



CLEAN DEVELOPMENT MECHANISM EXECUTIVE BOARD

PROPOSED AGENDA AND ANNOTATIONS

Twenty-first meeting

UNFCCC headquarters
Bonn, Germany
28-30 September 2005

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I. PROPOSED AGENDA

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II. ANNOTATIONS TO THE PROPOSED AGENDA

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

1. **Background:** The Chair shall ascertain whether (a) the members present constitute a quorum, and (b) the absence of any member or alternate member is “without proper justification”¹.
2. The Chair shall request, at the beginning of each meeting of the CDM Executive Board, members and alternates to disclose whether they consider to have any conflict of interest relating to the work of the Board.
3. **Action:** The Board may consider information provided by any member and alternate member, including with respect to any potential conflict of interest, and take action, as appropriate.

2. Adoption of the agenda

4. **Background:** The Board agreed, at its twentieth meeting, on items to be included in the provisional agenda for its twenty-first meeting. In accordance with rule 21 of the rules of procedure of the Executive Board, subsequent additions or changes to the provisional agenda by members and/or alternate members were to be incorporated in the proposed agenda. No suggestions for changes were received. The proposed agenda was transmitted to the Board on 8 September 2005 and thereafter posted on the UNFCCC CDM web site.
5. **Action:** Members may wish to adopt the proposed agenda for the twenty-first meeting.

3. Work plan

(a) Accreditation of operational entities

6. **Background:** The Board, at its twentieth meeting, took note of the seventh progress report of the CDM Accreditation Panel (CDM-AP) and an oral report on the work of the CDM-AP presented by Ms. Marina Shvangiradze, Vice-Chair of the CDM-AP, including the status of applications and developments with respect to desk reviews and on-site assessments. The Board considered the recommendation forwarded by the panel with regard to phasing of accreditation and on the feasibility of an entity applying solely for verification/certification functions. It requested the CDM-AP to further elaborate the proposal for consideration by the Board at its twenty-first meeting, including an analysis of the skills and competencies required to undertake validation and verification functions, respectively. The eighteenth meeting of the CDM-AP (CDM-AP 18) took place in Doha (Qatar) on 9 and 10 September 2005.

¹ Please refer to rules 28 and 7 of the rules of procedures of the Executive Board.



7. **General issues:** The CDM-AP 18 agreed on the eighth progress report (CDM-ACCR-R08) to the Board which was submitted to the Board and made public on 13 September 2005. It provides, inter alia, information on:
- (a) An analysis of the skills and competencies required to undertake validation and verification functions, respectively.
 - (b) The status of applications and specific work items. In particular, since the nineteenth meeting of the Board:
 - (i) One new application for accreditation was received, which brings the total number of applications to thirty-one (31). It should be noted that three of the 31 applicant entities have withdrawn their applications.
 - (ii) The geographical distribution of the 28 applications under consideration is as follows: Eleven from the Asia and Pacific region, 14 from Western Europe and Other region, two from Latin America and Caribbean region and one from African region. Three applicants from the Asia and Pacific region, two from Latin America and Caribbean region and one from the African region are from non-Annex I Parties (Republic of Korea (2), Malaysia, Colombia, Brazil and South Africa). Thus a total of six applications are from non-Annex I Parties.
 - (c) The regional distribution of CDM assessment team (CDM-AT) members contained in a table annexed to the CDM-AP report shows that each CDM-AT contains at least one expert who is a national from a non-Annex I Party.
8. The secretariat facilitated the listserv for the coordination forum and the Chair of the forum will avail himself for interactions with the Board at its twenty-first meeting. A list of issues, also relating to matters beyond accreditation, has been identified by the forum and forwarded by its Chair. This list will be shared shortly with the Board via listserv.
9. The Board, at its eighteenth meeting, agreed that a call for experts shall be made in order to replace two outgoing members of the CDM Accreditation Panel. The Board, at its twentieth meeting, appointed one member and as no other candidate met all the qualification requirements, requested the secretariat to make another call for experts. This call for experts is closing on 22 September 2005 and the secretariat will make available to the Board information on applicants and present a shortlist of applications that meet the qualification requirements.
10. **Case-specific recommendations:** The CDM-AP 18 considered two (2) recommendations for phased accreditation for validation in specified sectoral scope(s) and three (3) recommendations for phased accreditation for verification and certification. In accordance with the accreditation procedure, the recommendations and the supporting documentation are confidential and have been forwarded to the Executive Board under separate cover on 12 September 2005.
11. **Further schedule:** The CDM-AP 18 agreed to convene its next meeting in early November 2005. The date will be confirmed electronically.
12. **Action:** The Board may wish to (a) take note of the eighth progress report on the work of the CDM-AP; (b) consider recommendations by the CDM-AP and take action, as appropriate; (c) consider applications of experts for the CDM-AP and take a decision, as appropriate; and (d) consider further guidance to the CDM-AP, as appropriate.

