



CLEAN DEVELOPMENT MECHANISM EXECUTIVE BOARD

PROPOSED AGENDA AND ANNOTATIONS

Thirteenth meeting

Bonn, Germany
24–26 March 2004

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I. PROPOSED AGENDA

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II. ANNOTATIONS TO THE PROPOSED AGENDA

1. Membership issues (including disclosure of possible conflict of interest and election of the Chair and Vice-Chair)

1. **Background:** The Conference of the Parties (COP), at its ninth session, by its decision 18/CP.9¹ (*Guidance to the Executive Board of the clean development mechanism*), decided to amend rule 12 of the rules of procedure of the Executive Board stipulating that the secretary of the Executive Board shall preside over the opening of the first Executive Board meeting of a calendar year and conduct the election of the new Chair and Vice-Chair.

2. COP 9, in accordance with paragraphs 7 and 8 (b) of the modalities and procedures for the clean development mechanism (hereafter referred as CDM modalities and procedures), has also elected to the Executive Board for the clean development mechanism:

(a) For a term of two years:

- (i) Mr. John Ashe, as member (second term), and Ms. Desna Solofa, as alternate member (second term), from the small island developing States;
- (ii) Ms. Marina Shvangiradze, as member, and Ms. Anastassia Moskalenko, as alternate member, from the Eastern European region;
- (iii) Mr. Georg Børsting, as member, and Mr. Hans Jürgen Stehr, as alternate member, from Parties included in Annex I;
- (iv) Mr. Richard Muyungi, as member, and Mr. Hernán Carlino, as alternate member, from Parties not included in Annex I;
- (v) Mr. Juan Pablo Bonilla, as alternate member from Parties not included in Annex I;

(b) For the remainder of the mandate of Mr. Meira Filho (until the end of 2004):

- (i) Mr. José Domingos Miguez, as a member, nominated by the Latin American and Caribbean region.

3. The COP was not able to elect a member for one of the vacant seats for Parties not included in Annex I because no nomination had been received during COP 9. On 9 March 2004, Mr. Al-Maslamani, Chair of the Asian Group, nominated Mr. Lu Xuedu as member. The Chair of the Executive Board has submitted this nomination to the Board for electronic decision-making regarding an appointment, in accordance with rule 30 of the rules of procedure.

4. In accordance with paragraph 8 (e) of the CDM modalities and procedures and rule 10 of the rules of procedure, members and alternate members have to take a written oath of service before being able to participate in the work of the Executive Board. The secretariat has received the written oaths of service from all newly elected members and alternate members.

5. At the first Executive Board meeting of each calendar year, i.e. at this thirteenth meeting, the Board shall elect a Chair and a Vice-Chair from among its members. In accordance with rule 12 of the rules of

¹ This numbering is still provisional and may be changed in the final edited report of COP 9.



procedure of the Executive Board, the Board shall elect its own Chair and Vice-Chair, with one being a member from a Party included in Annex I and the other being from a Party not included in Annex I. The positions of Chair and Vice-Chair shall alternate annually between a member from a Party included in Annex I and a member from a Party not included in Annex I. As referred above, in accordance with decision 18/CP.9, the secretary of the Executive Board shall conduct the election of the new Chair and Vice-Chair.

6. The Executive Board agreed, at its eleventh meeting, 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 secretary of the Board shall assume this function on the thirteenth meeting.

7. **Action:** The Executive Board may wish to (a) welcome new members and alternates; (b) take note of their oaths of service; (c) elect for the year 2004, its Chair from among the members from Parties not included in Annex I and its Vice-Chair from among the members from Parties included in Annex I; and (d) consider information provided by any member or alternate member and take action, as appropriate, with relation to conflict of interest.

2. Adoption of the agenda

8. **Background:** The Board agreed, at its twelfth meeting, on items to be included in the provisional agenda for its thirteenth 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. No suggestions for changes were received. The proposed agenda was transmitted to the Board on 8 March 2004 and thereafter posted on the UNFCCC CDM web site.

