



**FRAMEWORK CONVENTION ON CLIMATE CHANGE - Secretariat
CONVENTION - CADRE SUR LES CHANGEMENTS CLIMATIQUES -
Secrétariat**

Date: 02 August 2008
Ref: CDM-EB-41

EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM

FORTY-FIRST MEETING

Report

Date of meeting: 30 July - 2 August 2008

Location: Bonn, Germany

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

Member	Alternate
Mr. Samuel Adeoye Adejuwon ¹	Mr. Kamel Djemouai ¹
Mr. Philip M. Gwage ²	Mr. Xuedu Lu ²
Mr. Victor Nicolae ²	Ms. Diana Harutyunyan ²
Mr. Lex de Jonge ²	Mr. Pedro Martins Barata ²
Mr. Akihiro Kuroki ¹	Ms. Jeanne-Marie Huddleston ¹
Mr. Clifford Mahlung ²	Mr. Tuiloma Neroni Slade ²
Mr. Paulo Manso ²	Mr. Hussein Badarin ²
Ms. Ulrika Raab ¹	Mr. Martin Hession ¹
Mr. Hugh Sealy ²	Mr. José Domingos Miguez ¹
Mr. Rajesh Kumar Sethi ¹	Ms. Liana Bratasida ¹

¹ Term: Two years (elected at CMP 2 in 2006)

² Term: Two years (elected at CMP 3 in 2007)

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. Mr. Rajesh Kumar Sethi, Chair of the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) 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 Board present at the meeting.
2. The Board noted that the secretariat was informed that Ms. Liana Bratasida, Ms. Jeanne-Marie Huddleston and Mr. Tuiloma Neroni Slade were unable to attend the meeting and had provided proper justification for their absence.

Agenda item 2. Adoption of the agenda

3. The Board adopted the agenda and agreed to the programme of work.

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

4. The Board took note of the twenty-fifth progress report on the work of the CDM Accreditation Panel (CDM-AP), and an oral report by the Chair, Mr. Martin Hession. The report summarized information relating to the work of the panel including the status of applications and developments with respect to desk reviews, on-site assessments, witnessing activities and other accreditation related issues.

Case specific

5. The Board agreed to accredit and provisionally designate the entity “Japan Quality Assurance Organization (JQA)” for validation functions for sectoral scopes 15 (agriculture).
6. The Board agreed to accredit and provisionally designate the entity “JACO CDM Ltd. (JACO)” for validation functions for sectoral scopes 14 (afforestation and reforestation).
7. The Board agreed to accredit and provisionally designate the entity “Bureau Veritas Certification, SAS (BVC)” for validation functions for sectoral scopes 14 (afforestation & reforestation).
8. The Board agreed to accredit and provisionally designate the entity “Japan Consulting Institute (JCI)” for validation functions for following sectoral scopes
 - (a) 4 (manufacturing industries),
 - (b) 5 (chemical industry), and
 - (c) 10 (fugitive emissions from fuels (solid, oil and gas)).
9. The Board agreed to accredit and provisionally designate the entity “SGS United Kingdom Ltd.” for verification functions for sectoral scopes 14.
10. The Board considered a recommendation of the CDM-AP relating to the verification of implementation of the corrective actions for a DOE under spot-check, agreed by the Board at its thirty-fourth meeting. The Board agreed that the DOE has adequately addressed the non-conformities and implemented corrective actions. The Board further agreed to confirm the accreditation and designation for this DOE and close the spot-check case.
11. The Board considered a recommendation of the CDM-AP relating to the verification of implementation of the corrective actions for a DOE under spot-check, agreed by the Board at its



thirty-sixth meeting. The Board agreed that the DOE has adequately addressed the non-conformities and implemented corrective actions. The Board further agreed to confirm the accreditation and designation for this DOE and close the spot-check case.

General guidance

12. The Board considered the draft Validation and Verification Manual prepared by the secretariat. The Board held a detailed general discussion on the document and considered it up to the paragraph 67 of the document, contained as annex 1 of the annotated agenda of the forty-first meeting of the Board. The Board due to time constraints could not finalize its consideration of the document and agreed to continue its discussion on the remaining parts of the document at its forty-second meeting.

13. The Board considered the draft document 'elaboration of accreditation standards for DOEs', contained as annex 1 to the twenty-fifth progress report of the CDM-AP. The Board also noted that the objective of the document is to promote consistency in the implementation of CDM accreditation standards in the accreditation process. The Board noted that the document has been shared with AEs/DOEs in a workshop held on 7, July 2008 in Bonn, Germany and that their views had been incorporated in the document. The Board requested further review of the standard by the CDM-AP, and requested the CDM-AP to submit a revised version for the consideration and approval of the Board at its forty-second meeting.

14. The Board considered a proposal by the Chair of the CDM-AP on training of accreditation assessment teams, contained as annex 2 to the twenty-fifth progress report of the CDM-AP. The Board took note of the document, in particular, principles and components of the training programme and options for their implementation. The Board approved the development of a programme in principle, and the proposed training components. The Board requested the CDM-AP to develop a further paper on options on effective implementation of the training programme and cost implications for the consideration of the Board at its forty-second meeting.

15. The Board considered a proposal to ensure requirements for witnessing activities in re-accreditation of DOEs are met. The Board agreed that DOEs may be re-accredited, and issued an indicative letter for those sectoral scopes for which DOEs were initially accredited subject to successful completion of a desk review and on-site assessment. The Board agreed that re-accreditation could occur only subject to completion of required witnessing within a period of one year from issuance of an indicative letter confirming re-accreditation, and that accreditation should be automatically withdrawn for the relevant scopes upon failure to complete relevant witnessing activities within the period.

16. The Board requested the CDM-AP to identify required witnessing activities in respect of applicant entities for reaccreditation on the basis of projects available or currently under validation. The Board further requested the CDM-AP to review the potential for central selection of witnessing activities for both applicant, and accredited entities. The Board also requested the CDM-AP to explore potential to improve the efficiency of the process through combining use of witnessing in reaccreditation and regular surveillance assessments.

17. The Board further requested the CDM-AP, on the basis of further assessment of the options, to submit a revised accreditation procedure for the consideration of the Board at its forty-second meeting, reflecting its agreement in principle paragraph 16, and its requests in paragraph 15. The implementation of this decision shall be subject to revision of the accreditation procedure and recommendation of the CDM-AP to the Board.

18. The Board considered the recommendation of the CDM-AP on proposed changes to the spot-check procedures. The proposal includes the possibility of undertaking a spot-check on the site of a CDM project activities. The Board also took note of proposals to enhance the scope of the spot-check



assessments. The Board requested the CDM-AP to incorporate the changes in the revision of the accreditation procedure. The Board requested the CDM-AP to submit the revised accreditation procedure for its consideration at its forty-second meeting.

Further schedule

19. The Board noted that the thirty-sixth meeting of the CDM -AP has been re-scheduled on 7 - 9 September 2008 and that the documentation by the CDM-AP for the consideration of the Board shall be submitted to the Board after the deadline for submission of documentation.

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

20. The Board took note of the report of the thirty-third meeting of the panel on baseline and monitoring methodologies (Meth Panel), and an oral report by the Chair of the panel, Mr. Akihiro Kuroki, on the work of the panel.

