

CLEAN DEVELOPMENT MECHANISM EXECUTIVE BOARD

PROPOSED AGENDA AND ANNOTATIONS

Fourth meeting
Maritim Hotel
Bonn, 9 - 10 June 2002

CONTENTS

I. PROPOSED AGENDA

II. ANNOTATIONS TO THE PROPOSED AGENDA

III. ANNEXES¹

Annex 1: List of members of panel to recommend simplified modalities and procedures for small-scale CDM project activities

Annex 2: Detailed procedures for accreditation of operational entities by the executive board of the clean development mechanism

¹ Annex 1 is made available in a separate document.

DRAFT

- 2 -

I. PROPOSED AGENDA

1. Adoption of the agenda
2. Work plan until the eighth session of the Conference of the Parties
 - (a) Accreditation process for operational entities
 - (b) Simplified modalities and procedures for small scale CDM project activities
 - (c) Guidelines for methodologies for baselines and monitoring plans
 - (d) Panels: Determination of terms of reference and selection of members
 - (e) Modalities for collaboration with SBSTA
3. Other matters
 - (a) Draft rules of procedure
 - (b) Other business
4. Conclusion
 - (a) Summary of decisions
 - (b) Closure.

II. ANNOTATIONS TO THE PROPOSED AGENDA

1. Adoption of the agenda

1. **Background:** The executive board of the clean development mechanism agreed, at its third meeting (Bonn, 9 – 10 April 2002), on items to be included in the provisional agenda for its fourth meeting. In accordance with rule 21 of the draft rules of procedure, subsequent additions or changes to the provisional agenda by members and/or alternate members were invited. As no changes or additions were submitted, the proposed agenda reflects the provisional agenda.

2. **Action:** Members may wish to adopt the proposed agenda for the fourth meeting.

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

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

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

(a) Accreditation process for operational entities

5. **Background:** At its second meeting, the board agreed to launch the accreditation process at its fourth meeting at the latest, including the establishment of the CDM accreditation panel. At its third meeting, the board agreed on the terms of reference for the accreditation panel (CDM AP) and competence requirements for ad hoc accreditation assessment teams and requested the secretariat to post, on the UNFCCC CDM website, an invitation to experts to submit their applications for the CDM-AP. It also requested the secretariat to compile a list of applications and a short-list for further consideration by the board, including from the UNFCCC roster of experts, at its fourth meeting with a view to designating members of the panel at that meeting. The documentation will be made available to the board at the fourth meeting. The secretariat was further requested to continue the development of detailed procedures to operationalize the accreditation of operational entities, taking into account guidance received by the board, with a view to the executive board adopting them at its fourth meeting.

6. Reflecting the comments received and in preparation for the fourth meeting of the board, the secretariat prepared a revised draft technical paper on detailed procedures to operationalize accreditation (see attachment 1 of Annex 2) and a set of forms proposed to launch the accreditation process (see list contained in attachment 2 of Annex 2). The forms are made available through the EB extranet and the UNFCCC website.

7. **Action:** Members may wish to (i) consider and approve detailed procedures to operationalize the accreditation of operational entities and the forms; (ii) establish a CDM-AP; (iii) launch the accreditation process for operational entities and request the secretariat to post, on the UNFCCC CDM website, an invitation to entities to submit applications; and (iv) request the secretariat to maintain a call for experts qualified to be a member of a CDM-AT in order to facilitate and accelerate the establishment of these teams when needed.

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

8. **Background:** At its third meeting, the board established the panel which is to recommend simplified modalities and procedures for small-scale CDM project activities to the board (SSC Panel) and designated eight panel members. It further agreed that, in order to enhance the regional balance of the

SSC Panel, board members were invited to submit one nomination for an expert from the Caribbean and one for an expert from the Eastern European region by 19 April 2002. Nominations were received and Mr. Albert Binger and Mr. Serguei Molodtsov were designated as panel members by the board through electronic decision, in accordance with rule 29 of the draft rules of procedure. The complete list of panel Members is contained in Annex 1.

9. The SSC panel held its first meeting on 3 May 2002 in New York. The report of this meeting was forwarded to the board via listserv on 13 May 2002.

10. **Action:** Members may wish to consider the report of the first meeting of the SSC Panel and provide any further guidance to the panel if deemed necessary.

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

11. **Background:** At its third meeting, the board agreed to establish panel for methodologies for baselines and monitoring plans (Meth Panel) and designated eight panel members. It further agreed that, in order to enhance the regional balance of the Meth Panel, board members should submit additional nominations. One nomination for a panel member from the Eastern European region was received and forwarded to the board via listserv on the 8 May 2002. The board agreed to select one member from the Eastern European region and one additional candidate from the existing short list of candidates from Annex I Parties at its fourth meeting.

12. On request by the chair of the executive board, and in consultation with the chair and vice chair of the Meth Panel, the first meeting of the Meth Panel is planned to take place on 12 June 2002. The secretariat was requested to make arrangements for ensuring the participation via conference call of additional panel members to be selected by the board at its fourth meeting as no time would be available to make travel arrangements for these panel members.

13. At its second meeting, the board requested the secretariat to develop a draft of the CDM project design document (CDM-PDD), taking into account Appendix B of the modalities and procedures of a clean development mechanism contained in the Annex to decision 17/CP.7 as well as relevant experience gained with the uniform reporting format for activities implemented jointly under the pilot phase, with a view to adopt a format at its fourth meeting. Subsequently the board agreed that the Meth Panel should elaborate, with the assistance of the secretariat, precise and workable recommendations for consideration by the executive board, on a draft CDM-PDD for consideration and adoption by the executive board at its fifth meeting. An initial draft CDM-PDD prepared by the secretariat will be forwarded to the board for comments on 27 May 2002. Views are also being sought from members of the Meth and SSC Panels. A consolidated version, taking into account comments received, will be made available to the board at its fourth session.

