



FRAMEWORK CONVENTION ON CLIMATE CHANGE - Secretariat
CONVENTION - CADRE SUR LES CHANGEMENTS CLIMATIQUES -
Secrétariat

Date: 30 October 2003
Ref: CDM-EB-11

EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM

ELEVENTH MEETING

Report

Date of meeting: 16–17 October 2003

Location: Bonn, Germany

Attendance: The names of members and alternate members present at the meeting are bolded below. Where only the name of an alternate member is bolded, the alternate participated as a member.

Member	<i>Alternate member</i>
Mr. John W. Ashe ¹	<i>Ms. Desna M. Solofa</i> ¹
Mr. Jean-Jacques Becker ²	<i>Mr. Martin Enderlin</i> ²
Mr. John Shaibu Kilani ²	<i>Mr. Ndiaye Cheikh Sylla</i> ²
<i>(vacant)</i> ²	<i>Mr. Eduardo Sanhueza</i> ²
Mr. Sozaburo Okamatsu ²	<i>Ms Sushma Gera</i> ²
Mr. Oleg Pluzhnikov ¹	<i>Ms Marina Shvangiradze</i> ¹
Mr. Hassan Tajik ²	<i>Mr. Chow Kok Kee</i> ²
Mr. Hans Jürgen Stehr ¹	<i>Mr. Georg Børsting</i> ¹
Mr. Franz Tattenbach Capra ¹	<i>Mr. Fareed Al-Asaly</i> ¹
Mr. Abdelhay Zerouali ¹	<i>Mr. Xuedu Lu</i> ¹

¹ Term: Two years for example, 2001–2003

² Term: Three years for example, 2001–2004

Quorum (in parenthesis required numbers): **9** (7) members/alternate members acting as members present of which **4** (3) from Annex I Parties and **5** (4) from non-Annex I Parties.

WWW broadcasting: <http://unfccc.int/cdm>

Agenda item 1. Adoption of the agenda

1. The Executive Board (hereinafter referred to as the Board) adopted the agenda as proposed.

**Agenda item 2. Work plan****Agenda sub-item 2 (a): Accreditation process for operational entities**

2. The Board took note of an oral report by Mr. John Kilani, the Chair of the CDM Accreditation Panel (CDM-AP) on the status of the work of the panel.
3. The Board, taking note of progress in the accreditation process, invited the CDM-AP to prepare, at its next meeting (21 - 22 November 2003), a written report on the process governing desk-reviews and on-site assessments, to be considered by the Board at its twelfth meeting. This report shall inform the Board of applications for which it intends to issue an indicative letter. The CDM-AP shall provide documentation supporting its findings.
4. The Board, taking into consideration a recommendation by the CDM-AP, agreed on:
 - (a) Clarifications on “Cost implications of changes to an application”, as contained in annex 1 to this report;
 - (b) Clarifications regarding witnessing opportunities in the context of the accreditation procedure and its relationship to the registration of a CDM project activity, as contained in annex 2 to this report;
5. The Board took note of the availability of current members of the CDM-AP to serve a second term (from 1 January 2004 to 30 June 2005). In addition, the Board requested the secretariat:
 - (a) To post an invitation to experts to submit their applications for consideration as members of the CDM-AP. The Board requested that the invitation be posted on the UNFCCC CDM web-site from 22 October to 12 November 2003 (17.00 GMT).
 - (b) To compile a list of applications and a short-list for further consideration by the Board at its twelfth meeting with a view to designating members for the panel at that meeting. Members currently serving the CDM-AP shall be part of the short list.