Case specific

21. Taking into consideration the inputs by experts (desk reviewers), the public, and the recommendations of the Meth Panel, the Board agreed to approve methodology **AM0069** - "Biogenic methane use as feedstock and fuel for town gas production", which was proposed as NM0262 (Biogenic methane use as Town Gas Factory feedstock and methane emission reduction of flare efficiency) and link it to scopes 01 (Energy industries (renewable - / non-renewable sources)) and 05 (Chemical industries), as contained in the annex 1 of this report;

22. The Board considered the draft methodology "Manufacturing of energy efficient domestic refrigerators", which was proposed as NM0235 (Manufacturing of energy efficient domestic refrigerators by M/s Godrej & Boyce Mfg. Ltd) and the draft methodology "Manufacturing and servicing of domestic refrigeration appliances using a low GWP refrigerant", which was proposed as NM0247 (Manufacturing and servicing of refrigerators using low GWP refrigerant by M/s Videocon Appliances Ltd). These proposed new methodologies were recommended to the Board for approval by the Meth Panel at its thirty-third meeting. The Board requested the panel to further consider the cases to analyse (a) possible implications of a supply side methodology, encouraging producers to introduce energy efficiency improvements in manufactured appliances, on a consumer side programme of activities using the same type of appliances; (b) how to demonstrate that a technological innovation in a manufacturing facility is introduced due to the CDM and not other reasons such as safety considerations, cost reduction, availability of new materials, etc; (c) feasibility of the applicability condition requiring DOEs to confirm that no double-counting occurs, specifically in the context of the large number of appliances that may be manufactured and sold in the project activity duration, in particular in the case of PoA.

23. **Not to approve cases:** NM0208, NM0244, NM0249, NM0252, NM0253, NM0254, NM0255, NM0257 and NM0260, which, if revised taking into account comments, can be resubmitted but will require new expert and public input.

Responses to requests for clarification

24. The Board took note of the responses to requests for clarification provided by the Meth Panel on the cases AM_CLA_0078 to AM_CLA_0099 and CLA_TOOL_0003 to CLA_TOOL_0005.

***Responses to requests for revision and resultant revisions of approved methodologies***

25. The Board agreed on the responses recommended by the Meth Panel to requests for revision and the resultant revisions to approved methodologies:

- (a) Not to accept request AM REV 0087 concerning revision of the approved methodology ACM0006 to extend the definition of project boundary by including time element along with spatial element to define the project boundary.
- (b) Not to accept request AM REV 0089 concerning revision of the approved methodology AM0028 to expand its applicability to project activities that abate N₂O emissions at new nitric acid plants.
- (c) Not to accept request AM REV 0090 concerning revision of the approved methodology AM0028 to extend its applicability to project activities that abate N₂O emissions at relocated nitric acid plants.
- (d) Not to accept request AM REV 0091 concerning revision of the approved methodology AM0025 to extend its applicability project activities that avoid methane emissions from landfills by in-situ aeration of landfills.
- (e) Not to accept request AM REV 0092 concerning revision of the approved methodology AM0048 to extend its applicability to project activities that supply steam and electricity to newly introduced project customers.
- (f) Not to accept request AM REV 0093 concerning revision of the approved methodology ACM0006 to expand its applicability to project activities that install a new biomass residues fired cogeneration plant at a site where, prior to the implementation of the project activity, an existing cogeneration plant has been operated with a fuel mix composed of fossil fuels and biomass residues.
- (g) Not to accept request AM REV 0094 concerning revision of the approved methodology ACM0011 to make it applicable to project activities involving captive cogeneration plants, connected to the grid and using a mix of fuels. Please refer to paragraph 26(d) below.
- (h) Not to accept request AM REV 0095 concerning revision of the approved methodology AM0065 to include experimental procedure to determine baseline SF₆ degradation factor. Please refer to paragraph 26(a) below.
- (i) Not to accept request AM REV 0096 concerning revision of the approved methodology ACM0003 to extend its applicability to include a baseline scenario where the biomass residues were used in the cement manufacturing facility, where the project activity is implemented, before the start of the project activity.
- (j) Not to accept request AM REV 0097 concerning revision of the approved methodology AM0014 to extend its applicability to project activities that use cogeneration plant to meet energy demand of a greenfield facility.
- (k) Not to accept request AM REV 0098 concerning revision of the approved methodology ACM0010 to include a baseline scenario, which is a counterfactual anaerobic treatment system that generates methane, which is released to the atmosphere without destruction by flaring or energy production.

***Revision of approved methodologies and methodological tools***

26. The Board revised the following approved methodologies and methodological tools:

- (a) **AM0065:** The revision is based on some aspects of the request for revision AM_REV_0095. The revision includes change in the procedure to estimate the baseline emission factor of SF₆ based on the minimum value of emission factor for the three years prior to the start of implementation of the project activity. The revised methodology is contained in [annex 2](#) of this report.
- (b) **AM0067:** The revision is made in response to the request by the Board at its thirty-eighth meeting to review the applicability condition stating that the methodology is not applicable if the technology of the transformers installed in the project activity represents more than 20% of the total installed transformers in the geographic region during a period of 3 years prior to the implementation of the project activity. The revision is to remove the applicability condition mentioned above. The revised methodology is contained in [annex 3](#) of this report.
- (c) **ACM0001:** The revision is made in response to the requests for clarification AM_CLA_0092 and AM_CLA_0095. The revision includes the following: clarification that the measurement of both landfill gas (LFG) flow and methane fraction in LFG have to be conducted on the same basis (wet or dry); references to be used for procedure for conversion from wet basis measurements to dry basis in case “Tool to determine project emissions from flaring gases containing Methane” is used; cases where periodical measurements are allowed; guidance on performing periodical measurements for monitoring the fraction of methane in the landfill gas and addition of a sectoral scope 01 (Energy industries (renewable - / non-renewable sources)). The revision also explicitly requires the methane fraction to be measured directly and not estimated based on measurement of components other than methane. The revised methodology is contained in [annex 4](#) of this report.
- (d) **ACM0011:** The editorial revision, based on elements of the request for revision AM_REV_0094, is to correct equations 8 and 9 for calculation of the efficiency of the power plant. The revised methodology is contained in [annex 5](#) of this report.
- (e) **ACM0012:** The revision is made in response to the request by the Board at its thirty-ninth meeting to assess the impact of the draft revision, proposed by the panel at its thirty-second meeting, on the applicability of the methodology. The revision includes the following: revised definitions of waste energy and cogeneration; changed applicability condition for waste pressure based energy recovery activities; clarification on definition and applicability of type I and type II activities; and inclusion of alternative approaches for the capping of waste energy quantity. The revised methodology is contained in [annex 6](#) of this report.
- (f) **AM0021, AM0028 and AM0034:** The editorial revision to AM0034 is prepared in response to the request for clarification AM_CLA_0096 on the application of this methodology. To ensure consistency, the same editorial changes were extended to other N₂O emission reduction methodologies, AM0021 and AM0028. The revision clarifies the monitoring requirements for volume of stack gas (VSG) and concentration of N₂O in stack gas (NCSG), which need to be normalized based on temperature and pressure of stack gas (TSG and PSG) before being used for the estimation of baseline emissions. The revised methodologies are contained in [annexes 7, 8 and 9](#) of this report.
- (g) **Tool to determine methane emissions avoided from dumping waste at a solid waste disposal site:** The revision is made in response to the request for clarification CLA_TOOL_0005. The revision clarifies the tool is not applicable to stockpiles and provides a definition of a



stockpile to be used in the context of the tool. It also clarifies that the approach to determine emissions from stockpiles for small scale CDM project activities (as described in AMS-III.E) cannot be used for large-scale project activities. The title of the tool is changed to read "Tool to determine methane emissions avoided from disposal of waste at a solid waste disposal site". The revised tool is contained in [annex 10](#) of this report.

