CLEAN DEVELOPMENT MECHANISM
GUIDELINES TO FILL OUT THE PROJECT DESIGN DOCUMENT (CDM-PDD), THE PROPOSED NEW METHODOLOGY: BASELINE (CDM-NMB) AND THE PROPOSED NEW METHODOLOGY: MONITORING (CDM-NMM)

(Note: This guidelines were prepared in accordance with the request by the Board and based on the recommendations by the Meth Panel on documentation related to the CDM project design document considered by the Executive Board at its thirteenth meeting. Changes and comments to the recommended forms are highlighted in blue.

In order to facilitate referencing by Board members and alternates to public inputs some of these inputs were reflected in sections of the guidelines. Board members and alternates are however invited to refer to the full submissions by the public under: http://cdm.unfccc.int/EB/Panels/meth/callinputpdd.html).

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PART I

A. General Information to fill out the Project Design Document (CDM-PDD), the Proposed New Methodology: Baseline (CDM-NMB) and the Proposed New Methodology: Monitoring (CDM-NMM)

1. These guidelines seek to assist project participants in filling out the following forms:

- Project Design Document (CDM-PDD);
- Proposed New Methodology: Baseline (CDM-NMB); and
- Proposed New Methodology: Monitoring (CDM-NMM).

2. The CDM-PDD, CDM-NMB and CDM-NMM were developed by the CDM Executive Board in conformity with the relevant modalities and procedures for the Project Design Document for CDM project activities as defined in Appendix B "Project Design Document" to the CDM modalities and procedures (decision 17/CP.7 contained in document FCCC/CP2001/13/Add.2).

3. If project participants wish to submit a project activity for validation and registration, they shall fill and submit a complete CDM-PDD. If project participants wish to proposed new baseline and monitoring methodologies they shall fill and submit the CDM-NMB, CDM-NMM and a draft CDM-PDD with only sections A-E filled.

4. The CDM-PDD, CDM-NMB and CDM-NMM may be obtained electronically from the UNFCCC CDM web site (http://unfccc.int/cdm), by e-mail (cdm-info@unfccc.int) or in printed format from the UNFCCC secretariat (Fax: +49-228-8151999).

5. Terms, which are underlined with a broken line in the CDM-PDD, the CDM-NMB and the CDM-NMM, are explained in the "CDM Glossary of Terms", included in these guidelines. It is recommended that before or during the completion of the forms that project participants consult the most recent version of the "CDM-PDD Glossary of Terms".

6. Project participants should also consult the section "Guidance – clarifications" available on the UNFCCC CDM web site (http://unfccc.int/cdm) or from the UNFCCC secretariat by e-mail (cdm-info@unfccc.int) or in print via fax (+49-228-815 1999).

7. The Executive Board may revise the CDM-PDD, the CDM-NMB and the CDM-NMM, if necessary. Revisions shall not affect CDM project activities nor proposed new methodologies submitted to the Executive Board prior to the date on which a revised version of the CDM-PDD, the CDM-NMB and the CDM-NMM enter into effect. Versions of these forms shall be consecutively numbered and dated.

8. In accordance with the CDM modalities and procedures, the working language of the Board is English. The CDM-PDD, the CDM-NMB and the CDM-NMM shall therefore be submitted in English to

the Executive Board. However, the CDM-PDD, CDM-NMB and CDM-NMM are available on the UNFCCC CDM web site for consultation in all six official languages of the United Nations.

9. The CDM-PDD, CDM-NMB and CDM-NMM should be completed using the same font without modifying its format, font, headings, font or logo.

10. Tables and their columns shall not be modified or deleted. Rows may be added, as needed.

11. The CDM-PDD, CDM-NMB and CDM-NMM are not applicable to afforestation and reforestation CDM project activities. Please consult the UNFCCC CDM web site for obtaining information regarding the CDM-PDD documentations for afforestation and reforestation CDM project activities.

B. Glossary of terms used in the Project Design Document (CDM-PDD), the Proposed New Methodology: Baseline (CDM-NMB) and the Proposed New Methodology: Monitoring (CDM-NMM)

The following CDM glossary intends to assist in clarifying terms used in the Project Design Document (CDM-PDD), the Proposed New Methodology: Baseline (CDM-NMB) and the Proposed New Methodology: Monitoring (CDM-NMM) and the in the CDM modalities and procedures in order to facilitate the completion of the CDM-PDD, CDM-NMB and CDM-NMM by project participants.

Clean development mechanism (CDM):
Article 12 of the Kyoto Protocol defines the clean development mechanism. "The purpose of the clean development mechanism shall be to assist Parties[1] not included in Annex I in achieving sustainable development and in contributing to the ultimate objective of the Convention, and to assist Parties included in Annex I in achieving compliance with their quantified emission limitation and reduction commitments under article 3".

At its seventh session, the Conference of the Parties (COP) adopted modalities and procedures for a clean development mechanism (CDM modalities and procedures, see annex to decision 17/CP.7, document FCCC/CP/2001/13/Add.2) and agreed on a prompt start of the CDM by establishing an Executive Board and agreeing that until the entry into force of the Kyoto Protocol (a) this Board should act as the Executive Board of the CDM and (b) the Conference of the Parties (COP) should act as the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP) as required by the Protocol and the CDM modalities and procedures.

Terms in alphabetical order:

"Attributable":
See "measurable and attributable".

Baseline:
See baseline scenario.

Baseline approach:
A baseline approach is the basis for a baseline methodology. The Executive Board agreed that the three approaches identified in sub-paragraphs 48 (a) to (c) of the CDM modalities and procedures be the only ones applicable to CDM project activities. They are:

- Existing actual or historical emissions, as applicable; or

[1] In this glossary, the term "Party" is used as defined in the Kyoto Protocol: "Party" means, unless the context otherwise indicates, a Party to the Protocol. "Party included in Annex I" means a Party included in Annex I to the Convention, as may be amended, or a Party which has made a notification under Article 4, paragraph 2(g), of the Convention.

- Emissions from a technology that represents an economically attractive course of action, taking into account barriers to investment; or
- The average emissions of similar project activities undertaken in the previous five years, in similar social, economic, environmental and technological circumstances, and whose performance is among the top 20 per cent of their category.

Baseline methodology:
A methodology is an application of an approach as defined in paragraph 48 of the CDM modalities and procedures, to an individual project activity, reflecting aspects such as sector and region. No methodology is excluded a priori so that project participants have the opportunity to propose a methodology. In considering paragraph 48, the Executive Board agreed that, in the two cases below, the following applies:
(a) Case of a new methodology: In developing a baseline methodology, the first step is to identify the most appropriate approach for the project activity and then an applicable methodology;
(b) Case of an approved methodology: In opting for an approved methodology, project participants have implicitly chosen an approach.

Baseline - new methodology:
Project participants may propose a new baseline methodology established in a transparent and conservative manner. In developing a new baseline methodology, the first step is to identify the most appropriate approach for the project activity and then an applicable methodology. Project participants shall submit a proposal for a new methodology to a designated operational entity by forwarding a filled form for Proposed New Methodology: Baseline (CDM-NMB) along with a filled form for the Proposed New Methodology: Monitoring (CDM-NMM) and the Project Design Document (CDM-PDD) with sections A to E completed in order to demonstrate that the application of the proposed new methodology to a proposed project activity.

