

# **CLEAN DEVELOPMENT MECHANISM EXECUTIVE BOARD**

## **PROPOSED AGENDA AND ANNOTATIONS**

Second meeting  
Bonn, 14 – 16 January 2002

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## II. ANNOTATIONS TO THE PROPOSED AGENDA

### 1. Organizational matters

#### (a) Oath of service of members and alternate members not present at the first meeting of the executive board

1. **Background:** In accordance with subparagraph 8 (e) of the modalities and procedures for a clean development mechanism (CDM) (herewith referred as “modalities and procedures”), members and alternate members have to take a written oath of service before being able to participate in the work of the executive board. Members not present at the first meeting had been asked to sign the original oath and return it to the UNFCCC secretariat.

2. **Action:** The secretary to the executive board, representative of the executive secretary of the UNFCCC, shall provide the status of receipt of the written oaths. All members and alternate members present at the second meeting must have taken the written oath of service.

#### (b) Adoption of the agenda

3. **Background:** The executive board of the clean development mechanism at its first meeting on 10 November 2001 agreed on items that should be included in the agenda for its second meeting. As agreed, further inputs on the agenda received by the chair by the deadline of 26 November were considered in the drafting of the proposed agenda and the annotations thereto.

4. **Action:** Members may wish to adopt the proposed agenda for the second meeting. When deliberating on the draft rules of procedure, the executive board may wish to consider whether alternate members can propose items for any future agenda.

#### (b) Calendar of executive board meetings in 2002

5. **Background:** According to paragraph 13 of the modalities and procedures, the executive board shall meet as necessary but no less than three times a year. A tentative calendar of meetings in 2002 is contained in Annex 1. In view of the requirements for a prompt start of the CDM, in particular work to be undertaken for the accreditation of operational entities and on methodological issues (small-scale projects, baseline and monitoring methodologies) prior to COP 8, six meetings of the executive board are proposed for 2002.

6. **Action:** Members may wish to review the proposed frequency of meetings and the schedule and agree on the dates for the meetings planned during the year 2002, taking into consideration the meeting dates for the COP and its subsidiary bodies.

#### (c) Rules of procedure

7. **Background:** While the annex on modalities and procedures for a CDM contains basic provisions for the functioning of the executive board, decision 17/CP.7 requires the executive board, until COP 8, “to develop and agree on its rules of procedure and recommend them to the COP for

adoption, applying draft rules until then” (subparagraph.6 (a)) <sup>1</sup>. The draft rules of procedure (see Annex 2) combine the basic provisions contained in the modalities and procedures with proposed further provisions aimed at ensuring the smooth and transparent functioning of the executive board.

8. **Action:** The executive board may wish to consider the draft rules and determine whether to recommend them to COP 8 for adoption, applying the draft rules until then.

## **2. Work plan until the eighth session of the Conference of the Parties**

9. **Background:** Paragraph 6 of decision 17/CP.7 (Article12) lists issues to be included, *inter alia*, in the work plan until the eighth session of the Conference of the Parties.

10. **Action:** Members may consider each of the sub-items and decide on appropriate action.

### **(a) Accreditation process for operational entities**

11. **Background:** The modalities and procedures contain provisions related to the accreditation and designation of operational entities (sections D and E of the annex to decision 17/CP.7 on the CDM). Further, Appendix A to the modalities and procedures contains the standards for accreditation of operational entities.

12. While Parties agreed on general modalities and procedures of accreditation, the detailed operational provisions were left to be developed by the executive board (subparagraph 5 (f) (ii)). This is one of the most urgent and important tasks for allowing the prompt start of the CDM as any project participant wishing to register a CDM project activity will have to choose a designated operational entity to start the validation and registration activities.

13. As a starting point for the discussion of the board, the secretariat has prepared a note on this work item (Annex 3).

14. **Action:** Members may wish to consider the documentation provided and take a decision on further work to be conducted, including a schedule of work (see also item (e) below).

### **(b) Simplified modalities and procedures for small scale CDM project activities**

15. **Background:** In accordance with subparagraph 6 (c) of decision 17/CP.7, the executive board shall develop and recommend to COP 8 simplified modalities and procedures for small scale CDM project activities. As a starting point for the discussion on this issue, a note has been prepared by the secretariat (Annex 4) on elements for a work plan to develop simplified modalities and procedures for small-scale CDM project activities taking into consideration that aspects of such work have been or are being addressed by experts in Parties included and not included in Annex I to the Convention.