**(b) Methodologies for baselines and monitoring**

13. **Background:** The Executive Board, at its twentieth meeting, took note of the report of the sixteenth meeting of the Panel on baseline and monitoring methodologies (Meth Panel), and of an oral report by its Chair, Mr. Jean-Jacques Becker, on the work of the panel.

14. **Work undertaken/in progress:** The Methodologies Panel held its seventeenth meeting in Bonn (CDM MP 17) (Germany) from 6 to 9 September 2005. Following the expansion of the number of members from 10 to 15, the Meth Panel undertook its work in two parallel groups. It dealt with case-specific issues as well as with general issues relating to methodological clarifications and guidance.

15. **General issues relating to process:** At its twentieth meeting, the Board continued its work to improve the process of consideration and approval of proposed new methodologies.

16. The Board agreed to continue considering, at its twenty-first meeting, outstanding issues regarding the **improvement of the process of consideration of proposed new methodologies** based on the draft paper contained in annex 3 to the report of its twentieth meeting. A revised proposal is to be prepared by Ms. Gertraud Wollansky in consultation with the Chairs of the panels on methodologies and accreditation and Mr. Hans Jürgen Stehr, Mr. Rajesh Kumar Sethi, Mr. José Domingos Miguez and Mr. Lu Xuedu for consideration at the twenty-first meeting.

17. In response to requests by the Board at its nineteenth and twentieth meeting to implement immediate **measures aimed at improving the quality of products** and easing the workflow associated with the methodologies process, the CDM-MP 17:

(a) Revised the form for the recommendations by desk reviewers in two forms, one for the lead reviewer and another for the second reviewer;

(b) Revised the form for the recommendation by the Meth Panel.

18. CDM MP 17 further recommended that a thorough **pre-assessment of methodologies** would help to improve the quality of methodologies reviewed by external experts and the Meth Panel. CDM-MP 16 had recommended a revised pre-assessment form, where more aspects of the proposed new methodology are pre-assessed. More time for the pre-assessment procedure as well as a half-day fee remuneration were also requested.

19. The Board has considered, via listserv, a proposal by the Chair for electronic decision-making for amending the **procedures for revision of approved methodologies**. Since one Board member has objected to this proposal, the Board shall consider the amendments at its twenty-first meeting. The proposed amendments are contained in annex 2 to these annotations.

20. In addition, in order to improve the process of revising a proposed methodology, CDM MP 17 recommended that the procedures for the revision of approved methodologies are amended to provide for:

(a) The Meth Panel to assess, as part of a pre-assessment of a proposed new methodology, whether the proposed new methodology needs a full appraisal as new methodology or if it rather constitutes a revision of an already approved methodology and can therefore be considered in accordance with the “Procedures for the revision of an approved baseline or monitoring methodology by the Executive Board”;

(b) A proposed revision to an approved methodology to be requested by project participants through a DOE using the form contained in annex 11 to the Meth Panel report. The Meth Panel may pre-assess the request for revision and appraise whether the proposed revision needs a full appraisal as proposed new methodology or if it rather constitutes a revision of an already approved methodology and can therefore



be considered in accordance with the “Procedures for the revision of an approved baseline or monitoring methodology by the Executive Board”.

21. **General issues relating to clarifications and guidance:** The CDM MP 17 considered a number of methodological issues for which further clarifications and guidance by the Board are necessary.
22. The CDM MP 17 noted that in some cases project activities may temporarily result in “**negative emission reductions**”, for example due to a poor performance or due to leakage effects outweighing emissions reductions. The CDM MP 17 therefore recommended that the Board considers providing the following general guidance on the issuance of CERs: “In the case that a project activity temporarily results in “negative emission reductions”, i.e. baseline emissions minus project emissions minus leakage effects are negative, any further CERs will only be issued when the emissions increase has been compensated by subsequent emissions reductions by the project activity.” The CDM MP 17 further highlighted that in some exceptional cases project activities may continuously result in increases of emissions. In this case, it may not be possible to fully compensate for the increases in emissions.
23. The CDM MP 17 noted that several new methodologies propose to use **multiple regression analysis** for estimating baseline emissions, project emissions, or both. The Meth Panel called attention to the fact that safeguards should be taken in order to ensure conservativeness and rigor of the fitted regression model. Recommendations to the Board on general guidance to achieve such objectives have therefore been listed in its report.
24. The CDM MP 17 further noted the submission of **methodologies that propose to combine different CDM project activities**, some of them already being addressed by other approved methodologies. The Meth Panel recommended that project participants might exclude from proposed new methodologies stand-alone activities that are already addressed by approved methodologies. However, in order not to unduly increase transaction costs for project participants that intend to combine several distinct CDM project activities in the same investment project on the same physical site, with the same starting date and length of crediting period, the Meth Panel also recommended that the Board allows interested project participants to submit a unique CDM-PDD in which several methodologies are applied separately.
25. In order to consider methodological issues relating to the treatment of **biomass** in project activities, the Meth Panel took note of the progress made by the afforestation and reforestation working group (AR WG) on the definition of renewable biomass. It will consider at its next meeting a final recommendation by the AR WG.
26. As requested by the Board, at its twentieth meeting, the Meth Panel initiated consideration of a draft for an **optional tool to assist in selecting a baseline scenario** from among a set of alternatives and agreed to finalize a recommendation on this tool at its next meeting.
27. After lengthy deliberations on the question of treatment of **national policies** in baseline methodologies, the Meth Panel could not reach consensus on an approach. The Meth Panel agreed to undertake an analysis of the consideration of national policies in the baseline scenarios of existing CDM project activities with a view to developing a recommendation to the Board. The Chair of the Meth Panel will provide an oral report to the Board on further work undertaken on this area.
28. **Recent submissions of proposed new methodologies - status:** Nine (9) proposed new methodologies were submitted at the twelfth round for submitting new methodologies which concluded on 13 July 2005. Seven (7) of the nine cases have passed the quality-check assessment by the Meth Panel and are currently under consideration by the Meth Panel. At the eleventh round for submitting new methodologies which concluded on 1 June 2005, 11 proposed new methodologies and three (3) re-submissions had been put forward. Of the 11 proposed new methodologies, 10 have passed the quality-