Agenda sub-item 2 (b): Methodologies for baselines and monitoring plans

6. The Board took note of an oral report by Mr. Jean Jacques Becker, the Chair of the Panel on baseline and monitoring methodologies (Meth Panel), on the work of the panel.
7. Taking into consideration the oral report by the Chair of the Meth Panel, the Board agreed on “Amendments to procedures for submission and consideration of a proposed new methodology” (see annex 3 of this report).
8. The Board requested the Meth Panel to develop, at its next meeting, recommendations for the consideration of the Board at its twelfth meeting, on how, in accordance with paragraph 45 (e) and Appendix C of the CDM modalities and procedures, national and/or sectoral policies and circumstances should be taken into consideration when establishing baseline scenarios. In doing this work, the Meth Panel shall bear in mind that taking into account relevant national and/or sectoral policies when establishing baseline scenarios is not to create perverse incentives which may impact the host country Parties in contributing to the ultimate objective of the Convention.
9. The Board further requested the Meth Panel to consider and recommend to the Board, at its twelfth meeting, options on how to undertake work related to reformatting approved methodologies, generalizing applicability of methodologies and providing tools for project participants to choose among approved methodologies of a similar nature.



10. The Board took note of queries by project participants for small technical changes to the approved methodology AM001 and requested the Meth Panel to consider a proposal, with a view to making recommendations on possible revisions to the first version of AM001 (Version 01) to the Board, at its twelfth meeting.

11. The Board, taking into consideration recommendations by the Meth Panel, desk reviewers and five public inputs, considered four proposals for new baseline and monitoring methodologies. The Board requested the Chair of the Meth Panel to convey to members of the Meth Panel the sincere appreciation of the Board for the work undertaken. The Chair of the Meth Panel was requested to inform the Meth Panel members that they should ensure that the recommendation form is always completed in a manner that facilitates decision making by the Board.

12. The Board agreed on the following recommendations:

NM0005 rev: NovaGerar landfill Gas to Energy Project

13. The Board agreed to approve the proposed baseline and monitoring methodologies contained in annexes 3 and 4 of proposal NM0005 rev.

14. The Board requested the Chair of the Executive Board to reformat, with the assistance of the Chair of the Meth Panel, the Meth Panel and the secretariat, the baseline and monitoring methodologies for proposal NM0005 rev in order to:

- (a) Incorporate the titles proposed by the Meth Panel;
- (b) Incorporate applicability conditions as proposed by the Meth Panel;
- (c) Incorporate the minor changes proposed by the Meth Panel and issues raised by the Board;
- (d) Edit the document to improve its presentation by removing repetitive paragraphs and improving syntax and ensuring that it reflects methodology-specific information and not project-specific information.

15. Before being posted on the UNFCCC CDM web site, the reformatted version of the proposed new methodologies will be forwarded to the Board via list serve. Comments by members and alternates will be invited for a period of ten (10) working days.

16. The Chairs of the Meth Panel and the CDM-AP informed the Board that these methodologies will be linked to scope 13 of accreditation (waste handling and disposal).

NM0010 rev: Durban Landfill-gas-to-electricity project

17. The Board agreed to approve the proposed baseline and monitoring methodologies contained in annexes 3 and 4 for proposal NM0010 rev.

18. The Board requested the Chair of the Executive Board to reformat, with the assistance of the Chair of the Meth Panel, the Meth Panel and the secretariat, the baseline and monitoring methodologies for proposal NM0010 rev in order to:

- (a) Incorporate the titles proposed by the Meth Panel;
- (b) Incorporate applicability conditions as proposed by the Meth Panel;
- (c) Incorporate the minor changes proposed by the Meth Panel and issues raised by the Board;



(d) Edit the document to improve its presentation by removing repetitive paragraphs and improving syntax and ensuring that it reflects methodology-specific information and not project-specific information.

19. Before being posted on the UNFCCC CDM web site, the reformatted version of the proposed new methodologies will be forwarded to the Board via list serve. Comments by members and alternates will be invited for a period of ten (10) working days.

20. The Chairs of the Meth Panel and CDM-AP informed the Board that these methodologies will be linked to scopes 1 (energy industries) and 13 (waste handling and disposal) of accreditation.

NM0016 rev: Graneros Plant Fuel Switching Project

21. The Board agreed to approve the proposed baseline and monitoring methodologies contained in annexes 3 and 4 for proposal NM0016 rev.