(h) **Tool to calculate project or leakage CO₂ emissions from fossil fuel combustion:** The revision is in response to the request for clarification CLA_TOOL_0004. The revision clarifies that the usage of fixed calibrated rulers is an acceptable measurement method for monitoring the fuel consumption under conditions specified in the revised tool are met. The revised tool is contained in [annex 11](#) of this report.

27. The revised versions of the methodologies and tools referred to in the paragraphs above will come into effect on 16 August 2008, 17:00 GMT, in accordance with the procedure for the revision of approved methodologies.

General guidance

28. The Board considered draft proposal by the panel on the enhanced barrier test for project activities that have a potential for high profitability without CER revenues. The Board requested the secretariat to undertake an assessment of approved methodologies and registered project activities with a view to assessing the extent of project activity types covered by the applicability of the proposed guidance. Further, the above assessment will be used to develop criteria for profitability of project activities and the list of other project activity types to which this guidance should be applicable. The Board requested the Small-Scale Working Group to assess the potential relevance of this issue for small-scale project activities. The Board further agreed to launch a call for public comments on the proposal for the enhanced barrier test from 6 August 2008 until 3 September 2008. The Board requested the secretariat to compile the inputs and present them along with the above assessment for consideration by the Board at its forty-third meeting.

29. The Board took note of a proposal from the secretariat regarding the guidance on common practice analysis. Due to time constraints the Board could not consider this proposal and agreed to consider it at its next meeting.

30. The Board agreed to the revision to the "Guidelines for completing the project design document (CDM-PDD), and the proposed new baseline and monitoring methodologies (CDM-NM)", included as [annex 12](#) to this report. The revised guidelines also include the Board new guidance approved at the forty-first meeting.

31. The Board took note of the oral report of the secretariat on energy efficiency and also of the proposal on possible tools and guidance related to energy efficiency. The note prepared by the secretariat listing tools and guidance to be developed by the panel and the Small-Scale Working Group is included as [annex 13](#) to this report.

Further schedule

32. The Board noted that the thirty-fourth meeting of the CDM Meth Panel is scheduled to be held from 25 to 29 August 2008. The Board also reminded project participants that the deadline for the twenty-fifth round of submissions of proposed new methodologies is 17 September 2008.

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

33. The Board took note of the report on the work of the twentieth meeting of the A/R WG and an oral report by its Chair, Mr. José Domingos Miguez, on the work of the group.

*Case specific**Responses to requests for clarifications*

34. The Board considered and agreed to the response to the request for clarification AR_AM_CLA_004 prepared by the A/R WG. In particular, the Board agreed that numerical data on geographic coordinates of the project boundary when included in the PDD in the form of digital information shall be provided in the shape (.shp) file format.

General guidance

35. The Board considered the draft "Guidance on the application of the definition of project boundary to A/R CDM project activities" recommended by the A/R WG. The Board agreed to launch a call for public inputs on the draft guidance on the application of the definition of project boundary to A/R CDM project activities from 6 August 2008 until 3 September 2008. The Board requested the secretariat to compile the inputs in order to prepare a revised document for consideration by the Board at its forty-second meeting. The Board reiterated that the guidance should allow for more flexibility in the application of the definition of project boundary to A/R CDM project activities which are not intended to be submitted as a Programme of Activities (PoA). In particular, the flexibility in the geographical delineation of the afforestation or reforestation project activity under the control of the project participants shall be considered.

36. The Board approved the methodological "Tool to estimation of carbon stocks, removals and emissions for the dead organic matter pools due to implementation of a CDM A/R project activity", as contained in [annex 14](#) to this report. The tool provides: (i) Guidance on conditions under which emissions and removals by the existing DOM pools need not be accounted; (ii) A simplified methodological approach for estimating DOM carbon stocks and changes, and any associated non-CO₂ emissions, based on conservative default data; and (iii) Extended approach for field measurement of DOM carbon stocks, that can be applied in circumstances not covered by the simplified methodological approach, or if project participants prefer a measurement-based approach.

37. The Board approved the "Tool for the identification of degraded or degrading lands for consideration in implementing CDM A/R project activities", as contained in [annex 15](#) to this report. The tool provides operational approaches based on documented evidence for proving degradation depending on the availability of information and based on data on degradation of land in the area of the A/R project activity.

Further schedule

38. The Board noted that the twenty-first meeting of the A/R WG is scheduled on 1 to 3 September 2008. The Board also noted that the deadline for the nineteenth round of submissions of proposed new A/R methodologies is 4 August 2008.

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

39. The Board took note of the report on the work of the sixteenth meeting of the working group to assist the Board in reviewing proposed methodologies for small-scale CDM project activities (SSC WG) and of an oral report by its Chair, Ms. Ulrika Raab, on the work of the group.

*Case specific*

40. The Board considered new small-scale methodology 'AMS II.J Demand-side activities for efficient lighting technologies' assigned to sectoral scope 03 and approved it with following amendments: the upper limit on daily operating hours for the lighting equipment is prescribed as 3.5 hours; the factor to take into account free riders, rebound effect and other leakages was revised to 0.95; and requirements for clearly identifying the lighting equipment was also amended. The approved methodology is contained in [annex 16](#) of this report. This methodology is applicable to project activities replacing incandescent lamps with compact fluorescent lamps (CFLs). The calculation of emission reductions is based on the actual number of lamps replaced and conservatively estimated operating hours of the lamps. The methodology includes procedures to account for lamp failures through field surveys.

Revisions of approved methodologies:

41. The Board agreed to the revised approved methodology:

- (a) AMS II.C "Demand-side energy efficiency activities for specific technologies", as contained in [annex 17](#) of this report. The revision includes guidance on consideration of electricity transmission and distribution losses. It also includes guidance on the consideration of penetration of the project activity technology in the baseline when the methodology is applied to a program of activities. Further it includes three options to demonstrate that the project will not lead to significant leakages on account of interactive effects of lighting and heating when the methodology is applied to a programme of activity.
- (b) AMS III.B "Switching fossil fuels", as contained in [annex 18](#) of this report, expanding the applicability of the methodology to new facilities and including guidance on treatment of capacity expansions.
- (c) AMS III.F "Avoidance of methane production from decay of biomass through composting", as contained in [annex 19](#) of this report. The revision expands the applicability of the methodology to project activities that use controlled anaerobic digestion of solid organic waste to reduce methane emission, which otherwise would have been emitted as the waste would have been left to decay in a waste disposal site.

General guidance

42. The Board agreed to the revision of general guidance to SSC methodologies as contained in [annex 20](#) to this report. The revision includes guidance on baseline identification and consideration of lifetime of existing equipment.
43. The Board noted that the clarification provided by the SSC WG with regard to SSC_190 was in the context of an enclosed flare and not applicable to open flares.
44. The Board thanked the Swedish Energy Agency and the Government of Sweden for hosting the sixteenth meeting of the SSC WG, the excellent meeting facilities provided, and the warm hospitality offered to the members and the secretariat staff .
45. The Board took into account the applications received in response to a call for experts in order to appoint an energy efficiency expert as a member of the SSC WG. The Board agreed to appoint Mr. Steven Schiller.