check assessment by the Meth Panel and have been considered at CDM-MP 17. Information on methodologies currently under consideration by the Board and the Meth Panel are available on the UNFCCC CDM web site (<http://cdm.unfccc.int/methodologies/PAMethodologies/publicview.html>).

29. **Work on consolidation of methodologies:** As requested by the Board at its twentieth meeting, the CDM-MP 17 prepared a recommendation for:

(a) A draft consolidated methodology for “**Grid-connected electricity generation from biomass residues**” which consolidates the approved methodologies **AM0004** and **AM0015** as well as the proposed new methodologies **NM0081**, **NM0098** and **NM0050-rev**, as contained in annex 4 of its report. As agreed by the Executive Board at its eighteenth meeting, this consolidated methodology once approved by the Board is to replace **AM0004** and **AM0015**;

(b) A draft consolidated methodology for “**Consolidated baseline methodology for increasing the blend in cement production**”, which consolidates the proposed new methodologies **NM0045-rev**, **NM0047-rev**, **NM0095** and **NM0106**, as contained in annex 3 of its report;

(c) A draft consolidated methodology for “**Consolidated baseline methodology for coal bed methane and coal mine methane capture and use for power (electrical or motive) and heat and/or destruction by flaring**”, which consolidates the proposed new methodologies **NM0066**, **NM0075**, **NM0093**, **NM0094** and **NM0102**, as contained in annex 5 of its report.

30. **Revisions of approved methodologies:** In response to technical queries and inputs by project participants and DOEs, the Meth Panel considered the approved methodologies **ACM0002**, **ACM0001**, **AM0003**, and **AM0011** and agreed on recommendations for the revision of these methodologies as contained in annexes 6, 7 and 8 of the report of its seventeenth meeting.

31. **Case-specific recommendations:** The CDM MP 17 considered a total of thirty-three (33) cases of proposed new methodologies for baselines and monitoring, of which 13 (10 new and 3 re-submitted) had been submitted in the eleventh round. The Meth Panel, taking into consideration the inputs by experts (desk reviewers) and the public, agreed on recommendations to the Board to:

(a) Approve cases **NM0079-rev** and **NM0090**;

(b) Forward cases **NM0107**, **NM0108**, **NM0110** and **NM0112** for revision to the project participants without the need for further experts and public input;

(c) Not approve cases **NM0092-rev**, **NM0113**, **NM0116**, **NM0119**, **NM0120**, **NM0122** and **NM0125** which, if revised taking into account comments, can be resubmitted requiring new expert and public input.

32. **Other case-specific issues:** The Meth Panel agreed on preliminary recommendations for cases **NM0078-rev**; **NM0105**, **NM0111**, **NM0117**, **NM0118**, **NM0123** and **NM0124**.

33. **Further schedule:** The CDM-MP 17 agreed to convene its next meeting from 17 - 19 October 2005.

34. **Action:** The Board may wish to consider: (a) the report of the seventeenth meeting of the Meth Panel and oral updates by its Chair; (b) proposal by Board members on how to improve the process of consideration and approval of proposed new methodologies; (c) recommendations by the Meth Panel on revised forms for desk reviewers and panel recommendations; (d) recommendations by the Meth Panel regarding the pre-assessment of methodologies; (e) recommendations by the Chair of the Board and the Meth Panel on the amendments to “Procedures for the revision of an approved baseline or monitoring methodology by the Executive Board”; (f) recommendations by the Meth Panel on negative emission



reductions, on multiple regression analysis and on methodologies that propose to combine different CDM project activities; (g) recommendations by the Meth Panel on consolidated methodologies for “grid-connected electricity generation from biomass project activities”, for “consolidated baseline methodology for increasing the blend in cement production” and for “consolidated baseline methodology for coal bed methane and coal mine methane capture and use for power (electrical or motive) and heat and/or destruction by flaring”; (h) recommendations by the Meth Panel on reformatted revisions to methodologies ACM0002, ACM0001, AM0003 and AM0011; (i) the draft reformatted approved methodologies for cases NM0079-rev and NM0090; (j) the recommendations by the Meth Panel, referred to above, on cases NM0092-rev, NM0107, NM0108, NM0110, NM0112 NM0113, NM0116, NM0119, NM0120, NM0122 and NM0125; (k) other recommendations by the Meth Panel as contained in the report of its seventeenth meeting; and (l) guidance to the Meth Panel on additional matters, as appropriate.

