

**CDM-EB65-A33-PROC**

## Procedure

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# Submission and consideration of microscale renewable energy technologies for automatic additionality

Version 02.0



**United Nations**  
Framework Convention on  
Climate Change

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## 1. Introduction

1. In order to operationalize the “Guidelines for demonstrating additionality of microscale project activities” (EB 63, annex 23, version 03.0) the Executive Board of the clean development mechanism (hereinafter referred to as the Board), at its sixty-fifth session, approved version 01.0 of this procedure.
2. The Board, at its sixty-eighth meeting, revised the guidelines to include options to define a special underdeveloped zone (SUZ) in a host country and to clarify the eligibility for project activities generating thermal energy to be qualified for conferring automatic additionality. Version 02.0 of this procedure establishes the process for the Board to consider and approve the SUZs proposed by designated national authorities (DNAs).

## 2. Scope, applicability and entry into force

### 2.1. Scope and applicability

3. This document contains:
  - (a) The process for the submission of proposed specific renewable energy technologies/measures by DNAs and for consideration by the Board to qualify them as conferring automatic additionality on microscale clean development mechanism (CDM) project activities implemented in the corresponding countries in accordance with paragraph 2(d) of the “Guidelines for demonstrating additionality of microscale project activities”;
  - (b) The process for the submission of proposed SUZs by DNAs from host countries other than least developed countries (LDCs) or the small island developing States (SIDS)<sup>1</sup> and for consideration by the Board to approve them in accordance with paragraph 2(a) of the “Guidelines for demonstrating additionality of microscale project activities”.

### 2.2. Entry into force

4. The relevant versions of this procedure enter into force upon adoption by the Board and subsequent publication of the document as described in the document information section of this procedure.

## 3. Definitions

5. “Specific renewable energy technologies/measures” means grid-connected renewable energy technologies of installed capacity equal to or smaller than five MW.<sup>2</sup> It excludes renewable energy technologies that do not generate electricity, such as heating and cooling technologies.

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<sup>1</sup> In accordance with paragraph 2(a) of the “Guidelines for demonstrating additionality of microscale project activities”, project activities up to five megawatts that employ renewable energy technology are additional if they are located in LDCs or SIDS.

<sup>2</sup> For the definition of “MW” in installed capacity, please refer to paragraph 4 of the “General guidelines to SSC CDM methodologies”.

6. “SUZ” is a region in the host country of project activities (zone, municipality or any other designated official administrative unit) identified by its government in an official notification for development assistance including for planning, management, or investment satisfying any one of the following conditions using most recent available data:
  - (a) The proportion of the population with income less than USD 2 per day, adjusted by purchasing power parity (PPP), in the region is greater than 50 per cent;
  - (b) The gross national income (GNI) per capita of the country is less than USD 3,000 and the population of the region is among the poorest 20 per cent in the poverty ranking of the host country as per the applicable national policies and procedures.

## **4. Procedure for the submission and consideration of microscale renewable energy technologies for automatic additionality**

### **4.1. Submission of proposed specific renewable energy technologies/measures**

7. The DNA of a Party may propose specific renewable technologies/measures to be approved by the Board as conferring automatic additionality on microscale CDM project activities implemented in that Party country.
8. The DNA submitting the proposed specific renewable technologies/measures shall upload to the UNFCCC CDM website the following documentation:
  - (a) The duly completed “Proposed specific renewable technologies/measures submission form” (form F-CDM-PRT);
  - (b) The most recent available data, and in any case not older than three years from the date of submission, on the percentage of contributions of specific renewable energy technologies in the total installed grid-connected power generation capacity in the country, clarifying the source of the data;
  - (c) Any additional documentation supporting the submission (e.g. relevant data, documentation, statistics, studies, etc.), where applicable.
9. No fee shall be payable to the secretariat for the submission of the proposed specific renewable technologies/measures.

### **4.2. Initial assessment of proposed specific renewable technologies/measures**

10. The secretariat shall undertake an initial assessment of the submission within 14 days of receipt of the submission. The secretariat shall assess whether:
  - (a) The form F-CDM-PRT has been duly completed;
  - (b) The DNA submitted all the information required for the consideration of the proposed specific renewable technologies/measures.

