



Date: 25 November 2005  
Ref: CDM-EB-22

EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM

TWENTY-SECOND MEETING

Report

**Date of meeting:** 23 – 25 November 2005

**Location:** Montréal, Canada

**Attendance:** The names of members and alternate members present at the twenty-second meeting are in bold print below. Where only the name of an alternate member is in bold print, the alternate participated as a member.

<b>Member</b>	<b>Alternate</b>
Mr. John W. Ashe <sup>1</sup>	<b>Ms. Desna M. Solofa<sup>1</sup></b>
<b>Mr. Jean-Jacques Becker<sup>2</sup></b>	<b>Ms. Gertraud Wollansky<sup>2</sup></b>
<b>Mr. Martin Enderlin<sup>1</sup></b>	<b>Mr. Hans Jürgen Stehr<sup>1</sup></b>
<b>Ms. Sushma Gera<sup>2</sup></b>	<b>Mr. Masaharu Fujitomi<sup>2</sup></b>
Mr. John Shaibu Kilani <sup>2</sup>	<b>Mr. Ndiaye Cheikh Sylla<sup>2</sup></b>
<b>Mr. Xuedu Lu<sup>1</sup></b>	<b>Mr. Juan Pablo Bonilla<sup>1</sup></b>
<b>Mr. José Domingos Miguez<sup>2</sup></b>	<b>Mr. Clifford Anthony Mahlung<sup>2</sup></b>
<b>Mr. Richard Muyungi<sup>1</sup></b>	<b>Mr. Hernán Carlino<sup>1</sup></b>
<b>Mr. Rajesh Kumar Sethi<sup>2</sup></b>	<b>Ms. Liana Bratasida<sup>2</sup></b>
<b>Ms. Marina Shvangiradze<sup>1</sup></b>	<b>Ms. Anastasia Moskalenko<sup>1</sup></b>

<sup>1</sup> Term: Two years (elected at COP 9 in 2003)

<sup>2</sup> Term: Two years (elected at COP 10 in 2004)

NB: The term of service of a member, or an alternate member, starts at the first meeting of the Executive Board in the calendar year following his/her election and ends immediately before the first meeting of the Executive Board in the calendar year in which the term ends (see Rules of procedure of the Executive Board).

**Quorum** (in parenthesis required numbers): **10** (7) members or alternate members acting as members present of which **4** (3) from Annex I Parties and **6** (4) from non-Annex I Parties.

**WWW broadcasting:** <<http://cdm.unfccc.int/EB/Meetings>>.

**Agenda item 1. Membership issues (including disclosure of possible conflict of interest)**

1. The Chair opened the meeting and asserted that the quorum requirement was met. **No conflict of interest** was identified by any member or alternate member of the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) present at the meeting.
2. The Board noted that the secretariat was informed that Mr. John W. Ashe, Mr. Juan Pablo Bonilla and Mr. John Shaibu Kilani were unable to attend the meeting and had provided proper justification for their absence. Mr. Kilani participated through telephone in the open and closed deliberations on Agenda item 3 (a) “Accreditation of operational entities”.

**Agenda item 2. Adoption of the agenda**

3. The Board adopted the agenda as proposed and agreed to the programme of work.
4. The Board paid tribute to the late Joke Waller-Hunter, Executive Secretary of the UNFCCC secretariat, for her outstanding support to the CDM. The Board observed a minute of silence.

**Agenda item 3. Work plan****Agenda sub-item 3 (a): Accreditation of operational entities**

5. The Board took note of the **ninth progress report (CDM-ACCR-R-09) on the work of the CDM Accreditation Panel (CDM-AP)** presented by Ms. Marina Shvangiradze, Vice-Chair of the CDM-AP. The report summarized information relating to the work of the CDM-AP which was complemented with information on the status of applications and developments with respect to desk reviews and on-site assessments.

*Consideration of case-specific recommendations:*

6. The Board agreed, pursuant to decisions 17/CP.7 and 21/CP.8, **to accredit, and provisionally designate**, the following applicant entities for:

(a) **Sector-specific validation:**

- (i) TÜV Industrie Service GmbH TÜV SÜD GRUPPE (TÜV Industrie Service GmbH TÜV)  
(VAL: 1, 2, 3, 13 and 15 / VER: 1, 2, 3)<sup>1</sup>:

4. Manufacturing industries
5. Chemical industry
6. Construction
7. Transport
10. Fugitive emissions from fuels (solid, oil and gas)
11. Fugitive emissions from production and consumption of halocarbons and sulphur hexafluoride
12. Solvents use

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<sup>1</sup> The information in parenthesis shows the functions and sectoral scope(s) for which the company had previously been accredited (VAL: validation/registration; VER: verification/certification). The list of accreditation scopes is available in the UNFCCC CDM web site at <<http://cdm.unfccc.int/DOE/scopes.html>>



- (ii) Japan Consulting Institute (JCI)  
(VAL: 13 / VER: none)<sup>1</sup>:
  - 1. Energy industries (renewable - / non-renewable sources), and
  - 2. Energy distribution.
- (iii) The Korea Energy Management Corporation (KEMCO)  
(VAL: none / VER: none)<sup>1</sup>:
  - 1. Energy industries (renewable - / non-renewable sources)
- (b) **Sector-specific verification:**
  - (i) SGS United Kingdom Ltd.  
(VAL: 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13 and 15 / VER: none)<sup>1</sup>:
    - 1. Energy industries (renewable - / non-renewable sources)
    - 2. Energy distribution
    - 3. Energy demand
    - 4. Manufacturing industries
    - 5. Chemical industries
    - 6. Construction
    - 7. Transport
    - 10. Fugitive emissions from fuels (solid, oil and gas)
    - 11. Fugitive emissions from production and consumption of halocarbons and sulphur hexafluoride
    - 12. Solvent use
    - 13. Waste handling and disposal
    - 15. Agriculture.