(c) **Issues relating to afforestation and reforestation project activities**

35. **Background:** The Executive Board, at its twentieth meeting, took note of the report of the fourth meeting of the Working Group on afforestation and reforestation project activities under the CDM (A/R WG), and of an oral report by its Chair, Mr. Martin Enderlin, on the work of the working group.

36. **Work undertaken/in progress:** The A/R WG held its fifth meeting (A/R WG 05) in Bonn (Germany) from 31 August to 2 September 2005. It dealt with case-specific issues as well as with general issues relating to methodological clarifications and guidance and simplified methodologies for small-scale afforestation and reforestation project activities (A/R project activities).

General issues relating to process/guidance:

37. In response to guidance by the Board at its eighteenth meeting, and after considering 15 public comments received in response to a call for inputs from 12 July to 8 August 2005, the A/R WG 05 agreed on recommendations to the Board on **simplified methodologies for small-scale afforestation and reforestation CDM project activities** as contained in annex 1 to its report.

38. The A/R WG 05, also taking into account 12 public comments received in response to a call for inputs from 12 July to 8 August 2005, agreed on a recommendation to the Board on a revised version of the **draft tool for the demonstration and assessment of additionality of A/R project activities** as contained in annex 2 to its report.

39. Based on problems identified in submissions of proposed new methodologies, the A/R WG 05 agreed on recommendations to the Board on **further clarification and guidance to project participants** regarding the need to consider ex-ante estimations of actual net GHG removals by sinks in the baseline methodologies and need to have a clear identification and justification of most likely baseline scenario.

40. The A/R WG prepared a draft definition for “**renewable biomass**” for consideration by the Meth Panel and the small-scale working group (SSC WG) with a view to agreeing on a final recommendation to the Board at its next meeting. It is recommended that once this definition would be finalized and adopted by the Board, this definition should be included in the CDM glossary and be incorporated in the simplified baseline and monitoring methodologies for selected small-scale CDM project activities contained in appendix B of the simplified modalities and procedures for small-scale CDM project activities.

41. The A/R WG 05, responding to the request by the Board, at its twentieth meeting, to revise its recommendation form so that succinct information for the consideration of the Board is also available, agreed on a **summary recommendation form “F-CDM-AR-NMSUMarwg”**. This form has been used for summarizing final recommendations on A/R methodologies for consideration by the Board at its twenty-first meeting.



42. The A/R WG 05 also **revised the guidelines for completing the CDM-AR-PDD** in order to include the guidance and clarifications provided by the Board at its nineteenth meeting, as contained in annex 4 to its report.

Recent submissions of proposed new A/R methodologies - status:

43. Two (2) proposed new methodologies for afforestation and reforestation project activities (A/R methodologies) were submitted at the sixth round for submitting new methodologies, which concluded on 20 July 2005. Four (4) methodologies had been submitted and have passed the quality-check assessment by the A/R WG in the fifth round, which had concluded on 10 June 2005. Clarifications by project participants were received in response to preliminary recommendations on two (2) additional methodologies from round 4 (which had concluded on 28 April 2005). Methodologies submitted under the fourth and fifth rounds were considered by A/R WG 05. Information on methodologies currently under consideration by the Board is available on the UNFCCC CDM web site (<http://cdm.unfccc.int/methodologies/ARmethodologies/publicview.html>).

Case-specific recommendations:

44. The A/R WG considered, at its fifth meeting, a total of six (6) cases of proposed new A/R methodologies for baselines and monitoring of which four (4) were submitted in the fifth round. The A/R WG, taking into consideration the inputs by experts (desk reviewers) and the public, agreed on:

- (a) Recommendations to the Board to not approve cases ARNM0006, ARNM0008, ARNM0009 and ARNM0011;
- (b) A preliminary recommendation for case ARNM0010;
- (c) Continuation of consideration of case ARNM0007 at its next meeting with a view to prepare a recommendation for possible approval of the case.

45. ***Further schedule:*** The A/R WG 05 agreed to convene its next meeting from 31 October to 2 November 2005.