11. The secretariat shall inform the DNA of the outcome of the initial assessment. If the secretariat finds that the required documentation or information is incomplete, it shall notify so to the DNA. In this case, the DNA should provide the missing documents or information within 28 days of the notification.
12. The secretariat shall conclude the initial assessment within 14 days of receipt of missing documents or information and inform the DNA of the conclusion of the initial assessment. If the DNA fails to provide the missing documents or information within the deadline, the secretariat shall suspend processing the submission any further until it receives the missing documents or information.

#### **4.3. Preparation of recommendation**

13. Upon successful conclusion of the initial assessment, the secretariat shall make the submitted documentation publicly available on the UNFCCC CDM website with the exception of the information declared confidential and/or proprietary information by the DNA, and invite the public to provide inputs on the submission for a period of 14 days.
14. Within 14 days of the end of the public commenting period, the secretariat shall prepare a draft recommendation on the proposed specific renewable technologies/measures, taking into account the public comments received as appropriate, using the form F-CDM-PRT-REC.
15. The secretariat shall include in its draft recommendation one of the following courses of actions:
  - (a) Approve the proposed specific renewable technologies/measures as conferring additionality on microscale CDM project activities implemented in the country for which the DNA submitted the proposal; or
  - (b) Request further input (e.g. additional information or modification to the submitted documentation) from the DNA; or
  - (c) Not to approve the proposed specific renewable technologies/measures as conferring additionality on microscale CDM project activities implemented in the country for which the DNA submitted the proposal.
16. In preparing the draft recommendation, the secretariat may draw upon external expertise, depending on the technical complexity of the proposed specific renewable technologies/measures, such as experts on the roster of experts for desk reviews of baseline and monitoring methodologies or consultants.
17. The secretariat shall appoint two members of the Small-Scale Working Group (SSC WG) and forward its draft recommendation, together with public comments received in accordance with paragraph 13 above, to them.
18. The two appointed members of the SSC WG shall, within seven days of receipt of the draft recommendation, independently assess the proposed specific renewable technologies/measures and the draft recommendation, and inform the secretariat of the outcome of their assessment.
19. If both of the appointed members of the SSC WG agree to the draft recommendation to approve or not to approve the proposed specific renewable technologies/measures, the

- secretariat shall forward it as the recommendation to the Board and make it publicly available on the UNFCCC CDM website.
20. If both of the appointed members of the SSC WG agree to the draft recommendation to require further input from the DNA, the secretariat shall notify the DNA accordingly. The DNA should submit the requested input within 28 days of the notification. If the DNA fails to provide the requested input within the deadline, the secretariat shall suspend processing the submission any further until it receives the requested input.
  21. The secretariat shall assess the further input submitted by the DNA. If the secretariat finds that it is still not sufficient to recommend to approve or not to approve the proposed specific renewable technologies/measures, the secretariat may initiate a direct communication with the DNA via email or telephone conference to clarify remaining issues.
  22. The secretariat shall revise the draft recommendation taking into account the further input and direct communication with the DNA, as applicable, to recommend either to approve or not to approve the proposed specific renewable technologies/measures, forward it as the recommendation to the Board, and make it publicly available on the UNFCCC CDM website. Before sending the recommendation to the Board, depending on the complexity of the case, the secretariat may forward the revised draft recommendation to the two appointed members of the SSC WG for their consideration. In this case, the step in paragraph 17, followed by either 19 above or 23–27 below shall apply.
  23. If at least one appointed member of a panel or working group disagrees with the draft recommendation or requests that it be considered by the SSC WG, the secretariat shall forward the draft recommendation to the SSC WG. The SSC WG shall consider the proposed specific renewable technologies/measures and the draft recommendation at its next meeting, provided it is received at least 14 days before the meeting; otherwise it shall be considered at the subsequent meeting.
  24. The SSC WG shall finalize its consideration within no more than two meetings, unless it finds that further input from the DNA or guidance from the Board is required. In case further input from the DNA or guidance from the Board is sought, the SSC WG shall finalize its consideration at the meeting immediately following receipt of such input or guidance. In its finalization of consideration, the SSC WG shall conclude to recommend either to approve or not to approve the proposed specific renewable technologies/measures. The secretariat shall forward it as the recommendation to the Board and make it publicly available on the UNFCCC CDM website.
  25. If the SSC WG finds that further input from the DNA is required, the secretariat shall notify the DNA. In this case, the DNA should submit the requested input within 28 days of the notification. If the DNA fails to submit the requested input within the deadline, the secretariat shall suspend processing the submission any further until it receives the requested input.
  26. The secretariat shall assess the further input submitted by the DNA. If the secretariat finds that the further input is still not sufficient to recommend to approve or not to approve the proposed specific renewable technologies/measures, the secretariat may initiate a direct communication with the DNA via email or telephone conference to clarify remaining issues.

