



## Annex 9

### **PROCEDURE FOR THE SUBMISSION AND CONSIDERATION OF A PROPOSED NEW BASELINE AND MONITORING METHODOLOGY FOR LARGE SCALE CDM PROJECT ACTIVITIES**

#### **(Version 01)**

1. This document replaces, rather than continues as a new version, the document entitled: Procedure for the submission and consideration of a proposed new methodology (Version 13). It contains the procedures for the submission and consideration of proposed new methodologies which operationalize the provisions of paragraph 38 of the CDM modalities and procedures.

#### **I. Definitions/Acronyms**

2. This document applies the following definitions/acronyms:
- (a) Meth Panel - Methodologies Panel;
  - (b) PNM - a proposed new baseline and monitoring methodology for large scale CDM projects developed in accordance with paragraph 37(e) of the “Modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol”.<sup>1</sup>

#### **II. Objective**

3. This document contains detailed steps for the submission by project participants and the CDM Executive Board’s (the Board) consideration of a PNM in accordance with paragraph 38 of the “Modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol”<sup>2</sup> and paragraph 23 of decision 2/CMP.5 “Further guidance relating to the clean development mechanism” (FCCC/KP/CMP/2009/L.10, page 3).

#### **III. Submission of a PNM**

4. Project participants may submit a PNM for the Board’s consideration at any time following this procedure.
5. The secretariat publishes updated schedules of the Meth Panel meetings and deadlines for submission of PNMs on the UNFCCC CDM website. The Meth Panel considers the PNMs submitted by a deadline at a subsequent meeting conditional to priorities set by the Board and if necessary, due to a high workload, further priorities set by the Chair of the Meth Panel.
6. Project participants initiate the submission of a PNM by completing the following forms available on the UNFCCC CDM website<sup>3</sup> and submitting them to a designated operational entity (DOE):
- (a) “Proposed new baseline and monitoring methodologies” (form CDM-NM); and
  - (b) “Project design document” (form CDM-PDD) with at least sections A to C (including relevant annexes) completed as draft, providing an example of the application of the PNM.

<sup>1</sup> Decision 3/CMP.1, FCCC/KP/CMP/2005/8/Add.1, Annex, paragraph 37, page 14, <<http://cdm.unfccc.int/Reference/COPMOP/08a01.pdf#page=14>>.

<sup>2</sup> Decision 3/CMP.1., FCCC/KP/CMP/2005/8/Add.1, Annex, paragraph 38, page 14, <<http://cdm.unfccc.int/Reference/COPMOP/08a01.pdf#page=14>>.

<sup>3</sup> See UNFCCC CDM website <<http://cdm.unfccc.int/Reference/Forms>>.



7. In addition to the documents listed above, project participants shall pay a non-refundable submission fee of USD 1,000 to the UNOG General Fund (bank account details are provided by the secretariat upon request). If the Board approves the PNM, the USD 1,000 is deemed a pre-payment of the registration fee to be paid by project participants with the application for registration of their first project applying the approved PNM, or a pre-payment of share of proceeds, as applicable.
8. The DOE then:
- (a) Checks the completeness of the documents received from the project participants;
  - (b) Completes the “CDM: Proposed new methodology form” (form F-CDM-PNM); and
  - (c) Submits them along with information on payment of the submission fee.