46. ***Action:*** The Board may wish to consider (a) the report of the fifth meeting of the A/R WG and oral updates by its Chair; (b) draft simplified methodologies for small-scale afforestation and reforestation CDM project activities; (c) the draft tool for the demonstration and assessment of additionality of A/R project activities; (d) the summary recommendation form “F-CDM-AR-NMSUMarwg” and the revised guidelines for the CDM-AR-PDD; (e) recommendations regarding the need to consider ex-ante estimations of actual net GHG removals by sinks in the baseline methodologies and need to have a clear identification and justification of most likely baseline scenario; (f) recommendations by the A/R WG, referred to above, on cases ARNM0006, ARNM0008, ARNM0009 and ARNM0011; (g) other recommendations by the A/R WG as contained in the report of its fifth meeting; and (h) guidance to the A/R WG on additional matters, as appropriate.

(d) Issues relating to small-scale CDM project activities

47. ***Background:*** The Executive Board, at its twentieth meeting, took note of the report of the second meeting of the working group to assist the Executive Board in reviewing proposed methodologies and project categories for small-scale CDM project activities (SSC-WG), and of an oral report by its Chair, Ms. Gertraud Wollansky, on the work of the working group.

48. ***Work undertaken/in progress:*** The SSC WG held its third meeting (SSC WG 03) in Bonn (Germany) from 12 to 13 September 2005. It dealt with case-specific issues as well as with general issues



relating to methodological clarifications and guidance and simplified methodologies for small-scale CDM project activities.

General issues relating to process/guidance:

49. The SSC WG 03 considered 14 submissions on queries on and/or proposals for amendments to simplified baseline and monitoring methodologies for selected small-scale CDM project activity categories contained in Appendix B of the simplified modalities and procedures for small-scale CDM project activities (small-scale methodologies). Taking into consideration issues raised in these submissions, the SSC WG recommended **amendments to the small-scale methodologies** as contained in annex 1 to its report.

50. The SSC WG 03 also agreed on recommendations to revise the small-scale methodologies following the guidance of the Board at its twentieth meeting regarding the consideration of changes in carbon pools due to a CDM project activity and a recommendation by the A/R WG. The SSC WG also agreed on the need to develop, in collaboration with the A/R WG, a proposal of procedures to address leakage from biomass project activities.

51. Taking into consideration the 14 submissions, the SSC WG 03 agreed on the following recommendations relating further work by the SSC WG and guidance by the Board:

(a) Need to provide more detailed guidance regarding the **direct project emissions to be considered under type III activities** of the indicative simplified baseline and monitoring methodologies for small-scale CDM project activities. The SSC WG agreed to consider a draft proposal for such guidance at its next meeting;

(b) Need to **revise the categories for type III activities** in order to provide more accurate methodologies for specific characteristics of project activities that may fall under this type, i.e. wastewater treatment, coal mine methane and landfill gas project activities would need different methodologies. The SSC WG has, in particular, started developing categories for (i) avoidance of methane production in wastewater treatment through replacement of anaerobic lagoons by aerobic systems and (ii) avoidance of methane production from biomass decay through composting;

(c) Need to develop recommendations on how to address **renewable energy capacity additions** as eligible activities under type I, in particular concerning the application of the definition of “installed capacity” and how to develop baseline scenarios for hydropower;

(d) Need to develop **general guidelines for monitoring of small-scale project activities** to be included in the introductory part of the indicative simplified baseline and monitoring methodologies for small-scale CDM project activities;

(e) Need to prepare, in collaboration with the Meth Panel, a recommendation regarding the **eligibility of cases where “transfer of know-how and training that induce behavior changes”** are proposed as a possible CDM project activities and the feasibility of developing monitoring methodologies for such project activities;

(f) Possible guidance by the Board that the simple **increase of input of a renewable source** (e.g. increase of hydro flows), without changing the capacity of the plant, may qualify as a small-scale project activity only if the capacity of the plant is under the applicable small-scale limits.

52. In response to the request by the Board at its twentieth meeting, the SSC WG 03 agreed on additional recommendations on guidance for **bundling** as contained in annex 2 to its report. Based on guidance by the Board, the SSC WG will prepare at its next meeting a proposal for technical guidelines for bundling, including on how to fill the CDM-SSC-PDD.



53. The SSC WG 03 noted that the use of the form **F-CDM-SSC-Subm ver 01** for submitting queries and/or proposals for amendments or new categories to the small-scale methodologies was very useful in facilitating the appraisal of proposals and queries. The SSC WG noted, however, that it is important that submitters provide clear justifications, preferably by presenting examples, on why amendments or further categories might be necessary. The SSC WG noted also that many queries seem to be similar and that it might therefore be useful to make the submissions of forms F-CDM-SSC-Subm ver 01 publicly available along with the responses provided by the SSC WG.

54. **Further schedule:** The SSC WG 03 agreed to tentatively schedule its fourth meeting from 26 - 27 January 2006, depending on submissions received on small-scale methodologies

55. **Action:** The Board may wish to consider (a) the report of the third meeting of the SSC-WG and oral updates by its Chair; (b) recommendations by the SSC-WG on amendments to the small-scale methodologies; (c) recommendations by the SSC WG on its further work and guidance by the Board; (d) recommendations by the SSC-WG on bundling of small-scale CDM project activities; (e) other recommendations by the SSC-WG as contained in the report of its third meeting; and (f) guidance to the SSC-WG on additional matters, as appropriate.