7. The Board noted that with its decision on accreditation, **the first entity located in a non-Annex I Party was accredited**: “The Korea Energy Management Corporation (KEMCO)” from the Republic of Korea. The total number of DOEs accredited and provisionally designated for validation now stands at 12, and for verification/certification at 3. The list of DOEs indicating the function and sectoral scope(s) for which they have been accredited is available on the CDM UNFCCC web site (see: <<http://cdm.unfccc.int/DOE/list>>). Furthermore, a list with approved methodologies by sectoral scopes shows the DOEs that may provide validation/verification functions in these sectors (see: <<http://cdm.unfccc.int/DOE/scopes.html>>).



*General issues relating to process/guidance:*

8. The Board agreed to amend its provisions regarding **phasing of accreditation** to reflect the role of large scale project activities in the process of leading to the accreditation for both functions simultaneously. *The following text is to be added as new paragraph 4 to the provisions on “Phasing of accreditation” contained in annex 1 of the report of the twenty-first meeting of the Executive Board (see: <http://cdm.unfccc.int/EB/Meetings/021/eb21repan1.pdf>):*

“An applicant entity can only be accredited for both functions, i.e. validation and verification/certification, in accordance with the provisions for phasing of accreditation, if a witnessing activity in a sectoral scope has been successfully undertaken, in each of the two functions, on the basis of one large-scale project activity. Until this condition is fulfilled, the accreditation is limited to the function and group of sectoral scopes for which witnessing is completed successfully.”

9. The Board requested the secretariat to issue version 02 of the provisions for phasing of accreditation and to circulate it to all DOEs/AEs.

10. With regard to the three other recommendations contained in the ninth progress report of the CDM-AP, the Board concluded the following:

(a) Noting that DOEs shall act in an independent manner and provide, in a transparent fashion, information on the content of their **exchanges with project participants** in the context of validation and verification, there is no need to issue further clarification/guidance.

(b) It is **not the role of the DOE to alert project participants**, at the validation stage, of **provisions contained in the applied approved methodology** pertaining to changes of monitoring provisions which have to occur at the time of verification under particular conditions. Noting that the registered project design document, and related documentation, are the basis for verifying emission reductions, the Board clarified that project participants shall reflect such provisions in the monitoring plan for the project activity and that a DOE shall ensure at validation that such provisions are reflected.

(c) With regard to the **withdrawal of factually wrong or misleading information/promotion material(s) of DOEs/AEs**, the Board, welcoming the immediate action taken by the CDM-AP relating to a case brought to its attention, expects immediate corrective action to be taken by DOEs/AEs. In addition, the Board requested the CDM-AP to prepare, taking into consideration common practices in accreditation schemes, options to (a) ensure that the Board is made aware of DOEs/AEs that do not conduct their functions in accordance with the CDM modalities and procedures, decisions by the COP/MOP and of the Executive Board ; and (b) address such situations. The Board will consider such options at its twenty-fourth meeting. The DOE/AE Coordination Forum is requested to provide an input to the work of the CDM-AP on this issue by 20 January 2006.

*Interaction with DOEs/AEs:*

11. The Board invited Mr. Einar Telnes, **Chair of the DOE/AE Coordination Forum to share views, issues and concerns of DOEs and AEs**. Mr. Telnes indicated that some DOEs and AEs had raised issues and concerns in an e-mail survey carried out within the Forum. Issues raised by Mr. Telnes included the need for:

- (a) Simplification of the F-CDM-REG form;
- (b) Transition period for existing approaches and or methodologies such as, for example, the discussion about non-renewable biomass or the replacement of AM0015 through the ACM0006 methodology;



- (c) Provisions regarding deviations from methodologies and what can be expected in terms of timelines, how inputs will be handled and to what extent the responses will be made public;
- (d) The development of a new validation and verification manual with the support of the Board and CDMN-AP;
- (e) Criteria for assessment of methodologies if DOEs are to take up this task.

12. The Board took note of the presentation by Mr. Telnes and noted that the interaction with the Forum on 26 November 2005 will provide for the opportunity to explore some issues in greater depth. It encouraged the DOE/AE Coordination Forum to respond timely and continue providing input to the Board and its panels. It invited the Chair of the DOE/AE Coordination Forum to report on activities of the Forum at its next meeting.

### Agenda sub-item 3 (b): Methodologies for baselines and monitoring plans

13. The Executive Board considered the report of the eighteenth meeting of the Panel on baseline and monitoring methodologies (Meth Panel) and the oral update by Mr. Jean Jacques Becker, Chair of the Panel.