9. **Action:** Members may wish to adopt the proposed agenda for the thirteenth meeting.

3. Work plan

(a) Accreditation of operational entities

10. **Background:** The Executive Board, at its twelfth meeting, considered the progress report on the work of the CDM Accreditation Panel (CDM-AP) presented by Mr. John Kilani, the Chair of the CDM-AP, including on the status of applications, the process of desk reviews and on-site assessments. The Board welcomed the proposal by the Chair of the CDM-AP to submit progress reports in writing, whenever possible, to each Executive Board meeting. The Board also took note of the intention of the CDM-AP to issue “indicative letters” to four (4) applicant entities (AEs) that have successfully completed desk reviews and on-site assessments. These letters were issued in December 2003.

11. The Board, bearing in mind the need for continuity of work in the CDM-AP, agreed, after having made a public call for experts, to designate the five present members of the panel to serve for a second term (from 1 January 2004 to 30 June 2005). The members of the panel expressed their appreciation to the Board for the confidence placed in them.

12. The work of the CDM-AP at its tenth (7-8 February 2004) and eleventh meeting (6-7 March 2004) is reflected in the report released on 10 March 2004 for consideration of the Executive Board at its thirteenth meeting (see list serve) and to the public via the UNFCCC CDM web site (<http://unfccc.int/cdm>). The report contains information and recommendations, where appropriate, to the Board, regarding

- (a) Status of applications;



- (b) The treatment of applications by DOE/AEs for sectoral scope(s) which may be added to the current list of sectoral scope(s);
- (c) Modifications to the terms of reference of the CDM-AP in order to implement the staggering of terms of AP members;
- (d) Roster of experts;
- (e) Overview of the key actions by the Board and the panel which have a direct or indirect impact on reducing the cost of accreditation and/or facilitate the accreditation of smaller entities and/or entities from Parties not included in Annex I; and
- (f) Other issues under consideration by the panel.

13. The CDM-AP also agreed to make recommendations regarding the phased accreditation of two AEs. In accordance with paragraph 47 of the procedure for accrediting operational entities by the Executive Board of the clean development mechanism (CDM) (version 03), the information submitted to the Board by the CDM-AP in this respect is considered confidential and, in accordance with paragraph 48 of the same procedure, the deliberations shall take place in a closed session. The Board will receive the relevant documentation separately.

14. The Board will need to appoint a new Vice-Chair for the CDM-AP to replace Mr. Oleg Pluzhnikov whose term as member of the Executive Board ended on 23 March 2004.

15. **Action:** The Board may wish to consider (a) the report by the Chair of the CDM-AP on the work of the CDM-AP; (b) recommendations by the CDM-AP regarding the accreditation of applicant entities; (c) the recommendation regarding the treatment of applications by DOE/AEs for sectoral scope(s) which are added to the current list of sectoral scope(s); (d) the recommendation regarding the staggering of terms for CDM-AP members; (e) the information provided by the CDM-AP in its second progress report; and (f) appointment of a new Vice-Chair for the CDM-AP.

(b) Methodologies for baselines and monitoring plans

16. **Background:** The COP, in its decision 18/CP.9, encouraged the Board, where appropriate, to intensify its work on methodologies and to provide further guidance for the development of methodologies which have a broader applicability.

17. The Executive Board, at its twelfth meeting, took 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:

- (a) Agreed on amendments to appendix B of the simplified modalities and procedures for CDM small-scale project activities;
- (b) Requested the Meth Panel to prepare recommendations for its consideration at its fourteenth meeting on:
 - (i) Implications of national and/or sectoral policies and circumstances on the establishment of a baseline scenario, as well as barriers for investment; and
 - (ii) Criteria and conditions, related to proposals for new methodologies, developed for project activities that constitute a “continuation of existing practices”.