22. The Board requested the Chair of the Executive Board to reformat, with the assistance of the Chair of the Meth Panel, the Meth Panel and the secretariat, the baseline and monitoring methodologies for proposal NM0016 rev in order to:

- (a) Incorporate the titles proposed by the Meth Panel;
- (b) Incorporate applicability conditions as proposed by the Meth Panel and issues raised by the Board;
- (c) Incorporate the minor changes proposed by the Meth Panel;
- (d) Edit the document to improve its presentation by removing repetitive paragraphs and improving syntax and ensuring that it reflects methodology-specific information and not project-specific information.

23. Before being posted on the UNFCCC CDM web site, the reformatted version of the proposed new methodologies will be forwarded to the Board via list serve. Comments by members and alternates will be invited for a period of ten (10) working days.

24. The Chairs of the Meth Panel and CDM-AP will further consult on linking these approved methodologies to a scope for accreditation. The Chairs recognized that there was an indirect link to scope 4 for accreditation (manufacturing industry).

NM0019: A.T. Biopower rice husk power project

25. The Board agreed to approve the proposed baseline and monitoring methodologies contained in annexes 3 and 4 for proposal NM0019.

26. The Board requested the Chair of the Executive Board to reformat, with the assistance of the Chair of the Meth Panel, the Meth Panel and the secretariat, the baseline and monitoring methodologies for proposal NM0019 rev in order to:

- (a) Incorporate the titles proposed by the Meth Panel;
- (b) Incorporate applicability conditions as proposed by the Meth Panel;
- (c) Incorporate the minor changes proposed by the Meth Panel and issues raised by the Board;
- (d) Edit the document to improve its presentation (remove repetitive paragraphs and improve syntax) and ensure that it reflects methodology-specific information (and not project-specific information).



27. Before being posted on the UNFCCC CDM web site, the reformatted version of the proposed new methodologies will be forwarded to the Board via list serve. Comments by members and alternates will be invited for a period of ten (10) working days.

28. The Chairs of the Meth Panel and CDM-AP informed the Board that these methodologies will be linked to scope 1 of accreditation (energy industries).

Agenda sub-item 2 (c): Matters related to the registration of CDM project activities

29. Taking into consideration requests received by the Board since the adoption of the registration procedures and clarifications on validation requirements at the ninth meeting of the Board, the Board agreed on:

(a) Amendments to procedures for registration of a proposed CDM project activity (as contained in annex 4 to this report);

(b) Amendments to procedures on public availability of the CDM project design document (PDD) and for receiving comments as referred to in paragraphs 40 (b) and (c) of the CDM modalities and procedures (as contained in annex 5 to this report);

(c) Additional clarifications on validation requirements (as contained in annex 6 to this report).

30. The Board agreed to nominate Mr. Georg Børsting, Mr. Xuedu Lu and Mr. Fareed Al Asaly to follow-up on issues related to registration matters, and prepare recommendations for the consideration of the Board at its twelfth meeting with regard to:

(a) Recommendation to the Conference of the Parties regarding paragraphs 12 and 13 of decision 17/CP.7;

(b) Documentation regarding the written approval of voluntary participation from the designated national authority of each Party involved, including confirmation by the host Party that the project activity assists it in achieving sustainable development.

Agenda sub-item 2 (d): CDM registry

31. The Board took note of the update provided by the secretariat and expressed appreciation to Parties for the valuable input provided. It requested the secretariat to take into consideration input received when undertaking further work on registries systems, including the CDM registry. It requested Ms. Sushma Gera and Mr. Xuedu Lu to continue to follow the matter and to report on progress to the Board at its twelfth meeting, immediately prior to the pre-session consultations on registries scheduled to be held in Milan on 28-29 November 2003.

Agenda sub-item 2 (e): Modalities for collaboration with the Subsidiary Body for Scientific and Technological Advice

32. The Board 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”. No further action was required at this meeting. Mr. Eduardo Sanhueza and Mr. Martin Enderlin will continue to follow the matter.

33. The Board took note of an oral report by the secretariat on the deliberations by the SBSTA on elements of a future SBSTA work programme on methodological issues. No further action was required at the meeting. Mr. Chow Kok Kee will continue to follow the matter.