*Further schedule*

46. The Board noted that the seventeenth meeting of the SSC WG meeting is scheduled on 1 - 3 September, 2008.

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

47. The Board took note that 1133 CDM project activities have been registered by 2 August 2008. The status of requests for registration of project activities can be viewed on the UNFCCC CDM website at <https://cdm.unfccc.int/Projects/index.html>.

Case specific

48. In accordance with the procedures for review as referred to in paragraph 41 of the CDM modalities and procedures, the Board considered a request for review of twenty-nine (29) requests for registration.

49. The Board agreed to register, as corrected, the project activity “Yima Coal Industry (Group) Co., Ltd. CMM utilization project” (1613) submitted for registration by the DOE (DNV) if the revised PDD submitted in response to the request for review are displayed on the UNFCCC CDM website.

50. The Board agreed to register with corrections the project activities:

- (a) “Emission reductions through partial substitution of fossil fuel with alternative fuels in the 2 cement plants of PT Holcim Indonesia Tbk” (1598) if the project participants and DOE (DNV) submit revised documentation with the additional evidence to show that major investments were made only in 2008 and the timeline of activities to support the prior consideration of the CDM;
- (b) “Zhengzhou Coal Industry (Group) Co., Ltd. Coalmine Methane Utilization Project” (1603) if the project participants and DOE (DNV) submit a further revised PDD and corresponding validation report which includes:
 - (i) Information on validation of input values submitted in response to the request for review; and
 - (ii) Monitoring plan with details on how monitoring and QA/QC procedures will be implemented at each mine site;
- (c) “Shaba 24MW Hydropower Project in Yunnan Province, China” (1605) if the project participant and DOE (JCI) submit a revised PDD and corresponding revised validation report which include a revised IRR calculation which also incorporates the portion of the costs incurred prior to the project activity start date in accordance with the guidance as approved by the Board referred to in paragraph 65 below and if the revised IRR calculation demonstrates that the IRR is lower than the benchmark;
- (d) “Pingdingshan Coal (Group) Co., Ltd. Methane Utilization Project, Henan Province, China” (1614) if the DOE (DNV) submits a revised validation report corresponds to the revised PDD submitted in response to the request for review;



- (e) “Shibeishan Wind Power Generation Project in Huilai County, Guangdong Province” (1627) if the DOE (DNV) submits a revised PDD and the corresponding validation report which includes:
- (i) The information submitted in response to the request for review regarding the validation of common practice analysis, the input values to the IRR and the revised IRR after correcting the period of assessment; and
 - (ii) Further explanation of how the validation of the input values as per the requirement of the thirty-eighth meeting of the Board paragraph 54 (c) has been carried out.
- (f) “Yunnan Yuanjiang Lutong Hydropower Station” (1743) if the project participants and DOE (TÜV SÜD) submit a revised PDD and corresponding validation report which includes the information provided in the response to the request for review regarding:
- (i) How the input values to the financial analysis were validated based on the guidelines of the thirty-eighth meeting of the Board; and
 - (ii) The timeline of activities to develop the project as a CDM project activity.
51. After the submission of the specified documentation, the secretariat, in consultation with the Chair of the Board, will check the revised documentation before the activity is displayed as registered.
52. The Board agreed to undertake a review of the project activity:
- (a) “USJ Açúcar e Álcool S/A – Usina São Francisco Cogeneration Project” (1479) submitted for registration by the DOE (SGS) and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 21](#) to this report;
 - (b) “20MW Bagasse based Cogeneration power project” at Bannari Amman Sugars Limited Sathyamangalam, Tamil Nadu’ (1572) submitted for registration by the DOE (SGS) and that the scope of this review is relating to issues associated with validation requirements as contained in [annex 22](#) to this report;
 - (c) ‘22.5 MW grid connected wind farm project by RSMML in Jaisalmer, India’ (1602) submitted for registration by the DOE (BVC) and that the scope of this review is relating to issues associated with validation requirements as contained in [annex 23](#) to this report
 - (d) ‘Anshan Iron and Steel Group Corporation (Yingkou) Blast Furnace Gas Combined Cycle Power Plant Project’ (1608) submitted for registration by the DOE (TÜV SÜD) and that the scope of this review is relating to issues associated with validation requirements as contained in [annex 24](#) to this report;
 - (e) ‘Anshan Iron and Steel Group Corporation (Anshan) Blast Furnace Gas Combined Cycle Power Plant Project’ (1609) submitted for registration by the DOE (TÜV SÜD) and that the scope of this review is relating to issues associated with validation requirements as contained in [annex 25](#) to this report; 1. If the Board ultimately decides to register the project activity, the PP/DOE shall include the response submitted on the validation of input values, levelized cost of the baseline scenario(s) and availability of BFG and COG for the project activity;¹
 - (f) ‘Waste Heat Recovery and Utilisation for Power Generation Project of Chizhou Conch Cement Company Limited’ (1611) submitted for registration by the DOE (TÜV SÜD) and that the scope of this review is relating to issues associated with validation requirements, as contained



in [annex 26](#) to this report;

(g) ‘Yuhe Tongli WHR Project’ (1619) submitted for registration by the DOE (TÜV SÜD) and that the scope of this review is relating to issues associated with validation requirements as contained in [annex 27](#) to this report;²

(h) ‘Huanghe Tongli WHR Project’ (1622) submitted for registration by the DOE (TÜV SÜD) and that the scope of this review is relating to issues associated with validation requirements as contained in [annex 28](#) to this report;

(i) ‘A power generation project using waste heat from the Coke Dry Quenching (CDQ) equipment in China’ (1625) submitted for registration by the DOE (JQA) and that the scope of this review is relating to issues associated with validation requirements as contained in [annex 29](#) to this report;³

(j) ‘SSPL 4.5 MW WHRB CPP’ (1640) submitted for registration by the DOE (BVC) and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 30](#) to this report;⁴

(k) ‘SHYAM DRI WHR CPP’ (1642) submitted for registration by the DOE (BVC) and that the scope of this review is relating to issues associated with validation requirements as contained in [annex 31](#) to this report;⁵

(l) ‘13.5MW WHR Project in Hunan Niuli Cement Co., Ltd.’ (1659) submitted for registration by the DOE (TÜV SÜD) and that the scope of this review is relating to issues associated with validation requirements as contained in [annex 32](#) to this report;

(m) ‘SEPL CDM CPP’ (1666) submitted for registration by the DOE (BVC) and that the scope of this review is relating to issues associated with validation requirements as contained in [annex 33](#) to this report;⁶

(n) ‘Tangshan Xinfeng Thermal & Power Co., Ltd. Waste Gas Power Generation Project’ (1669) submitted for registration by the DOE (TÜV-SÜD) and that the scope of this review is relating to issues associated with validation requirements as contained in [annex 34](#) to this report;

(o) ‘Zhang Jiagang waste heat recovery from sulphuric acid production for electricity generation project’ (1685) submitted for registration by the DOE (DNV) and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 35](#) to this report;

(p) ‘Chongqing Iron & Steel Co. Ltd. Waste Gas to Electricity Project’ (1689) submitted for registration by the DOE (DNV) and that the scope of this review is relating to issues associated with validation requirements as contained in [annex 36](#) to this report;

(q) ‘Captive power generation through waste heat recovery system in a steel plant in Jinan City, China’ (1691) submitted for registration by the DOE (DNV) and that the scope of this review is relating to issues associated with validation requirements as contained in [annex 37](#) to this report;⁷



