



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

Date: 3 September 2004  
Ref: CDM-EB-15

EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM  
FIFTEENTH MEETING

Report

**Date of meeting:** 1 – 3 September 2004

**Location:** Bonn, Germany

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

<b>Member</b>	<b>Alternate</b>
Mr. John W. Ashe <sup>1</sup>	<i>Ms. Desna M. Solofa<sup>1</sup></i>
<b>Mr. Jean-Jacques Becker<sup>2</sup></b>	<i>Mr. Martin Enderlin<sup>2</sup></i>
<b>Mr. John Shaibu Kilani<sup>2</sup></b>	<i>Mr. Ndiaye Cheikh Sylla<sup>2</sup></i>
<b>Mr. José Domingos Miguez<sup>2</sup></b>	<i>Mr. Eduardo Sanhueza<sup>2</sup></i>
<b>Mr. Sozaburo Okamatsu<sup>2</sup></b>	<i>Ms Sushma Gera<sup>2</sup></i>
<b>Ms. Marina Shvangiradze<sup>1</sup></b>	<i>Ms. Anastassia Moskalenko<sup>1</sup></i>
Mr. Fareed Al Asaly <sup>2</sup>	<i>Mr. Chow Kok Kee<sup>2</sup></i>
<b>Mr. Georg Børsting<sup>1</sup></b>	<i>Mr. Hans Jürgen Stehr<sup>1</sup></i>
<b>Mr. Xuedu Lu<sup>1</sup></b>	<i>Mr. Juan Pablo Bonilla<sup>1</sup></i>
<b>Mr. Richard Muyungi<sup>1</sup></b>	<i>Mr. Hernán Carlino<sup>1</sup></i>

<sup>1</sup> Term: Two years, 2003–2005

<sup>2</sup> Term: Three years, 2001–2004

**Quorum** (in parenthesis required numbers): **10** (7) members/alternate members acting as members present of which **4** (3) from Annex I Parties and **6** (4) from non-Annex I Parties.

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

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

1. The Board noted the appointment, via electronic decision-making, of Mr. Fareed Al Asaly as member of the Board to replace Mr. Hassan Tajik for the remainder of his mandate.
2. No conflict of interest was identified by any member or alternate.

**Agenda item 2. Adoption of the agenda**

3. The Board adopted the agenda as proposed.

**Agenda item 3. Work plan****Agenda sub-item 3 (a): Accreditation of operational entities**

4. The Board considered the oral report presented by Ms. Marina Shvangiradze, the Vice-Chair of the CDM Accreditation Panel (CDM-AP), on the work of the CDM-AP, including the status of applications, and developments with respect to desk reviews and on-site assessments.
5. The Board took note of a presentation by the secretariat on measures implemented to facilitate the involvement of entities from developing countries and agreed to comprehensively report on these measures in the addendum of its report to COP 10.

**Agenda sub-item 3 (b): Methodologies for baselines and monitoring plans**

6. The Board considered the report of the eleventh meeting of the Meth Panel and oral updates on the work of the panel by Mr. Jean Jacques Becker, Chair of the Panel on baseline and monitoring methodologies (Meth Panel), and Mr. José Miguez, Vice-Chair of the Meth Panel.
7. The Board considered the recommendations by the Meth Panel and agreed on:
  - (a) Consolidated baseline and monitoring methodologies for landfill gas project activities as contained in annex 1;
  - (b) Consolidated baseline and monitoring methodologies for grid-connected electricity generation from renewable sources in annex 2;
  - (c) A revised draft version of the consolidation of tools for demonstration of additionality, as contained in annex 3 to this report, to be made publicly available for comments on the UNFCCC CDM web site from 7 to 21 September 2004. The Board further agreed that it shall consider these comments with a view to agreeing on these tools at its sixteenth meeting.
8. The Board further agreed that:
  - (a) An approved methodology which is covered by a consolidated methodology shall continue to remain valid in its own right;
  - (b) Proponents of methodologies that were submitted to the Board and considered in the context of consolidation, but were not approved, may request re-consideration of their submission if they consider not all of their concerns to have been covered by the consolidated methodology;
  - (c) In accordance with paragraph 38 of the CDM modalities and procedures and further guidance provided by the Board, a newly proposed methodology with a similar applicability as an already approved methodology, including a consolidated methodology, may be submitted for consideration of the Board at any time. Proponents need to provide justification on how such a



methodology differs from an approved methodology and that its accuracy and completeness is comparable to that of the approved methodology.

