



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

Date: 30 September 2005
Ref: CDM-EB-21

EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM
TWENTY-FIRST MEETING

Report

Date of meeting: 28 – 30 September 2005

Location: Bonn, Germany

Attendance: The names of members and alternate members present at the twenty-first meeting are in bold print below. Where only the name of an alternate member is in bold print, the alternate participated as a member.

Member	Alternate
Mr. John W. Ashe ¹	<i>Ms. Desna M. Solofa¹</i>
Mr. Jean-Jacques Becker²	<i>Ms. Gertraud Wollansky²</i>
Mr. Martin Enderlin¹	<i>Mr. Hans Jürgen Stehr¹</i>
Ms. Sushma Gera²	<i>Mr. Masaharu Fujitomi²</i>
Mr. John Shaibu Kilani²	<i>Mr. Ndiaye Cheikh Sylla²</i>
Mr. Xuedu Lu¹	<i>Mr. Juan Pablo Bonilla¹</i>
Mr. José Domingos Miguez²	<i>Mr. Clifford Anthony Mahlun²</i>
Mr. Richard Muyungi¹	<i>Mr. Hernán Carlino¹</i>
Mr. Rajesh Kumar Sethi²	<i>Ms. Liana Bratasida²</i>
Ms. Marina Shvangiradze¹	<i>Ms. Anastasia Moskalenko¹</i>

¹ Term: Two years (elected at COP 9 in 2003)

² Term: Two years (elected at COP 10 in 2004)

NB: The term of service of a member, or an alternate member, starts at the first meeting of the Executive Board in the calendar year following his/her election and ends immediately before the first meeting of the Executive Board in the calendar year in which the term ends (see Rules of procedure of the Executive Board).

Quorum (in parenthesis required numbers): **9** (7) members or alternate members acting as members present of which **4** (3) from Annex I Parties and **5** (4) from non-Annex I Parties.

WWW broadcasting: <<http://cdm.unfccc.int/EB/Meetings>>.

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

1. The Chair opened the meeting and asserted that the quorum requirement was met. **No conflict of interest** was identified by any member or alternate member of the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) present at the meeting.
2. The Board noted that the secretariat was informed that Mr. John W. Ashe, Ms Desna Solofa, Mr. Ndiaye Cheikh Sylla and Mr. Juan Pablo Bonilla were unable to attend the meeting and had provided proper justification for their absence.

Agenda item 2. Adoption of the agenda

3. The Board adopted the agenda as proposed and agreed to the programme of work.

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

4. The Board took note of the **eighth progress report on the work of the CDM Accreditation Panel** (CDM-AP) presented by Mr. John Kilani, Chair of the CDM-AP. The report summarized information relating to the work of the CDM-AP which was complemented with information on the status of applications and developments with respect to desk reviews and on-site assessments.

Consideration of case-specific recommendations:

5. The Board agreed, pursuant to decisions 17/CP.7 and 21/CP.8, **to accredit, and provisionally designate**, the following applicant entities for:
 - (a) Sector-specific validation:
 - (i) RWTÜV Systems GmbH (RWTUV) (VAL: none / VER: none)¹:
 1. Energy industries (renewable - / non-renewable sources)
 2. Energy distribution
 3. Energy demand
 - (ii) SGS United Kingdom Ltd.
(VAL: 1, 2, 3, 4, 5, 6, 7, 10, 11, 12 and 13 / VER: none)¹:
 15. Agriculture.
 - (b) Sector-specific verification:
 - (i) TUV Industrie Service GmbH TUV SUD GRUPPE (TUV Industrie Service GmbH TUV) (VAL: 1, 2, 3, 13 and 15 / VER: none)¹:
 1. Energy industries (renewable - / non-renewable sources)
 2. Energy distribution
 3. Energy demand.

¹ The information in parenthesis shows the functions and sectoral scope(s) for which the company had previously been accredited (VAL: validation/registration; VER: verification/certification).



- (ii) Det Norske Veritas Certification Ltd. (DNVcert)
(VAL: 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13 and 15 / VER: none)¹:
1. Energy industries (renewable - / non-renewable sources)
 2. Energy distribution
 3. Energy demand
 4. Manufacturing industries
 5. Chemical industries
 6. Construction
 7. Transport
 10. Fugitive emissions from fuels (solid, oil and gas)
 11. Fugitive emissions from production and consumption of halocarbons and sulphur hexafluoride
 12. Solvent use
 13. Waste handling and disposal
 15. Agriculture.