14. In considering the work of the Meth Panel, the board may wish to bear in mind that once the accreditation process is launched, new methodologies for baselines and monitoring will be proposed by project participants and forwarded by applicant (and at a later stage accredited/designated) operational entities to the executive board, in accordance with paragraph 38 of the modalities and procedures of the CDM. In order to streamline the processing of such submissions and minimize the accumulation of backlogs to the extent possible, the chair of the executive board, in consultation with the chair and vice chair of the Meth Panel, proposes that any new methodology received shall be directly sent to the Meth Panel for it to prepare a recommendation to the executive board for consideration at its subsequent meeting. If the board were to agree with this approach it might need to consider adjusting the terms of reference of the Meth Panel as appropriate.

15. **Action:** The board may wish to (i) designate a panel member from the Eastern European region and an additional one from the existing short list of candidates from Annex I Parties; (ii) consider the draft CDM-PDD and forward it to the Meth Panel for further elaboration, if necessary; (iii) agree that new methodologies forwarded by applicant (and at a later stage accredited/designated) operational entities be directly forwarded to the Meth Panel to prepare a recommendation to the EB for consideration at its subsequent meeting; and (iv) agree on appropriate adjustments in the terms of reference of the Meth Panel in order to enable it to prepare recommendations on new methodologies on baseline and monitoring plans.

(d) **Panels: Determination of terms of reference and selection of members**

(i) **Payment of fees**

16. **Background:** At its third meeting, when discussing resource requirements for the prompt start of the CDM, the board agreed that members of the CDM-AP and CDM-ATs should not receive fees. However two members of the board suggested, and the board agreed, to reconsider this issue at its fourth meeting.

17. **Action:** The executive board may wish to reach an agreement on the payment of fees for members of panels and assessment teams.

(ii) **Availability of interim reports**

18. **Background:** Paragraph 19 of the general guidelines for panels provide for final recommendations by the Panels to the board made publicly available, unless otherwise decided by the board. The general guidelines however do not specify whether interim reports by the Panels to the board should be kept confidential or be made publicly available.

19. **Action:** The board may further agree on whether interim reports by panels should be kept confidential or be made publicly available.

(e) **Modalities for collaboration with SBSTA**

20. **Background:** Paragraph 6 (e) of decision 17/CP.7 stipulates that the executive board shall identify modalities for seeking collaboration with the Subsidiary Body for Scientific and Technological Advice (SBSTA) on methodological and scientific issues.

21. The board, at its second meeting, designated Mr. Tattenbach and Mr. Stehr to follow the work undertaken by the SBSTA on developing definitions and modalities for including afforestation and reforestation project activities under the CDM in the first commitment period and regularly update the board on developments. At the third meeting, Mr. Stehr provided an oral report to the executive board on the proceedings and discussions that took place at the UNFCCC workshop on terms of reference and agenda for work relevant to definitions and modalities for including afforestation and reforestation projects under Article 12 in the first commitment period (Orvieto, Italy, from 7 to 9 April 2002). He informed the board that he and Mr. Tattenbach would continue to be in close contact with the chairman of SBSTA and follow the deliberations on this issue during the sixteenth session of the SBSTA.

22. The board, at its second meeting, designated Mr. Salamat and Mr. Pluzhnikov to follow the inter-sessional consultations on registries and the development of technical standards, and to update the board on developments. Consultations on this issue are scheduled to take place in Bonn, Germany, from 2-3 June 2002, immediately prior to the sixteenth sessions of the subsidiary bodies. Mr. Salamat and Mr. Pluzhnikov are both invited to attend the consultations.

DRAFT

- 6 -

23. **Action:** The board may wish to consider the oral reports by the designated members and take action, as appropriate.

3. Other matters

(a) **Draft rules of procedure**

24. **Background:** At its second meeting, the board adopted draft rules of procedure for the executive board and agreed that the draft rules of procedure will continue to be under consideration by the board at its subsequent meetings until forwarded to COP 8 for its decision.

25. **Action:** The board may wish to (i) invite members to forward any amendments for circulation via list-serve; (ii) request the secretariat to make textual proposals, as appropriate, and include them in the documentation for the fifth meeting.

(b) **Other**

26. At its third meeting, the board took note of a draft note prepared by the secretariat in response to questions posed by the Prototype Carbon Fund (PCF) and agreed that members and alternates will submit their comments on the draft via list serve by 1 May 2002, with a view to agreeing on a final note at its fourth meeting. Four comments were received and communicated to the board via list serve on 8 May 2002.

27. The secretariat shall provide an oral report on the status of the financing of the CDM programme budget for 2002-2003.

28. The board may consider arrangements for its sixth meeting, planned to be held in conjunction with the World Summit on Sustainable Development, from 31 August to 1 September 2002, in Johannesburg, South Africa.

4. Conclusion of the meeting

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

DRAFT

- 7 -

Annex 1

LIST OF MEMBERS OF PANEL TO RECOMMEND SIMPLIFIED MODALITIES AND PROCEDURES FOR SMALL-SCALE CDM PROJECT ACTIVITIES

Mr. Albert Binger

Ms. Martina Bosi

Mr. Moussa Kola Cisse

Mr. Pedro Maldonado

Mr. Serguei Molodtsov

Mr. Binu Parthan

Mr. Govinda Raj Timilsina

Mr. Lasse Ringius

Mr. Taishi Sugiyama

Mr. Stephen Thorne