9. The Board noted that although methodologies for bagasse generation project activities have been used as sources for the “consolidated baseline and monitoring methodologies for grid-connected electricity generation from renewable sources”, they are not covered by that consolidated methodology. The Board agreed that the Meth Panel shall continue considering submitted methodologies for this type of activity and noted that the reformatted version of methodology NM0001 rev, approved by the Board at its twelfth meeting, shall be made publicly available shortly.

10. The Board noted the need to elaborate the procedures and documentation which need to be used for the renewal of a crediting period.

11. The Board has agreed on the need to develop procedures for revisions of approved methodologies, bearing in mind the need for these procedures to be flexible so that minor revisions can be easily accommodated. The Board further agreed that if an approved methodology requires significant revisions, its further use shall be put on hold and announce this in the UNFCCC CDM web site and CDM news facility. The revision of such methodology shall be undertaken in an expedited manner.

12. Taking into consideration information that has emerged since the approval of AM0001, the Board agreed to request the Meth Panel to review this methodology and make a recommendation on the possible revision in order to address, inter alia, the potential leakage, for consideration of the Board. The Board further agreed that such revision shall be completed no later than four months. The Board agreed that this revision is significant and the methodology should therefore be put on hold.

13. The Board agreed to amend the procedures for screening proposed new methodologies contained in the procedures for submission and consideration of proposed new methodologies (version 05) by replacing paragraph 6 of these procedures with the following text:

“Having checked that the “CDM: Proposed new methodology form” has been duly filled by the DOE and documentation provided by the DOE is complete, the secretariat shall forward the documentation to one member of the Meth Panel. This member is to assess the quality of the submission and grade it as being 1 and 2 and substantiate the appraisal (one paragraph). If the member grades the documentation as being 2, the documentation is to be sent back to the project participants. If the grade is 1, the documentation shall be considered as received by the Board and be forwarded by the secretariat for consideration of the Board and the Meth Panel.”

14. The Board confirmed that the next deadline for submissions of newly proposed methodologies is 28 October 2004.

15. The Board considered an oral report of the Chairs of the Panels on methodologies and accreditation on how to improve the process of consideration and approval of proposed new methodologies and took note that a final paper will be made available for the consideration of the Board at its sixteenth meeting, also taking into account views expressed during the Joint Workshop (3-4 September 2004).

16. Taking into consideration recommendations by the Meth Panel and by desk reviewers as well as four public inputs, the Board considered 10 proposals for new baseline and monitoring methodologies and agreed on the following recommendations:

**NM0039: Bumibiopower Methane Extraction and Power Generation Project Project Design**

17. The Board agreed to approve the proposed baseline and monitoring methodologies contained in annexes 3 and 4 for proposal NM0039 and on the reformatted version of these methodologies contained in annex 4 to this report.



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

**NM0018-rev:** MGM baseline methodology Natural Gas-Based Package cogeneration Project

19. The Board agreed to approve the proposed baseline and monitoring methodologies contained in annexes 3 and 4 for proposal NM0018-rev and on the reformatted version of these methodologies contained in annex 5 to this report.

20. The Chairs of the Meth Panel and the CDM-AP informed the Board that these methodologies will be linked to scopes 1 and 4 of accreditation (Energy industries and Manufacturing industries).

21. The Board agreed that the proposed new baseline and monitoring methodologies for the **cases NM0037 and NM0045** may be reconsidered subject to:

(a) Required changes being made by the project participants, taking into account issues raised by the Board, recommendations made by the Meth Panel, and re-submission of a duly revised proposal. The secretariat shall make the revised proposal publicly available upon receipt;

(b) Reconsideration of the revised proposal directly by the Meth Panel, without further review by desk reviewers; and

(c) Reconsideration of the respective recommendation of the Meth Panel by the Executive Board.