**Agenda item 3. Other matters****Agenda sub-item 3 (a): Availability of resources**

34. The Chair drew the attention of the Board to the provisions for resources for CDM related activities contained in the proposed programme budget 2004 - 2005, "Note by the Executive Secretary" (FCCC/SBI/2003/15 and Add.1).

35. The Board agreed to take up the issue of resource requirements of the CDM in 2004 – 2005 at its twelfth meeting.

36. The Board welcomed recent contributions received, since June, from the governments of Denmark, Norway and France as well as pledges, in addition to those covered in the report of the Board to the COP from Italy, Germany and Netherlands. In order to allow the secretariat to proceed with the arrangement in support of CDM activities, in particular for those in the first half of 2004, it was essential that contributions against pledges were received as soon as possible.

37. The Board noted that the total amount of fees received from 19 applicant entities amounted to US\$ 285,000. It further noted that the secretariat monitors closely the cost of the processes (accreditation, consideration of methodologies and registration). The Board requested the secretariat to report on costs of processes as they evolve and as sufficient experience is accruing.

Agenda sub-item 3 (b): Issues related to membership

38. The Board further noted a report by Mr. Sanhueza on consultations within the Latin America and Caribbean region for nominating a member to replace Mr. Meira Filho for the remainder of his mandate. The Board noted that no nomination had been made and, therefore, in accordance with the rules of procedure of the Executive Board, the Conference of the Parties may elect a new member to replace Mr. Meira Filho for the remainder of his mandate.

39. The Chair drew the attention of the Board to the need to nominate members and alternates to fill potential vacancies.

40. The Board agreed that the Chair shall, at the beginning of each meeting of the Board, request members and alternates to disclose whether they consider that they have any conflict of interest relating to the work of the Board. The Board further agreed that the Chair shall inform the constituencies of the requirements of the CDM modalities and procedures (paragraph 8) and the rules of procedure of the Executive Board regarding conflict of interest.

Agenda sub-item 3 (c): Relationship with intergovernmental and non-governmental organizations (registered accredited observers)

41. The Board agreed to meet with registered observers for informal briefings on 17 October 2003 and to continue with such meetings in the afternoon of the second day of its future meetings, unless otherwise indicated. These meetings are available on webcast.

Agenda sub-item 3 (d): Schedule of Board meetings in 2003

42. The Board agreed to hold its twelfth meeting on 27 and 28 November 2003. The Board agreed on the provisional agenda for its twelfth meeting as contained in annex 7 to this report. The Board requested the secretariat to explore the feasibility of extending the meeting by one day.

43. The Board further agreed to continue to meet with the same type of arrangement as its eleventh meeting, with space being made available for 50 observers, and to reconsider the issue when necessary. Observers to the twelfth meeting of the Executive Board shall have registered with the secretariat by 6 November 2003, no later than 17:00 GMT.

**Agenda sub-item 3 (g): Other business**

44. The Board took note, with appreciation, of information forwarded and correspondence received from the public since its tenth meeting. The Board agreed that, when receiving a letter or communication, an acknowledgement shall be sent by the secretariat stating that the issues raised will be referred to the Board and that the Board will assess if, when and how the issues will be addressed. In addition, the Board agreed, to develop a question and answer section on the UNFCCC CDM web site where frequently asked questions and communications addressed to the Board, as well as answers provided by the Board, will be made publicly available. The Board requested Mr. Georg Børsting, Mr. Xuedu Lu and Mr. Al Asaly to follow up on these issues with the assistance of the secretariat.

Agenda item 4. Conclusion of the meeting

45. The Chair summarized the main conclusions.

Agenda sub-item 4 (a): Summary of decisions

46. Any decisions taken by the Board shall be made publicly available in accordance with paragraph 17 of the CDM modalities and procedures and with rule 31 of the rules of procedure of the Executive Board.

Agenda sub-item 4 (b): Closure

47. The Chair closed the meeting.