



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

Date: 14 June 2004

Ref: CDM-EB-14

EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM

FOURTEENTH MEETING

Report

Date of meeting: 12–14 June 2004

Location: Bonn, Germany

Attendance: The names of members and alternate members present at the meeting are bolded below. Where only the name of an alternate member is bolded, the alternate participated as a member.

Member	Alternate
Mr. John W. Ashe ¹	<i>Ms. Desna M. Solofa</i> ¹
Mr. Jean-Jacques Becker ²	<i>Mr. Martin Enderlin</i> ²
Mr. John Shaibu Kilani ²	<i>Mr. Ndiaye Cheikh Sylla</i> ²
Mr. José Domingos Miguez ²	<i>Mr. Eduardo Sanhuesa</i> ²
Mr. Sozaburo Okamatsu ²	<i>Ms Sushma Gera</i> ²
Ms. Marina Shvangiradze ¹	<i>Ms. Anastassia Moskalenko</i> ¹
N.N. ²	<i>Mr. Chow Kok Kee</i> ²
Mr. Georg Børsting ¹	<i>Mr. Hans Jürgen Stehr</i> ¹
Mr. Xuedu Lu ¹	<i>Mr. Juan Pablo Bonilla</i> ¹
Mr. Richard Muyungi ¹	<i>Mr. Hernán Carlino</i> ¹

¹ Term: Two years, 2003–2005

² Term: Three years, 2001–2004

Quorum (in parenthesis required numbers): **10** (7) members/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://unfccc.int/cdm>

**Agenda item 1. Membership issues (including disclosure of possible conflict of interest and election of the Chair and Vice-Chair)**

1. The Chair of the Board informed members of the letter of resignation of Mr. Hassan Tajik received on 9 June 2004 and of a letter that had been sent to the Coordinator of the Asian Group on 11 June 2004 so that the Group could nominate a replacement for the remainder of the term of Mr. Tajik. The Board expressed its deep appreciation for the important contribution which Mr. Tajik has made to its work. Until a replacement has been nominated and appointed by the Board, Mr. Chow Kok Kee will function as member.
2. An alternate member indicated that she would like to abstain from the discussion on methodologies NM0022-rev and NM0034.

Agenda item 2. Adoption of the agenda

3. The Board adopted the agenda as proposed with the inclusion of a new separate item entitled “Resources for the work on the CDM”.

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

4. The Board considered the third progress report presented by Ms. Marina Shvangiradze, the recently elected Vice-Chair of the CDM Accreditation Panel (CDM-AP), on the work of the CDM-AP, including the status of applications, and developments with respect to desk reviews and on-site assessments.
5. The Board considered the recommendations by the CDM-AP regarding the accreditation of applicant entities (AE), appropriate action regarding the revised form (F-CDM-DOR) and further guidance to the CDM-AP.
6. The Board took note of the issuance by the CDM-AP of an “indicative letter”¹ to the AEs, TÜV Anlagentechnik GmbH and Société Générale de Surveillance UK Ltd. (SGS UK Ltd.), which successfully completed the desk review and on-site assessment.
7. The Board agreed, pursuant to decisions 17/CP.7 and 21/CP.8, to accredit and provisionally designate for sector-specific validation² three applicant entities:
 - (a) Det Norske Veritas Certification Ltd. (DNV Cert), UK,³ (E-0003) for the sectoral scope(s):
 4. Manufacturing industries
 5. Chemical industry
 6. Construction

¹ In accordance with the "Procedure for accrediting operational entities by the Executive Board of the clean development mechanism (Version 03)", an indicative letter is issued by the CDM-AP if it concludes that an applicant entity has satisfied the desk review and on-site requirements.

² The list of accredited and provisionally designated DOEs is available on the UNFCCC CDM web site section “Designated Operational Entities (DOE) / Applicant Entities (AE)” (<http://cdm.unfccc.int/DOE>).

³ This entity has previously received accreditation and provisional designation as DOE for the sectoral scope(s) 1, 2, 3 and 13.