*General issues relating to process:*

14. The Board agreed to the “**Revised procedures for submission and consideration of a proposed new methodology (version 9)**”, as contained in annex 1 of this report, which clarifies that the secretariat is to only forward documentation for the pre-assessment to a Meth Panel member, after the *proof of payment* of the stipulated submission fee has been received by the secretariat and the secretariat has undertaken a completeness check of the submission.

*General issues relating to guidance:*

15. The Board considered recommendations by the Meth Panel on and agreed on the clarifications, as contained in annex 2 of this report, on:

- (a) **The use of life cycle analysis (LCAs) to calculate emission reductions;**
- (b) **Weighted average of the operating margin (OM) and the build margin (BM) emission factor** to calculate the baseline emission factors for projects generating electricity to the grid;
- (c) **Treatment of the lifetime of plants and equipment** in proposed new baseline methodologies;
- (d) **Consideration of uncertainties when using sampling** as part of a proposed new methodology; and
- (e) **Consideration of emission sources in the project boundary, in the baseline scenario and in the calculation of leakage emissions** in proposed new baseline methodologies.

16. The Board **invited DNAs to provide, on a voluntary basis, information on the definition of an unambiguous delineation of grid boundaries** to be made publicly available through a link on the UNFCCC CDM web site. This information may be used by project participants when applying methodologies for grid-connected project activities.

17. The Board took note of the request for guidance by the Meth Panel on **how to address possible double counting of emission reductions**, such as for project activities claiming credits from biofuels production and consumption.



18. The Board agreed to open a public call for inputs on possible situations where double-counting is likely to occur, analysing possible options for avoiding the double-counting.

19. The Board further agreed that a technical analysis of the issue of double-counting, based on public inputs, is required in particular with regard to: outlining possible situations where double-counting is likely to occur, analysing possible options for avoiding the double-counting of emission reductions.

20. The Board requested the Meth Panel to prepare recommendations to the Board based on the public inputs and the technical analysis.

21. The Board agreed to revise its clarifications regarding the treatment of **national/sectoral policies and circumstances** in baseline scenarios as contained in annex 3 to this report.

22. In the context of a methodology submitted to the Board which proposes a national standard as a CDM project activity, the Board considered the general issue of **local/national/regional policy, standards and programmes as CDM project activities** but could not come to an agreement. The Board agreed to request guidance from the COP/MOP, bearing in mind the requirement of article 12.5 (b) that “emission reductions resulting from each project activity shall be certified (...) on the basis of (inter alia) real, measurable and long term benefits related to the mitigation of climate change”, whether (a) local/national/regional policy and (b) standards and programmes can be considered as CDM project activities.

23. In the context of a methodology submitted to the Board which proposes using carbon capture and storage as a CDM project activity, the Board considered the general issue of **carbon capture and storage as CDM project activities** but could not come to an agreement. The Board agreed to request guidance from the COP/MOP on whether carbon capture and storage projects can be considered as CDM project activities taking into account issues relating to project boundary, leakage and permanence.

*Revision of approved methodologies:*

24. The Board agreed to adopt the following revised versions of methodologies:

(a) **AM0025 ver 2** (“Avoided emissions from organic waste composting at landfill sites”) as contained in annex 4. The Board agreed that the title of this approved methodology shall be amended in order to clarify that the approved baseline and monitoring methodologies of AM0025 also apply to organic waste composting that occurs outside the landfill sites;

(b) **AM0002 ver 2** (“Greenhouse gas emission reductions through landfill gas capture and flaring where the baseline is established by a public concession contract”) as contained in annex 5. The revision aimed at considering the flare efficiency in the estimation of emission reduction as well as providing for a procedure for monitoring and verifying emission reductions for a period of less than one year. The Board requested the Meth Panel to further consider possible revisions to this approved methodology in order to consider situations when project participants would not be able to measure the methane content of the exhaust gas of the flare;

(c) **ACM0002 ver 4** (“Consolidated methodology for grid-connected electricity generation from renewable sources”) as contained in annex 6. The revisions were to provide guidance for project participants to define the grid boundary applicable to their project activity in situations where the application of ACM0002 does not result in a clear grid boundary given country-specific grid management policies.

(d) **ACM0005 ver 2** (“Consolidated Methodology for Increasing the Blend in Cement Production”) as contained in annex 7. This methodology was revised in order to correct some of the formulae relating to leakage and references to the blend content in formulae.

25. In accordance with the current “Procedures for the revision of an approved methodology”, **these revised versions will become effective as of 28 November 2005**. Revisions shall not affect



(a) registered CDM project activities during their crediting period; and (b) project activities that use the previously approved methodology for which requests for registration are submitted before or within four (4) weeks after the methodology was revised.

*Clarifications on approved methodologies*

26. The Board clarified that methodology **ACM0003**: (“Emissions reduction through partial substitution of fossil fuels with alternative fuels in cement manufacture”) was developed for alternative fuels to fossil fuels, including non-zero emitting fuels, and not only for renewable alternative fuels.