- (r) ‘Power Generation by Waste Heat Recovery Project of Xinjiang Tianshan Cement Co. Ltd. in Urumqi City, Xinjiang Autonomous Region, P. R. China’ (1696) submitted for registration by the DOE (DNV) and that the scope of this review is relating to issues associated with validation requirements as contained in [annex 38](#) to this report;
- (s) ‘Power generation from coking waste heat utilization project at Shanxi Shouyang County Boda Industries Co., Ltd in Shanxi, China’ (1703) submitted for registration by the DOE (DNV) and that the scope of this review is relating to issues associated with validation requirements as contained in [annex 39](#) to this report;
- (t) ‘Power generation from coking waste heat utilization project at Lan County Fengda Coking and Chemicals Smelting Co., Ltd in Shanxi, China’ (1704) submitted for registration by the DOE (DNV) and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 40](#) to this report;
- (u) ‘Power generation from coking waste heat utilization project at Qinyuan County Mingyuan Coal and Coke Co., Ltd in Shanxi, China’ (1720) submitted for registration by the DOE (DNV) and that the scope of this review is relating to issues associated with validation requirements as contained in [annex 41](#) to this report;
- (v) ‘36 MW Power generation from coking waste heat generated in the clean-type heat-recovery coke ovens at Shanxi Qinxin Coal and Coke Co., Ltd, China’ (1724) submitted for registration by the DOE (DNV) and that the scope of this review is relating to issues associated with validation requirements as contained in [annex 42](#) to this report;
53. The Board agreed on the nomination of the members of the review teams for the above. The review teams may call on outside expertise in consultation with the Chair of the Board, as appropriate.
54. In accordance with the procedures for review as referred to in paragraph 41 of the CDM modalities and procedures, the Board considered the recommendations of the review teams for the seventeen (17) project activities which were placed “Under review” at the fortieth meeting of the Board.
55. In accordance with paragraphs 17 and 18 (b) of the procedures mentioned in paragraph 54 , the Board agreed to register, subject to satisfactory corrections, the project activities:
- (a) “Bundled wind energy power projects (2004 policy) in Rajasthan” (1166) if the project participant and DOE (SGS) submit a revised PDD and corresponding revised validation report which recalculates the WACC applying:
- (i) The actual cost of debt applicable to the project activity; and
- (ii) A beta value from an independent third party source to determine the cost of equity.
- (b) “Baragran Hydro Electric Project, 3.0 MW (being expanded to 4.9 MW)” (1253) if the project participant and DOE (SGS) submit a revised PDD and corresponding revised validation report which include the information submitted in response to the request for review and review, in particular, the information on the prior consideration of the CDM, validation of the input values, the load factor and the revised benchmark, with further justification on the assumed 2% risk premium.
- (c) “Enercon Wind Farm (Hindustan) Ltd in Karnataka ” (1259) if the project participant and DOE (DNV) submit a revised PDD and corresponding revised validation report which demonstrate how the project activity could not be financed and invested in with the benefits of the



CDM as the project and equity IRRs are higher than the interest rate applicable to the project activity.

(d) “Tungabhadra wind power project in Karnataka ” (1268) if the project participant and DOE (DNV) submit a revised PDD and corresponding revised validation report which demonstrate how the project activity could not be financed and invested in with the benefits of the CDM as the project and equity IRRs are higher than the interest rate applicable to the project activity.

(e) “Brasil Central Energia S.A. – Sacre 2 Small Hydro Power Plant Project” (1328) if the project participant and DOE (TÜV SÜD) submit a revised PDD and corresponding revised validation report which provides:

- (i) Further substantiation of the serious prior consideration of the CDM;
- (ii) Provide confirmation of the validity of the Host Party letter of approval for the project activity; and
- (iii) Provides further validation of the investment analysis, in particular the suitability of the benchmark.

(f) “Use of FINEX Off Gas for power generation in Pohang Steel Works” (1447) if the project participant and DOE (TÜV SÜD) submit a revised PDD and corresponding revised validation report which provides:

- (i) Further substantiation of the serious prior consideration of the CDM;
- (ii) Further substantiation of the applied benchmark;
- (iii) Further substantiation of the assumption of a fixed electricity tariff through the period of assessment.

(g) “Chuanwei Group 24 MW Waste Gas based Captive Power” (1470) if the project participant and DOE (DNV) submit a revised PDD and corresponding revised validation report which:

- (i) Incorporates the additional information on the investment barrier submitted in response to the review; and
- (ii) Justifies the consistency of the common practice analysis with the additionality tool, in particular the essential distinctions between the BFG, BFG CCPP and BFG cogeneration technologies.

(h) “Dwarikesh 8 MW Bagasse-Based Power Generation Project, Bijnor, UP India” (1544) if the project participant and DOE (DNV) submit a revised PDD and corresponding revised validation report which provides further substantiation of the serious prior consideration of the CDM, including a timeline of project implementation which justifies the two year gap between the commissioning of the project activity and its submission to the DOE for validation.

(i) “9 MW Neria Hydroelectric project, Karnataka, India” (1549) if the project participant and DOE (DNV) submit a revised PDD and corresponding revised validation report which incorporate the responses to the review regarding the 16% return on equity for the equity component of the WACC being a conservative benchmark as it corresponds to a lower beta value for the PP compared to those of two hydropower companies listed in the Indian stock exchanges.



- (j) “20 MW Bagasse Based Co-generation Power Project at Bannari Amman Sugars Limited, Nanjangud, Karnataka” (1574) if the project participant and DOE (SGS) submit a revised PDD and a corresponding revised validation report which provides further substantiation of the baseline selection condition, in particular, a) how the PP would have met their energy (heat and electricity) demand in the absence of the project activity, considering that the 7.5 MW unit was dismantled in 2004, at the time of commissioning of the project activity’s 20 MW plant; and b) how the DOE validated in accordance with the methodology the accuracy of the historical emissions considering the historical data is based on a processing capacity of 5000 TCD, while the project activity has a processing capacity of 7500 TCD.
- (k) “Santo Domingo Wind Energy Project” (1586) if the project participant and DOE (AENOR) submit a revised PDD and corresponding revised validation report which incorporate the responses to the review regarding the investment analysis, in particular the:
- (i) Levelized cost comparison between the project activity and the baseline alternative; and
 - (ii) The determination and validation of the benchmark IRR.
- (l) “Guangxi Bajiangkou Hydropower Project” (1596) if the project participant and DOE (JCI) submit a revised PDD and corresponding revised validation report which include a revised IRR calculation which also incorporates the portion of the costs incurred prior to the project activity start date in accordance with the guidance as approved by the Board referred to in paragraph 65 below and if the revised IRR calculation demonstrates that the IRR is lower than the benchmark.
- (m) “Shandong Zaozhuang 15MW waste heat recovery for electricity generation project (1)” (1599) if the project participant and DOE (JCI) submit a revised PDD and corresponding revised validation report which incorporate the responses provided for the assessment of the economic comparison of the alternatives which do not face prohibitive barriers.
- (n) “Guangxi Xiafu Hydro Power Project” (1604) if the project participant and DOE (JCI) submit a revised PDD and corresponding revised validation report which include a revised IRR calculation which also incorporates the portion of the costs incurred prior to the project activity start date in accordance with the guidance as approved by the Board referred to in paragraph 65 below and if the revised IRR calculation demonstrates that the IRR is lower than the benchmark.
- (o) “Hubei Xiakou Hydropower Project of Nanzhang County, Xiangfan City, Hubei Province, P.R. China” (1607) if the project participant and DOE (TÜV SÜD) submit a revised PDD and corresponding revised validation report which include the revised IRR calculation which also incorporates the portion of the costs incurred prior to the project activity start date in accordance with the guidance as approved by the Board referred to in paragraph 65 below, and if the revised IRR calculation demonstrates that the IRR is lower than the benchmark.
- (p) “Yulong Tongli WHR Project” (1623) if the project participant and DOE (TÜV SÜD) submit a revised PDD and corresponding revised validation report which include:
- (i) Validation of input values used in the financial analysis;
 - (ii) Validation of the electricity tariff, so as to reflect the future tariff throughout the period of operation;
 - (iii) Sensitivity analysis on all relevant input values by applying a variation of at least +/- 10%; and