The proposed new methodology will be treated as follows: If the designated operational entity determines that it is a new methodology, it will forward, without further analysis, the documentation to the Executive Board. The Executive Board shall expeditiously, if possible at its next meeting but not later than four months review the proposed methodology. Once approved by the Executive Board it shall make the approved methodology publicly available along with any relevant guidance and the designated operational entity may proceed with the validation of the project activity and submit the project design document for registration. In the event that the COP/MOP requests the revision of an approved methodology, no CDM project activity may use this methodology. The project participants shall revise the methodology, as appropriate, taking into consideration any guidance received.

Baseline - approved methodology:
A baseline methodology approved by the Executive Board is publicly available along with relevant guidance on the UNFCCC CDM website (http://unfccc.int/cdm) or through a written request sent to cdm-info@unfccc.int or Fax: (49-228) 815-1999.

Baseline scenario:
The baseline for a CDM project activity is the scenario that reasonably represents the anthropogenic emissions by sources of greenhouse gases (GHG) that would occur in the absence of the proposed project activity. A baseline shall cover emissions from all gases, sectors and source categories listed in Annex A (of the Kyoto Protocol) within the project boundary. A baseline shall be deemed to reasonably represent

the anthropogenic emissions by sources that would occur in the absence of the proposed project activity if it is derived using a baseline methodology referred to in paragraphs 37 and 38 of the CDM modalities and procedures.

Different scenarios may be elaborated as potential evolutions of the situation existing before the proposed CDM project activity. The continuation of a current activity could be one of them; implementing the proposed project activity may be another; and many others could be envisaged. Baseline methodologies shall require a narrative description of all reasonable baseline scenarios.

To elaborate the different scenarios, different elements shall be taken into consideration, including related guidance issued by the Executive Board. For instance, the project participants shall take into account national / sectoral policies and circumstances, ongoing technological improvements, investment barriers, etc. (see Appendix C paragraph b (vii) and paragraphs 45 (e), 46, 48 (b) of decision 17/CP.7).

(The highlighted text was elaborated by the Meth Panel at its tenth meeting and is recommended by the Panel for consideration of the Board at its fourteenth meeting.)

Crediting period:
The crediting period for a CDM project activity is the period for which reductions from the baseline are verified and certified by a designated operational entity for the purpose of issuance of certified emission reductions (CERs). Project participants shall choose the starting date of a crediting period to be after the date the first emission reductions are generated by the CDM project activity. A crediting period shall not extend beyond the operational lifetime of the project activity.

The crediting period may only start after the date of registration of the proposed activity as a CDM project activity. In exceptional cases, for project activities starting as of the year 2000 (1 January 2000) and prior to the date of the first registration of a CDM project activity, the starting date of the crediting period may be prior to the date of registration of the project activity (please refer to paras 12 and 13 of decision 17/CP.7, paragraph 1 (c) of decision 18/CP.9 and by the Executive Board, available on the UNFCCC CDM web site).

The project participants may choose between two options for the length of a crediting period: (i) fixed crediting period or (ii) renewable crediting period, as defined in paragraph 49 (a) and (b) of the CDM M & P.

Crediting period – fixed (also fixed crediting period):
"Fixed Crediting Period" is one of two options for determining the length of a crediting period. In the case of this option, the length and starting date of the period is determined once for a project activity with no possibility of renewal or extension once the project activity has been registered. The length of the period can be a maximum of ten years for a proposed CDM project activity. (paragraph 49 (b) of CDM modalities and procedures).

Crediting period – renewable (also renewable crediting period):
"Renewable crediting period" is one of two options for determining the length of a crediting period. In the case of this option, a single crediting period may be of a maximum of seven years. The crediting period may be renewed at most two times (maximum 21 years), provided that, for each renewal, a designated

operational entity determines that the original project baseline is still valid or has been updated taking account of new data, where applicable, and informs the Executive Board accordingly (paragraph 49 (a) of the CDM modalities and procedures). The starting date and length of the first crediting period has to be determined before registration.

Certification:
Certification is the written assurance by the designated operational entity that, during a specified time period, a project activity achieved the reductions in anthropogenic emissions by sources of greenhouse gases (GHG) as verified.

Certified emission reductions (CERs):
A certified emission reduction or CER is a unit issued pursuant to Article 12 and requirements thereunder, as well as the relevant provisions in the CDM modalities and procedures, and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5 of the Kyoto Protocol.

Conservative:
See "Transparent and conservative".

Designated operational entity (DOE):
An entity designated by the COP/MOP, based on the recommendation by the Executive Board, as qualified to validate proposed CDM project activities as well as verify and certify reductions in anthropogenic emissions by sources of greenhouse gases (GHG). A designated operational entity shall perform validation or verification and certification on the same CDM project activity. Upon request, the Executive Board may however allow a single DOE to perform all these functions within a single CDM project activity. COP at its eight session decided that the Executive Board may designate on a provisional basis operational entities (please refer to decision 21/CP.8).

Fixed Crediting Period:
See crediting period – fixed.

Host Party:
A Party not included in Annex I to the Convention on whose territory the CDM project activity is physically located. A project activity located in several countries has several host Parties. At the time of registration, a Host Party shall meet the requirements for participation as defined in paragraphs 28 to 30 of the CDM modalities and procedures.

Issuance of certified emission reductions (CERs):
Issuance of CERs refers to the instruction by the Executive Board to the CDM registry administrator to issue a specified quantity of CERs for a project activity into the pending account of the Executive Board in the CDM registry, in accordance with paragraph 66 and Appendix D of the CDM modalities and procedures.

Upon issuance of CERs, the CDM registry administrator shall, in accordance with paragraph 66 of CDM modalities and procedures, promptly forward the CERs to the registry accounts of project participants involved, in accordance with their request, having deducted the quantity of CERs corresponding to the

share of proceeds to cover administrative expenses for the Executive Board and to assist in meeting costs of adaptation for developing countries vulnerable to adverse impacts of climate change, respectively, in accordance with Article 12, paragraph 8, to the appropriate accounts in the CDM registry for the management of the share of proceeds.

Leakage:
Leakage is defined as the net change of anthropogenic emissions by sources of greenhouse gases (GHG) which occurs outside the project boundary, and which is measurable and attributable to the CDM project activity.

Measurable and attributable
In an operational context, the terms measurable and attributable in paragraph 51 (project boundary) of the CDM modalities and procedures should be read as "which can be measured" and "directly attributable", respectively

Monitoring of a CDM project activity:
Monitoring refers to the collection and archiving of all relevant data necessary for determining the baseline, measuring anthropogenic emissions by sources of greenhouse gases (GHG) within the project boundary of a CDM project activity and leakage, as applicable.

Monitoring methodology:
A monitoring methodology refers to the method used by project participants for the collection and archiving of all relevant data necessary for the implementation of the monitoring plan.

Monitoring methodology - approved:
A monitoring methodology approved by the Executive Board and made publicly available along with relevant guidance.