#### IV. Completeness check and assessment of the PNM

9. Once the DOE submits information on the payment of the submission fee, the secretariat checks whether the forms listed in paragraph 6 (a) and 6 (b) are complete within five working days after the deadline for submissions.
10. If the forms are deemed complete and information on the payment of the submission fee is submitted, the secretariat confirms this to the DOE.
11. If the DOE has not included information on payment of the submission fee or the forms are deemed incomplete, the secretariat informs the DOE of the reasons. The DOE either provides the missing information within two working days after being informed by the secretariat or the submission is deemed incomplete and rejected.
12. Once a submission is deemed complete, further assessment by the secretariat will be in accordance with the priorities set by the Board. If it meets the priorities, the secretariat will assess it in accordance with the criteria in the current version of the “CDM: Proposed new methodology assessment form” (form F-CDM-NMAs) and will prepare an assessment report using the same form within thirty days of the submission deadline.
13. The outcome of the assessment is either:
- (a) “*unqualified*”; or
  - (b) “*qualified*”.
14. If the PNM is assessed as *unqualified*, the secretariat selects two members of the Meth Panel and forwards its assessment report to those members to perform an independent assessment of the PNM.
15. If both Meth Panel members confirm the secretariat’s assessment, the secretariat forwards its assessment report to the project participants, copying the DOE. The *unqualified* PNM is not subjected to further consideration and paragraph 34 applies.
16. If at least one of the Meth Panel members does not confirm the secretariat’s assessment, the member/members update the assessment report and the PNM is deemed *qualified*.
17. If the PNM is assessed as *qualified*, whether as a result of the step in paragraph 13 or the step in paragraph 16:
- (a) The secretariat assigns a reference number to the PNM and makes the PNM (form CDM-NM) publicly available on the UNFCCC CDM website, inviting public comments



for a period of fifteen calendar days using the current version of the “CDM: Proposed new methodology - public comment form” (F-CDM-NMpu);

- (b) The secretariat informs the public of the call for public comments through the UNFCCC CDM newsletter; and
- (c) At the end of the period, the secretariat makes all public comments publicly available on the UNFCCC CDM website.

## V. Consideration of the PNM

18. Depending on the technical complexity of the PNM submitted and with the approval of the Chair of the Meth Panel, the secretariat proceeds to the step in paragraph 20 or selects one or two independent experts, at least one of whom is from the roster of experts and proceeds to the step in paragraph 19.

19. The independent expert(s) shall undertake desk reviews to assess the PNM and report the outcome of such assessment using the latest version of the following forms, as appropriate:

- (a) “CDM: Proposed new methodology expert form - lead review (CDM Expert)” (form F-CDM-NMex\_Lead); or
- (b) “CDM: Proposed new methodology expert form - second review (CDM Expert)” (form F-CDM-NMex\_Second); or
- (c) CDM: Proposed new methodology expert form - second review (Sectoral/industry expert)” (form F-CDM-NMex\_Sect).

20. If the PNM is assessed as *qualified* as a result of the step in paragraph 13, the secretariat:

- (a) Prepares a draft recommendation on the PNM taking into account the independent expert(s)’ reports (if any) and public comments;
- (b) Selects two members of the Meth Panel to assess the PNM who, taking into account the secretariat’s draft recommendation, assess the PNM; and
- (c) Prepares an initial recommendation for the consideration of the Meth Panel, taking into account the members’ assessment.

21. If the PNM is assessed as *qualified* as a result of the step in paragraph 16, the secretariat:

- (a) Prepares a draft recommendation on the PNM based on the updated assessment report, taking into account the independent expert(s)’ reports (if any) and public comments; and
- (b) Forwards the draft recommendation to the Meth Panel members selected as a result of the step in paragraph 14, who prepare an initial recommendation for the consideration of the Meth Panel.

22. The Meth Panel considers the project participants’ submission and the members’ initial recommendation and finalizes its recommendation on the PNM over the course of no more than four consecutive meetings unless an additional guidance from the Board is required.

23. Depending on the progress of the consideration of the PNM, the secretariat prepares the draft reformatted methodology based on the PNM for the consideration of the Meth Panel.

24. Following each meeting at which the PNM is considered, the Meth Panel reports one of the following outcomes:



- (a) A final recommendation to the Board to approve the PNM (referred to as A);
- (b) A final recommendation to the Board not to approve the PNM (referred to as C); or
- (c) A preliminary recommendation to project participants who may provide clarification, if they wish, regarding the issues raised in accordance with paragraph 29 below.

or the Meth Panel continues the consideration of the PNM (referred to as work-in-progress WIP) within the time frame defined in paragraph 22 above and briefly explains the reason for it in the meeting report.