18. The Board further requested the Meth Panel to take into consideration the following issues when making recommendations on proposed new methodologies and reformatting approved methodologies:

(a) The need to explore consolidation options, in relation to approved methodologies, applicable to landfill gas project activities; and

(b) The need to provide criteria for selecting one from among several possible methodological approaches, such as operating margin, build margin or combined margin, when proposing methodologies related to project activities which deliver electricity to the grid.

19. Since the twelfth meeting of the Board, the Meth Panel held one three-day meeting (4 - 6 February 2004). The report of this ninth meeting of the Meth Panel has been made available to the Board for its consideration via the list serve and to the public on the UNFCCC CDM web site (<http://unfccc.int/cdm>) on 18 February 2004.

20. At its ninth meeting, the Meth Panel considered a total of fourteen (14) cases of proposed new methodologies for baselines and monitoring:

(a) Twelve (12) cases (NM0017, NM0018, NM0020, NM0022, NM0024, NM0026, NM0027, NM0030, NM0031, NM0032, NM0033 and NM0034) have been revised and resubmitted in accordance with paragraph 16 of the procedures for submission and consideration of a proposed new methodology (version 04);

(b) Two new (2) cases (NM0028 and NM0035), which had been submitted by the deadline of 10 September 2003 but had not been taken up due to lack of time, were considered by the Meth Panel at its ninth meeting. They were made available for public input on the UNFCCC web site, announced through the UNFCCC CDM News facility and attracted a total of 5 public inputs.

21. The Executive Board may wish to note that, in the case of NM0025, the project participants did not provide clarifications to the preliminary recommendation from the eighth meeting of the Meth Panel. In accordance with paragraph 16 of the procedures for submission and consideration of a proposed new methodology (version 04), the recommendation became therefore final and this was made known to the Board and the public on 18 December 2003.

22. The Meth Panel, taking into consideration the inputs by experts (desk reviewers) and the public, agreed on recommendations to the Board to:

(a) Approve cases NM0017, NM0026 and NM0032;

(b) Revise cases NM0018, NM0020, NM0022, NM0024, NM0030, NM0031, NM0033, NM0034 and 35;

(c) Not approve case NM0025 (see paragraph 20 above); and

23. In the case of NM0027, the Meth Panel did not reach consensus on a recommendation. It therefore submits the case to the Executive Board for decision on whether to approve it or request project participants to revise it.

24. Regarding cases NM0028 and NM0035, the Meth Panel agreed on preliminary recommendations. In the case of NM0035, the project participants did not provide clarifications to the preliminary recommendation from the Meth Panel. In accordance with paragraph 16 of the procedures for submission and consideration of a proposed new methodology (version 04), the recommendation became therefore final and this was made known to the Board and the public on 5 March 2004.



25. During the last two rounds of submissions of proposed new methodologies project participants requested to withdraw in three cases their proposals before the Meth Panel made a final recommendation to the Board. These proposals had already been reviewed and preliminary recommendations had been made by the Meth Panel. Another proposal was resubmitted 6 months after the Board had agreed to reconsider a resubmission if it incorporated required changes. The Board may wish to provide guidance on handling of such cases as the procedures for submission and consideration of a proposed new methodology (version 04) do not cover the circumstances described.

26. 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 were made available for public comments from 17 November to 12 December 2003. The Meth Panel considered the public comments at its ninth meeting and prepared a final recommendation on revisions, contained in annexes 1, 2 and 3 to its report, for consideration by the Board at its thirteenth meeting.

27. At its ninth meeting, the Board agreed to extend the previous mandate of members of the Meth Panel until April 2004 (the term of the current members of the Meth Panel started on 12 June 2002). Annex 1 contains revised terms of reference of the Meth Panel. They contain a consolidation of the initial terms of reference of the Meth Panel, additional guidance and mandates provided by the Board and tasks to be undertaken by panel members under the procedures for submission and consideration of a proposed new methodology (version 04). At its eleventh meeting, the Meth Panel agreed to inquire about the availability of current members to serve for a second term and launched a public call for experts before the end of the mandate of current panel members.