Monitoring methodology - new:
Project participants may propose a new monitoring methodology. In developing a monitoring methodology, the first step is to identify the most appropriate methodology bearing in mind good monitoring practice in relevant sectors. Project participants shall submit a proposal for a new methodology to a designated operational entity by forwarding the proposed methodology described in the filled form for Proposed New Methodology: Baseline (CDM-NMB) along with filled form for the Proposed New Methodology: Monitoring (CDM-NMM) and the project design document (CDM-PDD) with sections A to E completed in order to demonstrate that the application of the proposed new methodology to a proposed project activity.

A new proposed methodology will be treated as follows: If the designated operational entity determines that it is a new methodology, it will forward, without further analysis, the documentation to the Executive Board. The Executive Board shall expeditiously, if possible at its next meeting but not later than four months review the proposed methodology. Once approved by the Executive Board it shall make the approved methodology publicly available along with any relevant guidance and the designated operational entity may proceed with the validation of the project activity and submit the project design document for registration. In the event that the COP/MOP requests the revision of an approved methodology, no CDM

project activity may use this methodology. The project participants shall revise the methodology, as appropriate, taking into consideration any guidance received.

Operational lifetime of a CDM project activity:
It is defined as the period during which the CDM project activity is in operation. No crediting period shall end after the end of the operational lifetime (calculated as from starting date).

Project activity:
A project activity is a measure, operation or an action that aims at reducing greenhouse gases (GHG) emissions. The Kyoto Protocol and the CDM modalities and procedures use the term "project activity" as opposed to "project". A project activity could, therefore, be identical with or a component or aspect of a project undertaken or planned.

Project boundary:
The project boundary shall encompass all anthropogenic emissions by sources of greenhouse gases (GHG) under the control of the project participants that are significant and reasonably attributable to the CDM project activity.

The Panel on methodologies (Meth Panel) shall develop specific proposals for consideration by the Executive Board on how to operationalize the terms "under the control of", "significant" and "reasonably attributable", as contained in paragraph 52 and appendix C, paragraphs (a) (iii) and (b) (vi) of the CDM modalities and procedures. Pending decisions by the Executive Board on these terms, project participants are invited to explain their interpretation of such terms when completing and submitting the CDM-NMB and CDM-NMM.

Project participants:
In accordance with the use of the term project participant in the CDM modalities and procedures, a project participant is either a Party involved or, in accordance with paragraph 33 of the CDM modalities and procedures, a private and/or public entity authorized by a Party to participate, under the Party's responsibility, in CDM project activities.

Only project participants take decisions on the distribution of CERs from the project activity under consideration.

At registration, a statement signed by all project participants shall be provided clarifying the modalities of communicating with the Executive Board and the secretariat, in particular with regard to instructions regarding allocations of CERs at the point of issuance.

(Note: The Board may revise this definition depending on its deliberations on registration matters at its fourteenth meeting. A number of public comments (reflected in section A.3 of Part II D of this document) have been received on this issue).

Renewable crediting period:
See Crediting period - renewable

Stakeholders:

Stakeholders mean the public, including individuals, groups or communities affected, or likely to be affected, by the proposed CDM project activity or actions leading to the implementation of such an activity.

Starting date of a CDM project activity:
The starting date of a CDM project activity is the date at which the implementation or construction or real action of a project activity begins. Project activities starting as of the year 2000 (1 January 2000) and prior to the date of the first registration of a CDM project activity have to provide documentation, at the time of registration, showing that the starting date fell within this period.

Transparent and conservative:
Establishing a baseline in a transparent and conservative manner (paragraph 45 (b) of the CDM modalities and procedures) means that assumptions are made explicitly and choices are substantiated. In case of uncertainty regarding values of variables and parameters, the establishment of a baseline is considered conservative if the resulting projection of the baseline does not lead to an overestimation of emission reductions attributable to a CDM project activity (that is, in the case of doubt, values that generate a lower baseline projection shall be used).

Registration:
Registration is the formal acceptance by the Executive Board of a validated project activity as a CDM project activity. Registration is the prerequisite for the verification, certification and issuance of CERs related to that project activity.

Validation:
Validation is the process of independent evaluation of a project activity by a designated operational entity against the requirements of the CDM as set out in decision 17/CP.7 its annex and relevant decisions of the COP/MOP, on the basis of the project design document (CDM-PDD).

Verification:
Verification is the periodic independent review and ex post determination by a designated operational entity of monitored reductions in anthropogenic emissions by sources of greenhouse gases (GHG) that have occurred as a result of a registered CDM project activity during the verification period. There is no prescribed length of the verification period. It shall, however, not be longer than the crediting period.

PART II

C. Information note for Project Design Document (CDM-PDD)

1. The CDM-PDD presents information on the essential technical and organizational aspects of the project activity and is a key input into the validation, registration, and verification of the project as required under the Kyoto Protocol to the UNFCCC. The relevant modalities and procedures are detailed in decision 17/CP.7 contained in document FCCC/CP2001/13/Add.2.

2. The CDM-PDD contains information on the project activity, the approved baseline methodology applied to the project activity, and the approved monitoring methodology applied to the project. It discusses and justifies the choice of baseline methodology and the applied monitoring concept, including monitoring data and calculation methods.

3. Project participants should submit the completed version of the CDM-PDD, together with attachments if necessary, to an accredited designated operational entity for validation. The designated operational entity then examines the adequacy of the information provided in the CDM-PDD, especially whether it satisfies the relevant modalities and procedures concerning CDM project activities. Based on this examination, the designated operational entity makes a decision regarding validation of the project.

D. Specific guidelines to fill out the Project Design Document (CDM-PDD)

CONTENTS
PROJECT DESIGN DOCUMENT (CDM-PDD)

Annexes

SECTION A. General description of project activity

A.1. Title of the project activity:

A.2. Description of the project activity:

Please include in the description - the purpose of the project activity - the view of the project participants of the contribution of the project activity to sustainable development (max. one page).

A.3. Project participants:

Please list project participants and indicate at least one project participant as the main contact for the CDM project activity.

Public comments received for A.3:

Please list Party(ies) and private and/or public entities and significant intermediaries involved in the project activity and provide contact information in Annex 1. **(World Bank)**

Project participants and allocation of expected volumes of CERs (**Netherlands' Ministry of Housing, Spatial Planning and the Environment)**

The main purpose of this chapter should be to specify:
- the project participants
- the expected volume of the CERs to be generated by the project
- the agreement between project participants on the distribution (and hence allocation) of the expected volume of CERs

Although the EB is neither supposed to take position in any possible disputes between project participants nor to assume any liability for the contractual arrangements between them, a clear and unambiguous specification of the expected volumes of CERs, including its agreed distribution between project participants, can be extremely helpful in preventing such disputes.
The explanatory text of A.3. should supports this.
However the explanatory sentence "At registration, a statement signed by all project participants shall be provided clarifying the modalities of communicating with the Executive Board and the Secretariat, in particular with regard to instructions regarding allocations at the point of issuance" should be more specific, since "instructions regarding allocations at the point of issuance" may be interpreted as if until the moment of issuance the distribution/allocation could be changed, even unilaterally. So this wording has to be made more unambiguous, indicating that the instructions regarding allocations can not be changed without written consent of all project participants involved.
We suggest to add to the explanatory sentence: "Possible changes to such statement require written consent of all project participants involved"

Finally we request the EB to develop and distribute a standardized format for the aforementioned project participants statement. **(Netherlands' Ministry of Housing, Spatial Planning and the Environment)**

The section should be made more specific with an explicit reference to the distribution of CERs between project participants. The EU would like to ask the Executive Board to clarifying the wording contained in the second sentence of the explanatory text of section A.3. on the allocation of CERs between project participants and/or Parties. The EU suggests to use the word *distribution* as opposed to *allocation*. The Executive Board already clarified that at registration, a statement signed by all project participants shall be provided in order to:

- clarify modalities of communication;
- give instructions regarding distribution of the expected amount of CERs at the point of issuance.

