



CLEAN DEVELOPMENT MECHANISM EXECUTIVE BOARD

PROPOSED AGENDA AND ANNOTATIONS

Tenth meeting

UNFCCC Headquarters
Bonn (Germany)
28 – 29 July 2003

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I. PROPOSED AGENDA

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II. ANNOTATIONS TO THE PROPOSED AGENDA

1. Adoption of the agenda

1. **Background:** The Executive Board of the clean development mechanism (CDM) agreed, at its ninth meeting (Bonn, Germany, 7-8 June 2003), on items to be included in the provisional agenda for its ninth meeting. In accordance with rule 21 of the rules of procedure of the Executive Board, subsequent additions or changes to the provisional agenda by members and/or alternate members were incorporated in the proposed agenda which was transmitted to the Board on 7 July 2003 and thereafter posted on the UNFCCC CDM web site. The changes pertain to item 3 of the proposed agenda and were made upon the request of the Chair of the Board in order to reflect, inter alia, the agreement by the Board at its seventh meeting to consider at its tenth meeting possible recommendations to the COP regarding the Rules of Procedure, as appropriate; and the second report of the Executive Board to COP 9.

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

2. Work plan

(a) Accreditation of operational entities

3. **Background:** The Executive Board took note, at its ninth meeting, of an oral report by the Chair of the CDM accreditation panel (CDM-AP), Mr. John Kilani, and its Vice-Chair, Mr. Oleg Pluzhnikov on the status of work of the CDM-AP and agreed on (i) revised terms of reference for the accreditation teams (CDM-ATs), and (ii) a phased approach to accreditation/designation with regard to sectoral scope(s).

4. The Board also agreed to consider issues relating to fixed and variable cost components regarding the accreditation procedure at its tenth meeting. The secretariat will make a brief presentation at the meeting.

5. Since the ninth meeting of the Board, one additional application for accreditation has been received, bringing the total number of applicant entities to 16. Applications are at the different stages of the accreditation procedure, seven of them being at the stage of coordination of outside assessment of their premises. The geographical distribution of applications is as follows: seven from Asia and Pacific Region, nine from Western Europe and Other Regions. One application from Asia and Pacific Region is from Non-Annex I Party.

6. No meeting of the CDM-AP has been held in the interim.

7. **Action:** The Board may wish to consider (a) the report by the Chair of the CDM-AP; (b) issues relating to fixed and variable cost components; and (c) providing guidance to the CDM-AP, as appropriate.

(b) Methodologies for baselines and monitoring plans

8. **Background:** The Executive Board, at its ninth meeting, having taken note of an oral report by the Chair of the Panel on baseline and monitoring methodologies (Meth Panel), Mr. Jean Jacques Becker, on the work of the panel and having considered the recommendations by the Meth Panel, agreed on the following: (i) further clarifications on methodological issues; (ii) amendments to procedures for submission and consideration of a proposed new methodology; (iii) recommendations on the first 14 cases of proposed new baseline and monitoring methodologies; and (iv) the extension of the mandate of the current members of the Meth Panel until April 2004.

9. The Board requested the Chair of the Executive Board, with the assistance of the Chair and Vice-Chair of the Meth Panel, to elaborate draft procedures for communication between the Meth Panel and project

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participants in order to allow for queries and feedback once a proposed new methodology is submitted and is being considered by the Meth Panel. For the consideration of the Board, at its tenth meeting, a draft procedure for such communication is contained in annex 1 to this annotated agenda in the form of a proposed amendment to the procedure for submission and consideration of a proposed new methodology.

10. The Board further requested the Meth Panel to undertake the following tasks at its sixth meeting:

(a) Revise and prepare recommendations for consideration by the Board at its tenth meeting on the forms for desk reviewer recommendations (F-CDM-NMex) and the Meth Panel recommendation (F-CDM-NMmp) on proposed new methodologies;

(b) Revise and prepare recommendations on the CDM-PDD, taking into consideration a proposal by the secretariat, for the consideration of the Board at its tenth meeting, in order to reflect guidance provided by the Board since the adoption of version 01 of the CDM-PDD in August 2002;

(c) Prepare further recommendations, for consideration by the Board at its tenth meeting, on the following matters:

- (i) Guidance on how, through the methodology, it may be demonstrated that a project activity is additional and therefore not the baseline scenario;
- (ii) Guidance for describing a proposed new methodology and justifying the selection of the most appropriate approach from among those contained in paragraph 48 of the CDM modalities and procedures.

11. In response to these requests by the Board, the Meth Panel, at its sixth meeting held in Bonn on 7-8 July 2003, prepared general recommendations. They are contained in the report of that meeting which was made available to the Board and to the public on the UNFCCC CDM web site on 11 July 2003.

