

**Annex 38****PROCEDURES FOR REGISTRATION OF A PROGRAMME OF ACTIVITIES AS A SINGLE CDM PROJECT ACTIVITY AND ISSUANCE OF CERTIFIED EMISSION REDUCTIONS FOR A PROGRAMME OF ACTIVITIES****(Version 04.1)****A. Background**

1. Pursuant to paragraph 20 of decision 7/CMP.1 project activities under a programme of activities (PoA) can be registered as a single clean development mechanism project activity provided that approved baseline and monitoring methodologies are used that, inter alia, define the appropriate boundary, avoid double counting and account for leakage, and ensure that the emission reductions or net anthropogenic removals by sinks are real, measurable and verifiable and additional to any that would occur in the absence of the project activity.

2. Pursuant to paragraph 36 of decision 2/CMP.5, the CMP requested the Executive Board to “continue to revise the relevant procedures and guidance on programmes of activities, including by defining more clearly the situations in which designated operational entities could be held liable for erroneous inclusion of a component project activity, in order to reduce barriers to the development of programmes of activities under the clean development mechanism”.

3. These procedures, along with the "Procedures for review of erroneous inclusion of a CPA" and, "Procedures for approval of the application of multiple methodologies to a programme of activities", provide the framework by which programme of activities will be assessed. These procedures replace the previous version (version 03, EB 47 report, annex 29, 28 May 2009).

**B. Definitions**

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

5. A CPA is a project activity under a PoA. A CPA is a single, or a set of interrelated measure(s), to reduce GHG emissions or result in net anthropogenic greenhouse gas removals by sinks, applied within a designated area defined in the baseline methodology/ies.



### **C. Preparation of a Programme of Activities**

#### ***Preparation of a CDM-POA-DD***

6. A coordinating/managing entity shall develop a PoA Design Document (CDM-POA-DD) setting a framework for the implementation of the PoA and unambiguously defining a CPA under the PoA. The CDM-POA-DD shall include the following information:

- (a) Identification of the coordinating/managing entity, host Party(ies) and PoA participants;
- (b) Definition of the boundary for the PoA in terms of a geographical area (e.g., municipality, region within a country, country or several countries) within which all CPAs included in the PoA will be implemented, taking into consideration all applicable national and/or sectoral policies and regulations within that chosen boundary are reflected in the determination of the baseline;
- (c) Description of the policy/measure or stated goal that the PoA seeks to promote;
- (d) Confirmation that the proposed PoA is a voluntary action by the coordinating/managing entity;
- (e) Demonstration that in the absence of the CDM either: (i) the proposed voluntary measure would not be implemented, or (ii) the mandatory policy/regulation would be systematically not enforced and that non-compliance with those requirements is widespread in the country/region, or (iii) that the PoA will lead to a greater level of enforcement of the existing mandatory policy /regulation. This shall constitute the demonstration of additionality of the PoA as a whole;
- (f) Description of a typical CPA that will be included in the PoA covering the technology or measures to be used, justification of the choice of an approved baseline and monitoring methodology (or combination of approved methodologies)<sup>1</sup>, application of an approved baseline and monitoring methodology;
- (g) Definition of eligibility criteria for inclusion of a project activity as a CPA under the PoA, which shall include, as appropriate, criteria for demonstration of additionality of the CPA, and the type and/or extent of information (e.g. criteria, indicators, variables, parameters or measurements) that shall be provided by each CPA in order to ensure its eligibility;
- (h) Starting date and length of the PoA not exceeding 28 years (60 years for A/R);
- (i) Description of the operational and management arrangements established by the coordinating/managing entity for the implementation of the PoA, including a record keeping system for each CPA under the PoA, a system/procedure to avoid double accounting e.g. to avoid the case of including a new CPA that has been

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<sup>1</sup> Such combination will only be allowed once approved in accordance with “Procedures for approval of the application of multiple methodologies to a programme of activities”. If a combination of approved methodologies is being applied this combination must be applied to all CPAs and must be applied in a consistent manner.



already registered either as CDM project activity or as a CPA of another PoA, the provisions to ensure that those operating the CPA are aware and have agreed that their activity is being subscribed to the PoA;

- (j) Description of a monitoring plan for a CPA, developed in accordance with the approved monitoring methodology, and identification of the monitoring provisions and data parameters a CPA has to apply/monitor;
- (k) If the coordinating /managing entity does not wish to have all CPAs verified, a description of the proposed statistically sound sampling method/procedure to be used by DOEs for verification of the amount of reductions of anthropogenic emissions by sources or removals by sinks of greenhouse gases achieved by CPAs under the PoA;<sup>2</sup>
- (l) Environmental analysis of the PoA as per requirements of the CDM modalities and procedures. If this analysis is not undertaken for the PoA but is to be done at the CPA level this shall be described and reflected in the CDM-POA-DD and the CDM-CPA-DD;
- (m) If comments by local stakeholders were invited with regard to the total PoA, information on how comments by local stakeholders were invited, a summary of the comments received and how due account was taken of any comments received, as applicable. If such comments are to be sought at the CPA level this shall be described and reflected in the CDM-POA-DD and the CDM-CPA-DD;
- (n) In case public funding is used a confirmation that official development assistance is not being diverted to the implementation of the PoA.