The PDD should be clear on these two points in order to ensure that no changes in the distribution of CERs can be accepted by the Executive Board unless all project participants and/or Parties agree to do so in writing. In addition, the Executive Board should check that the definition of project participants included in the glossary is consistent with the Marrakech Accords. (**Italy on behalf of the European Community and its member states**)

A.3. (Project Participants): Explanation should be added for the case of so-called "Carbon Funds", if the members of the Fund is needed in the participant list or not. **(Climate Experts)**

A.4. Technical description of the project activity:

Add any comment?

A.4.1. Location of the project activity:

Add any comment?

A.4.1.1. Host Party(ies):

Add any comment?

A.4.1.2. Region/State/Province etc.:

Add any comment?

A.4.1.3. City/Town/Community etc:

Add any comment?

A.4.1.4. Detail of physical location, including information allowing the unique identification of this project activity:

Please fill in the field and do not exceed from one page.

A.4.2. Category(ies) of project activity:

Please use the list of categories of project activities and of registered CDM project activities by category available on the UNFCCC CDM web site, please specify the category(ies) of project activities into which this project activity falls. If no suitable category(ies) of project activities can be identified, please suggest a new category(ies) descriptor and its definition, being guided by relevant information on the UNFCCC CDM web site.

A.4.3. Technology to be employed by the project activity:

This section should include a description of how any environmentally safe and sound technology and know how to be used is transferred to the Host Party.

A.4.4. Brief explanation of how the anthropogenic emissions of anthropogenic greenhouse gas (GHGs) by sources are to be reduced by the proposed CDM project activity, including why the emission reductions would not occur in the absence of the proposed project activity, taking into account national and/or sectoral policies and circumstances:

Please explain briefly how anthropogenic greenhouse gas (GHG) emission reductions are to be achieved (detail to be provided in section B) and provide the estimate of anticipated total reductions in tonnes of CO2 equivalent as determined in section E. Max. length one page.

A.4.5. Public funding of the project activity:

In case public funding from Parties included in Annex I is involved, please provide [information on sources of public funding for the project activity from those Parties, including in Annex 2 an affirmation that such funding does not result in a diversion of official development assistance and is separate from and is not counted towards the financial obligations of those Parties][in Annex 2 information on sources of public funding for the project activity from Parties included in Annex I which shall provide an affirmation that such funding does not result in a diversion of official development assistance and is separate from and is not counted towards the financial obligations of those Parties].

SECTION B. Application of a baseline methodology:

Where project participants wish to propose a new baseline methodology, please complete the form for "Proposed New Methodology: Baseline"(CDM-NMB) and subsequently complete the sections

A-E of the CDM-PDD to demonstrate the application of the proposed new methodology to the project activity.

B.1. Title and reference of the approved baseline methodology applied to the project activity:

Please refer to the UNFCCC CDM web site for the title and reference list as well as the details of approved baseline methodologies. If a new baseline methodology is proposed, please complete the form for "Proposed New Methodology: Baseline"(CDM-NMB). Please note that the table "Baseline data" contained in Annex 3 is to be prepared in parallel to completing the remainder of this section.

B.2. Justification of the choice of the methodology and why it is applicable to the project Activity:

Please justify the choice of methodology by showing that the proposed project activity and the context of the project activity meet the conditions under which the methodology is applicable.

B.3. Description of how the methodology is applied in the context of the project activity:

Please explain the basic assumptions of the baseline methodology in the context of the project activity and show that the key methodological steps are followed in determining the baseline scenario. Describe the alternative plausible baselines examined and how the methodology determines the most likely baseline – the baseline scenario – from among the scenario alternatives. Provide the key information and data used to determine the baseline scenario (variables, parameters, data sources etc.) in table form.

B.4. Description of how the anthropogenic emissions of GHG by sources are reduced below those that would have occurred in the absence of the registered CDM project activity:

Explanation of how and why this project is additional and therefore not the baseline scenario in accordance with the selected baseline methodology. Include 1) a description of the baseline scenario determined by applying the methodology, 2) a description of the project scenario, and 3) a mitigation analysis showing why the emissions in the baseline scenario would likely exceed emissions in the project scenario.

B.5. Description of how the definition of the project boundary related to the baseline methodology selected is applied to the project activity:

Add any comment?

B.6. Details of baseline development:

Please attach baseline study in Annex 3

B.6.1. Date of completing the final draft of the baseline study *(DD/MM/YYYY)*:

Add any comment?

B.6.2. Name of person (s)/entity (ies) determining the baseline:

Please provide contact information and indicate if the person/entity is also a project participant listed in Annex 1.

SECTION C. Duration of the project activity / Crediting period:

C.1. Duration of the project activity:

C.1.1. Starting date of the project activity:

The starting date of a CDM project activity is the date on which the implementation or construction or real action of a project activity begins. Project activities starting as of the year 2000 (1 January 2000) and prior to the date of the first registration of a clean development mechanism project activity have to provide documentation, at the time of registration, showing that the starting date fell within this period.

C.1.2. Expected operational lifetime of the project activity:

Please state the expected operational lifetime of the project activity in years and months.

C.2. Choice of crediting period and related information:

Please ~~underline the appropriate option (C.2.1 or C.2.2.) and complete accordingly~~ state whether the project activity will use a renewable or a fixed crediting period and complete C.2.1 or C.2.2 accordingly. Note that the crediting period may only start after the date of registration of the proposed activity as a CDM project activity. In exceptional cases, (see instructions for section C.1.1. above) the starting date of the crediting period may be prior to the date of registration of the project activity as provided for in paragraphs 12 and 13 of decision 17/CP.7, paragraph 1 (c) of decision 18/CP.9 and through any guidance by the Executive Board, available on the UNFCCC CDM web site.

C.2.1. Renewable crediting period:

The renewable crediting period shall be at most 7 years.

C.2.1.1. Starting date of the first crediting period:

Please state the dates in the following format: (DD/MM/YYYY).

C.2.1.2. Length of the first crediting period:

Please state the length of the first crediting period in years and months.

C.2.2. Fixed crediting period:

Fixed crediting period shall be at most ten (10) years.

C.2.2.1. Starting date:

Please state the dates in the following format: (DD/MM/YYYY).

C.2.2.2. Length:

~~Length (max 10 years): in years and months, for example: two years and four months would be shown as: 2y 4m.~~ Please state the length of the crediting period in years and months

SECTION D. Application of a monitoring methodology and plan:

Where project participants wish to propose a new monitoring methodology, please complete form "Proposed New Methodology: Monitoring"(CDM-NMM) and subsequently complete sections A-E of the CDM-PDD, to demonstrate the application of the proposed new methodology to the project activity.