22. If project participants wish to have the revised proposals considered at the thirteenth meeting of the Meth Panel, they should submit them by 20 September 2004.

23. The Board agreed not to approve the proposed new baseline and monitoring methodologies for **cases NM0044, NM0046, NM0049, NM0052, NM0055 and NM0056**. The Board invites the project participants to consider the views and suggestions made, in particular with regard to annexes 3 and 4 of the submitted draft CDM-PDD, and encourages them to make a further submission.

### **Agenda sub-item 3 (c): Issues relating to procedures for afforestation and reforestation project activities**

24. The Board considered the report of the first meeting of the working group on afforestation and reforestation project activities under the CDM and oral updates on the work of the working group by Mr. Eduardo Sanhueza, Chair of the A/R WG, and Mr. Martin Enderlin, Vice-Chair of the A/R WG. It agreed on the following:

(a) The CDM-AR-PDD as contained in annex 6 to this report;

(b) The form entitled “Proposed New Methodology for A/R: Baseline” (CDM-AR-NMB) as contained in annex 7 to this report;

(c) The form entitled “Proposed New Methodology for A/R: Monitoring” (CDM-AR-NMM) as contained in annex 8 to this report;

(d) Guidelines for completing the CDM-AR-PDD, the CDM-AR-NMB and the CDM-AR-NMM as contained in annex 9 to this report;

(e) Revised procedures for submission and consideration of a proposed new methodology for A/R project activities contained in annex 10 to this report.

25. The Board considered a short-list of applicants to the A/R WG and selected Mr. Michael Dutschke to replace Ms. Eveline Trines.



26. The Board took note that the A/R WG will at its next meeting be revising forms for providing recommendations and for undertaking desk reviews and public comments on proposed new methodologies in order to apply them, *mutatis mutandis*, to afforestation and reforestation project activities. The Board agreed that the working group, desk reviewers and the public may, if necessary, on a provisional basis, use these forms, until the next meeting of the Board.

#### **Agenda sub-item 3 (d): Issues relating to small-scale CDM project activities**

27. The Board agreed on terms of reference for the working group to assist the Executive Board in reviewing proposed methodologies and project categories for small-scale CDM project activities (SSC-WG) as contained in annex 11 to this report and requested the secretariat:

(a) To post an invitation to experts to submit their application for consideration as members of the SSC-WG. The Board requested that the invitation be posted on the UNFCCC CDM web-site from 7 September 2004 to 4 October 2004 (17.00 GMT);

(b) To compile a list of applications and a short-list for further consideration by the Board at its sixteenth meeting with a view to designating members for the SSC-WG at that meeting.

28. The Board designated Mr. Georg Børsting and Mr. Richard Muyungi as Chair and Vice-Chair, respectively, of the SSC-WG.

#### **Agenda sub-item 3 (e): Matters related to the registration of CDM project activities**

29. The Board took note of the submission of the request for registration for the proposed CDM project activity "Project for GHG emission reduction by thermal oxidation of HFC 23 in Gujarat, India". The Board also noted that the CDM-PDD and related documentation for this proposed activity are publicly available as of 1 September 2004 on the UNFCCC CDM web site for eight weeks (1 September 2004 to 27 October 2004).

30. The Board is looking forward to additional requests for registration of proposed CDM project activities. It has exchanged initial views on documents submitted and agreed:

(a) That the validation reports shall be made public available on the UNFCCC CDM web site;

(b) That public comments to be compiled by DOEs shall be only those received within the deadline for public comments at validation stage;

(c) That the Board modalities for evaluating requests for registration shall provide for members and alternates, who were selected to compile comments on a case but who state to have a potential conflict of interest, to abstain from analyzing the case. Such a member or alternate shall inform the secretariat within four working days after having received the message regarding their assignment.

31. The Board has further agreed to develop, in addition to its guidance contained in the CDM Glossary of terms, a list of elements it expects to be covered in letters of approval and authorization. The Chair shall circulate this list via list-serve for a decision to be taken, in accordance with the provisions on electronic decision-making.