#### *Preparation of the CDM-CPA-DD*

7. The coordinating/managing entity shall prepare the PoA specific CDM Programme Activity Design Document (CDM-CPA-DD)<sup>3</sup> using the provisions of the proposed PoA. The template CDM-CPA-DD provides for the submission of the following information:

- (a) Geographic reference or other means of identification<sup>4</sup>, Name/contact details of the entity/individual responsible for the operation of the CPA;
- (b) The host Party;
- (c) Starting date, type (fixed or renewable) and duration of the crediting period of the CPA taking into account that the starting date of a crediting period of the CPA shall

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<sup>2</sup> The Board will develop a guideline containing criteria for determining statistically sound verification techniques and methods. Project developers are requested to take note that programmes which may be registered as a single CDM project activity prior to the adoption of this guideline will be required to comply with such criteria at the point of verification.

<sup>3</sup> The latest version of the template form CDM-CPA-DD is available on the UNFCCC CDM web site in the reference/document section.

<sup>4</sup> For example, in case of stationary CPA geographic reference, in case of mobile CPAs means such as registration number, GPS devices.



- be the date of its inclusion in the registered PoA or any date thereafter and that the duration of the crediting period shall not exceed the end date of the PoA;
- (d) Confirmation that the start date of any CPA is not, or will not be, prior to the commencement of validation of the programme of activities, i.e. the date on which the CDM-POA-DD is first published for global stakeholder consultation;
  - (e) Information stipulated in the PoA for use by each CPA to demonstrate how it meets requirements with respect to:
    - (i) Fulfilling the eligibility criteria specified in the CDM-POA-DD, including, as appropriate, the demonstration of the additionality of the CPA;
    - (ii) Calculations of baseline emissions and estimated emission reductions by sources or removal by sinks of greenhouse gases.
  - (f) Environmental analysis as per requirements of the CDM modalities and procedures, unless the analysis may be undertaken for the whole PoA as reflected in the CDM-POA-DD;
  - (g) Information on how comments by local stakeholders were invited, a summary of the comments received and how due account was taken of any comments received, as applicable unless the comments may be sought for the whole PoA as reflected in the CDM-POA-DD;
  - (h) Confirmation that the CPA is neither registered as a CDM project activity nor included in another registered PoA.

*Requirements related to participation in the PoA*

8. The operators of individual CPAs are not required to be project participants. CDM programme participation is only recorded at the PoA level.
9. The coordinating/managing entity shall obtain letters of approval from each host Party and Annex I Party which wishes to be involved in the PoA. Letters of approval shall be issued in accordance with the guidance provided by the Board (EB 16 report, Annex 6).
10. The coordinating/managing entity shall obtain letters of authorization of its coordination of the PoA from each host Party.
11. The latest version of the “Procedures for modalities of communication between project participants and the Executive Board” shall apply, with the exception that the coordinating/managing entity shall be either sole or joint focal point for each area of communication. The limit of joint focal points for the programme shall be 5, or equal to the number of host Parties if greater than 5.
12. If, subsequent to the registration of the programme, the coordinating/managing entity has changed then the DOE who is undertaking the next inclusion of a CPA shall submit:
  - (a) New letter(s) of authorization by the each respective host Party stating the change in coordinating/managing entity;



- (b) A confirmation from new coordinating/managing entity that the PoA will be developed and implemented with the same set framework as originally described in the CDM-POA-DD; and
- (c) A validation opinion by a DOE regarding the compliance of the new coordinating/managing entity with the requirements of paragraph 15 (c) below.

#### **D. Validation of a programme of activities**

13. The coordinating/managing entity shall submit to a DOE the following documentation:
- (a) A completed CDM-POA-DD;
  - (b) A PoA generic CDM-CPA-DD, which specifies the generic information relevant to all CPAs that may be included in the PoA;
  - (c) A completed CDM-CPA-DD which is to be based on the application of the PoA to one real case.
14. The DOE shall make the above documents publicly available on the UNFCCC CDM website in accordance with the latest version of the Procedures for processing and reporting on validation of CDM project activities.
15. In addition to the validation requirements arising out of the modalities and procedures for a clean development mechanism, the validation by the DOE shall address the following issues:
- (a) Additionality of the PoA (see 4 e above);
  - (b) Eligibility criteria for inclusion of a proposed CPA in the registered PoA, including criteria to be used for demonstration of additionality of a CPA;
  - (c) Operational and management arrangements established by the coordinating/managing entity for the implementation of the PoA inter alia the issues identified in paragraph 6 (i) above;
  - (d) Consistency between CDM-POA-DD and the PoA generic CDM-CPA-DD to be used for inclusion of a CPA in the registered PoA;
  - (e) In cases where more than one approved methodology will be applied to each CPA, confirmation that the application of multiple methodologies has been approved in accordance with “Procedures for approval of the application of multiple methodologies to a programme of activities”.