12. At its sixth meeting, the Meth Panel considered a total of four cases of proposed new methodologies for baselines and monitoring:

(a) Two cases (NM0004-rev and NM0007-rev) were revised and resubmitted in accordance with paragraphs 12 to 15 of the report of the ninth meeting of the Board; and

(b) Two cases (NM0013 and NM0016) were proposed new methodologies submitted by the deadline of 30 May 2003. They were subsequently made available for public input on the UNFCCC web site, announced through the UNFCCC CDM News facility and attracted a total of 4 public inputs.

13. The Meth Panel, taking into consideration the input by experts (desk reviews) and the public, agreed on recommendations to the Board, for its consideration, on three cases of the proposed new methodologies (NM0004-rev, NM0007-rev and NM0016), while requesting the proponents to further complete the submission in one case (NM-0013). The recommendations by the Meth Panel were made available to the Board via its list serve and to the public on the UNFCCC CDM web site (<http://unfccc.int/cdm>) on 11 July 2003.

14. **Action:** The Board may wish to consider (a) the report by the Chair of the Meth Panel; (b) the report of the sixth meeting of the Meth Panel; (c) the recommendations by the Meth Panel on the proposed new methodologies, including the revised proposals; (d) a decision to approve a methodology, as appropriate; (e) amendments to procedures for submission and consideration of a proposed new methodology (see annex 1) as well as administrative procedures for payment of desk reviewers; and (f) further guidance to the Meth Panel, as appropriate.

**(c) Matters relating to the registration of CDM project activities**

15. The Board, at its ninth meeting, considered the drafts prepared by the Chair with assistance of Mr. Georg Børsting, Mr. Chow Kok Kee and Mr. Abdelhay Zerouali, and agreed on the following: (i) Procedures for registration of a proposed project activity; (ii) Procedures for review as referred in paragraph 41 of the CDM modalities and procedures; and (iii) Procedures on public availability of the CDM project design document and for receiving comments as referred to in paragraphs 40 (b) and (c) of the CDM modalities and procedures.

16. **Action:** No action by the Board is required at this meeting.

(d) CDM registry

17. **Background:** The Board, at its ninth meeting, took note of an oral report by Mr. Lu Xuedu and Ms. Sushma Gera on deliberations by the SBSTA on registries and work relating to the CDM registry. The Board agreed to (i) issue a public call to Parties and organizations for inputs to the development of the CDM registry; contributions may be in the form of functional or technical specifications, and other documentation or programming code for systems or system components with the secretariat coordinating the receipt of these inputs; and (ii) request the secretariat to begin development work on the CDM registry, along with its general work on registries, subject to the availability of resources, in particular through preparing a draft functional specification for the CDM registry, and report back to the Board on progress and a timeline for continuing work at its meeting held in conjunction with COP 9.

18. **Action:** No action by the Board is foreseen at this meeting.

(e) Modalities for collaboration with the Subsidiary Body for Scientific and Technological Advice

19. **Background:** The Board, at its ninth meeting, took note of an oral report by Mr. Eduardo Sanhueza on the deliberations by the SBSTA on “Definitions and modalities for including afforestation and reforestation project activities under the CDM in the first commitment period”. It requested Mr. Eduardo Sanhueza and Mr. Martin Enderlin to continue following the negotiations during SBSTA 19 and report on progress to the Board.

20. The Board requested its Chair to consult with the Chair of SBSTA regarding further relevant areas for collaboration and report to the Board at its tenth meeting. As a result of his discussions with the Chair of SBSTA, the Chair of the Board requested Mr. Chow Kok Kee to follow until the tenth meeting of the Board, on behalf of the Board, the SBSTA deliberations on elements of a future work programme of SBSTA on methodological issues. The Chair of the Board would like to propose that Mr. Chow Kok Kee continues to follow this issue in the future and to update the Board on developments.

21. **Action:** The Board may wish to take note of an oral report by the Chair on his consultations with the SBSTA Chair; and to agree on the nomination of Mr. Chow Kok Kee to follow, on behalf of the Board, the SBSTA deliberations on elements of a future work programme of SBSTA on methodological issues.

3. Other matters**(a) Rules of procedure of the Executive Board**

22. **Background:** By its decision 21/CP.8, COP 8 adopted the rules of procedure of the Executive Board and encouraged the Board to keep these rules under review and, if necessary, to make recommendations, in accordance with paragraph 5 (b) of the CDM modalities and procedures, on any amendments or additions aimed at safeguarding its efficient, cost-effective and transparent functioning. In the preamble to the same decision, the COP, noting with appreciation the first report of the Board to the COP, encouraged the Board to

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continue reporting on its activities, including on the implementation of rules 26 and 27 of the adopted rules of procedure.

23. At its seventh meeting, the Board took note of the adoption by the COP of the rules of procedure and agreed to consider possible recommendations regarding the rules of procedure at its tenth meeting.

24. **Action:** The Board may wish to consider the rules of procedure of the Executive Board and agree on further action, including recommendations to the COP, if necessary.

