

Annex 1

**DRAFT TERMS OF REFERENCE FOR A WORKING GROUP TO ASSIST THE
EXECUTIVE BOARD IN REVIEWING PROPOSED METHODOLOGIES AND PROJECT
CATEGORIES FOR SMALL-SCALE CDM PROJECT ACTIVITIES**

I. INTRODUCTION

1. These terms of reference aims at outlining tasks assigned to a working group to be established by the Executive Board to assist the Executive Board in reviewing proposed methodologies and project categories for small-scale CDM project activities (hereafter referred to as SSC working group). These terms might be revised over time, as appropriate. They provide details on the following:
 - (a) Areas of work requiring technical and/or analytical inputs by the working group (see II.A. below),
 - (b) Modalities of work (see II.B. below), and
 - (c) Membership of the working group (see II.C. below).
2. Once the Executive Board has decided on the terms of reference, the secretariat will post on the UNFCCC CDM web site an invitation to experts to submit applications to participate as a member of the SSC working group. The secretariat will compile the list of applications and will submit a short list for further consideration by the Board, including experts from the UNFCCC roster of experts.

II. TERMS OF REFERENCE

A. Areas of work

1. The SSC working group, in accordance the simplified modalities and procedures for small-scale CDM project activities contained in Annex II of decision 21/CP.8 and guidance by the Executive Board, shall:
 - (a) Prepare precise and workable recommendations for consideration and adoption by the Executive Board on submitted proposals for new small-scale project activity categories and new simplified baseline and monitoring plans;
 - (b) Prepare, as appropriate, draft revisions for the consideration of the Board of the indicative list of simplified baseline and monitoring methodologies contained in the Appendix B of the modalities and procedures for small-scale CDM project activities.

B. Modalities of work

2. The working group shall operate under the guidance of the Executive Board. The mandate of the SSC working group is determined by these terms of reference, general guidelines for panels of the Executive Board, the rules of procedure of the Board (in particular section VII on committees, panels and working groups) and additional guidance provided by the Board.
3. Two members of the Executive Board will act as Chair and vice Chair of the working group , respectively. In addition to the designated Executive Board members who act as Chair and Vice-Chair,

the working group shall be composed of [3] members and [2] members of the panel on baseline and monitoring methodologies.

4. The frequency of working group meetings shall be determined by the Chair and vice Chair of the SSC working group, bearing in mind resources available.

5. A SSC working group member shall:

(a) Attend each meeting of the SSC working group. If a member is unable to attend a meeting he or she shall inform the Chair of the SSC working group, through the secretariat, at least two weeks before the meeting;

(b) Prepare the agreed substantive inputs on general methodological matters requested by the SSC working group in good quality and on time;

(c) In support of the preparation of recommendations by the SSC working group on new small-scale project activity categories and proposed new methodologies and, in accordance with simplified modalities and procedures for small-scale CDM project activities and subject to an “independent agreement”¹ with the UNFCCC secretariat, perform the following tasks in good quality and on time:

- (i) Compile inputs on individual new small-scale project activity categories and proposed new methodologies, including those from other members of the working group and the public, and prepare, under a stipulated deadline and under the guidance of the Chair of the SSC working group, draft recommendations for review by the SSC working group;
- (ii) Review individual new small-scale project activity categories methodology proposals approved by the Board in order to incorporate required changes and provide input for the secretariat to prepare a draft of the reformatted methodologies; and
- (iii) Review draft revisions, as appropriate, of the Appendix B of simplified modalities and procedures for small-scale CDM project activities for final approval by the Chair of the SSC working group.

C. Membership

Competence requirements and selection process

6. In addition to requirements contained in the general guidelines for panels², a panel member shall:

(a) Demonstrate relevant working experience, of at least five years on methodological issues related to project-based mechanisms and to small scale project activities in non-Annex I Parties;

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¹ An “independent agreement” with the Board, through the secretariat, which specifies tasks, rights and obligations and establishes that the responsibility for assessing the work undertaken by the member is assumed by the Chair of the SSC working group on behalf of the Executive Board.

² See <http://cdm.unfccc.int/Reference/Guidclarif/pnlguide.pdf>.

(b) Demonstrate technical/scientific expertise, *inter alia* through publications, in at least one of the following areas:

- (i) Baseline and/or monitoring methodologies in activity areas related to at least one of the three small-scale criteria defined in paragraph 6 (c) of decision 17/CP.7;
- (ii) Project activity implementation, including monitoring and verification;
- (iii) Implementation of small-scale projects in activity areas related to at least one of the three small-scale criteria defined in paragraph 6 (c) of decision 17/CP.7, including procedures related to project activity, validation, monitoring, verification and certification.

(c) Have excellent drafting skills, strong operational and analytical skills, and ability to work as a member of a team;

(d) Have an advanced university degree in economics, energy, social, environmental studies, natural sciences, engineering, development studies, or any related discipline.

7. Members of the working group shall be selected by the Executive Board based on applications to a public call for experts. For this purpose, the secretariat shall post, on the UNFCCC CDM web site, an invitation to experts to submit their applications. It shall compile a list of applications and a short-list of applicants, including from the UNFCCC roster of experts, on the basis of which the Executive Board shall select working group members, taking fully into account the consideration of regional balance.

8. The term of a member of the SSC working group shall be one year. A member may be re-designated. A member may serve for a maximum of four years.

9. The Chair of the SSC working group may recommend to the Executive Board to suspend the membership of a member for cause including, *inter alia*, being in breach of the conflict of interest provisions or the confidentiality provisions, failing to attend two consecutive meetings of the SSC working group without proper justification or not fulfilling the duties of a working group member, in particular not providing work inputs in good quality and on time.

Compensation:

10. Travel costs, daily subsistence allowance and a daily fee (USD 400) will be paid to working group members attending a meeting of the working group in accordance with UN rules and regulations.

11. In accordance with UN rules and regulations, subject to fulfillment of conditions in an “independent agreement” with the secretariat, members will be compensated for work undertaken.