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

56. **Background:** There are 19 registered CDM project activities as of 13 September 2005. While one (1) project activity was registered in the last quarter of 2004, three (3), eight (8) and seven (7) project activities were registered in the first, second and third quarters of 2005. Nine (9) of the 19 registered project activities are of small scale.

57. A total of 30 project activities have requested registration so far. Eight (8) of these 30 requests have been made recently. Project participants decided to withdraw their request for registration for one case. Three Board members requested a review of the case referred to in paragraph 59 below.

58. The “**Status of project activities submitted for registration**”, contained in annex 1 to this report, summarizes, for ease of reference, the comprehensive information available in the section on “Project Activities” on the UNFCCC CDM web site, indicating the host country and status categories as follows:

(a) “Registered CDM project activities” (indicating the date of registration, Parties involved, approved methodology used, estimated reductions, as well as detailed documentation on the project activity self);

(b) “Request for registration” (indicating the date at which the project activity would be automatically registered: 8 weeks after the date when the request was received in the case of regular project activities and 4 weeks in the case of small-scale project activities). Subsequent to a request being received, in accordance with the Board’s internal procedures for evaluating requests for registration, one member and one alternate member are responsible for receiving comments by fellow Board members and alternates and for preparing an appraisal to facilitate any consideration which the Board may wish to undertake;

(c) “Request for review” (indicating the Board meeting at which the request for review will be considered). For these cases, at least three Board members, or a Party involved, must have requested a review;

(d) “Under review” (indicating the Board meeting at which the case will be considered). For these cases, the Board has agreed to undertake a review. Cases under review might be at the stage of “being considered by the Board for the first time”, “being considered by the Board once recommendations by a review team are available” or “implementing corrective actions identified by the Board”;



(e) “Withdrawn” (indicating the cases for which project participants decided to withdraw their request for registration).

59. In accordance with the “Procedures for review of requests for registration as referred to in paragraph 41 of the CDM modalities and procedures”, the Board is to (a) consider **the request for review of the proposed project activity “Nubarashen Landfill Gas Capture and Power Generation Project in Yerevan”** (ref number 0069, date of request for review: 17 July 2005) at its twenty-first meeting and (b) decide whether to undertake a review of the proposed project activity or to register it as a CDM project activity.

60. At its nineteenth meeting, the Board further agreed that it could not complete the review of the “Olavarría Landfill Gas Recovery Project”(0029) project activity as a small-scale project activity and invited project participants and the DOE to resubmit the CDM-PDD and the validation report using a methodology appropriate to the size of the project activity taking into account the issues highlighted in annex 13 to its report. The re-submission of this case is still awaited.

61. At its twentieth meeting, the Board considered a draft paper relating to **possible streamlining of registration procedures** prepared by a drafting group chaired by Ms. Marina Shvangiradze. The Board requested the secretariat to prepare a draft revision, based on its discussion of the “Clarifications to facilitate the implementation of the procedures for review as referred to in paragraph 41 of the CDM modalities and procedures”. The issues which the Board did not agree upon or that needed further elaboration should be highlighted to facilitate the further consideration. The draft paper on possible streamlining of registration procedures will be circulated to the Board via listserv by Thursday 22 September 2005.

62. The Board, at its twentieth meeting, also agreed to continue discussions regarding **project activities requesting retroactive crediting** at its twenty-first meeting with a view to agreeing on clarifications and the request for guidance by the COP/MOP.

63. **Action:** The Board may wish to (a) take note of the registered CDM project activities to date; (b) consider the request for review and take action in accordance with the procedure for review, (c) take note of an oral report by the secretariat on the status of requests for registration; (d) possible streamlining of registration procedures; (e) continue discussions regarding project activities requesting retroactive crediting and (f) provide additional clarifications and guidance, as appropriate.

(f) **CDM registry**

64. **Background:** The Board, at its twentieth meeting, provided **policy-related guidance** to the secretariat on procedures relating to the CDM registry. The Board invited Mr. Rajesh Kumar Sethi and Ms. Anastasia Moskalenko to continue their consultations electronically (e.g. on “Forwarding Request for the distribution of units to project participants”) and report back to the Board at its twenty-first meeting.

65. The Board, at its seventeenth meeting, had requested the secretariat to continue its work to develop **version 2 of the CDM registry**, with a view to demonstrating this version to the Board at its nineteenth meeting (version 1 of the CDM registry was demonstrated at its seventeenth meeting). Due to the number of issues to be considered at that meeting, the demonstration had to be postponed and a comprehensive demonstration of version 2 of the CDM registry is scheduled for the twenty-first meeting of the Board.

66. **Action:** The Board may wish to (a) take note of the report by Mr. Sethi and Ms. Moskalenko; (b) if necessary, provide further policy-related guidance on procedures relating to the CDM registry; (c) take note of the demonstration of version 2 of the CDM registry to be made by the secretariat and the registry developer.