6. The Board noted that with its decision to accredit two companies for the verification function, **requests for issuance of certified emission reductions (CERs)** can now be submitted. Of the four accreditations, one was for an entity which had not received accreditation for any function /sectoral scope before, while three had previously been accredited for validation in other sectoral scopes. The total number of DOEs accredited and provisionally designated now stands at 11.² A list of DOEs indicating the function and sectoral scope(s) for which they have been accredited is available on the CDM UNFCCC web site (see: <<http://cdm.unfccc.int/DOE/list>>). Furthermore, a list with approved methodologies by sectoral scopes shows the DOEs that may provide validation/verification functions in these sectors (see: <<http://cdm.unfccc.int/DOE/scopes.html>>).

General issues relating to process/guidance:

7. The Board considered the paper forwarded by the CDM-AP containing an analysis of competency requirements for DOEs for validation/registration and verification/certification functions and agreed to **accept the recommendation of the CDM-AP on phasing of accreditation**, as contained in annex 1.

8. The Board considered a short-list of applicants to the CDM-AP and selected Ms Mercedes Irueste to replace Mr. Raul Prando. The Board expressed its deep appreciation to the outgoing member, Mr. Raul Prando, for his outstanding work.

9. The Board agreed furthermore to increase the size of the CDM-AP by one member. This additional member shall be a methodology expert. The Board noted that once the staff of the secretariat has reached the levels indicated in the budget for the biennium 2006-2007, it will be possible to provide additional support from the methodology unit to the work of the CDM-AP.

² Please note that the total number of DOEs indicated in paragraph 10 of the report of the Board at its nineteenth should have read “8” instead of “7”.

*Interaction with DOEs/AEs:*

10. The Board invited Mr. Einar Telnes, **Chair of the DOE/AE coordination forum to share views, issues and concerns from the AEs and DOEs**. Mr. Telnes indicated that some DOEs and AEs had raised issues and concerns in an e-mail survey carried out within the forum. Issues raised by Mr. Telnes included the need for:

- (a) Treatment by DOEs of deviations from the baseline methodology and monitoring plan
- (b) Feedback on the new procedure for raising requests for clarification on the application of methodologies
- (c) Accreditation for verification on the basis of witnessing of verification of a small-scale project
- (d) Flowcharts to be provided to DOEs and AEs on CDM processes other than accreditation
- (e) Capacity-building of AEs.

11. The Board took note of the presentation by Mr. Telnes and encouraged the DOE/AE coordination forum to continue providing input to the Board and its panels, thus enhancing common understanding and approaches. It invited the Chair of the DOE/AE coordination forum to report on activities of the forum at its next meeting. The Board agreed to have an interaction with the forum in conjunction with its next meeting and requested the secretariat to identify a suitable date and make arrangements accordingly.

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

12. The Executive Board considered the report of the seventeenth meeting of the Panel on baseline and monitoring methodologies (Meth Panel) and the oral update by Mr. Jean Jacques Becker, Chair of the Panel.

General issues relating to process:

13. The Board continued its work to improve the process of consideration and approval of proposed new methodologies and agreed to the “**Revised procedures for submission and consideration of a proposed new methodology (version 8)**”, as contained in annex 2 of this report, in order to make them congruent with the provisions of paragraph 14 below.

14. The Board agreed on the following **improvements to the process of consideration of proposed new methodologies**:

- (a) To consider as **withdrawn** a proposal that was not re-submitted within the stipulated timeframe of five (5) months after the Board had agreed that a proposed methodology may be resubmitted with required changes (i.e. rated as “B”);
- (b) A proposed methodology may be resubmitted to the Board with required changes (i.e. rated as “B” by the Board) **only once**;
- (c) A **fee** of USD 1,000 is charged to project participants when submitting a proposed new methodology for regular project activities (not applicable to methodologies for small-scale and afforestation and reforestation project activities). If a methodology is approved and the project activity for which it was developed is registered, the registration fee shall be lowered by that amount. The amount of this fee will be reviewed and, if necessary, revised in the third quarter 2006;
- (d) A DOE/AE may **voluntarily undertake a pre-assessment** of a newly proposed methodology. If a voluntary pre-assessment has been done, no additional pre-assessment by the Meth