- (iv) Use of the conservative grid emission factor which is in line with that published by the DNA of China.
 - (q) “Pingyuan Tongli WHR Project” (1624) if the project participant and DOE (TÜV SÜD) submit a revised PDD and corresponding revised validation report which include:
 - (i) A consistent NPV and IRR analysis, in line with the response to the request for review;
 - (ii) Validation of the electricity tariff, so as to reflect the future tariff throughout the period of operation;
 - (iii) Sensitivity analysis on all relevant input values by applying a variation of at least +/- 10%; and
 - (iv) Use of the conservative grid emission factor which is in line with that published by the DNA of China.
56. In accordance with the clarifications to paragraph 18(b) of the procedures referred to in paragraph 54 if the Board considers that the corrections submitted for any of the projects above are not satisfactory the request for registration shall be rejected.
57. In accordance with the clarifications to paragraph 10 of the procedures referred to in paragraph 54 the Board considered two (2) project activities for which corrections had been submitted in response to the outcome of a previous review.
58. The Board agreed to undertake a review of the project activities:
- (a) “5 MW Upper Awa small hydroelectric project, Himachal Pradesh, India” (1252) submitted for registration by the DOE (SGS) and that the scope of this review is relating to issues associated with validation requirements as contained in [annex 43](#) to this report;
 - (b) “Jiangsu Qingshi Cement Plant's Low Temperature Waste Heat Power Generation Project” (1309) submitted for registration by the DOE (TUEV-RHEIN) and that the scope of this review is relating to issues associated with validation requirements as contained in [annex 44](#) to this report;
59. The Board considered one (1) request for deviation from an approved methodology related to a project activity undergoing validation, agreed to answer it, and requested the secretariat to inform the DOE accordingly.

Registration procedure

60. The Board noted the applications for membership of the Registration and Issuance Team (RIT) and decided, due to time constraints, to consider these applications at its next meeting.
61. The Board considered the draft standardization of the format of the modalities of communications between project participants and the Executive Board, as contained in annex 2 to the annotated agenda of the forty-first meeting of the Board. The Board agreed to launch a call for public inputs on this draft from 6 August 2008 until 3 September 2008. The Board requested the secretariat to incorporate the inputs received in a highlighted manner in a revised document for consideration by the Board at its forty-second meeting. The Board is, in particular, interested in the views of Designated National Authorities (DNAs).
62. The Board agreed to launch a call for public inputs on Programme of Activities (PoA) from 6 August 2008 until 3 September 2008, to seek comments on issues associated with the development of



the Programme of Activities as a CDM Project Activity and difficulties in the validation and submission for registration of a PoA. The Board agreed to consider these comments received at its next meeting.

General guidance

63. In cases where a DOE, or a project participant via a DOE, requests that a request for registration be withdrawn prior to the publication of this request the full amount of the registration fee will be reimbursed

64. The Board considered an assessment of actions by all actors in the registration process prepared by the secretariat and instructed the secretariat to, address the current backlog in completeness checks of request for registration as soon as possible, and within the limitation of 50 request for registration per month:

- (a) Process completeness checks of requests of registration within 30 working days of receipt of the fee;
- (b) Process completeness checks of resubmitted requests for registration within 5 working days of resubmission by the DOE;
- (c) Provide to the Chair of the Board an assessment of corrections submitted in response to requests for review and review within three weeks of the submission by the DOE; and
- (d) Report back to the Executive Board regarding the feasibility and resource implications of the implementation of the above at its forty-third meeting.

65. The Board agreed to adopt version 2 of the “Guidance on the assessment of investment analysis” as contained in [annex 45](#) to this report.

66. The Board clarified that for projects applying ACM0004 version 02 which only supply electricity to a grid and which have not been developed for the purpose of supplying captive electricity demand, the requirement to undertake an economic comparison of the alternatives that do not face prohibitive barriers is not applicable.

67. The “Glossary of CDM terms” defines the start date of a CDM project activity as: “the earliest date at which either the implementation or construction or real action of a project activity begins”. To facilitate the clear definition of this term the Board further clarified that:

"In light of the above definition, the start date shall be considered to be the date on which the project participant 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 Board 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 of paragraph 7 of the “Guidance on the assessment of investment analysis” (version 02).”

The Board requested the secretariat to update the “Glossary of CDM terms” to reflect this clarification.

68. The agreed to adopt "Guidance on the demonstration and assessment of prior consideration of the CDM" as contained in [annex 46](#).

Agenda sub-item 3 (f): Matters relating to the issuance of CERs and the CDM registry

69. The Board took note that 176,434,284 CERs have been issued as of 2 August 2008 and that the secretariat, in its capacity as the CDM registry administrator, continues to process requests for opening of holding accounts and for forwarding of CERs. The status of requests for issuance of CERs can be viewed on the UNFCCC CDM website.

Case specific issues

70. In accordance with the procedures for review as referred to in paragraph 65 of the CDM modalities and procedures, the Board considered a request for review of eighteen (18) requests for issuance.

71. In accordance with paragraph 10 of these procedures referred in paragraph 70 the Board agreed to instruct the CDM registry administrator to issue 14,014 CERs for “CECECAPA Small Hydroelectric Project” (0156), taking note of the initial comments from the DOE (SGS) and project participant in response to the request for review.

72. In accordance with paragraph 10 of these procedures referred in paragraph 70, the Board agreed, subject to a check by the secretariat of the revised documentation and in consultation with the Chair of the Board, to instruct the CDM registry administrator to issue CERs for:

(a) “La Esperanza Hydroelectric Project” (0009), if the project participant and the DOE (DNV) submit a revised monitoring report and a corresponding revised verification report which include clarifications provided in the request for review and consistent description of the capacities of the turbines.

(b) “Quimobásicos HFC Recovery and Decomposition Project ” (0151), if the revised monitoring report and the revised verification report submitted by the DOE (TÜV-SÜD) in response to the request for review are displayed on the UNFCCC CDM website.

The Board further noted that for the future request for issuance the DOE shall ensure that the Board's guidance on Accounting Eligible HFC-23 is followed.

(c) “6MW Somanamaradi grid connected SHP in Karnataka, India ” (0227), if the project participant and the DOE (DNV) submit a revised monitoring report and a corresponding revised verification report which include the clarifications on significant high emission reductions claimed in this monitoring period as provided in response to the request for review.

(d) “Rithwik 6 MW Renewable Sources Biomass Power Project” (0253), if the project participant and the DOE (SGS) submit a revised monitoring report, a corresponding revised verification report and a new request for issuance as appropriate, which apply the weighted average grid emission factors calculated *ex-post* using the latest official data.

(e) “Generation of Electricity through combustion of waste gases from Blast furnace and Corex units at JSW Steel Limited (in JPL unit 1), at Torangallu in Karnataka, India” (0325), if the DOE (DNV) submit a revised verification report and a new request for issuance which include



correction regarding the certified emission reductions provided in response to the request for review.