27. The Board acknowledges that the **expansion of the applicability of AM0001: (Incineration of HFC 23 Waste Streams)** could be envisaged for the possibility of destroying the HFC 23 in a site other than the one where the production of HCFC 22 takes place. It notes, however, that for these project activities the destruction of HFC 23 cannot take place in an Annex I Party. Project participants are invited to submit a new methodology or a revision to this approved methodology if they wish to address this issue.

28. The Board agreed to request the Meth Panel to revise **ACM0004: (Consolidated methodology for waste gas and/or heat for power generation)** in order to allow the use of the waste gas in power-generating units supplied by other fuels.

29. The Board clarified that **step 0 of the tool for the demonstration and assessment of additionality**, as stipulated in paragraph 1 of this step, shall be used only by project participants who wish to have the crediting period starting prior to the registration. The Board agreed on further clarifications regarding evidence to be used under step 0 of the additionality tool as contained in the Tool for the demonstration and assessment of additionality (version 02) contained in annex 8 to this report.

*Work on consolidation of methodologies:*

30. The Board agreed to the consolidated methodology for **“Conversion from simple cycle to combined cycle power generation”**, as contained in annex 9 to this report. This methodology consolidates the proposed methodologies NM0078-rev and elements of case NM0070. The Chair of the Meth Panel and the Vice-Chair of the CDM-AP informed the Board that these methodologies are linked to scope 1 (Energy industries (renewable - / non-renewable sources)).

31. The Board agreed to the consolidated methodology for **“Coal bed methane and coal mine methane capture and use for power (electrical or motive) and heat and/or destruction by flaring”**, as contained in annex 10. This methodology consolidates the proposed new methodologies NM0066, NM0075, NM0093, NM0094 and NM0102. The Chair of the Meth Panel and the Vice-Chair of the CDM-AP informed the Board that this consolidated methodologies are linked to scope 10 (Fugitive emissions from fuels (solid, oil and gas)).

32. As agreed by the Board at its twenty-first meeting, the **“Consolidated methodology for grid-connected electricity generation from biomass residues (ACM0006)”** will replace **AM0004** (“Grid-connected biomass power generation that avoids uncontrolled burning of biomass”) and **AM0015** (“Bagasse-based cogeneration connected to an electricity grid”) as of **28 November 2005**. In accordance with the current “Procedures for the revision of an approved methodology”, this revision shall not affect (a) registered CDM project activities during their crediting period; and (b) project activities that use the previously approved methodology for which requests for registration are submitted before or within four (4) weeks after the methodology was revised.

*Consideration of case-specific recommendations:*

33. Taking into consideration recommendations by the Meth Panel and by desk reviewers as well as public inputs, the Board considered sixteen (16) proposals for new baseline and monitoring methodologies and agreed on the following recommendations with respect to the cases below:



- **Approvals: NM0076-rev, NM0111, and NM0115**

**NM0076-rev case:** “Chacabuquito 26 MW Run-of-River Hydropower Project ”:

34. The Board agreed to approve the proposed baseline and monitoring methodologies contained in proposal NM0076-rev and the reformatted version of these methodologies as contained in annex 11 (“Methodology for zero-emissions grid-connected electricity generation from renewable sources in Chile or in countries with merit order based dispatch grid”) to this report. The Chair of the Meth Panel and the Vice-Chair of the CDM-AP informed the Board that these methodologies are linked to scope 1 (Energy industries (renewable - / non-renewable sources)).

**NM0115 case:** “CO<sub>2</sub>, electricity and steam from renewable sources in the production of inorganic compounds”:

35. The Board agreed to approve the proposed baseline and monitoring methodologies contained in proposal NM0115 and the reformatted version of these methodologies as contained in annex 12 (“Substitution of CO<sub>2</sub> from fossil or mineral origin by CO<sub>2</sub> from renewable sources in the production of inorganic compounds”) to this report. The Board requested the Meth Panel to review this methodology at its next meeting in order to broaden its applicability to substitution of CO<sub>2</sub> from fossil or mineral origin by CO<sub>2</sub> from non-renewable sources generated as a by-product in another industrial process in the production of inorganic compounds. The Chair of the Meth Panel and the Vice-Chair of the CDM-AP informed the Board that these methodologies are linked to scope 5 (chemical industries).

**NM0111 case:** “Baseline Methodology for catalytic N<sub>2</sub>O destruction in the tail gas of Nitric Acid Plants”:

36. The Board agreed to consider the case once the reformatted methodology is available. The Board agreed to request the Meth Panel to reformat the proposed new methodology NM0111 for its consideration at its twenty-third meeting.

- **Possible reconsideration (“B cases”):**

37. The Board agreed that the proposed new baseline and monitoring methodologies for the **cases NM0105, NM0117, NM0118, NM0123, NM0124** may be reconsidered subject to:

(a) Required changes being made by the project participants, taking into account issues raised by the Board, recommendations made by the Meth Panel, and re-submission of a duly revised proposal. The secretariat shall make the revised proposal publicly available upon receipt;

(b) Reconsideration of the revised proposal directly by the Meth Panel, without further review by desk reviewers; and

(c) A recommendation by the Meth Panel being made to the Executive Board.

38. If project participants wish to have the revised proposals considered at the nineteenth meeting of the Meth Panel (30 January - 3 February 2006), they shall exceptionally submit them by **19 December 2005**.