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.
- (b) TÜV Industrie Service GmbH TÜV SÜD GRUPPE (E-0005) for the sectoral scopes:
1. Energy industries (renewable - / non-renewable sources)
 2. Energy distribution
 3. Energy demand.
- (c) Société Générale de Surveillance UK Ltd. (SGS UK Ltd.) (E-0010) for sectoral scopes:
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.
8. The Board took note of the third progress report and noted the revisions by the panel pertaining to the desk review and on-site assessment form. The aim of these revisions is to better guide assessment teams in assessing issues related to conflict of interest and impartiality based on the accreditation standard and clarifications provided and contained in the list of clarifications (CDM-ACCR-03)⁴ available on the UNFCCC CDM web site.
9. The Board met with DOEs and AEs for informal briefings on 14 June 2004 and agreed to continue convening such meetings in the afternoon of the last day of its future meetings, unless otherwise indicated. These meetings are available to DOEs and AEs in an Extranet web page for DOEs and AEs.
10. The Board requested the secretariat to meet with DOEs and AEs in conjunction with Board meetings, as appropriate. DOEs and AEs will be invited to the joint workshop on 3-4 September 2004. The Board encouraged them to continue providing input to the work of the Board and to exchange views via list serve.

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

11. The Board considered the report of the tenth meeting of the Meth Panel and oral updates on the work of the panel by Mr. Jean Jacques Becker, Chair of the Panel on baseline and monitoring methodologies (Meth Panel), and Mr. José Miguez, Vice-Chair of the Meth Panel.

⁴ Latest version of the list of clarifications is available in the section “Designated Operational Entities (DOE) / Applicant Entities (AE)” (<http://cdm.unfccc.int/DOE/acc.html>)



12. The Board considered the recommendations by the Meth Panel for consolidated methodologies for project activities for renewable energy displacing grid electricity and landfill gas project activities. The Board requested that these consolidations are made publicly available for comments on the UNFCCC CDM web site from 16 to 30 June 2004. The Board further agreed that the Meth Panel shall consider these comments with a view to making recommendations to the Board at its fifteenth meeting.

13. The Board considered an internal draft paper presenting work in progress in the Meth Panel on tools to assess additionality and discussed it in conjunction with a submission from the public on additionality assessment tools. It requested the Chair of the Meth Panel to convey the views by the Board on this internal draft paper to the Panel with a view to the Meth Panel developing a final recommendation on this matter for consideration by the Board at its fifteenth meeting.

14. The Board considered the workload of the Meth Panel and agreed on priorities. Taking into account views expressed by the Board, the Meth Panel shall, at its eleventh meeting (7-9 July 2004), address the following issues:

- (a) Finalize the reformatting for already approved methodologies;
- (b) Assess the methodologies under review and select ten (10) to be reviewed for which preliminary or final recommendations shall be prepared. Criteria may include, among others, level of complexity and scopes or sectors for which methodologies are not yet available;
- (c) Continue work regarding consolidation of methodologies for project activities for renewable energy displacing grid electricity and landfill gas project activities and on the additionality assessment tool, as referred in paragraphs 12 and 13 above, with a view to preparing recommendations to the Board at its fifteenth meeting.

15. Cases that will not be considered at the eleventh meeting of the Meth Panel shall be given priority at the twelfth meeting of the Meth Panel.

16. The Board agreed that the next deadline for submission of proposed new methodologies shall be 29 June 2004. Newly proposed methodologies submitted by that date will only be considered as of the thirteenth meeting of the Meth Panel.

17. In order to address the workload, the Board requested the Chair of the Meth Panel to schedule additional meetings as appropriate.