This section shall provide a detailed description of the monitoring plan, including an identification of the data and its quality with regard to accuracy, comparability, completeness and validity, taking into consideration any guidance contained in the methodology. [The monitoring plan is to be attached in annex 4].

The monitoring plan needs to provide detailed information related to the collection and archiving of all relevant data needed to

- estimate or measure emissions occurring within the project boundary,
- determine the Baseline, and
- identify increased emissions outside the project boundary.

The monitoring plan should reflect good monitoring practice appropriate to the type of project activity. The plan should follow the instructions and steps defined in the approved monitoring methodology. Project participants shall implement the registered monitoring plan and provide data, in accordance with the plan, through their monitoring report.

~~Designated operational entities will verify that the monitoring methodology and plan have been implemented correctly and check the information in accordance with the provisions on verification. This section shall provide a detailed description of the monitoring plan, including an identification of~~

~~the data and its quality with regard to accuracy, comparability, completeness and validity, taking into consideration any guidance contained in the methodology.~~

Please note that data monitored and required for verification and issuance are to be kept for two years after the end of the crediting period or the last issuance of CERs for this project activity, whatever occurs later.

D.1. Name and reference of approved monitoring methodology applied to the project activity:

Please refer to the UNFCCC CDM web site for the name and reference as well as details of approved methodologies. Where project participants wish to propose a new monitoring methodology, please complete the form for "Proposed New Methodology: Monitoring" (CDM-NMM) and subsequently complete, sections A-E of the CDM-PDD to demonstrate the application of the proposed new methodology to the project activity.

If a national or international monitoring standard has to be applied to monitor certain aspects of the project activity, please identify this standard and provide a reference to the source where a detailed description of the standard can be found.

Please fill sections D.2.2 or D.2.3 below in accordance with the approved monitoring methodology selected.

D.2. Justification of the choice of the methodology and why it is applicable to the project activity:

Please justify the choice of methodology by showing that the proposed project activity and the context of the project activity meet the conditions under which the methodology is applicable.

D.2.1. Option 1: Monitoring of the emissions in the project scenario and the baseline scenario:

Add any comment?

D. 2.1.1. Data to be collected ~~or used~~ in order to monitor emissions from the project activity, and how this data will be archived:

Description of data to be collected and how data will be archived. Data shall be archived for 2 years following the end of the crediting period.
Please add rows to the table, as needed.

D.2.1.2. Description of formulae used to estimate project emissions (for each gas, source, formulae/algorithm, emissions units of CO2 equ.):

Formulae should be consistent with the formulae outlined in the description of the baseline methodology.

D.2.1.3. Relevant data necessary for determining the Baseline of anthropogenic emissions by sources of GHGs within the project boundary and how such data will be collected and archived:

Description of data to be collected and how data will be archived. Data shall be archived for 2 years following the end of the crediting period. Please add rows to the table below, as needed.

D.2.1.4. Description of formulae used to estimate baseline emissions (for each gas, source, formulae/algorithm, emissions units of CO2 equ.):

Formulae should be consistent with the formulae outlined in the description of the baseline methodology.

D.2.2. Option 2: Direct monitoring of emission reductions from the project activity (values should be consistent with those in section E):

Add any comment?

D.2.2.1. Data to be collected ~~or used~~ in order to monitor emissions from the project activity, and how this data will be archived:

Description of data to be collected and how data will be archived. Data shall be archived for 2 years following the end of the crediting period. Please add rows to the table below, as needed.

D.2.2.2. Description of formulae used to calculate project emissions (for each gas, source, formulae/algorithm, emissions units of CO2 equ.):

Formulae should be consistent with the formulae outlined in the description of the baseline methodology

D.2.3. Treatment of leakage in the monitoring plan:

Add any comment?

D.2.3.1. If applicable, please describe the data and information that will be collected in order to monitor leakage effects of the project activity:

Monitored data shall be archived for 2 years following the end of the crediting period. Please add rows to the table below, as needed.

D.2.3.2. Description of formulae used to estimate leakage (for each gas, source, formulae / algorithm, emissions units of CO2 equ.):

Formulae should be consistent with the formulae outlined in the description of the baseline methodology.

D.2.4. Description of formulae used to estimate emission reductions for the project activity (for each gas, source, formulae/algorithm, emissions units of CO2 equ.):

Formulae should be consistent with the formulae outlined in the description of the baseline methodology.

D.3. Quality control (QC) and quality assurance (QA) procedures undertaken for data monitored:

Data items in tables contained in sections D.2.1 or D.2.2, as applicable.

D.4. Please describe the operational and management structure that the project operator will implement in order to monitor emission reductions and any leakage effects generated by the project activity:

Add any comment?

D.5. Name of person/entity determining the monitoring methodology:

Please provide contact information and indicate if the person/entity is also a project participant listed in Annex 1 of this document.

SECTION E.: Calculation of GHG emissions by sources:

Please fill section E. following the selected baseline and monitoring methodologies.

E.1. ~~Description of formulae~~ Estimate of GHG emissions by sources:

~~Description of formulae used to~~ Please provide estimated anthropogenic emissions by sources of greenhouse gases of the project activity within the project boundary (for each gas, source, formulae/algorithm, emissions in units of CO2 equivalent). Alternatively, provide directly estimated emission reductions due to the project activity.

E.2. ~~Description of formulae used to estimate leakage, defined as: the net change of anthropogenic emissions by sources of greenhouse gases which occurs outside the project boundary, and that is measurable and attributable to the project activity~~ Estimated leakage:

~~Description~~ Please provide estimate of any leakage, defined as: the net change of anthropogenic emissions by sources of greenhouse gases which occurs outside the project boundary, and that is measurable and attributable to the project activity. Estimates should be given for each gas, source, formulae/algorithm, emissions in units of CO2 equivalent.

E.3. The sum of E.1 and E.2 representing the project activity emissions:

Add any comment?

E.4. ~~Description of formulae used to~~ Estimated anthropogenic emissions by sources of greenhouse gases of the baseline:

~~Description~~ Estimates should be given for each gas, source, formulae/algorithm, emissions in units of CO2 equivalent.

E.5. Difference between E.4 and E.3 representing the emission reductions of the project activity:

Add any comment?

E.6. Table providing values obtained when applying formulae above:

The ex post calculation of baseline emission rates may only be used if proper justification is provided. Notwithstanding, the baseline emission rates shall also be calculated ex-ante and reported in the CDM-PDD.

SECTION F.: Environmental Impacts:

F.1. Documentation on the analysis of the environmental impacts, including transboundary impacts:

Please attach the documentation to the CDM-PDD. *(Comment: Need for a new annex to allow for such attachment?)*

F.2. If impacts are considered significant by the project participants or legislatively required the Host Party, provide conclusions and all references to support documentation of an environmental impact assessment ~~that has been undertaken in accordance with the procedures as required by the host Party~~:

If environmental impacts are considered significant by the project participants or the Host Party, please provide conclusions and all references to support documentation of an environmental impact assessment undertaken in accordance with the procedures as required by the Host Party.

