



CLEAN DEVELOPMENT MECHANISM EXECUTIVE BOARD

PROPOSED AGENDA AND ANNOTATIONS

Twelfth meeting

Milan (Italy)
27 – 28 November 2003

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II. ANNOTATIONS TO THE PROPOSED AGENDA

1. Membership issues (including disclosure of possible conflict of interest)

1. **Background:** The Executive Board of the clean development mechanism (CDM) agreed, at its eleventh meeting (Bonn, Germany, 16-17 October 2003), 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.
2. **Action:** Members may consider information provided by any members and alternates and take action, as appropriate.

2. Adoption of the agenda

3. **Background:** The Board agreed, at its eleventh meeting, on items to be included in the provisional agenda for its twelfth 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 to be incorporated in the proposed agenda. The proposed agenda was transmitted to the Board on 6 November 2003 and thereafter posted on the UNFCCC CDM web site.
4. **Action:** Members may wish to adopt the proposed agenda for the twelfth meeting.

3. Work plan

(a) Accreditation of operational entities

5. **Background:** The Executive Board took note, at its eleventh meeting, of an oral report, by the Chair of the CDM accreditation panel (CDM-AP), Mr. John Kilani, and invited the CDM-AP to prepare, at its next meeting (21 - 22 November 2003), a written report for consideration by the Board at its twelfth meeting covering the process of desk reviews and on-site assessments. This report shall inform the Board of applications for which it intends to issue an indicative letter, in accordance with the procedure for accrediting operational entities by the Executive Board. The CDM-AP shall provide documentation supporting its findings.
6. In addition, the Board, taking note of the availability of current members of the CDM-AP to serve a second term, requested the secretariat:
 - (a) To post, on the UNFCCC CDM web site, an invitation to experts from 22 October – 12 November 2003 (17:00 GMT) to submit their applications for consideration as members of the CDM-AP for the CDM-AP term 1 January 2004 – 30 June 2005;
 - (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 the Board designating members for the panel at that meeting. Members currently serving the CDM-AP shall be part of the short list.
7. A call for experts for consideration as members of the CDM AP was published on the UNFCCC CDM web site from 22 October – 12 November 2003 (17:00 GMT). An announcement through the CDM News facility was made on 22 October 2003 and a further reminder recalling the deadline was sent on 7 November 2003. The list of applications and a short-list for further consideration by the Board is being



compiled. The Board will receive information on the number of applications received and their regional distribution on Monday, 16 November 2003. The files of applicants will be made available at the meeting.

8. Since the eleventh meeting of the Board, one new application for accreditation has been received. This brings the total number of applications to nineteen (19). Applications for accreditation are at different stages of the accreditation process: for six (6) entities the on-site assessment have already been undertaken, including one combined with a witnessing activity; dates for witnessing activity of one (1) entity, for which the on-site assessment has already been undertaken, is being agreed; two (2) have advanced to the point where the on-site assessment of their premises is being prepared. The geographical distribution of applications is as follows: eight (8) are from the Asia and Pacific region and eleven from the Western Europe and Other region. Two (2) applications from the Asia and Pacific region are from applicants in non-Annex I Parties (Republic of Korea and Malaysia).

9. **Action:** The Board may wish to consider (a) the report by the Chair of the CDM-AP on the work of the CDM-AP, including on the process of desk reviews and on-site assessments as well as on its intention to issue indicative letters; and (b) the designation of members of the CDM-AP for a term from 1 January 2004 to 30 June 2005.

(b) Methodologies for baselines and monitoring plans

10. **Background:** The Executive Board, at its eleventh meeting, took note of an oral report by the Chair of the Panel on baseline and monitoring methodologies (Meth Panel), Mr. Jean Jacques Becker, and 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. The Meth Panel, at its eighth meeting gave initial consideration to the matter. A discussion paper on this issue, prepared by Mr. Jean Jacques Becker and Mr. Franz Tattenbach, has been forwarded to the Board on 13 November 2003 via list serve.

11. At its eighth meeting, the Meth Panel considered a total of twenty cases of proposed new methodologies for baselines and monitoring:

(a) Six (6) cases (NM0001-rev, NM0017, NM0018, NM0019, NM0020 and NM0021) had been revised and resubmitted in accordance with paragraphs 12 to 15 of the report of the ninth meeting of the Board; and

(b) Fourteen (14) cases (NM0022, NM0023, NM0024, NM0025, NM0026, NM0027, NM0028, NM0029, NM0030, NM0031, NM0032, NM0033, NM0034 and NM0035) were newly submitted by the deadline of 10 September 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 20 public inputs.