18. The Board agreed to amend procedures for submission and consideration of proposed new methodologies (version 04) by replacing paragraph 6 of these procedures with the following text:

“Having checked that the “CDM: Proposed new methodology form” has been duly filled by the DOE and documentation provided by the DOE is complete, the secretariat shall forward the documentation to one member of the Meth Panel. This member is to assess the quality of the submission and grade it between A and E and substantiate the appraisal (one paragraph). If the member grades the documentation as being C to E, the documentation is to be sent back to the project participants. If the grade is A or B, the documentation shall be considered as received by the Board and be forwarded by the secretariat for consideration of the Board and the Meth Panel.”

19. The Board requested the Chair and Vice-Chair of the Meth Panel, with the assistance of the secretariat, to prepare a draft paper outlining options on the issue of “continuation of practices” for its future consideration.

20. The Board considered an oral report of the Chairs of the Panels on methodology and accreditation on how to improve the process of consideration and approval of proposed new methodologies. The Board requested the two Chairs to prepare a draft note on options to address the



workload of the Meth Panel, taking into account suggestions by Board members and alternates, for consideration of the Board at its fifteenth meeting.

21. The Board considered a shortlist of applicants to the Meth Panel and selected members for the new term of the Meth Panel as contained in annex 1 of this report. The Board agreed that short-listed candidates not nominated as members shall be kept on a list from which the Chair of the Meth Panel and the secretariat, as appropriate, can draw if specific expertise is required. The Chair may invite such an expert to a meeting of the Meth Panel, as appropriate.

22. The Board expressed deep appreciation to the outgoing members of the panel on baseline and monitoring methodologies (Meth Panel), Mr. Vladimir Berdin, Mr. Liu Deshun, Mr. Oscar Coto, Mr. Harald Wrinkler and Mr. Peter Zhou, for their excellent work.

23. The Board confirmed that it had agreed, at its eleventh meeting, that a lead panel member reviewing proposals for new baseline and monitoring methodologies shall be remunerated for two days of work.

24. The Board considered the draft terms of reference for the working group to assist the Executive Board in reviewing proposed methodologies and project categories for small-scale CDM project activities (SSC-WG). It agreed to consider a revised draft of these terms and take a decision through the list serve, in accordance with the provisions on electronic decision-making. The Board requested the secretariat to issue, once the terms of reference were agreed, a call for experts prior to the fifteenth meeting of the Board.

25. The Board, taking into consideration recommendations by the Meth Panel regarding revisions to appendix B of the simplified modalities and procedures for CDM small-scale project activities, agreed on amendments as contained in annex 2 to this report.

26. Taking into consideration recommendations by the Meth Panel and by desk reviewers as well as four public inputs, the Board considered four (4) proposals for new baseline and monitoring methodologies and agreed on the following recommendations :

NM0017: Steam System Efficiency Improvements in Refineries in Fushun, China⁵

27. The Board agreed that the proposed new baseline and monitoring methodologies for the case NM0017 may be reconsidered subject to:

(a) Required changes being made by the project participants, taking into account issues raised by the Board contained in annex 3 of this report, the applicability conditions listed in the draft reformatted version submitted 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) Reconsideration of the respective recommendation of the Meth Panel by the Executive Board.

28. If project participants wish to have the revised proposal considered at the twelfth meeting of the Meth Panel, they should submit the proposal by 29 June 2004.

⁵ Project participants made a late submission on this case to some Board members and alternates. This submission did not follow the procedures for communicating with the Board and was therefore not considered by the Board. Project participants are invited to submit this note in accordance with established procedures.

**NM0022-rev:** Methane capture and combustion from swine manure treatment for Peralillo, Chile

29. The Board agreed to approve the proposed baseline and monitoring methodologies contained in annexes 3 and 4 for proposal NM0022-rev. and on the reformatted version of these methodologies contained in annex 4 to this report.

30. The Chairs of the Meth Panel and the CDM-AP informed the Board that these methodologies will be linked to scopes 13 and 15 of accreditation (waste handling and disposal, and agriculture).

NM0028: TA Sugars co-generation and fuel switch project, India

31. The Board agreed to approve the proposed baseline and monitoring methodologies contained in annexes 3 and 4 for proposal NM0028 and on the reformatted version of these methodologies contained in annex 5 to this report.