#### **E. Request for registration of a programme of activities**

16. If the DOE considers that the PoA meets that validation requirements, it shall submit a request for registration of a proposed PoA using the “Programme of Activities registration request form” (F-CDM-POA-REG) along with a validation report and supporting documentation. In case the PoA is registered with as a single CDM project activity (CPA), the initial CPA submitted with the registration request shall be deemed included in the PoA.



17. The procedures for registration of a CDM project activity as referred to in paragraph 40 of decision 3/CMP.1 and the procedures for review as contained in annex III to decision 4/CMP.1 shall apply to a PoA. When the Executive Board adopts procedures under paragraph 37 of decision 2/CMP.5, those procedures shall apply in lieu of decision 3/CMP.1 and annex III to decision 4/CMP.1.

#### **F. Implications of an approved methodology being put on hold or withdrawn**

18. If the approved methodology is put on hold or withdrawn, for any reason other than for the purpose of inclusion in a consolidated methodology, no new CPAs shall be included to the PoA, in accordance with the timelines indicated in the latest version of the “Procedures for the revision of an approved baseline and monitoring methodology by the Executive Board”.

19. If the methodology, subsequent to being placed on hold or withdrawn, is revised or replaced by inclusion in a consolidated methodology, the PoA shall be revised accordingly. The changes shall be subsequently documented in a new version of PoA (e.g Version 1.1), validated by a DOE and approved by the Board. The Board’s approval defines a new version of the PoA and the generic CDM-CPA-DD. Such revisions to the PoA are not required in cases where a methodology is revised without being placed on hold or withdrawn.

20. Once changes have been approved by the Board, the inclusion of all new CPAs shall follow the latest version of the generic CDM-CPA-DD.

21. CPAs that were included before the methodology was put on hold, shall apply the latest version of the PoA generic CDM-CPA-DD at the time of the renewal of the crediting period.

#### **G. Inclusion or renewal of a crediting period of a CDM programme activity under a registered programme of activities**

##### *Inclusion*

22. A CPA can be included in a registered PoA at any time during the duration of the PoA.

23. To include an additional CPA in a registered PoA, the coordinating/managing entity shall forward the completed specific CDM-CPA-DD form to any DOE, after having ensured that the CPA and the specific CDM-CPA-DD meets the requirements determined in the POA and its generic CDM-CPA-DD. The coordinating/managing entity may forward more than one specific CDM-CPA-DD at one time.

24. The DOE shall scrutinize the CPA and the specific CDM-CPA-DD against the latest version the POA. If the DOE confirms that the CPA meets the requirements of the POA, it shall include the CPA in the registered PoA by forwarding the specific CDM-CPA-DD to the Board via uploading it through a dedicated interface on the UNFCCC CDM website. Such uploads shall be grouped and not occur more frequently than once per month.

25. The CPA identified in the specific CDM-CPA-DD uploaded by the DOE will be automatically included in the registered PoA and displayed on the view page of that PoA. The DOE, the coordinating/managing entity and the Designated National Authority (DNA) shall be automatically notified of the change in the status of the PoA.

*Identification and consequences of erroneous inclusion*

26. If a DNA involved in the PoA or a Board member identifies information that may disqualify a CPA from inclusion in the PoA or renewal of its crediting period, the Secretary of the Board shall be notified, in accordance with the “Procedures for review of erroneous inclusion of a CPA” within one year after the inclusion of CPA into a registered PoA or renewal of the crediting period of the CPA, or six (6) months after the first issuance of CERs for that CPA, whichever is the later, Such a request for review shall be related to issues associated with the compliance of the CPA with the eligibility criteria specified in the CDM-POA-DD.

27. The Executive Board shall consider the request for review in accordance with the Procedures for review of erroneous inclusion of a CPA.

**H. Renewal of a crediting period of CDM programme activities under a programme of activities**

*Determination of the crediting period renewal conditions for a PoA*

28. The latest version of the “Procedures for Renewal of a Crediting Period of a Registered CDM project activity” shall be applied, mutatis mutandis, to a PoA every seven years (every 20 years for A/R project activities) from the start date of the crediting period , with the following exceptions:

- (a) Instead of preparing a revised version of the CDM-PDD the coordinating/managing entity shall prepare:
  - (i) A new completed CDM-POA-DD
  - (ii) A new version of the generic CDM-CPA-DD.
- (b) If the version of the PoA has been revised in accordance with paragraph 19 the renewal shall occur seven years (or 20 years for A/R project activities) after the approval of the revised version.