- **Non-approval:**

39. The Board agreed not to approve the proposed new baseline and monitoring methodologies for **case NM0128**. The Board invites the project participants for this case to consider the views and suggestions made, in particular with regard to CDM-NMB and CDM-NMM, and encourages them to make a further submission.

*Work in progress:*

40. The Board took note of the ongoing efforts of the Meth Panel to develop recommendations on how to address CH<sub>4</sub> emissions from **hydropower reservoirs**. It requested the panel to give priority to this work at its next meeting.

41. The Board also took note of the ongoing work by the Meth Panel in preparation of draft recommendations for **monitoring issues** (including standards, measurement systems, uncertainty, calibration, traceability and costs) related to CDM project-specific parameters.

*Further schedule:*

42. Noting that methodologies may be proposed at any time and are treated on a **first-come first serve basis**, the Board agreed to the **deadline for the fourteenth round of submissions** of proposed new baseline and monitoring methodologies being **11 January 2006**.

**Agenda sub-item 3 (c): Issues relating to procedures for afforestation and reforestation project activities**

43. The Board considered the report of the sixth meeting of the afforestation and reforestation working group (A/R WG) and the oral report by Mr. Martin Enderlin, Chair of the working group.

*General issues relating to process:*

44. As requested by the Board at its twenty-first meeting, the Board considered and agreed to the **revised forms for the recommendations by desk reviewers and of the working group** as contained in annexes 13 (a), (b) and (c) to this report.

45. Taking into consideration the revised version of CDM-NMB agreed by the Board at its twentieth meeting, the Board also agreed on **the guidelines and a form CDM-AR-NM** which should **replace the previous guidelines and forms CDM-AR-NMB and CDM-AR-NMM** as contained in annex 14 of this report. The complete revised version of the guidelines for CDM-AR-PDD and CDM-AR-NM and forms will be also available in the relevant sections of the UNFCCC CDM web site.

*General issues relating to guidance:*

46. The Board considered and agreed to the **simplified methodologies for small-scale afforestation and reforestation CDM project activities**, which were revised by the A/R WG taking into consideration the technical comments made by Board members at the twenty-first meeting of the Board. The Board further agreed that the final version of simplified methodologies for small-scale afforestation and reforestation CDM project activities will be added to the addendum of the annual report of the Board to the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP 1).

47. The Board considered recommendations of the A/R WG and agreed on the clarifications, as contained in annex 15 of this report, on:

- (a) **Pre-project GHG emissions;**
- (b) **Accounting of decreases of carbon pools outside the project boundary;**
- (c) **Equations for the calculation of net anthropogenic GHG emissions by sinks.**

48. The Board considered and agreed on the **procedures to define the eligibility of lands for afforestation and reforestation project activities** as contained in annex 16 to this report. The Board agreed that these procedures become part of the CDM-AR-PDD and are mandatory. Approved and proposed new baseline and monitoring methodologies should therefore not provide information regarding eligibility of lands anymore. The step “0” of the “Tool for the demonstration and assessment



of additionality for afforestation and reforestation CDM project activities” will also be deleted as the procedures replace it.

49. The Board considered the recommendation of the A/R WG on the definition of **renewable biomass** and requested the A/R WG, in collaboration with the SSC-WG, to further elaborate the proposal taking into account comments provided by Board members at this meeting.

*Consideration of case-specific recommendations:*

50. Taking into consideration recommendations by the A/R WG and by desk reviewers, the Board considered two (2) proposals for new baseline and monitoring methodologies for afforestation and reforestation project activities and agreed on the following recommendations:

**- Approval:**

**ARNM0010 case: “Facilitating Reforestation for Guangxi Watershed Management in Pearl River Basin”**

51. The Board agreed to approve the proposed baseline and monitoring methodologies contained in proposal **ARNM0010** and the reformatted version of these methodologies as contained in annex 17 to this report.

**- Possible reconsideration (“B cases”):**

52. The Board agreed that the proposed new baseline and monitoring methodologies for the **case ARNM0007** may be reconsidered subject to:

(a) Required changes being made by the project participants, taking into account issues raised by the Board, recommendations made by the A/R WG, and re-submission of a duly revised proposal. The secretariat shall make the revised proposal publicly available upon receipt;

(b) Reconsideration of the revised proposal directly by the A/R WG, without further review by desk reviewers; and

(c) A recommendation by the A/R WG being made to the Executive Board.

53. If project participants wish to have the revised proposal considered at the seventh meeting of the A/R WG (5 - 7 February 2006), they shall exceptionally submit them by **19 December 2005**.

*Work in progress:*

54. The Board took note that the A/R WG has initiated the development of a **draft small-scale afforestation and reforestation project design document** and should prepare a recommendation to the Board on it at its next meeting.

55. The Board also took note of the ongoing work by the A/R WG on **uncertainties** and on the preparation of simplified methodologies to address leakage from biomass from small-scale CDM project activities.

*Further schedule:*

56. The Board took note of the **tentative dates for the meetings of the A/R WG** until the end of the first half of 2006 and on the respective **dates of rounds of submissions of proposed new A/R methodologies** (see: <<http://cdm.unfccc.int/Panels/ar>>).