32. The Chairs of the Meth Panel and the CDM-AP informed the Board that those methodologies will be linked to scopes 1 and 4 of accreditation (energy industries, and manufacturing industries).

NM0034-rev: Granja Becker Greenhouse Gas (GHG) Mitigation Project, Brazil

33. The Board agreed with the recommendation of the Meth Panel which suggested that the proposed new baseline and monitoring methodologies for the case NM0034-rev may be reconsidered subject to:

(a) Required changes being made by the project participants, taking into account issues raised by the Board, the “Recommendations” and “Details of the evaluation of the proposed new methodology” by the Meth Panel, and re-submission of a 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) Reconsideration of the respective recommendation of the Meth Panel by the Executive Board.

34. If project participants wish to have the revised proposal considered at the twelfth meeting of the Meth Panel, they should submit the proposal by 29 June 2004.

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

35. The Board considered a revised version of the CDM-PDD documentation prepared by Mr. Georg Børsting, Mr. Chow Kok Kee and Mr. Jean Jacques Becker, with the assistance by the secretariat, and agreed on the CDM-PDD documentation as contained in annex 6 to this report. The Board stressed that the CDM-PDD, CDM-NMB and CDM-NMM templates shall not be altered by project participants, that is, they shall be completed using the same font without modifying its format, font, headings or logo.

36. The Board further considered procedures for registration of CDM project activities and agreed on amendments as contained in annex 7 to this report. The Board requested the secretariat to make appropriate adjustments in registration forms and clarifications to reflect the amendments on modalities regarding the payment of fees as contained in that annex.

37. The Board agreed on modalities for evaluating requests for registration. For this purpose, it agreed to assign incoming requests for registration to two members or alternate members of the Board, in alphabetical order. These two members or alternates are responsible for receiving comments by other Board members or alternates and to prepare an appraisal. The Vice-Chair of the Board, Mr. Georg Børsting, will monitor this activity and ensure that the deadlines for small-scale projects (4 weeks, in accordance with paragraph 24 of the simplified modalities for small-scale CDM project activities) and



other projects (8 weeks, in accordance with paragraph 41 of the CDM modalities and procedures) are borne in mind.

38. The secretariat drew the attention of the Board to the UNFCCC CDM web site which provides information on the status of projects seeking validation and which are currently posted for public comment.

Agenda sub-item 3 (d): CDM registry

39. The Board took note of an oral report by the secretariat on activities undertaken in relation to the development and implementation of the CDM registry. It agreed to request the secretariat to continue its work and report on progress on this issue at its fifteenth meeting.

40. In accordance with sub-paragraph 5 (o) of the CDM modalities and procedures, the Board is to elaborate and recommend to COP/MOP(COP) procedures for the review at issuance of CERs in accordance with paragraph 65 of the CDM modalities and procedures and apply those provisionally until adoption by the COP/MOP(COP). The Board nominated its Vice-Chair, Mr. Georg Børsting to elaborate the first draft of procedures for review related to paragraph 65 of the CDM modalities and procedures for consideration of the Board at its fifteenth meeting.

Agenda sub-item 3 (e): Modalities for collaboration with the SBSTA

41. The Board requested Mr. Eduardo Sanhueza and Mr. Martin Enderlin to follow negotiations at SBSTA 20 on simplified modalities and procedures and measures to facilitate small-scale afforestation and reforestation project activities under the CDM and report on the outcomes to the Board at its fifteenth meeting.

42. The Board also requested Ms. Sushma Gera and Mr. Xuedu Lu to follow negotiations at SBSTA 20 on issues relating to registries and to report on the progress to the Board at its fifteenth meeting.

Agenda item 4. Resources for the work on the CDM

43. The Board agreed to include this new item on its agenda and keep it as a standing item in light of the importance of this matter for the work of the Board and the smooth functioning of the CDM.