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

67. **Background:** At its twentieth meeting, the Board agreed that Mr. Martin Enderlin and Mr. José Domingos Miguez are to follow, on its behalf, negotiations at the Subsidiary Body for Scientific and Technological Advice (SBSTA) at its twenty-second session relating to “Implications of the implementation of project activities under the CDM, referred to in decision 12/CP.10, for the achievement of objectives of other environmental conventions and protocols” and to provide an oral report to the Board on these negotiations.

68. The SBSTA 22 had discussed implications of the establishment, under the CDM, of new HCFC-22 facilities seeking to obtain certified emission reductions (CERs) for the destruction of HFC-23 for the achievement of the objective of the Montreal Protocol on Substances that Deplete the Ozone Layer, taking into account the principles established in Article 3, paragraph 1, and the definitions in Article 1, paragraph 5, of the Convention. The SBSTA invited Parties and admitted observers and relevant intergovernmental organizations to submit to the secretariat, by 5 August 2005, their inputs on these implications and means to address them. The SBSTA at its twenty-third session shall consider the submissions by Parties and an information document to be prepared by the secretariat laying out options based on submissions by Parties and inputs by the Executive Board. The submissions by Parties are compiled in FCCC/SBSTA/2005/Misc.10. The secretariat will circulate via listserv an initial draft of the information document to the Board prior to its twenty-first meeting, inviting written input from members in preparation of the discussions at the meeting.

69. The Board may wish to consider the agenda of the twenty-third session of SBSTA and determine whether there is a need for Board members to follow particular agenda items and prepare reports on related negotiations.

70. **Action:** The Board may wish to: (a) take note of oral reports by designated members on the outcome of negotiations at SBSTA 22; (b) consider action to be taken, in particular with regard to input to the information paper to be prepared by the secretariat regarding implications of the establishment, under the CDM, of new HCFC-22 facilities seeking to obtain CERs for the destruction of HFC-23 for the achievement of the objective of the Montreal Protocol on Substances that Deplete the Ozone Layer, taking into account the principles established in Article 3, paragraph 1, and the definitions in Article 1, paragraph 5, of the Convention; and (c) identify Board members who could follow particular agenda items of SBSTA 23, as required.

4. Management plan and resources for the work on the CDM

71. **Background:** At its nineteenth meeting, the Chair of the Board, in consultation with her predecessors, Mr. John Kilani, Mr. Hans Juergen Stehr and Mr. John Ashe, and with the support of the secretariat, was requested to prepare a first draft of the **CDM Management Plan (CDM-MAP) 2005-2006** for circulation and discussion at the twentieth meeting of the Board. At its twentieth meeting, the Board took note of a presentation by the secretariat on possible issues that should be addressed in the CDM-MAP and stipulated that it should encompass an 18 months period from mid 2005 until end of 2006. The Board took also note of the recommendations provided by the Executive Secretary, Ms Joke Waller-Hunter, who attended the presentation. The Board agreed that the secretariat would finalize the CDM-MAP in consultation with the Chair and Vice-Chair of the Board and the Chairs of the panels and working groups to be circulated for electronic decision-making by the Board by the end of July. Due to the excessive workload of the secretariat - arising from a further increase in operational work and in preparation for COP/MOP 1 – a further draft was only circulated to the consultation group in mid September. The current version is therefore attached (Annex 3) for final consideration by the Board at its twenty-first meeting.



72. The Board, at its twentieth meeting, took note of a report by the secretariat on income and expenditures to date. It was noted that income from the Kyoto Protocol Interim Allocation and supplementary funding fell short of requirements for activities in 2005 as only less than 60 percent of the required budget of USD 6.99 million (core and supplementary) had been received by 7 July 2005. The resource gap of USD 2.93 was likely to hamper the full implementation of activities in the remaining months of 2005.

73. The secretariat informed the Board that the budget provisions for supporting the operations of the CDM in the biennium 2006-2007, from core and supplementary funding, amounted to USD 4.69 million (core budget) and 12.69 million (supplementary), thus jointly totaling USD 17.4 million. The resources required under supplementary funding have increased (compared to estimates in early 2005) for several reasons: (i) to compensate for reductions affecting the CDM in the core budget (as recommended by SBI 22 to COP 11); (ii) to reflect increased costs for the expansion of the work of panels and working groups. Further adjustments may be needed as a result of increased activity levels emanating from the CDM-MAP. Beyond 2007, it is expected that a share of proceeds will be available for covering part of the expenses for administering the CDM. To this end, the Board is to make a recommendation to COP/MOP 1 on the level of the **share of proceeds for administration**. As a basis for discussion, the secretariat will circulate a note via listserv by Thursday, 22 September 2005.