57. The Board agreed to extend the stipulated deadline for the **eighth round for submissions of proposed new A/R baseline and monitoring methodologies to 11 January 2006**.

**Agenda sub-item 3 (d): Issues relating to small-scale CDM project activities**

58. The Board considered the oral report by Ms. Gertraud Wollansky, Chair of the working group on proposed methodologies and project categories for small-scale CDM project activities (SSC-WG).

*General issues relating to process/guidance:*

59. The Board recalled that it agreed, at its last meeting, to delete the **references to “non-renewable biomass” in the indicative simplified baseline and monitoring methodologies** for small-scale CDM project activities (appendix B). This deletion shall become effective, as contained in annex 22 to the report of the twenty-first meeting of the Board, on **28 November 2005**. In accordance with paragraph 61 below a request for registration wishing to use the methodology must have been received by the Board until 26 December 2005.

60. The Board took note that a call for public input on methodologies for calculating emission reductions for small-scale project activities that propose the switch from non-renewable to renewable biomass was launched and that public comments received shall be posted on the UNFCCC CDM web site. The Board further agreed that the SSC-WG shall **undertake work, on a priority basis, in developing methodologies for calculating emission reductions for small-scale project activities that propose the switch from non-renewable to renewable biomass** with a view to preparing a recommendation to the Board.

61. In relation to **revisions and amendments to appendix B**, the Board clarified that any revisions to appendix B shall not affect (a) registered CDM project activities during their crediting period; and (b) project activities that use the previously approved methodology for which requests for registration are submitted before or within four (4) weeks after the methodology was revised. The general guidance section of appendix B shall be revised in order to incorporate this clarification.

62. The Board took note that **submissions and responses** regarding small-scale CDM project activities are made publicly available on the UNFCCC CDM web site.

*Work in progress:*

63. The Board agreed to request the SSC-WG to **revise, at its next meeting, the simplified methodologies for small-scale CDM project activities in order to:**

(a) Provide more details on their application to **retrofit projects**, taking into account provisions for retrofit projects in the consolidated methodology for grid-connected electricity generation from renewable sources - Version 3 (ACM0002);

(b) Clarify the applicability of **AMS.I.A methodology as related to AMS.I.D**, in particular with regard to activities that “displace electricity to the grid”.

64. The Board noted the ongoing work of the SSC-WG in developing recommendations to the Board with regard to:

(a) Detailed guidance on the direct project emissions to be considered under type III activities of appendix B;

(b) Development of more accurate methodologies for specific characteristics of project activities under type III of appendix B.

*Further schedule:*

65. The Board took note of the date of the fourth meeting of the SSC-WG to take place from 26-27 January 2006.

**Agenda sub-item 3 (e): Matters relating to the registration of CDM project activities***Case specific issues:*

66. The Board took note of **36 CDM project activities** being registered by 25 November 2005. The status of requests for registration of project activities can be viewed on the UNFCCC CDM web site at <http://cdm.unfccc.int/Projects/registered.html>.

67. After consideration of the report of the review team, the Board agreed to **register “Nubarashen Landfill Gas Capture and Power Generation Project in Yerevan” (0069)** with modifications that have been incorporated by project participants and the DOE.

*Registration procedure:*

68. The Board, with a view to **streamline the registration procedures**, agreed to the revised “Clarifications to facilitate the implementation of the procedures for review as referred to in paragraph 41 of the CDM modalities and procedures, version 02” as contained in annex 18 of this report.

69. The Board furthermore agreed to the **terms of reference and related procedures of the registration team** as contained in annex 19 to this report.

*Deviations:*

70. The Board agreed on **procedures to address requests** by designated operational entities **for deviation regarding a project activity at the validation or verification stage** as contained in annex 20 to this report. The Board considered eight (8) **requests for deviation** and agreed on answers on seven (7) of them. The Board agreed that, with respect to one request, more information is required before a decision could be taken. Requests for deviation and answers provided will be posted on the UNFCCC CDM web site.

*Clarifications and guidance:*

71. The Board agreed on the following **clarifications** with regard to the **submission of requests** for registration of proposed activities seeking to have a **crediting period starting prior to the date of registration (deadline 31 December 2005)**.

72. Decision 17/CP.7 stipulates “that a project activity starting as of the year 2000, and prior to the adoption of this decision, shall be eligible for validation and registration as a clean development mechanism project activity if submitted for registration before 31 December 2005. If registered, the crediting period for such project activities may start prior to the date of its registration but not earlier than 1 January 2000”.

73. The Board noted that the procedures for requesting registration define in what form a request for registration is to be submitted and that a request is considered as being “received” once the registration fee payment is received. Once the fee is received, the completeness check is undertaken expeditiously. Bearing in mind the potential delays in international bank transfers and the currently limited resources within the secretariat to undertake the completeness checks, the Board notes that the deadline of 31 December 2005 would be automatically moved forward if one would consider the submission “received” only at the time the completeness check has been undertaken.

74. The Board agreed to the following exceptional provisions with regard to the deadline of 31 December 2005 that project participants may benefit from a crediting period starting prior to the date of registration:

(a) Requests have to be uploaded by DOEs through the UNFCCC CDM web site interface before 31 December 2005 @ GMT 24:00 (the transfer reference for the fee payment is forwarded to DOE/PP after this step is undertaken). The DOE shall indicate if the crediting period is to start prior to the date of registration.