(f) “Switching of fossil fuel from Naptha & Diesel to Biomass (agricultural residue) for 9 MW Power Generation Unit of M/s. My Home Power limited (MHPL) and Supply to APTRANSCO Grid” (0476), if the project participant and the DOE (TÜV NORD) submit a revised monitoring report and a corresponding revised verification report which incorporate the clarifications provided in response to the request for review regarding the biomass used in the project is a renewable biomass.

The Board further noted that a revision of monitoring plan should be submitted to correct the description of the monitoring of auxiliary calculation prior to the next request for issuance.

(g) “Trojes Hydropower project” (0649), if the project participant and the DOE (DNV) submit a revised monitoring report and a corresponding revised verification report which incorporate clarifications on the calibration of the main meter and check meter provided in response to the request for review.

(h) “Catalytic N₂O destruction project in the tail gas of three Nitric Acid Plants at Hu-Chems Fine Chemical Corp.” (0765), if the project participant and the DOE (DNV) submit a revised monitoring report, a revised spreadsheet and a corresponding revised verification report which incorporate clarifications provided in response to the request for review.

(i) “Partial substitution of fossil fuels with biomass in cement manufacture” (0844), if the project participant and the DOE (SGS) submit a revised monitoring report and a corresponding revised verification report which incorporate:

(i) Monthly measurement of calorific values of fuels consumed by the project activity;

(ii) Justification, including any calculation to support this justification, to demonstrate that the error propagation is negligible when using year average calorific values instead of monthly average values.

(j) “Yunnan Heier 25MW Hydropower Project” (1102), if the project participant and the DOE (SGS) submit a revised monitoring report and a corresponding revised verification report and a new request for issuance, taking into account the electricity exported from Baishui substation during the period 19 October 2007 until 31 October 2007 using data recorded from electricity meters at the project location.

The Board further encouraged the project participant to select monitoring period which coincides with the period of billing by the grid company.

(k) “Switching of fuel from coal to palm oil mill biomass waste residues at Industrial de Oleaginosas Americanas S.A. (INOLASA)” (1314), if the project participant and the DOE (TÜV NORD) submit a revised monitoring report and a corresponding revised verification report which incorporate clarifications regarding biomass shortage and the operation of bunker boilers submitted in response to the request for review.



73. In accordance with the provisions of paragraph 10 of these procedures referred in paragraph 70 , the Board agreed to undertake a review of the request for issuance of CERs and to appoint members of the review team for:

- (a) “Biogas Support Program - Nepal (BSP-Nepal) Activity-1” (0136), submitted by the DOE (DNV), and that the scope of this review is relating to issues associated with verification requirements, as contained in [annex 47](#) to this report;
- (b) “Biogas Support Program - Nepal (BSP-Nepal) Activity 2” (0139), submitted by the DOE (DNV), and that the scope of this review is relating to issues associated with verification requirements, as contained in [annex 48](#) to this report;
- (c) “TSIL – Waste Heat Recovery Based Power Project” (0274), submitted by the DOE (SGS), and that the scope of this review is relating to issues associated with verification requirements, as contained in [annex 49](#) to this report;
- (d) “Switching of fuel from naphtha to natural gas in the captive power plant (CPP) at Dahej complex of Gujarat Alkalies and Chemicals Limited” (0494), submitted by the DOE (SGS) and that the scope of this review is relating to issues associated with verification requirements, as contained in [annex 50](#) to this report.
- (e) “SIDPL Methane extraction and Power generation project” (0498), submitted by the DOE (DNV), and that the scope of this review is relating to issues associated with verification requirements, as contained in [annex 51](#) to this report;
- (f) “AWMS Methane Recovery Project MX06-S-35, Jalisco and Michoacán, México” (0538), submitted by the DOE (SGS), and that the scope of this review is relating to issues associated with verification requirements, as contained in [annex 52](#) to this report;

74. The Board agreed on the nomination of the members of the review teams for the above. The review teams may call on outside expertise in consultation with the Chair of the Board, as appropriate.

75. In accordance with the procedures for review as referred to in paragraph 65 of the CDM modalities and procedures, the Board considered the recommendation of the review team for one (1) project activity which was placed “Under review” at the fortieth meeting of the Board.

76. Noting that the main and check meters were not calibrated in accordance with the monitoring plan, the Board agreed to instruct the CDM registry administrator to issue CERs for “Sanquhar and Delta Small Hydro Power Projects” (0751), for the monitoring period 01 January 2004 - 30 April 2007, subject to a check by the secretariat in consultation with the Chair of the Executive Board that the project participant and the DOE (DNV) have submitted a revised monitoring report and a corresponding revised verification report that apply a two (2) percent deduction to the claimed emission reductions. The Board further noted with regret that the DOE did not address the issue appropriately during the verification.

77. The Board considered two (2) requests for deviation related to monitoring reports undergoing verification, agreed to answer them and requested the secretariat to inform the DOEs accordingly.

General guidance

78. The Board 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.



79. The Board considered an assessment of actions by all actors in the issuance process prepared by the secretariat and, within the limitation of 40 request for issuance per month, instructed the secretariat to:

- (a) Process completeness checks of requests of issuance within 20 working days of receipt of submission;
- (b) Process completeness checks of resubmitted requests for issuance within 5 working days of resubmission by the DOE;
- (c) Provide to the Chair of the Board an assessment of corrections submitted in response to requests for review and review within three weeks of the submission by the DOE; and
- (d) Report back to the Executive Board regarding the feasibility and resource implications of the implementation of the above at its forty-third meeting.

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

CDM-MAP

80. In response to the encouragement by the CMP in relation to enhancing the executive and supervisory role of Board members and in relation with the adopted CDM MAP 2008 (version 01), the Board was informed that the implementation of the CMP requests has been initiated by the secretariat. The financial implications of these requests (approximately an increase of 1%) have been included in a revised version of MAP 2008 (version 1.1) that will be published in the UNFCCC CDM website in the days in mid August 2008.

Resources

81. The Board took note of information provided by the secretariat on the status of resources received as reflected in [annex 53](#). It was noted that since the fortieth meeting of the Board, the income generated by registration fees, share of proceeds and methodology fees has grown by an additional USD 5.2 million as a result of the payment of USD 3.6 million in registration fees, USD 1.6 million in share of proceeds and USD 1,000 in methodologies fees. The Board expresses its gratitude to the Government of Belgium for its contribution in support of DNA activities.

Agenda item 5. Other matters

Agenda sub-item 5 (a): Regional distribution

82. The Board took note of the current status of distribution of CDM project activities a brief update from the secretariat on some activities in this area.

83. Following the encouragement of CMP related to the facilitation of the regional and subregional distribution of CDM project activities, the Board requested members and alternate members to provide inputs to the secretariat by Monday, 18 August 2008. Based on the inputs received by members and alternate members the secretariat will prepare the draft recommendation for the consideration of the Board at its forty-second meeting.

Agenda sub-item 5 (b): Relations with Designated National Authorities

84. The Board took note of the briefing of the secretariat on the preparations of the sixth meeting of the CDM DNA Forum to be held on 27 - 28 October 2008 in Santiago de Chile.

**Agenda sub-item 5 (c): Relations with Designated Operational and Applicant Entities**

85. The Chair of the DOE/AE Coordination Forum informed the Board on the dates of DOE regional calibration meetings and requested for the participation of secretariat in order to exchange views on several important issues. The Chair also clarified the position of the AE/DOE Coordination Forum in relation to the press release by some DOEs on the subject of assessment of serious consideration of the CDM by the DOEs. The Chair of the Forum clarified that the issue was discussed in the last Forum meeting but no such decision was taken by the Forum.