SECTION G. Stakeholders' comments:

G.1. Brief description of~~the process on~~ how comments by local stakeholders have been invited and compiled:

Please describe the process by which comments by local stakeholders have been invited and compiled. An invitation for comments by local stakeholders shall be made in an open and transparent manner, in a way that facilities comments to be received from local stakeholders and allows for a reasonable time for comments to be submitted. In this regard, project participants shall describe a project activity in a manner which allows the local stakeholders to understand the project activity, taking into account confidentiality provisions of the CDM modalities and procedures.

G.2. Summary of the comments received:

Please identify stakeholders that have made comments and provide a summary of these comments.

G.3. Report on how due account was taken of any comments received:

Please explain how due account have been taken of comments received.

Annex 1

CONTACT INFORMATION ON PARTICIPANTS IN THE PROJECT ACTIVITY

Please copy and paste table as needed.

Annex 2

INFORMATION REGARDING PUBLIC FUNDING

Annex 3

BASELINE STUDY

~~**TABLE: BASELINE DATA**~~

Please provide a table containing the key elements used to determine the baseline for the project activity including elements such as variables, parameters and data sources. For approved methodologies you may find a draft table on the UNFCCC CDM web site.

[Annex 4

MONITORING PLAN]

[Annex 5

INSTRUCTIONS FOR DISTRIBUTION OF CERS

A statement signed by all project participants shall be provided clarifying the modalities of communication with the executive board and the secretariat, in particular with regard to instructions regarding of CERs distribution at the point of issuance. Possible changes to such a statement require written consent of all project participants involved.

Note: This statement is already required as an attachment to the registration form. If this would be kept here then would not be needed in the form any more.

A statement regarding the distribution of expected CERs will be useful but such information shall not bind the EB in any dispute related to distribution of CERs. EB shall not be involved in any dispute between project proponents.]

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PART III

E. Information note for Proposed New Methodology: Baseline (CDM-NMB) and Proposed New Methodology: Monitoring (CDM-NMM)

1. A strong link between baseline and monitoring methodologies is to be provided. New baseline and monitoring methodologies shall be proposed and approved together.

2. The forms "Proposed New Methodology: Baseline" (CDM-NMB) and "Proposed New Methodology: Monitoring" (CDM-NMM) are to be used to propose a new baseline methodology and/or new monitoring methodology respectively. These forms shall fully and completely describe the methodology. A CDM-PDD, which is to be attached, demonstrates the application of a proposed new methodology to a project activity.

3. The most recent versions of these forms may be obtained from the "forms" section of the UNFCCC CDM web site (http://unfccc.int/cdm) or from the UNFCCC secretariat by e-mail (cdm-info@unfccc.int) or in print via fax (+49-228-815-1999).

4. The forms "Proposed New Methodology: Baseline" (CDM-NMB) and "Proposed New Methodology: Monitoring" (CDM-NMM) shall be submitted together to the Executive Board in accordance with "Procedures for submission and consideration of a proposed new methodology". For the most recent version of the procedures, please refer to procedures page of the UNFCCC CDM web site (http://unfccc.int/cdm). The forms should be accompanied by Project Design Document (CDM-PDD)" with sections A-E completed, in order to demonstrate the application of the proposed new methodologies to a proposed project activity.

5. Each proposed new baseline and monitoring methodologies should use a separate "Proposed New Methodology: Baseline" form, "Proposed New Methodology: Monitoring" form and "CDM-Proposed New Methodology form" (CDM-PNM). "Proposed New Methodology: Baseline" forms and "Proposed New Methodology: Monitoring" forms for several new methodologies may be submitted together with the same CDM-PDD for several components of a proposed project.

6. For additional guidance on aspects to be covered in the description of a new methodology, please refer to guidance and clarifications by the Executive Board on the "guidance – clarifications" section of the UNFCCC CDM web site and the "CDM-PDD Glossary of Terms".

F. Specific guidelines to fill out the proposed new methodology: baseline (CDM-NMB)

General instructions:

1. The baseline for a CDM project activity is the scenario that reasonably represents the anthropogenic emissions by sources of greenhouse gases that would occur in the absence of the proposed project activity. A baseline shall cover emissions from all gases, sectors and source categories listed in Annex A of the Kyoto Protocol within the project boundary. The general characteristics of a baseline are contained in paragraphs 45 to 47 of the CDM modalities and procedures.

2. When drafting a proposed new baseline methodology, project participants shall follow the following steps:

(a) Choose and justify why one of the baseline approaches listed in paragraph 48 of the CDM modalities and procedures is considered to be the most appropriate;

(b) Elaborate a proposal for a new baseline methodology. A baseline methodology is an application of the selected baseline approach contained in paragraphs 48 (a) to (c) of the CDM modalities and procedures to an individual project activity, reflecting aspects such as sector, technology and region. The Executive Board agreed that no methodology is to be excluded a priori so that project participants have the opportunity to propose any methodology, which they consider appropriate. The project participant shall take into account guidance by the Board on aspects to be covered by a methodology (please see guidance and clarifications by the Executive Board on the "Guidance – clarifications" web page of the UNFCCC CDM web site);

(c) Describe the proposed new methodology using the forms for "Proposed New Methodology: Baseline" (CDM-NMB) and "Proposed New Methodology: Monitoring" (CDM-NMM) taking into account guidance given by the Executive Board as well as the information provided in the CDM-PDD Glossary of Terms; and

(d) Demonstrate the applicability of the proposed methodology, and, implicitly, that of the approach, to a project activity by providing relevant information in sections A-E of a draft CDM-PDD.

3. In accordance with guidance provided by the Executive Board, the proposed new baseline methodology shall include, *inter alia*, the following:

(a) A basis for determining the baseline scenario:
- An explanation of how the baseline scenario is chosen, taking into account paragraph 45 (e) of the CDM modalities and procedures;
- An underlying rationale for algorithm/formulae (e.g. marginal vs. average.) used in the baseline methodology;

- An explanation of how, through the methodology, it is demonstrated that a project activity is additional and, therefore, not the baseline scenario (section B.4 of the CDM-PDD);

(b) Formulae/algorithms, which shall specify:

- The type of variables used (e.g. fuel(s) used, fuel consumption rates, etc.);
- The spatial level of data (local, regional, national, etc.);
- The project boundary (gases and sources included, physical delineation);
- The vintage of data (relative to project crediting period);

(c) The data sources and assumptions:

- Where the data are obtained (official statistics, expert judgement, proprietary data, IPCC, commercial and scientific literature, etc.);
- The assumptions used;
- Clearly specify data requirements and sources, as well as procedures to be followed if expected data are unavailable. For instance, the methodology could point to a preferred data source (e.g. national statistics for the past 5 years), and indicate a priority order for use of additional data (e.g. using longer time series) and/or fall back data sources to preferred sources (e.g. private, international statistics, etc.). Use International System Units (SI units – refer to http://www.bipm.fr/enus/3_SI/si.html).

4. All algorithms, formulae, and step-by-step procedures for applying the methodology shall be included in completing this form for "Proposed New Methodology: Baseline". The completed form "shall provide stand-alone replicable methodologies, and avoid reference to any secondary documents.

5. Proposals should be written in a concise and clear manner. Important procedures and concepts should be supported by equations and diagrams. Non-essential information should be avoided. Information which is related to the application of the proposed new methodology for a project activity may be footnoted for illustrative purposes.