27. The secretariat shall revise the draft recommendation taking into account the further input and direct communication with the DNA, as applicable, to recommend either to approve or not to approve the proposed specific renewable technologies/measures, and forward it as the recommendation to the Board and make it publicly available on the UNFCCC CDM website. Before sending the recommendation to the Board, depending on the complexity of the case, the secretariat may forward the revised draft recommendation to the SSC WG for their final consideration. In this case, the SSC WG shall conclude to recommend either to approve or not to approve the proposed specific renewable technologies/measures. The secretariat shall forward the conclusion as the recommendation to the Board and make it publicly available on the UNFCCC CDM website.

#### **4.4. Consideration by the Board**

28. If no member of the Board objects to the recommendation received in accordance with paragraph 19, 22, 24, or 27 above within 14 days of receipt of the recommendation, the recommended course of action shall be deemed to be the decision adopted by the Board.
29. An objection by a member of the Board shall be made by notifying the Chair of the Board through the secretariat, giving reasons in writing. The secretariat shall acknowledge receipt of the objection and make it available to the Board.
30. If a member of the Board objects to the recommendation more than two weeks prior to the next Board meeting, the case shall be placed on the agenda of the next Board meeting; otherwise it shall be placed on the agenda of the subsequent Board meeting.
31. If the Board considers the case at its meeting, it shall decide on the course of action at the meeting.
32. The course of action referred to in paragraph 31 above shall be:
- (a) To approve the proposed specific renewable technologies/measures as endowing additionality to microscale CDM project activities implemented in the country for which the DNA submitted the proposal; or
  - (b) Not to approve the proposed specific renewable technologies/measures as endowing additionality to microscale CDM project activities implemented in the country for which the DNA submitted the proposal; or
  - (c) To continue the consideration of the proposed specific renewable technologies/measures at the next Board meeting; or
  - (d) To request the SSC WG to review the recommendation and provide guidance on the modalities of the review.
33. Once a decision has been made by the Board, the secretariat shall inform the DNA of the decision and any guidance provided by the Board as applicable, and make the decision and guidance publicly available on the UNFCCC CDM website.
34. If the proposed specific renewable technologies/measures are not approved, the DNA may at any time re-submit proposed specific renewable technologies/measures with revised documentation. Upon submission of the revised documentation the submission

shall be treated as a new submission of proposed specific renewable technologies/measures.

35. The approved specific renewable technologies/measures are applicable as conferring automatic additionality only to the microscale CDM project activities implemented in the country for which the DNA submitted the proposal, and are valid for three years from the date of approval by the Board.
36. If the DNA wishes to renew the validity of the approved specific renewable technologies/measures after their expiry date, it shall submit the same set of documentation to the secretariat listed in, and in accordance with, paragraph 8 above.<sup>3</sup> In this case, all provisions in paragraph 9 above and sections 4.2 to 4.4 shall apply for processing the proposal.

## **5. Procedure for the submission and consideration of special underdeveloped zones**

### **5.1. Submission of proposed special underdeveloped zones**

37. The DNA of a Party may propose SUZs in its own country to the Board for approval.
38. The DNA submitting the proposal shall upload to the UNFCCC CDM website the following documentation:
  - (a) The duly completed “Proposed special underdeveloped zone submission” form (CDM-SUZ-FORM);
  - (b) The most recent public available data, which in any case must not be older than three years from the date of submission indicating the source of the data, on:
    - (i) The proportion (percentage) of population with income less than USD 2 per day (adjusted by PPP) in the region;
    - (ii) The GNI per capita<sup>4</sup> in the country;
    - (iii) Data to demonstrate that the population of the region is among the poorest 20 per cent in the poverty ranking of the country as per applicable national policies and procedures;
  - (c) Any additional documentation supporting the submission (e.g. relevant data, documentation, statistics, studies, etc.), where applicable.