16. **Action:** Members may wish to consider the documentation provided and take a decision on further work to be conducted, including a schedule of work (see also item (e) below).

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<sup>1</sup> In addition, the annex on modalities and procedures provides for further amendments and additions to be recommended to the COP/MOP (subparagraph 5 (b).)

## **(c) Guidelines for methodologies for baselines and monitoring plans**

17. **Background:** The COP requested the executive board to prepare recommendations on any relevant matter, including Appendix C to the annex on modalities and procedures for a CDM (subparagraph 6 (e) of decision 17/CP.7 (Article 12)) for consideration by the COP at its eighth session. No documentation has been prepared on this issue, as guidance would first need to be provided by the executive board on how it wishes to proceed.

18. **Action:** The executive board may wish to elaborate on this request and agree on its activities in this respect, including a schedule of work.

## **(d) Modalities for collaboration with SBSTA**

19. **Background:** Paragraph 6 (e) of decision 17/CP.7 (Article 12) stipulates that the executive board shall identify modalities for seeking collaboration with the Subsidiary Body for Scientific and Technological Advice on methodological and scientific issues. The issue may also be included on the agenda for the next SBSTA session.

20. **Action:** The board may wish to identify a list of issues that will need further methodological and scientific collaboration and request the secretariat to prepare an explanatory note on this for its next meeting.

## **(e) Panels: Definition of terms of reference and selection of members**

21. **Background:** In accordance with the modalities and procedures for the executive board, the board may establish committees, panels or working groups of experts to assist it in its work. The executive board shall draw on the expertise necessary, including from the UNFCCC roster of experts, taking fully into account the consideration of regional balance. The secretariat has prepared a note for consideration by the executive board (Annex 5).

22. **Action:** Members may wish to consider the establishment of panels for undertaking some of the tasks of the work plan, in particular related to accreditation of operational entities and simplified modalities and procedures for small scale CDM project activities. A possible schedule for such work is contained, respectively, in Annex 3 and Annex 4.

23. Members may wish to provide inputs on the note in Annex 5 and on the specific terms of reference, size and composition as well as resource requirements for panels referred to in Annexes 3 and 4.

## **3. CDM programme budget 2002 – 2003**

24. **Background:** Through decision 38/CP.7, the COP agreed on core resources for carrying out, *inter alia*, work related to the design, development and operation of the CDM (see FCCC/SBI/2001/17 and FCCC/SBI/2001/17/Add.2). In addition, Parties were invited to contribute US \$ 6.8 millions to the UNFCCC Trust Fund for Supplementary Activities in order to facilitate the prompt start of the CDM during the period 2002-2003. Through decision 17/CP.7, the COP called on the executive board to recommend to the COP, for its determination, the level of the share of proceeds to cover administrative expenses of the CDM (paragraphs 16 and 17 of decision 17/CP.7).

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25. The attached draft CDM programme budget 2002-2003 (Annex 6) contains the following major elements:

(a) Provisions for convening meetings of the executive board in accordance with the Annex to decision 17/CP.7 on modalities and procedures for a CDM, in particular its paragraphs 7, 8 (c), 13, 16 and 17;

(b) Provisions for facilitating the work of panels, if established by the executive board, in accordance with paragraph 18 of the modalities and procedures;

(c) Provisions for the servicing of the executive board by the secretariat in accordance with paragraph 19 of the modalities and procedures. Functions for which cost estimates are provided include the support of:

- (i) Accreditation of designated operational entities
- (ii) Work on simplified modalities and procedures for small-scale CDM project activities
- (iii) Work on methodologies for baselines and monitoring
- (iv) Information through web site.

26. **Action:** The executive board may wish to review the attached draft CDM programme budget 2002-2003, in particular assumptions regarding the frequency of meetings, the size and operational modalities of panels and the extent of its information services, with a view to approving the CDM programme budget. Based on such approval, the executive board may wish to request the secretariat to notify Parties of the approval and reiterate the invitation to Parties to contribute in accordance with decision 38/CP.7.

#### **4. Other matters**

27. No sub-item foreseen at this point in time.

#### **5. Conclusion of the session**

28. The chair may wish to summarize the meeting and the decisions taken.