(b) The related proof of payment shall be submitted by the project participants expeditiously through the DOE. A proof of payment shall be uploaded by a DOE on 20 January 2006 at the latest.

(c) The secretariat shall undertake its completeness check as soon as possible after a request has been uploaded by a DOE through the dedicated interface on a first come first serve basis. The check shall ensure that adequate documentation has been submitted (approval letters (authorization) by Parties, correct version numbers of documentation). The Board expects that such checks could be completed by the secretariat before 14 January 2006. The Board notes that the accreditation of DOEs may be questioned if the submission contains clearly inadequate documentation not corresponding to the guidance and guidelines provided by the Board.

(d) If the proof of payment is not received in time and/or the completeness check process is not concluded before 15 February 2006, the activity may only be considered for registration with a crediting period starting after the date of registration.

#### **Agenda sub-item 3 (f): CDM registry**

75. The Board took note of an update by the secretariat on the status of the CDM registry. It noted that the full version of the CDM registry has now been deployed in the secretariat and that further work is being undertaken to make it accessible to account holders and enhance its operation.

#### **Agenda sub-item 3 (g): Modalities for collaboration with the SBSTA**

76. The Board requested Mr. José Miguez and Mr. Martin Enderlin to follow negotiations at SBSTA 23 relating to “Implications of the implementation of project activities under the clean development mechanism, referred to in decision 12/CP.10, for the achievement of objectives of other environmental conventions and protocols” and report on the outcome to the Board.

77. The Board requested Ms. Anastasia Moskalenko and Mr. Rajesh Kumar Sethi to follow the negotiations at SBSTA 23 relating to registries and report on the outcome to the Board.

#### **Agenda item 4. CDM management plan and resources for the work on the CDM**

##### *CDM-MAP:*

78. The Board agreed, at its twenty-first meeting, on the CDM Management Plan (CDM-MAP) for the 18 months period from mid 2005 to the end of 2006. The CDM-MAP was made publicly available on 12 October 2005. A summary has also been included in the annual report of the Board to COP/MOP 1.

79. At its twenty-second meeting, the Board agreed on the following amendments to the CDM-MAP:

(a) More detailed budget information would be provided in annex 6 to the CDM-MAP (rev 01).

(b) A communication officer and a support staff should be added to the CDM section in order to improve the communication on decisions and to strengthen the outreach activities of the Board.

(c) With regard to capacity building, the Board agreed to add the following provision in the CDM-MAP: Improved information flow and the link between the Board and the DNAs through appropriate ways and channels, including regular information on activities by the Board and establishing a DNA Forum that would meet twice a year, in conjunction with the meeting of the subsidiary bodies and the COP/MOP, in order to exchange information and experiences, including identifying systematic or systemic barriers to regional and sub-regional distribution of CDM projects.



80. The Board agreed to further continue its consideration of the establishment of the CDM Executive Committee at its twenty-third meeting.

81. The Board expressed its expectation that the COP/MOP would take up the issue of remuneration for members and alternates of the Executive Board.

*Resources:*

82. The Board took note of information provided by the secretariat on resources and expenditure in 2005 as at 25 November 2005. Since early October 2005, a further USD 1.64 million were received (USD 1.19 million from contributions and USD 0.45 from fees) bringing the total amount of resources received in 2005 to USD 5.5 million. As the late availability of resources had hampered the full implementation of activities in 2005, an estimated USD 4.24 million will be available to be carried over into 2006.

83. Resource requirements for supporting the work on the CDM in the biennium 2006-2007 currently amount to USD 21.53 million. This reflects the activities spelled out in the CDM-MAP as released on 12 October 2005 but not any additional requests emanating from the Board at its twenty-second meeting. Of the current requirements, USD 4.56 million are included in the proposed UNFCCC programme budget for the biennium 2006-2007. The remaining USD 16.97 million would need to be covered from supplementary resources. Bearing in mind the estimated carry-over into 2006 of USD 4.24 million, and the need to set aside resources for covering existing commitments relating to staff costs, currently available supplementary resources will be exhausted within the first six months of 2006.

84. The Board expressed its appreciation to Parties which have generously contributed resources for the work of the CDM and invited Parties which have recently pledged resources to convert them into contributions in the very near future. Detailed information reflecting the status of contributions as at 25 November 2005 will be reflected in the addendum to the report of the Board to COP/MOP.

85. The Board reiterated its call to Parties to make voluntary contributions for the work on the CDM to the UNFCCC Trust Fund for Supplementary Activities to ensure the functioning of the CDM in the biennium 2006-2007 in a predictable and sustained manner.

#### **Agenda item 5. Other matters**

##### **Agenda sub-item 5 (a): Report of the CDM Executive Board to the COP/MOP 1 (2004-2005)**

86. The Board requested the secretariat to prepare, and finalize in cooperation with the Chair and the Vice-Chair of the Board, the addendum to the annual report of the Board to the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP 1), in order to include the outcome of the twenty-second meeting of the Board and developments from 1 October to 25 November 2005.