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<sup>3</sup> If the DNA wishes to avoid a gap in validity occurring, it is recommended that the DNA submit the documentation no later than 180 days prior to the expiry date of the validity.

<sup>4</sup> Information on per capita income or other economic indicators used for the ranking purposes shall be provided in USD.

## **5.2. Initial assessment of proposed special underdeveloped zones**

39. The secretariat shall undertake an initial assessment of the submission within 14 days of receipt of the submission. The secretariat shall assess whether:
  - (a) The form CDM-SUZ-FORM has been duly completed;
  - (b) The DNA has submitted all the information required for the consideration of the proposed SUZs.
40. The secretariat shall inform the DNA of the outcome of the initial assessment. If the secretariat finds that the required documentation or information is incomplete, it shall notify so to the DNA. In this case, the DNA should provide the missing documents or information within 28 days of the notification.
41. The secretariat shall conclude the initial assessment within 14 days of receipt of missing documents or information and inform the DNA of the conclusion of the initial assessment. If the DNA fails to provide the missing documents or information within the deadline, the secretariat shall suspend processing the submission any further until it receives the missing documents or information.

## **5.3. Preparation of recommendation**

42. Within 14 days of the successful conclusion of the initial assessment, the secretariat shall determine whether the proposed SUZs meet the criteria for being classified as SUZs in accordance with paragraph 6 above, and shall prepare a recommendation on the proposed SUZs, using the "Proposed specific underdeveloped zone recommendation" form (CDM-SUZR-FORM).
43. The secretariat shall include in its recommendation one of the following courses of actions:
  - (a) To approve the proposed SUZs; or
  - (b) Not to approve the proposed SUZs.
44. The secretariat shall forward the recommendation to the Board and make it publicly available on the UNFCCC CDM website.

## **5.4. Consideration by the Board**

45. If no member of the Board objects to the recommendation received in accordance with paragraph 44 above within 14 days of receipt of the recommendation, the recommended course of action shall be deemed to be the decision adopted by the Board.
46. An objection by a member of the Board shall be made by notifying the Chair of the Board through the secretariat, giving reasons in writing. The secretariat shall acknowledge receipt of the objection and make it available to the Board.
47. If a member of the Board objects to the recommendation more than two weeks prior to the next Board meeting, the case shall be placed on the agenda of the next Board meeting; otherwise it shall be placed on the agenda of the subsequent Board meeting.

48. If the Board considers the case at its meeting, it shall decide on the course of action at the meeting.
49. The course of action referred to in paragraph 48 above shall be:
  - (a) To approve the proposed SUZs; or
  - (b) Not to approve the proposed SUZs.
50. Once a decision has been made by the Board, the secretariat shall inform the DNA of the decision and any guidance provided by the Board as applicable, and make the decision publicly available on the UNFCCC CDM website. If the Board’s decision is to approve the proposed SUZs, the secretariat shall include them in the list of approved SUZs.
51. If the proposed SUZs are not approved, the DNA may at any time re-submit proposed SUZs if the requirements specified in paragraph 6 above are met. Upon submission of the revised documentation the submission shall be treated as a new submission.
52. DNAs shall communicate to the secretariat any change in the conditions of a SUZ that imply that the zone no longer qualifies to be considered a SUZ. The secretariat shall inform the Board of any changes to the list of SUZs. Changes to the list will be effective on the day after the Board meeting at which the Board takes note of such changes.

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### Document information

<i>Version</i>	<i>Date</i>	<i>Description</i>
02.0	23 November 2012	EB 70, Annex 37 Inclusion of the procedure for the submission and consideration of SUZs.
01.0	25 November 2011	EB 65, Annex 33 Initial adoption.

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