6. Project participants shall refrain from providing glossaries or using key terminology not used in the documents of the Conference of the Parties (COP) or the CDM glossary and refrain from rewriting the instructions on the forms.

CONTENTS
PROPOSED NEW METHODOLOGY: BASELINE (CDM-NMB)

SECTION A. Identification of methodology:

A.1. Proposed methodology title:

Provide an unambiguous title for a proposed methodology. Avoid project-specific titles. The title, once approved, should allow project participants to get an indication of the applicability of an approved methodology.

A.2. List of category(ies) of project activity to which the methodology may apply:

Use the list of categories of project activities and of registered CDM project activities by category available on the UNFCCC CDM web site, please specify the category(ies) of project activities for which this proposed new methodology may be used. If no suitable category(ies) of project activities can be identified, please suggest a new category(ies) descriptor and its definition, being guided by relevant information on the UNFCCC CDM web site.

A.3. Conditions under which the methodology is applicable to CDM project activities:

Provide conditions under which the methodology is applicable to CDM project activities: (e.g. circumstances, region, data availability, resource availability.

SECTION B. Overall summary description:

Summarize the description of the proposed new methodology. Provide information on how baseline emissions are determined. Provide step by step instructions for the baseline methodology, including how through the methodology, it can be demonstrated that a project activity is additional and therefore not the baseline scenario (detailed explanation of the methodology to be provided in section 6). Please do not exceed more that 1 page.

SECTION C. Choice of and justification as to why one of the approaches listed in paragraph 48 of CDM modalities and procedures is considered to be the most appropriate:

Add any comments?

C.1 General baseline approach:

Please check a single option. If the third approach is being checked kindly refer to additional guidance provide by the Executive Board – (see guidance and clarifications by the Executive Board on the "Guidance – clarifications" web page of the UNFCCC CDM web site).

C.2. Justification of why the approach chosen in 3.1 above is considered the most appropriate:

Add any comments?

SECTION D. Explanation and justification of the proposed new baseline methodology:

In accordance with the guidance of the Executive Board, a proposed new methodology shall explain how a project activity using the methodology can demonstrate that it is additional, that is, different from the baseline scenario. Project participants shall therefore describe how to develop the baseline scenario and "how the baseline methodology addresses…the determination of whether the project is additional." In addition, the methodology shall provide elements to calculate the emissions of the baseline. The project participants shall ensure consistency between the elaboration of the baseline scenario and the procedure and formulae to calculate the emissions of the baseline.

D.1. Explanation of how the methodology determines the baseline scenario (that is, indicate the scenario that reasonably represents the anthropogenic emissions by sources of greenhouse gases that would occur in the absence of the proposed project activity):

Please state the basic assumptions of the baseline methodology and describe the key analytical steps that should be followed in determining the baseline scenario. Describe how the methodology determines the most likely scenario – the baseline scenario— from among the plausible scenario alternatives.

D.2. Criteria used in developing the proposed baseline methodology:

Add any comments?

D.3. Explanation of how, through the methodology, it can be demonstrated that a project activity is additional and therefore not the baseline scenario (section B.4 of the CDM-PDD):

Paragraph 43 of the CDM modalities and procedures stipulates that a CDM project activity is additional if its emissions are below those of its baseline (see guidance by the EB at its fifth meeting). "The baseline for a CDM project activity is the scenario that reasonably represents the anthropogenic emissions by sources of greenhouse gases that would occur in the absence of the proposed project activity" (paragraph 44 CDM modalities and procedures).

Please follow a step approach:

(1) A description of the baseline scenario determined by applying the methodology,
(2) A description of the project activity (unless the most plausible scenario is determined to be the project itself),
(3) A demonstration why the project activity would not occur in the baseline scenario, and
(4) A mitigation analysis showing why the GHG emissions in the baseline scenario would likely exceed GHG emissions in the project scenario.

Describe formulae used to calculate emissions in baseline scenario and in the proposed project. Please report estimates of emission reductions in Section E.

Tools that may be used to demonstrate that a project activity is additional, and therefore, not the baseline scenario include, among others:

(a) A flow-chart or series of questions that lead to a narrowing of potential baseline scenario options;

(b) A qualitative or quantitative assessment of different potential baseline scenarios and an indication of why the non-project option is more likely;

(c) A qualitative or quantitative assessment of one or more barriers facing the proposed project activity (such as those laid out for small-scale CDM project activity, (see Appendix B of the simplified modalities and procedures for small-scale CDM project activities - http://cdm.unfccc.int/pac/howto/SmallScalePA/index.html);

(d) An indication that the project type is not common practice (for example it occurs in less than [<x%] of similar cases) in the proposed area of implementation, and is not required by a Party's legislation/regulations [(this indication is not sufficient by itself to indicate that a project activity is additional).

Any tools used shall be developed so as to be applicable to the project activity. More than one tool may often be necessary. If more than one tool is developed please indicate:

(i) Whether answers are needed to all;

(ii) In which order tools should be applied; and

(iii) What the additionality assessment is if different tools give different answers.]

(The Board has started to discuss at its thirteenth meeting this section and agreed its contents should be revised. This section may in addition be further revised depending on outcome from discussions of the Board at its fourteenth meeting the consolidation of additionality assessment)

Please also include information on algorithms and formulae, if used.

D.4. How national and/or sectoral policies and circumstances can been taken into account by the methodology:

Add any comments?

D. 5. Project boundary (gases and sources included, physical delineation):

Please describe and justify the project boundary bearing in mind that it shall encompass all anthropogenic emissions by sources of greenhouse gases under the control of the project participants that are significant and reasonably attributable to the project activity.
Please describe and justify which the boundary.

D.6. Elaborate and justify formulae/algorithms used to determine the baseline scenario. Variables, fixed parameters and values have to be reported (e.g. fuel(s) used, fuel consumption rates):

Add any comments?

D.7. Elaborate and justify formulae/algorithms used to determine the emissions from the project activity. Variables, fixed parameters and values have to be reported (e.g. fuel(s) used, fuel consumption rates):

Add any comments?

D.8. Description of how the baseline methodology addresses any potential leakage of the project activity:

Please note: Leakage is defined as the net change of anthropogenic emissions by sources of greenhouse gases which occurs outside the project boundary and which is measurable and attributable to the CDM project activity.

Please explain how leakage is to be estimated ex-ante and indicate in the monitoring methodology form (CDM-NMM) how it is to be monitored ex-post.
Explain if leakage will be assumed or calculated either as a relative amount (i.e. percentage) of the total emission reductions due to the project activity or as an absolute amount of emissions.
Please describe algorithms, data, information and assumptions and provide the total estimate of leakage.

Also include formulae and algorithms to be used in section E of the CDM-PDD attached.

D.9. Elaborate and justify formulae/algorithms used to determine the emissions reductions from the project activity. Variables, fixed parameters and values have to be reported (e.g. fuel(s) used, fuel consumption rates):

Add any comments?

SECTION E. Data sources and assumptions:

Add any comments?

E.1. Describe parameters and or assumptions (including emission factors and activity levels):

Add any comments?

E.2. List of data used indicating sources (e.g. official statistics, expert judgement, proprietary data, IPCC, commercial and scientific literature) and precise references and justify the appropriateness of the choice of such data:

Add any comments?

E.3. Vintage of data (e.g. relative to starting date of the project activity):

Add any comments?