Panel is needed. If no voluntary pre-assessment is undertaken by the DOE/AE, the Meth Panel should undertake the pre-assessment;

(e) To adopt the **revised criteria contained in the pre-assessment form** (“F-CDM-NMas”) to be used by the Meth Panel in order to improve the quality of methodologies reviewed, as contained in [annex 3](#) of this report;

(f) A panel member responsible for pre-assessing a proposed new methodology shall receive a **half-day fee** as remuneration.

(g) To appoint Mr. Rajesh Kumar Sethi and Ms. Anastasia Moskalenko **to participate in the Meth Panel** in support of the Chair and Vice-Chair of the panel. These members would be compensated for their services in the same manner as the Chair and Vice-Chair.

15. The Board noted that the Meth Panel revised the forms for the **recommendations by desk reviewers**, one for the use of the lead reviewer and the other for the use of the second reviewer, in order to adjust these forms to the current “Procedures for submission and consideration of a proposed new baseline and monitoring methodology” as contained in [annex 4](#) and [annex 5](#) of this report.

16. The Board agreed on the revised “**Procedures for the revision of an approved baseline or monitoring methodology by the Executive Board**”, as contained in [annex 6](#) of this report.

General issues relating to guidance:

17. The Board emphasized that when reference is made in approved methodologies to the use of the “**Tool for the demonstration and assessment of additionality**”, this means that the tool is part of the methodology and shall be used *per se*.

18. The Board noted that, in some cases and for some methodologies, project activities may temporarily result in “**negative emission reductions**” in a particular year, for example due to poor performance or due to leakage effects outweighing emission reductions. In these cases, proposed new methodologies should stipulate that if 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 emission reductions by the project activity.

19. The Board agreed on recommendations regarding the proposal of using **multiple regression analysis** to estimate baseline emissions or project emissions, as contained in [annex 7](#) of this report. The Board agreed to further consider the following recommendations of the Meth Panel at its twenty-second meeting:

(a) Prediction intervals at 95 per cent confidence level should be quantified for any predicted value. As the uncertainty in predictions will increase as the number of data points used in fitting the regression decreases, it is recommended to increase the number of data points to reduce such uncertainties;

(b) When estimating baseline emissions, the lower bound of the prediction interval should be used. Conversely, the upper bound of the prediction interval should be used when estimating project emissions.

20. The Board took note of ongoing work by the Meth Panel, the Afforestation and Reforestation Working Group (A/R WG) and working group on proposed methodologies and project categories for small-scale CDM project activities (SSC-WG) regarding the **definition of renewable biomass**.

Work in progress:

21. The Board took note of the oral report of the Chair of the Meth Panel on the deliberation of the panel on **national policies**. It agreed to consider this issue with a view to agreeing on guidance to the



Meth Panel at its twenty-second meeting. The Meth Panel should only further consider the issue on national policies once the Board has provided further guidance.

22. The Board considered the recommendation by the Meth Panel on **the possibility to combine different project activities** and agreed to further discuss this issue at its twenty-second meeting.

23. The Board took note of the ongoing efforts of the Meth Panel to develop recommendations on how to address CH₄ emissions from **hydropower reservoirs**. It requested the panel to give priority to this work.

24. The Board took note of the ongoing work by the Meth Panel in preparation of an **optional tool to assist in selecting a baseline scenario**.

25. The Board agreed that the Meth Panel shall further consider and elaborate the “**Consolidated baseline methodology for coal bed methane (CBM) and coal mine methane (CMM) capture and use for power (electrical or motive) and heat and/or destruction by flaring**” in order to resolve some outstanding issues (monitoring efficiency of the flare, treatment of possible use of CMM in the baseline scenario, possibility to extend the applicability conditions of the methodology, explanations regarding the extraction of methane from coal bed before mining of CBM, the discount factor of 10 per cent).

26. The Board noted that a first proposed methodology for **carbon capture and storage** has been submitted. It is on hold until further guidance is provided by the Board regarding the eligibility of these project activities as CDM project activities.