25. If the Meth Panel does not agree whether to recommend the PNM to the Board during three meetings, the secretariat presents the unresolved issues to the Board at its next meeting in order to obtain the Board's request to:

- (a) Continue the consideration of the PNM; or
- (b) Conclude the consideration of the PNM during the next meeting of the Meth Panel.

26. If the Meth Panel agrees to recommend that the Board approve the PNM, the secretariat publishes on the UNFCCC CDM website the following as agreed by the Meth Panel:

- (a) The final recommendation using the form "CDM: Proposed new methodology" (form CDM-NM);
- (b) The summary recommendation using the form "CDM: Proposed New Methodology – Meth Panel summary recommendation to the Executive Board" (form F-CDM-NMSUMmp); and
- (c) The draft reformatted methodology based on the PNM.

27. If the Meth Panel agrees to recommend that the Board not approve the PNM, the secretariat publishes on the UNFCCC CDM website the following as agreed by the Meth Panel:

- (a) The final recommendation using the form "CDM: Proposed new methodology" (form CDM-NM); and
- (b) The summary recommendation using the form "CDM: Proposed New Methodology – Meth Panel summary recommendation to the Executive Board" (form F-CDM-NMSUMmp).

28. If the Meth Panel agrees to the preliminary recommendation, the secretariat publishes it on the UNFCCC CDM website using the form "CDM: Proposed new methodology" (form CDM-NM) and forwards it to the project participants, copying the DOE.

29. After receiving a preliminary recommendation, the project participants may submit (copying the DOE) through the secretariat, clarifications to the Meth Panel concerning the PNM raised in the recommendation. If project participants provide clarifications related to a preliminary recommendation within four weeks of receiving the preliminary recommendation, then the Meth Panel considers the PNM at its next meeting. If these clarifications include changes to the PNM as submitted in the form "CDM: Proposed new methodology" (form CDM-NM) and/or the project design document as submitted in the form "Project design document" (form CDM-PDD) then all changes shall be highlighted. The secretariat makes such clarifications available to the Board and on the UNFCCC CDM website.



30. If project participants provide no response to the preliminary recommendation within three months of the publishing date of the report of the Meth Panel meeting at which the PNM received its preliminary recommendation, then the submission is considered withdrawn.
31. If the Meth Panel intends to recommend that the Board approve the PNM, the secretariat sends the draft reformatted methodology to the project participants at least two weeks before the Meth Panel meeting which includes the consideration of the PNM on its agenda. The secretariat further requests project participants for comments on the draft reformatted methodology within a defined timeframe. The project participants may inform the secretariat whether the draft reformatted methodology is applicable to their project, or identify changes that are needed in the draft reformatted methodology in order to make it applicable to their project. The Meth Panel considers the project participant's requests and attempts to accommodate them into the draft reformatted methodology. If the Meth Panel cannot accommodate the project participant's requests, it may recommend the draft reformatted methodology to the Board without accounting for the project participant's requests, with an explanation for why the project participants requests could not be accommodated.
32. The secretariat places the consideration of the recommendation on the PNM on the annotated agenda of a subsequent Board meeting.
33. At any step in this procedure, the secretariat, on behalf of the Meth Panel, may request the project participants to provide additional information regarding the PNM within a defined timeframe, and if such information significantly affects the outcome of the consideration of the PNM by the Board, the secretariat makes this information available to the Board and puts it on the UNFCCC CDM website before the date that the recommendation on the PNM is placed on the annotated agenda of a Board meeting.
34. Project participants may submit again any PNM assessed as *unqualified* or not approved by the Board at any time following this procedure.



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**History of the document**

<b>Version</b>	<b>Date</b>	<b>Nature of revision</b>
01	EB 52, Annex 9 12 February 2010	Initial adoption. This document replaces, rather than continues as a new version, the document entitled: Procedure for the submission and consideration of a proposed new methodology (version 13; EB 37, Annex 03; 01 February 2008).
<b>Decision Class:</b> Regulatory <b>Document Type:</b> Procedure <b>Business Function:</b> Methodology		