##### **Agenda sub-item 5 (b): Relationship with stakeholders, intergovernmental and non-governmental organizations (registered accredited observers)**

87. The Board met with registered observers for informal briefings on 25 November 2005 and agreed to continue with such meetings in the afternoon of the last day of its future meetings, unless otherwise indicated. These meetings are available on web cast.

88. The Board took note of CDM-related events attended by Board members and alternates since the last meeting.

89. The Board took note with appreciation of inputs to its work received from Parties and intergovernmental and non-governmental organizations.



90. The Board further agreed to continue to meet with the same type of arrangement as at its twenty-third meeting, with space being made available for 70 observers, and to reconsider the issue when necessary. Observers to the twenty-third meeting of the Executive Board shall have registered with the secretariat by **1 February 2006**, no later than 17:00 GMT. In order to ensure proper security and logistical arrangements, the Board emphasized that this deadline will be strictly enforced by the secretariat.

91. The Board acknowledged the (unsolicited) submissions received and recognized that due to time constraints and its current workload was not able to respond to them.

#### **Agenda sub-item 5 (c): Other business**

92. The Board agreed on the provisional agenda for its twenty-third meeting (22 - 24 February 2006) as contained in [annex 21](#) to this report.

93. The Board agreed to hold the Coordination Workshop for the Board, its panels and working groups, DOEs and AEs as well as selected experts on 4 - 5 February 2006.

94. The Chair summarized the main conclusions. The Board expressed its deep appreciation to the outgoing Chair, Ms. Sushma Gera, and Vice-Chair, Mr. Xuedu Lu, for the outstanding leadership and dedication in ensuring that the CDM is operated in an efficient, cost-effective and transparent manner.

95. The Board also thanked all outgoing members and alternate members for their contribution to the work on the CDM during their tenure.

96. The Board expressed its appreciation to Ms. Maria Netto of the secretariat, who will leave the CDM team at the end of 2005, for the outstanding support she provided to the Board. The Chair of the Board commended the secretariat for the contribution it has made to the successful implementation of the CDM.

#### **Agenda item 6. Conclusion of the meeting**

97. The Chair summarized the main conclusions.

#### **Agenda sub-item 6 (a): Summary of decisions**

98. Any decisions taken by the Board shall be made publicly available in accordance with paragraph 17 of the CDM modalities and procedures and with rule 31 of the rules of procedure of the Executive Board.

#### **Agenda sub-item 6 (b): Closure**

99. The Chair closed the meeting.



## Annexes to the report

### Methodologies for baselines and monitoring plans

Annex 1: Revised procedures for submission and consideration of a proposed new methodology (version 9)

Annex 2: Guidance related to methodological issues (LCAs, operational margin and build margin weighting treatment of the lifetime of plants and equipment, sampling, emission sources)

Annex 3: Additional clarifications regarding the treatment of national/sectoral policies and circumstances

Annex 4: Revised approved baseline and monitoring methodology AM0025 ver 2 (“Avoided emissions from organic waste composting at landfill sites“)

Annex 5: Revised approved baseline and monitoring methodology AM0002 ver 2 (“Greenhouse gas emission reductions through landfill gas capture and flaring where the baseline is established by a public concession contract”),

Annex 6: Revised approved consolidated baseline and monitoring methodology ACM0002 ver 4 (“Consolidated methodology for grid-connected electricity generation from renewable sources”)

Annex 7: Revised approved consolidated baseline and monitoring methodology ACM0005 ver 2 (“Consolidated Methodology for Increasing the Blend in Cement Production”)

Annex 8: Revised tool for the demonstration and assessment of additionality (version 02)

Annex 9: Approved consolidated baseline and monitoring methodology ACM0007 “Conversion from simple cycle to combined cycle power generation”

Annex 10: Approved consolidated baseline and monitoring methodology ACM0008 (“Coal bed methane and coal mine methane capture and use for power (electrical or motive) and heat and/or destruction by flaring”)

Annex 11: Approved baseline and monitoring methodology AM0026 (based on NM0076-rev)

Annex 12: Approved baseline and monitoring methodology AM0027 (based on NM0115)

### Issues relating to procedures for afforestation and reforestation project activities

Annex 13: (a) Revised forms for the recommendation by working group

Annex 13: (b) Revised forms for the recommendations by desk reviewer (lead)

Annex 13: (c) Revised forms for the recommendations by desk reviewers (second)

Annex 14: Revised guidelines and form CDM-AR-NM (version 2)

Annex 15: Clarifications to afforestation and reforestation issues (accounting non-pre-project emissions, pre-project GHG emissions, accounting of decreases of carbon pools outside the project boundary, equations for the calculation of net anthropogenic GHG emissions by sinks)

Annex 16: Procedures to define the eligibility of lands for afforestation and reforestation project activities

Annex 17: Approved afforestation and reforestation methodology AR-AM0001 (based on ARNM0010 )

### Matters relating to the registration of CDM project activities

Annex 18: Clarifications to facilitate the implementation of the procedures for review as referred to in paragraph 41 of the CDM modalities and procedures, version 02

Annex 19: Terms of reference and related procedures of the registration team

Annex 20: Procedures for requests for deviation

### Other business

Annex 21: Provisional agenda for EB23