12. The Meth Panel, taking into consideration the inputs by experts (desk reviews) and the public agreed:

(a) On recommendations to the Board to approve cases NM0001-rev, NM0021 and NM0023. In accordance with the procedures for submission and consideration of proposed new methodologies, these recommendations are to be made available to the Board for its consideration at its twelfth meeting via its list serve and to the public on the UNFCCC CDM web site (<http://unfccc.int/cdm>) on 13 November 2003;

(b) On preliminary recommendations regarding cases NM0022, NM0024, NM0025, NM0026, NM0027, NM0030, NM0031, NM0032, NM0033 and NM0034. In accordance with the procedures for submission and consideration of proposed new methodologies, these preliminary recommendations were made available to project participants. The project participants are invited to submit, via the respective



applicant entity, clarifications to the Meth Panel, through the secretariat, on technical issues raised in the preliminary recommendations;

(c) On the reconsideration, as stipulated in the report of the eight meeting of the Meth Panel, of proposals NM0017, NM0018, NM0020, NM0028, NM0029 and NM0035 at its ninth meeting.

13. At its ninth meeting, the Board requested the Meth Panel to revise and prepare recommendations on the CDM-PDD in order to include relevant guidance provided by the Board since the adoption of version 01 of the CDM-PDD. The Meth Panel, at its eighth meeting, considered and agreed on recommendations for revisions to the CDM-PDD as contained in annexes 1, 2 and 3 to the report of the eighth meeting of the Meth panel. In accordance with the request by the Board at its eleventh meeting, these revisions will be made available for public comments from 17 November to 12 December 2003. The Meth Panel will consider the public comments at its ninth meeting and prepare a final recommendation on revisions for the consideration by the Board at its thirteenth meeting.

14. At its seventh meeting the Board requested the Meth Panel - drawing on outside expertise on small-scale project activities, including, as appropriate, former members of the panel to recommend draft simplified modalities and procedures for small-scale CDM project activities as appropriate - to continue considering the Appendix B of the simplified modalities and procedures for CDM small-scale project activities. In response to this request the Meth Panel considered queries and proposals regarding Appendix B of the simplified procedures for small-scale CDM project activities and agreed on recommendations for revising Appendix B as contained in the report of its eighth meeting.

15. **Action:** The Board may wish to consider (a) the report of the eighth meeting of the Meth Panel and oral updates by the Chair; (b) the recommendations by the Meth Panel to approve cases NM0001-rev, NM0021 and NM0023; (c) recommendations regarding revisions to Appendix B of the simplified modalities and procedures for CDM small-scale project activities and (d) further guidance to the Meth Panel, as appropriate.

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

16. At its eleventh meeting, the Board agreed on (a) amendments to procedures for registration of a proposed CDM project activity; (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; and on (c) additional clarifications on validation requirements.

17. The Board further 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 required 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.

18. Mr. Georg Børsting, Mr. Xuedu Lu and Mr. Fareed Al Asaly will make an oral report of their consultations and propose recommendations to the Board at its twelfth meeting.



19. **Action:** The Board may (a) consider the recommendations prepared by Mr. Georg Børsting, Mr. Xuedu Lu and Mr. Fareed Al Asaly; and (b) agree on additional clarifications and guidance on validation and registration procedures, as appropriate.

(d) **CDM registry**

20. **Background:** The Board, at its eleventh meeting, took note of an oral report by the secretariat on work relating to the CDM registry and requested Ms. Sushma Gera and Mr. Xuedu Lu to continue to follow matters related to SBSTA deliberations on registries and work on the CDM registry.

21. At its ninth meeting, the Board had agreed to (i) issue a public call to Parties and organizations for inputs to the development of the CDM registry, with contributions being in the form of functional or technical specifications, and other documentation or programming code for systems or system components, and 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.

22. The annex to these annotations contains a proposal on modalities for the development of the CDM registry and information on the responses to the public call for input.

23. **Action:** The Board may wish to (a) consider the annex to these annotations and; (b) agree to the proposal of the secretariat on the development of the CDM registry and provide further guidance, as appropriate.

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

24. **Background:** The Board, at its eleventh 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 COP 9 and report on progress to the Board.

25. The Board further took note of an oral report by the secretariat on the SBSTA deliberations on elements of a future SBSTA work programme on methodological issues and requested that Mr. Chow Kok Kee to continue to follow the matter during SBSTA 19 and COP 9 and report on progress to the Board.

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

4. Other matters

(a) **Availability of resources**

27. **Background:** The Board, at its eleventh meeting, took note of a report by the secretariat on income and expenditures to date. Noting with appreciation recent pledges received, it reiterated the need for pledges to be converted into contributions at an early date. The Board called 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.

28. 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” (documents FCCC/SBI/2003/15 and Add.1).



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

30. Presentations will be made by the secretariat on the CDM-related aspects contained in the documents before the Subsidiary Body for Implementation (SBI) and on recently received contributions and pledges.

31. **Action:** The Board may wish (a) to take note of the CDM-related provisions contained in the documents before the SBI; and (b) call on Parties to ensure the availability of sufficient and predictable resources in 2004 – 2005 which allow the Board and the secretariat to support the full scope of required CDM functions.

(b) **Relations with intergovernmental and non-governmental organizations**

32. **Background:** On the occasion of its eleventh meeting, the Chair and other members of the Board met with registered observers for informal briefings.

33. **Action:** The Board may wish to agree to avail itself for informal briefings in the afternoon of 28 December 2003.

(c) **Other business**

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

5. Conclusion of the meeting

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