28. The Board will need to appoint a new Vice-Chair for the Meth Panel to replace Mr. Franz Tattenbach whose term as member of the Executive Board ended on 23 March 2004.

29. **Action:** The Board may wish to take note of the guidance by COP 9 regarding the continuation of work on methodologies and consider: (a) the report of the ninth meeting of the Meth Panel and oral updates by the Chair; (b) the recommendations by the Meth Panel on cases NM0017, NM0018, NM0020, NM0022, NM0024, NM0025, NM0026, NM0027, NM0030, NM0031, NM0032, NM0033, NM0034 and NM0035; (c) possible revisions to the procedures for submission and consideration of a proposed new methodology (version 04); (d) recommendations for the revision of the CDM-PDD; (e) annex 2 and agree on revised terms of reference for the Meth Panel; (f) further guidance to the Meth Panel, as appropriate; and (g) appointing a member as Vice-Chair of the Meth Panel.

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

30. **Background:** The Board, at its twelfth meeting, took note of an oral report by Mr. Georg Børsting, Mr. Xuedu Lu and Mr. Fareed Al-Asaly on progress of work on matters related to registration of CDM project activities and agreed:

- (a) On a recommendation to COP 9 regarding paragraphs 12 and 13 of decision 17/CP.7; and
- (b) To consider, at its thirteenth meeting, a recommendation on 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.



31. COP 9 decided, by its decision 18/CP.9, that, in relation to paragraph 12 and 13 of decision 17/CP.7, a project activity starting between the date of adoption of decision 17/CP.7 and the date of the first registration of a CDM project activity may, if the project activity is submitted for registration before 31 December 2005, use a crediting period starting before the date of its registration.

32. In response to the mandate of paragraph 5 (o) of the CDM modalities and procedures, the Board agreed, at its ninth meeting, to recommend to COP 9 and, in the interim, apply provisionally, procedures for review as referred to in paragraph 41 of the CDM modalities and procedures, as contained in the annex to the report of the Executive Board to COP 9. The COP 9 adopted the recommendations by the Board on procedures for review as referred to in paragraph 41 of the CDM modalities and procedures, contained in annex II to decision 18/CP.9.

33. Since the twelfth meeting of the Board queries from the public and applicant entities were received which seek clarification on section A.3 of the CDM-PDD and documentation to be submitted at the stages of validation or registration relating to the written confirmation by Parties involved, in accordance with paragraph 40 (a) of the CDM modalities and procedures. A note by the secretariat regarding these queries will be forwarded to the Board under separate cover by Monday 15 March 2004.

34. **Action:** The Board may (a) take note of issues relating to registration matters under decision 18/CP.9; (b) agree on additional clarifications and guidance on validation and registration procedures, as appropriate; and (c) designate members and alternate members who are to follow work on matters related to registration of CDM project activities.

(d) CDM registry

35. **Background:** The Board, at its twelfth meeting, took note of a presentation by the secretariat on issues and options concerning the development of the CDM registry. It agreed that the secretariat is to further explore the development of the CDM registry, including the possibility of adapting one of the registry software systems identified through the public call for input, and to report on progress to the Board at its fourteenth meeting. Due to a change in meeting dates, this report is being made to the thirteenth meeting of the Board. The Board also requested Ms. Sushma Gera and Mr. Xuedu Lu to continue following issues relating to registries and to report on progress to the Board at its thirteenth meeting.

36. Since the twelfth meeting of the Board, the secretariat has conducted a survey on the candidate systems, as identified through the public call for input, to gather information on the extent to which these systems already meet, or could be adapted to meet, the requirements of the CDM registry and on options for the hosting, maintenance and upgrading of the CDM registry. Four responses to this survey have been received by 8 March 2004.

37. An evaluation of the responses to the survey and a proposal for the development, implementation and operation of the CDM registry, including a proposed work programme and any implied resource requirements, is to be contained in Annex 3. Due to the timing of the receipt of the survey responses, this annex will be posted on 15 March 2004.