29. The result of this process defines a new version of the PoA and the generic CDM-CPA-DD.

*Renewal of crediting period of a CPA:*

30. To renew the crediting period of a CPA, the coordinating/managing entity shall forward, after having ensured that the CPA meets all the requirements, the completed latest version of the generic CDM-CPA-DD to any DOE.

31. The DOE shall scrutinize the information in the CDM-CPA-DD against the latest version of the PoA and documentation requirements and, if consistency/integrity is confirmed, shall renew the crediting period of the existing CPA by forwarding the CDM-CPA-DD to the Board via uploading it through a dedicated interface on the UNFCCC CDM website. Such uploads shall be grouped and not occur more frequently than once per month.



32. The CDM-CPA-DD(s) uploaded by the DOE will automatically have its crediting period renewed and displayed on the view page of that PoA. The DOE, the coordinating/managing entity and the DNA are automatically notified of the change in the status of the PoA.

**I. Request for issuance of certified emission reductions for a programme of activities**

33. The procedures for verification, certification and request for issuance of certified emission reductions (CERs) as referred to in paragraphs 62, 63 and 64 of Decision 3/CMP.1 and the procedures for review of requests for issuance of CERs as contained in Annex IV to Decision 4/CMP.1 and subsequent related decisions of the Executive Board shall apply unless modified through the provisions below.

34. The coordinating/managing entity shall:

- (a) Maintain all monitoring reports of all CPAs in accordance with the record keeping system identified in the CDM-POA-DD,
- (b) Make available all monitoring reports requested by a DOE for verification purposes.

35. A DOE, who has not performed validation/inclusion/renewal of crediting period activities for the PoA<sup>5</sup>, shall:

- (a) Identify those CPAs that it shall consider for verification in accordance with the method/procedure to be used for verification of the amount of reductions of anthropogenic emissions by sources or removals by sinks of greenhouse gases achieved by CPAs under the PoA and determined in the CDM-POA-DD,
- (b) Take into account the possible existence of different versions of the PoA and the need to account for this in its sampling approach, to ensure that a statistically sound sample of CPAs from each version of the PoA are being verified.
- (c) Make all monitoring reports received from the coordinating/managing entity immediately publicly available on the UNFCCC CDM website.
- (d) Systematically verify and certify the correct implementation and operation of the record keeping system.

36. The DOE conducting the verification shall include in its verification report a description of how it applied the methods/procedures for the purpose of verification stipulated in the registered CDM-PoA-DD. The DOE shall include in its verification report a description/justification of the site visits undertaken.

37. A DOE shall request issuance of CERs for a PoA by submitting the “CDM form to submit verification and certification reports and to request issuance for a PoA”(F-CDM-POA-REQCERS) via a dedicated interface on the UNFCCC CDM website. The request shall relate to all CPAs included in

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<sup>5</sup> Such a DOE may also undertake the verification if this has been approved in advance by the CDM Executive Board.



the PoA during the specified monitoring period. The monitoring periods shall be consecutive. A request for issuance shall relate to the certified emission reductions verified as per above.

38. The period to request review by a Parties involved or three Board members shall be six weeks from the date of receipt of the request for issuance.

39. A DOE shall not request issuance of CERs for a PoA within three months of the previous request for issuance.

40. The coordinating/managing entity shall submit a request for forwarding of CERs issued in accordance with the modalities of communication as agreed between project participants.

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### History of the document

Version	Date	Nature of revision(s)
04.1	EB 55, Annex 38 2 August 2010	Editorial revision to remove the word "Draft".
04	EB 55, Annex 38 30 July 2010	Addition of definitions, limits the number of focal points, includes procedures for change of CME, other miscellaneous clarifications.
03	EB 47, Annex 29 28 May 2009	Revision to respond to issues raised during a public consultation launched at EB41, which introduced changes to inter alia facilitate the application of a combination of methodologies, revise the rules applying to the start date of a CPA, and clarify the procedures application to inclusion of CPAs and reviews of such inclusions.  This document replaces "Guidelines on the registration of project activities under a programme of activities as a single CDM project activity (annex 38, EB 32 meeting report) and the previous version of this document (version 02).
02	EB 35, EB report, para. 63	Revision to introduce the clarification of the Board at its thirty-fifth meeting, that a DOE shall perform one of the functions related to a given Small-Scale PoA or Small-Scale A/R PoA: validation or verification and certification in accordance with the Annex to 3/CMP.1.
01	EB 32, Annex 39, 22 June 2007	Initial adoption
Decision Class: Regulatory Document Type: Procedure Business Function: Registration, Issuance		