E.4. Spatial level of data (local, regional, national):

Add any comments?

SECTION F. Assessment of uncertainties (Sensitivity to key factors and assumptions:

Please highlight any factors and assumptions that would have a significant impact on the baseline and/or the calculation of baseline emission levels and how uncertainty related to those assumptions and factors are to be addressed.

SECTION G. Explanation of how the baseline methodology was developed in a transparent and conservative manner:

Add any comments?

- - - -

G. Specific guidelines to fill out the proposed new methodology: monitoring (CDM-NMM)

General instructions:

1. Monitoring of a CDM project activity refers to the collection and archiving of all relevant data necessary for determining the baseline, measuring anthropogenic emissions by sources of greenhouse gases (GHG) within the project boundary of a CDM project activity and leakage, as applicable.

2. When drafting a proposed new monitoring methodology, project participants shall:

   (a) Describe the proposed new methodology using the forms for "Proposed New Methodology: Baseline" (CDM-NMB) and "Proposed New Methodology: Monitoring" (CDM-NMM) taking into account guidance given by the Executive Board as well as the information provided in the CDM-PDD Glossary of Terms;

   (b) Demonstrate the applicability of the proposed monitoring methodology to a project activity by providing relevant information in sections A-E of a draft CDM-PDD.

3. The monitoring methodology needs to provide detailed information on how to establish the monitoring plan related to the collection and archiving of all relevant data needed to:
   - Estimate or measure emissions occurring within the project boundary,
   - Determine the baseline emissions, and
   - Identify increased emissions outside the project boundary;

4. The monitoring methodology should reflect good monitoring practice appropriate to the type of project activity.

5. All algorithms, formulae, and step-by-step procedures for applying the methodology shall be included in completing this form. The completed form shall provide independent replicable methodologies, and avoid reference to any secondary documents.

6. Proposals should be written in a concise and clear manner. Important procedures and concepts should be supported by equations and diagrams. Non-essential information should be avoided. The completed form shall not contain information which is related to the application of the proposed new methodology.

7. Project participants shall refrain from providing glossaries or using key terminology not used in the documents of the Conference of the Parties (COP) or the CDM glossary and from rewriting the instruction on the form "Proposed New Methodology: Monitoring".

CONTENTS
PROPOSED NEW METHODOLOGY: MONITORING (CDM-NMM)

SECTION A. Identification of methodology:

A.1. Title of the proposed methodology:

Provide an unambiguous title for a proposed methodology. Avoid project-specific titles. The title, once approved, should allow project participants to get an indication of the applicability of an approved methodology.

A.2. List of category(ies) of project activity to which the methodology may apply:

Using the list of categories of project activities and of registered CDM project activities by category available on the UNFCCC CDM web site, please specify the category(ies) of project activities for which this proposed new methodology can be used. If no suitable category(ies) of project activities can be identified, please suggest a new category(ies) descriptor and its definition, being guided by relevant information on the UNFCCC CDM web site.

A.3. Conditions under which the methodology is applicable to CDM project activities:

For example, circumstances, region, data availability, or resource availability.

SECTION B. Proposed new monitoring methodology:

Please provide a detailed description of the monitoring plan, including the identification of data and its quality with regard to accuracy, comparability, completeness and validity. Different types of project activities will have different monitoring requirements. For some project activities, emission reductions are calculated as the difference between the project activity and the baseline emissions. For others emission reductions are monitored directly. Depending on the type of project activity, please fill out their option 1 or option 2. Option 1 (section 2.2): Please describe the data and information that will be collected in order to monitor the emissions in the baseline scenario and the project scenario. Option 2 (section 2.3): Describe the data and information that will be collected in order to directly monitor and calculate the emission reductions from the project activity.

B.1. Brief description of new methodology:

Please outline the main points and give a reference to a detailed description of the monitoring methodology.

B.2. Option 1: Monitoring of the emissions in the project scenario and the baseline scenario:

Add any comments?

B.2.1. Data to be collected or used in order to monitor emissions from the project activity, and how this data will be archived:

Monitored data shall be archived for 2 years following the end of the crediting period. Please add rows to the table below, as needed. Header of tables and titles of columns shall not be modified and columns shall not be deleted. Please add rows to the table below, as needed.

B.2.2. Description of formulae used to estimate project emissions (for each gas, source, formulae/algorithm, emissions units of CO2 equ.):

Formulae should be consistent with the formulae outlined in the description of the baseline methodology.

B.2.3. Relevant data necessary for determining the baseline of anthropogenic emissions by sources of greenhouse gases within the project boundary and how such data will be collected and archived:

Monitored data shall be archived for 2 years following the end of the crediting period. Header of tables and titles of columns shall not be modified and columns shall not be deleted. Please add rows to the table below, as needed.

B.2.4. Description of formulae used to estimate baseline emissions (for each gas, source, formulae/algorithm, emissions units of CO2 equ.):

Formulae should be consistent with the formulae outlined in the description of the baseline methodology.

B.3. Option 2: Direct monitoring of emission reductions from the project activity:

Values should be consistent with those in section E of the CDM-PDD.

B.3.1. Data to be collected or used in order to monitor emissions from the project activity, and how this data will be archived:

Monitored data shall be archived for 2 years following the end of the crediting period. Header of tables and titles of columns shall not be modified and columns shall not be deleted. Please add rows to the table below, as needed.

B.3.2. Description of formulae used to calculate project emissions (for each gas, source, formulae/algorithm, emissions units of CO2 equ.):

Formulae should be consistent with the formulae outlined in the description of the baseline methodology.

B.4. Treatment of leakage in the monitoring plan:

Please explain if leakage will be monitored during the implementation of the project activity. If relevant, please explain and justify if leakage will not be estimated ex-post. Explain if leakage will be calculated as the difference between emissions occurring outside the boundaries of the project and emissions in the baseline scenario, or if leakage will be monitored directly.

B.4.1. If applicable, please describe the data and information that will be collected in order to monitor leakage effects of the project activity:

Monitored data shall be archived for 2 years following the end of the crediting period. Header of tables and titles of columns shall not be modified and columns shall not be deleted. Please add rows to the table below, as needed.

B.4.2. Description of formulae used to estimate leakage (for each gas, source, formulae/algorithm, emissions units of CO2 equ.):

Formulae should be consistent with the formulae outlined in the description of the baseline methodology.

B.5. Description of formulae used to estimate emission reductions for the project activity (for each gas, source, formulae/algorithm, emissions units of CO2 equ.):

Formulae should be consistent with the formulae outlined in the description of the baseline methodology.

B.6. Assumptions used in elaborating the new methodology:

Please list information used in the calculation of emissions which is not measured or calculated, for example use of any default emission factors.

B.7. Please indicate whether quality control (QC) and quality assurance (QA) procedures are being undertaken for the items monitored:

See tables in sections B.2 or B.3 and B.4 above. Header of tables and titles of columns shall not be modified and columns shall not be deleted. Rows are allowed to be added, as needed.

B.8. What are the potential strengths and weaknesses of this methodology?

Please outline how the accuracy and completeness of the new methodology compares to that of approved methodologies.

B.9. Has the methodology been applied successfully elsewhere and, if so, in which circumstances?

Add any comments?