74. Regarding the availability of resources for the work in 2005, the secretariat will provide the updated status report to the Board as of 29 September 2005. Since the twentieth meeting of the Board (July 2005), contributions have been received from the following Parties: Belgium (USD 37,007), France (USD 122,098), The Netherlands (USD 120,627) and Spain (USD 132,737). The overall amount of contributions received in 2005 thus amounts to USD 1.78 million. Resources were also pledged in the reporting period by Canada for a total of USD 510,000. Furthermore, USD 200,000 were received in fees from 13 requests for project registration. As of 9 September 2005, the **resource gap amounted to 2.34 USD million**. Three months before the end of the year, the focus of attention should also encompass the **resource situation in 2006**.

75. **Action:** The Board may wish to (a) consider the draft CDM-MAP 2005-2006 and agree on it; (b) endorse the work plans and activity levels of the Board, the panels and working groups as foreseen in the CDM-MAP and request the secretariat to use them as a basis for revising resource requirements to be met from outside the core budget; (c) take note of the report by the secretariat on the status of resources; (d) to express its appreciation to Parties which have generously contributed resources for the work of the CDM; (e) agree on a recommendation to COP/MOP 1 relating to the share of proceeds for covering administrative expenses; and (f) alert Parties to the continued shortfall in resources for activities in the year 2005 as well as the need for endowing the CDM, in a timely fashion, with resources relating to activities in the year 2006; (g) take further action, as necessary.

5. Other matters

(a) Report of the CDM Executive Board to COP/MOP 1

76. **Background:** At its twentieth meeting the Board agreed on its report which, in accordance with paragraphs 2 to 5 of the CDM modalities and procedures and bearing in mind paragraphs 2, 4 and 19 of decision 17/CP.7, it submits for consideration to each session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP) with a view to the COP/MOP reviewing, inter alia, these annual reports and taking decisions, as appropriate, on:

- (a) Recommendations made by the Executive Board on its rules of procedure;
- (b) Recommendations made by the Executive Board, in accordance with provisions of decision 17/CP.7, the CDM modalities and procedures and relevant decisions of the COP (COP/MOP);



(c) The designation of operational entities accredited, and provisionally designated, by the Executive Board in accordance with Article 12, paragraph 5.

77. The report of the CDM Executive Board to the COP/MOP at its first session, further to including inputs by the Chair of the Board, is being edited and translated and will be made available in time for COP/MOP 1. Any work of the Board which occurred after 8 July 2005 and before COP/MOP 1 shall be reported to COP/MOP 1 through an addendum to the report and/or orally by the Chair of the Board, as appropriate.

78. **Action:** The Board may wish to take note of the opportunity to agree on an addendum to the report at its twenty-second meeting.

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

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

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

81. **Action:** The Board may wish to (a) agree to avail itself for informal briefings with registered observers in the afternoon of 30 September 2005; and (b) invite members and alternates to share information on events in which they participated.

(c) **Other business**

82. Since its twentieth meeting, the Board has **received the following communications** from DOEs/AES and the general public:

(a) Ministry of the Environment and Natural Resources of Nicaragua Managua/Nicaragua, “Interpretation of the deadline date for prompt start CDM project activities that started in the year 2000”, 13 June 2005;

(b) Ministry of Foreign Affairs of Chile Santiago/Chile, “On the upcoming deadline for prompt start CDM projects: 31 December 2005”, 14 July 2005;

(c) Ministry of Sustainable Development, “La Paz/Bolivia Deadline for prompt start CDM projects: 31 December 2005”, 18 July 05;

(d) Mr. A Patrickson, Celulosa Arauco y Constitucion S.A. Santiago/Chile, “Letter related to the submitted proposed new methodology NM0081”, 10 August 2005;

(e) Mr. Jonathan Haskett, Mt. Rainier, USA, “Letter related to the potential of using carbon sequestration as a development tool particularly through agro-forestry”, 15 August 2005;

(f) Mr. Yoshikazu Kameyama, Japan Quality Assurance Organization (JQA), Tokyo/Japan, “Comment on "Request for Review (Nubarashen Landfill Gas Capture and Power Generation Project in Yerevan)", 7 September 2005

(g) Mr. Hiroyuki Kurita, Shimizu Corporation, Tokyo/Japan, “Comment on "Request for Review (Nubarashen Landfill Gas Capture and Power Generation Project in Yerevan)", 7 September 2005

(h) Mr. Ricardo Esparta, Ecoinvest-Carbon, São Paulo/Brazil, “Alternative weights for OM and BM factors in ACM0002 and AM0015”, 7 September 2005;



(i) Mr. Mayuresh Sarang, Balrampur Chini Mills Limited (BCML), Pune/India, “Letter from project participant related to baseline and monitoring methodologies”, 9 September 2005;

(j) Mr. Dirk Brinkman, Brinkman & Associates Reforestation Ltd New Westminster/Canada, “Letter related to baseline an monitoring methodologies for case ARNM0013”, 19 September 2005.

83. **Action:** The Board may wish to (a) take note of communications submitted by the public and agree on any actions, as appropriate; (b) consider whether communications submitted to the Board by Parties which are not made in response to an explicit call for inputs by the Board shall be made publicly available; and (c) consider any other business it deems necessary.

5. Conclusion of the meeting

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

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