project activities and PoA-DDs for PoAs registered before 1 January 2013 are not required to be amended, re-published for global stakeholder consultation, or re-validated. [EB69 Anx3 para5]
- Carbon Emission Factor (CEF) is the estimated average carbon (or CO_2) emission rate for a given source, relative to units of activity. The EB agreed that the IPCC default values should be used only when country or project specific data are not available or difficult to obtain [EB25 Rep, para59]. The EB further clarified that the '2006 IPCC Guidelines for National Greenhouse Gas Inventories' was published on the IPCC website on 24 October 2006 after which this version shall be considered as the latest version. [EB28 Rep, para68]

Global Warming Potential

Species	Chemical formula	GWP	Species	Chemical formula	GWP
CO_2	CO_2	1	HFC-23	CHF_3	11,700
Methane *	CH_4	25	HFC-236fa	$C_3H_2F_6$	6,300
Nitrous oxide	N_2O	310	HFC-143a	$C_2H_3F_3$	3,800
Perfluoroethane	C_2F_6	9,200	HFC-134a	CH_2FCF_3	1,300
Perfluoropentane	C_5F_{12}	7,500	HFC-134	$C_2H_2F_4$	1,000
Perfluorohexane	C_6F_{14}	7,400	HFC-32	CH_2F_2	650
Sulphur hexafluoride	SF_6	23,900	HFC-41	CH_3F	150
Nitrogen trifluoride	NF_3	17,200			

Revision of the UNFCCC reporting guidelines on annual inventories for Parties included in Annex I to the Convention [FCCC/CP/2011/9/Add.2]

General Conversion Factors for Energy

From: \ To:	TJ	Gcal	Mtoe	GWh
TJ	1	238.8	2.388×10^{-5}	0.2778
Gcal	4.1868×10^{-3}	1	10^{-7}	1.163×10^{-3}
Mtoe	4.1868×10^{4}	10^{7}	1	11630
GWh	3.6	860	8.6×10^{-5}	1

CO_2 Emissions from fuel combustion (2006 Edition), p.I.11, International Energy Agency, 2006.

Carbon Emission Factor

Fossil fuel		CO_2 emission factor (kg/TJ)	Net calorific value (TJ/Gg) Gg=1000t	CO_2 emission factor (t-CO_2/t (Fuel))
Liquid Fossil	Crude Oil	73,300	42.3	3.101
	Motor Gasoline	69,300	44.3	3.070
	Other Kerosene	71,900	43.8	3.149
	Gas/Diesel Oil	74,100	43.0	3.186
	Liquefied Petroleum Gases	63,100	47.3	2.985
Solid Fossil	Anthracite	98,300	26.7	2.625
	Sub-Bituminous Coal	96,100	18.9	1.816
	Lignite	101,000	11.9	1.202
Gaseous Fossil	Natural Gas	56,100	48.0	2.693

2006 IPCC Guidelines for National Greenhouse Gas Inventories, p. 1.18-1.24, Intergovernmental Panel on Climate Change, 2006.

[Default carbon oxidation factor is 1] [CO_2 emission factors t-CO_2/t (Fuel) are calculated for this document and do not appear in the IPCC guideline]

Glossary

Examples of abbreviated titles used in this document and corresponding formal document symbols and titles

Examples of abbreviated titles used in this charts, shown in [ ]	*Corresponding formal document symbols and titles*
KP Art.2 para1(a)	The **K**yoto **P**rotocol, **Art**icle**2, para**graph**1(a)**
CP/2001/13/Ad2, p1 para2(a)	FCCC/**CP/2001/13/Ad**d.**2, p**age **1 para**graph **2(a)**
CMP/2005/8/Ad1, p1 para2(a)	FCCC/KP/**CMP/2005/8/Ad**d.**1, p**age **1 para**graph **2(a)**
EB01 Rep, para1(a)	**E**xecutive **B**oard of the Clean Development Mechanism, **1**st Meeting **Rep**ort**, para**graph **1(a)**
EB01 Anx1, para1(a)	**E**xecutive **B**oard of the Clean Development Mechanism, **Anne**x **1** to the **1**st Meeting **Rep**ort**, para**graph **1(a)**
PDD GL ver.7, p1	**G**uide**l**ines for Completing the Project Design Document (CDM-**PDD**), and the Proposed New Baseline and Monitoring Methodologies (CDM-NM) **Ver**sion **7**, **p**age **1** (ver.7 was published on 2 August 2008)
SSC GL ver5, p1	**G**uide**l**ines for Completing CDM-**SSC-**PDD, F-CDM-SSC-Subm and F-CDM-SSC-BUNDLE, **Ver**sion 0**5**, **p**age **1** (Ver.5 was published on 14 September 2007)
Glos ver.5, p1	**Glos**sary of CDM terms **Ver**sion 0**5**, **p**age **1** (ver.5 was published on 19 August 2009)
Anx stands for **An**nex**x**, **Apx** for **Ap**pendi**x**, **Att** for **At**tachmen**t**, and **Ann** for **An**notation**n**.	
CDM M&P means **CDM M**odalities **and P**rocedures (Annex to Decision 17/CP.7) (FCCC/CP/2001/13/Add.2, p26-41)	
CDM A/R M&P means **M**odalities and **P**rocedures for **A**fforestation and **R**eforestation project activities under the **CDM** (Annex to Decision 19/CP.9) (FCCC/CP/2003/6/Add.2, p16-27)	

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