44. The Board took note of a presentation by the secretariat on the status of expenditures and income to date. It expressed its deep appreciation to Parties which have contributed to the prompt start of the CDM and its satisfaction with the judicious management of resources by the secretariat. The Board noted that, as expressed in the report of the Executive Board to the Conference of the Parties (COP) at its ninth meeting, the level of output could only be achieved due the fact that Board members, panel members and the secretariat were making major contributions of their own time.

45. The Board agreed that its report to COP10 is to provide comprehensive information on the scope of work required from the Board, the panels and the secretariat and on the resources required to carry out the activities in an efficient and sustainable manner.

46. The Board agreed to request the Vice-Chair of the Board, Mr. Georg Børsting, with the assistance of the secretariat, to work on a draft proposal for recommending to COP 10 options for the level of the share of proceeds to cover administrative expenses of the CDM. In so doing, the provisions concerning the payment of a registration fee shall be duly taken into account.

47. The Board agreed to reiterate the call made by COP 9 for Parties to continue making contributions in 2004-2005 for the prompt start of the CDM to the UNFCCC Trust Fund for Supplementary Activities.

**Agenda item 5. Other matters****Agenda sub-item 5 (a): Modalities and procedures for afforestation and reforestation project activities under the CDM**

48. The Board agreed to establish a working group on afforestation and reforestation project activities under the CDM (CDM A&R) and agreed on the terms of reference for this group as contained in annex 8 to this report. The Board designated Mr. Eduardo Sanuheza and Mr. Martin Enderlin as Chair and Vice-Chair, respectively, of the CDM A&R.

49. The Board considered a shortlist of applicants to the CDM A&R and selected members as contained in annex 9 of this report. The Board agreed that the list of short-listed candidates not nominated as members shall be maintained and that the Board may draw on this list in the future.

50. The modalities for payment of fees, and lump-sums, as appropriate, established for the Meth Panel shall apply, mutatis mutandis, to the CDM A&R working group.

51. The Board requested the A&R CDM working group to prepare with priority, for consideration of the Board at its fifteenth meeting, draft documentation for the project design document on afforestation and reforestation project activities, applying, mutatis mutandis, annex 6 to this report.

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

52. The Board met with registered observers for informal briefings on 14 June 2004 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.

53. The Board took note of CDM related events attended by Board members and alternates. The Board agreed to nominate Mr. Richard Muyungi to follow capacity building initiatives relating to the CDM and report back to the Board on any relevant information.

Agenda sub-item 5 (c): Other business**(i) Schedule of Board meetings in 2004**

54. The Board confirmed that it will hold its fifteenth meeting from 1 to 3 (until mid-day) September 2004. The Board agreed on the provisional agenda for its fifteenth meeting as contained in annex 10 of this report and invited comments before 4 August 2004.

55. The Board further agreed to continue to meet with the same type of arrangement as at its fourteenth meeting, with space being made available for 50 observers, and to reconsider the issue when necessary. Observers to the fifteenth meeting of the Executive Board shall have registered with the secretariat by 11 August 2004, no later than 17:00 GMT.

(ii) Second joint workshop for the Board, members of panels and working groups, desk reviewers and accreditation team members as well as designated operational entities and applicant entities

56. The Board agreed to hold, in conjunction with the fifteenth meeting of the Board, the second joint workshop for the Executive Board, members of panels and working groups, desk reviewers and accreditation team members as well as designated operational entities and applicant entities. The workshop is to be held in Bonn on 3 (from mid-day) and 4 September 2004. The workshop will be



recorded to make it available for training of experts on rosters and short-lists. The provisional agenda of the workshop will be circulated to the Board through listserve.

Agenda item 6. Conclusion of the meeting

57. The Chair summarized the main conclusions.

58. The Board expressed its condolences to the family of Hans-Peter Cugialy who had so ably assisted the Board and its panels with efficient computer and web-casting services.

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

59. 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 5 (b): Closure

60. The Chair closed the meeting.