38. **Action:** The Board may wish to (a) consider the annex 3 these annotations; (b) agree to the proposal of the secretariat on the CDM registry; and (c) provide further guidance, as appropriate.



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

39. **Background:** The Board, at its twelfth 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.

40. The COP, by its decision 19/CP.9² and the annex thereto, having adopted, for the first commitment period of the Kyoto Protocol, modalities and procedures for afforestation and reforestation project activities under the CDM (hereafter referred as modalities and procedures for CDM A/R project activities) requested the SBSTA to recommend draft decisions on (a) simplified modalities and procedures for small-scale CDM A/R project activities and (b) measures to facilitate the implementation of small-scale CDM A/R project activities.

41. The Board, at its twelfth meeting, took note of a presentation by the secretariat on issues and options concerning the development of the CDM registry and requested Ms. Sushma Gera and Mr. Xuedu Lu to continue following issues relating to registries, including deliberations during the nineteenth meeting of the SBSTA, and to report on the progress to the Board at its thirteenth meeting.

42. 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 Mr. Chow Kok Kee to continue to follow the matter during SBSTA 19 and COP 9 and report on progress to the Board.

43. **Action:** The Board may wish to (a) take note of progress reports and (b) designate members and alternate members who are to follow issues of interest for the Board being considered by the SBSTA.

4. **Other matters**

(a) **Rules of procedure of the Executive Board**

44. **Background:** COP 9 adopted amendments to rules 4 and 12 of the rules of procedure of the Executive Board contained in annex I to decision 18/CP.9.

45. **Action:** The Board may wish to take note of annex I to decision 18/CP.9.

(b) **Modalities and procedures for afforestation and reforestation project activities under the CDM**

46. **Background:** In its decision 19/CP.9 and the annex thereto, COP 9 adopted, for the first commitment period of the Kyoto Protocol, modalities and procedures for CDM A/R project activities. In order to facilitate the consideration of issues relating to the operationalization of these modalities and procedures by the Board, the secretariat has prepared a note contained in annex 2 outlining a draft work plan by the Executive Board on CDM A/R project activities.

47. **Action:** The Board may wish to consider the note attached in annex 2 and agree on a work plan in support of the implementation of modalities and procedures for CDM A/R project activities.

² This numbering is still provisional and may be changed in the final edited report of COP 9.



(c) **Availability of resources**

48. **Background:** The Board, at its twelfth 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.

49. The secretariat will brief the Board on the resource requirements for planned activities in 2004-2005 as well as on the status of income to date.

50. **Action:** The Board may wish to (a) take note of decision 16/CP.9³ and updated resource requirements for the CDM 2004-2005; 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.

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

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

52. Board members and alternates continued receiving communications from the public and invitations to participate in CDM related events.

53. **Action:** The Board may wish to (a) agree to avail itself for informal briefings in the afternoon of 26 March 2004; (b) confirm modalities for responding to communications; and (c) invite members and alternates to share information on events in which they participated.

(e) **Other business**

(i) **Schedule of Board meetings in 2004**

54. **Background:** Rule 16 of the rules of procedure of the Executive Board states that at the first Executive Board meeting of each calendar year, the Chair shall propose for the approval of the Board a schedule of meetings for that calendar year.

55. **Action:** The Board may wish to agree on the dates for its meetings in 2004.

(ii) **Coordination workshop for the Board and Panel members as well as members of the CDM-AT**

56. The Board, at its twelfth meeting, requested the secretariat to convene a coordination workshop for the Board and panel members as well as members of CDM-AT in the first half of 2004 and invited a special contribution from Parties to finance this event.

57. The secretariat will provide an oral report of the current status of preparations for this event.

58. **Action:** The Board may wish to (i) agree on the dates for the coordination workshop and (ii) consider any other business it deems necessary.

5. Conclusion of the meeting

³ This numbering is still provisional and may be changed in the final edited report of COP 9.



59. The Chair will summarize the meeting and adopt the report, including reference to any decisions taken.

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