86. The Board, in relation to the press release, thanked the Chair of the Forum for its clarification and also expressed its serious concerns on the unilateral action taken by five DOEs. The Board emphasized that establishing rules for the implementation of CDM is the authority of the Board and DOEs are expected to comply with the rules of the Board. The Board also requested DOEs to submit to the Board information on their timelines for conducting validation and verification activities.

87. The Chair of the Board thanked Mr. Flavio Gomez and stressed the need for the forum to also identify possible answers to the questions raised by the Board members, during its next interaction.

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

88. The Board met with registered observers for an informal interaction on 2 August 2008 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 webcast.

89. The Board further agreed to continue to meet with the same type of arrangement, with space being made available for 70 observers, and to reconsider the issue when necessary. Observers to the forty-second meeting of the Executive Board shall have registered with the secretariat by **3 September 2008, 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.

Agenda sub-item 5 (e): Other business

90. The Board agreed on the provisional agenda for its forty-second meeting (24 - 26 September 2008) as contained in [annex 54](#) to this report, with an open session on the 24 to 26 September 2008.

Agenda item 6. Conclusion of the meeting

91. The Chair summarized the main conclusions.

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

92. 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

93. The Chair closed the meeting.



Annexes to the report

Methodologies

Annex 1 - AM0069 "Biogenic methane use as feedstock and fuel for town gas production" (version 01)

Annex 2 - Revision to AM0065 "Replacement of SF₆ with alternate cover gas in the magnesium industry" (version 02)

Annex 3 - Revision to AM0067 "Methodology for installation of energy efficient transformers in a power distribution grid" (version 02)

Annex 4 - Revision to ACM0001 "Consolidated baseline and monitoring methodology for landfill gas project activities" (version 09)

Annex 5 - Revision to ACM0011 "Consolidated baseline methodology for fuel switching from coal and/or petroleum fuels to natural gas in existing power plants for electricity generation" (version 02.2)

Annex 6 - Revision to ACM0012 "Consolidated baseline methodology for GHG emission reductions from waste energy recovery projects" (version 03)

Annex 7 - Revision to AM0021 "Baseline Methodology for decomposition of N₂O from existing adipic acid production plants" (version 02.2)

Annex 8 - Revision to AM0028 "Catalytic N₂O destruction in the tail gas of Nitric Acid or Caprolactam Production Plants" (version 04.2)

Annex 9 - Revision to AM0034 "Catalytic reduction of N₂O inside the ammonia burner of nitric acid plants" (version 03.1)

Annex 10 - Revision to the methodological "Tool to determine methane emissions avoided from disposal of waste at a solid waste disposal site" (version 04)

Annex 11 - Revision to the methodological "Tool to calculate project or leakage CO₂ emissions from fossil fuel combustion" (version 02)

Annex 12 - Revision to "Guidelines for completing the project design document (CDM-PDD), and the proposed new baseline and monitoring methodologies (CDM-NM) (version 07)

Annex 13 - Note on tools and guidance on energy efficiency methodologies

Issues relating afforestation and reforestation CDM project activities

Annex 14 - Methodological A/R "Tool for estimation of carbon stocks, removals and emissions for the dead organic matter pools due to implementation of a CDM A/R project activity" (version 01)

Annex 15 - A/R tool "Tool for the identification of degraded or degrading lands for consideration in implementing CDM A/R project activities" (version 01)

**Issues relating to small-scale CDM project activities**

Annex 16 - AMS II.J "Demand-side activities for efficient lighting technologies" (version 01)

Annex 17 - Revision to AMS II.C "Demand-side energy efficiency activities for specific technologies" (version 10)

Annex 18 - Revision to AMS III.B "Switching fossil fuels" (version 13)

Annex 19 - Revision to AMS III.F " Avoidance of methane production from decay of biomass through composting" (version 06)

Annex 20- Revision to "general guidance to SSC methodologies" (version 12)

Matters relating to the registration of CDM project activities

Annex 21 - Scope of review (registration) - Project 1479

Annex 22 - Scope of review (registration) - Project 1572

Annex 23 - Scope of review (registration) - Project 1602

Annex 24 - Scope of review (registration) - Project 1608

Annex 25 - Scope of review (registration) - Project 1609

Annex 26 - Scope of review (registration) - Project 1611

Annex 27 - Scope of review (registration) - Project 1619

Annex 28 - Scope of review (registration) - Project 1622

Annex 29 - Scope of review (registration) - Project 1625

Annex 30 - Scope of review (registration) - Project 1640

Annex 31 - Scope of review (registration) - Project 1642

Annex 32 - Scope of review (registration) - Project 1659

Annex 33 - Scope of review (registration) - Project 1666

Annex 34 - Scope of review (registration) - Project 1669

Annex 35 - Scope of review (registration) - Project 1685

Annex 36 - Scope of review (registration) - Project 1689

Annex 37 - Scope of review (registration) - Project 1691

Annex 38 - Scope of review (registration) - Project 1696

Annex 39 - Scope of review (registration) - Project 1703

Annex 40 - Scope of review (registration) - Project 1704

Annex 41 - Scope of review (registration) - Project 1720



Annex 42 - Scope of review (registration) - Project 1724

Annex 43 - Scope of review (registration) - Project 1252

Annex 44 - Scope of review (registration) - Project 1309

Annex 45 - Guidance on the assessment of investment analysis (version 02)

Annex 46 - Guidance on the demonstration and assessment of prior consideration of the CDM (version 01)

Matters relating to the issuance of CERs and the CDM registry

Annex 47 - Scope of review (issuance) - Project 0136

Annex 48 - Scope of review (issuance) - Project 0139

Annex 49 - Scope of review (issuance) - Project 0274

Annex 50 - Scope of review (issuance) - Project 0494

Annex 51 - Scope of review (issuance) - Project 0498

Annex 52 - Scope of review (issuance) - Project 0538

Resources

Annex 53 - Status of resources and pledges to support 2008 CDM activities

Other matters

Annex 54 - Provisional agenda for EB42



Endnotes

1. If the Board ultimately decides to register the project activity, the PP/DOE shall include the response submitted on the validation of input values, levelized cost of the baseline scenario(s) and availability of BFG and COG for the project activity.
2. If the Board ultimately decides to register the project activity, the PP/DOE shall submit a revised PDD and corresponding validation report which includes information submitted in response to the request for review, in particular on the: a) validation of input values; b) trends of parameters for the sensitivity analysis; and c) appropriate project start date.
3. If the Board ultimately decides to register the project activity, the PP/DOE shall include the response submitted on the validation of benchmark, starting date of the project activity and prior consideration of the CDM.
4. If the Board ultimately decides to register the project activity, the PP/DOE shall submit revised documentation with the monitoring/ accounting for emissions from electricity imports/exports and response submitted on determination of electricity from the waste gas.
5. If the Board ultimately decides to register the project activity, the DOE will be required to submit a revised PDD and corresponding validation report which includes the prior consideration of the CDM and revised monitoring report.
6. If the Board ultimately decides to register the project activity, the DOE will be required to submit a revised PDD and corresponding validation report which includes the prior consideration of the CDM and revised monitoring report.
7. If the board ultimately decide to register the project the PP/DOE are required to update the validated emission factor in accordance with data available at the commencement of validation.