(b) Report of the CDM Executive Board to COP 9

25. **Background:** In accordance with paragraphs 2 to 5 of the CDM modalities and procedures and bearing in mind paragraphs 2, 4 and 19 of decision 17/CP.7, the Executive Board shall report on its activities to each session of the COP (upon entry-into-force of the Kyoto Protocol to the COP/MOP) with a view to the COP reviewing, inter alia, these annual reports and taking decisions on:

- (a) The recommendations made by the Executive Board on its rules of procedure;
- (b) The recommendations made by the Executive Board, in accordance with provisions of decision 17/CP.7, the CDM modalities and procedures and relevant decisions of the COP/MOP;
- (c) The designation of operational entities accredited by the Executive Board in accordance with Article 12, paragraph 5, and accreditation standards contained in Appendix A of the CDM modalities and procedures.

26. Further in accordance with decision 21/CP.8, the COP, noting with appreciation the first report of the Board to the COP, encouraged the Board to continue reporting on its activities, including on the implementation of rules 26 and 27 of the adopted rules of procedure.

27. Annex 2 to this annotated agenda contains a draft report of the CDM Executive Board to COP 9 on its work during the period from 2 November 2002 until 29 July 2003. In accordance with UNFCCC and United Nations documentation regulations, in order for the report to be reproduced, translated and made available in time for COP 9, the Board needs to agree on its report to COP 9 at its tenth meeting. Any work of the Board occurring after 29 July 2003 shall be reported orally to COP 9 by the Chair of the Board and/or through addenda to the report, as appropriate.

28. The draft report provides information on the progress made in implementing the prompt start of the CDM in accordance with decisions 17/CP.7, including its annex on CDM modalities and procedures, decision 38/CP.7 and decision 21/CP.8. The draft therefore contains information on the tasks accomplished, including decisions taken, by the Board, and on the financing of administrative expenses for operating the CDM for which Parties had been invited to make contributions to the UNFCCC Trust Fund for Supplementary Activities. It specifically informs on (i) modalities for implementing rules 26 and 27 of the rules of procedure (regarding attendance of observers to Board meetings); and (ii) the facilitation of communication between the Board and the public.

29. **Action:** The Board may wish to consider annex 2 and agree on the report by the Executive Board to the Conference of the Parties at its ninth session.

(c) Schedule of Board meetings in 2003

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30. **Background:** The Board, at its ninth meeting, agreed on a schedule for its meetings in 2003 as contained in annex 8 of the report of its ninth meeting. This schedule also reflects the deadlines for submissions of new methodologies and the schedule of meetings of the Meth Panel.

31. **Action:** No action by the Board is foreseen at this meeting.

(d) Availability of resources

32. **Background:** The Board, at its ninth meeting, took note of an oral report by the secretariat on expenditures in 2002, income to date in 2003 and a tentative budget for the CDM prompt start in the biennium 2004-2005. The Board acknowledged commitments by Parties made to the UNFCCC Trust Fund for supplementary activities in response to the call made at its eighth meeting. The Board continues to call on Parties to provide resources, in accordance with decision 38/CP.7 and decision 21/CP.8, which allow it to carry out its tasks in a sustainable manner and ensure the necessary support by the secretariat. The secretariat will provide an oral update on the status.

33. **Action:** The Board may wish to take note of the update and reiterate its call to Parties for further contributions.

(e) Relationship with intergovernmental and non-governmental organizations

34. **Background:** On the occasion of its ninth meeting, the Chair and other members of the Board met with registered observers for informal briefings in the afternoon of Sunday 8 June 2003. The also held a well-attended (~200 Parties and observer representatives) information event on its activities, including a session on questions and answers, in conjunction with the sessions of the Subsidiary Bodies on 9 June 2003. Both events are available through web cast.

35. **Action:** The Board may wish to agree to avail itself for further informal briefings in conjunction with its tenth meeting.

(f) Membership

36. **Background:** The Board, at its ninth meeting, having taken note of the resignation of Mr. Tuiloma Neroni Slade, alternate member from the small island developing States (AOSIS), agreed to appoint Ms. Desna Solofa as an alternate member for the remainder of the mandate of Mr. Tuiloma Neroni Slade.

37. The Board further, taking note of the resignation of Mr. Gylvan Meira Filho, member from the Latin American and the Caribbean region, took note of the report by Mr. Sanhueza on consultations within the Latin America and Caribbean region for nominating a member to replace Mr. Meira Filho.

38. **Action:** The Board may wish (a) to welcome Ms. Desna Solofa as an alternate member; and (b) to take note of any nomination by the Latin America and Caribbean region and agree on an appointment, as appropriate.

(g) Other business

39. The Board may consider any other business it deems necessary.

4. Conclusion of the meeting



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40. The Chair will summarize the meeting and any decisions taken.

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