#### **Agenda sub-item 3 (f): CDM registry**

32. The Board took note of a presentation by the secretariat on the approach and timelines for the development and subsequent operation of the CDM registry. It agreed to request the secretariat to continue its work and report on progress on this issue at its sixteenth meeting. It also agreed that the resource requirements for the development and operation of the CDM registry should be drawn from



contributions to the Trust Fund for Supplementary Activities for the prompt start of the CDM, and called on Parties to make further contributions in this respect.

33. The Board agreed that the development and operation of the CDM registry should enable non-Annex I Parties, and project participants from non-Annex I Parties, to transfer CERs, tCERs and ICERs from their holding accounts in the CDM registry to national registries of Annex I Parties.

34. The Board further agreed to develop procedures for the transfer of CERs, tCERs and ICERs from the CDM registry to national registries, and requested the secretariat to prepare draft procedures for its consideration at its eighteenth meeting.

35. The Board considered a draft prepared by Mr. Georg Børsting and agreed on procedures for review as referred to in paragraph 65 of the modalities and procedures for a clean development mechanism as contained in annex 12 to this report.

#### **Agenda sub-item 3 (g): Modalities for collaboration with the SBSTA**

36. The Board considered an oral report Mr. Eduardo Sanhueza and the secretariat on the negotiations at SBSTA 20 on simplified modalities and procedures and measures to facilitate small-scale afforestation and reforestation project activities under the CDM and requested Mr. Eduardo Sanhueza and Mr. Martin Enderlin to continue following this issue at SBSTA 21 and report on the outcomes to the Board.

37. The Board also requested Ms. Sushma Gera and Mr. Xuedu Lu to continue following negotiations, including at the intersessional meetings, on issues relating to registries and to report on the progress to the Board.

#### **Agenda item 4. Resources for the work on the CDM**

38. The Board took note of a presentation by the secretariat on the status of expenditures and income to date. It expressed its deep appreciation to Parties which have contributed to the prompt start of the CDM and its satisfaction with the judicious management of resources by the secretariat.

39. The Board agreed that its report to COP10 is to provide comprehensive information on resource requirements for its activities, expenses incurred to date and resource flows from contributions by Parties and fees.

40. The Board noted that the information basis for recommending a share of proceeds for administration is not yet adequate.

41. The Board reiterated its call to Parties to continue making contributions in 2004-2005 for the prompt start of the CDM to the UNFCCC Trust Fund for Supplementary Activities, bearing in mind that so far less than 50 per cent of the required resources for the biennium have been obtained.

#### **Agenda item 5. Other matters**

##### **Agenda sub-item 5 (a): Report of the CDM Executive Board to COP 10**

42. The Board agreed on its report to the tenth session of the Conference of the Parties, as contained in annex 13 to this report.

**Agenda sub-item 5 (b): Relationship with intergovernmental and non-governmental organizations (registered accredited observers)**

43. The Board met with registered observers for informal briefings on 3 September 2004 and agreed to continue with such meetings in the afternoon of the last day of its future meetings, unless otherwise indicated. These meetings are available on web cast.

44. The Board took note of CDM related events attended by Board members and alternates.

45. The Board further agreed to continue to meet with the same type of arrangement as at its fifteenth meeting, with space being made available for 50 observers, and to reconsider the issue when necessary. Observers to the sixteenth meeting of the Executive Board shall have registered with the secretariat by 30 September 2004, no later than 17:00 GMT.

**Agenda sub-item 5 (c): Other business**

46. The Board took note of the agenda for the second joint workshop for the Executive Board, members of panels and working groups, desk reviewers and accreditation team members as well as designated operational entities and applicant entities to be held in Bonn on 3 (from mid-day) and 4 September 2004.

47. The Board agreed on the provisional agenda for its sixteenth meeting as contained in annex 14 to this report.

**Agenda item 6. Conclusion of the meeting**

48. The Chair summarized the main conclusions.

**Agenda sub-item 6 (a): Summary of decisions**

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

**Agenda sub-item 6 (b): Closure**

50. The Chair closed the meeting.

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