Revision of approved methodologies:

27. The Board agreed to adopt the reformatted revised versions of methodologies **ACM0002** (“Consolidated methodology for grid-connected electricity generation from renewable sources”), **ACM0001** (“Consolidated methodology for landfill gas project activities”), **AM0003** (“Simplified financial analysis for landfill gas capture projects”) and **AM0011** (“Landfill gas recovery with electricity generation and no capture or destruction of methane in the baseline scenario”) as contained in annexes 8, 9, 10 and 11 to this report. In accordance with the current “Procedures for the revision of an approved methodology”, these revised versions will become effective as of 12 October 2005. Revisions shall not affect (a) registered CDM project activities during their crediting period; and (b) project activities that use the previously approved methodology for which requests for registration are submitted before or within four (4) weeks after the methodology was revised. However, project activities that use the previous versions of the approved methodologies and that have been submitted for registration prior to the date of revisions shall not be affected by the revisions.

Work on consolidation of methodologies:

28. The Board agreed to the “**Consolidated methodology for increasing the blend in cement production**”, as contained in annex 12 of its report. This methodology consolidates the proposed methodologies NM0045-rev2, NM0047-rev, NM0095 and NM0106. The Chair of the Meth Panel and the Vice-Chair of the CDM-AP informed the Board that these methodologies are linked to scope 4 (Manufacturing industries).

29. The Board agreed to the reformatted “**Consolidated methodology for grid-connected electricity generation from biomass residues**”, as contained in annex 13 and requested the Meth Panel to consider the possibility of expanding the applicability of this methodology to other cogeneration plants using condensing *cum* extraction turbines other than back pressure turbines. This methodology consolidates the approved methodologies AM0004 and AM0015 and elements of the proposed methodologies NM0050, NM0081, NM0098. The Chair of the Meth Panel and the Vice-Chair of the CDM-AP informed the Board that these methodologies are linked to scope 1 (Energy industries (renewable - / non-renewable sources)). As agreed by the Board at its seventeenth and twentieth meeting, this consolidated methodology shall replace **AM0004** (“Grid-connected biomass power generation that



avoids uncontrolled burning of biomass”) and **AM0015** (“Bagasse-based cogeneration connected to an electricity grid”). The Board agreed that, exceptionally, AM0004 and AM0015 shall be replaced only after the twenty-second Board meeting.

Consideration of case-specific recommendations:

30. Taking into consideration recommendations by the Meth Panel and by desk reviewers as well as public inputs, the Board considered nineteen (19) proposals for new baseline and monitoring methodologies and agreed on the following recommendations with respect to the cases below:

- Approvals:

NM0079-rev case: “Taishan Huafeng Cement Works Waste Heat Recovery and Utilisation for Power Generation Project”:

31. The Board agreed to approve the proposed baseline and monitoring methodologies contained in proposal NM0079-rev and the reformatted version of these methodologies as contained in annex 14 to this report.

32. The Chair of the Meth Panel and the Vice-Chair of the CDM-AP informed the Board that these methodologies are linked to scopes 1 (Energy industries (renewable - / non-renewable sources) and 4 (Manufacturing industries).

NM0090 case: “Organic Waste Composting at the Matuail landfill site Dhaka, Bangladesh”:

33. The Board agreed to approve the proposed baseline and monitoring methodologies contained in proposal NM0090 and the reformatted version of these methodologies as contained in annex 15 to this report.

34. The Chair of the Meth Panel and the Vice-Chair of the CDM-AP informed the Board that these methodologies are linked to scope 13 (Waste handling and disposal).

- Possible reconsideration (“B cases”):

35. The Board agreed that the proposed new baseline and monitoring methodologies for the **cases NM0107, NM0108, NM0110 and NM0112** 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) A recommendation by the Meth Panel being made to the Executive Board.

36. If project participants wish to have the revised proposals considered at the nineteenth meeting of the Meth Panel (30 January - 3 February 2006), they shall exceptionally submit them by **8 November 2005**.

- Non-approvals:

37. The Board agreed not to approve the proposed new baseline and monitoring methodologies for **cases NM0092-rev, NM0113, NM0116, NM0119, NM0120, NM0122 and NM0125**. The Board invites the project participants for these cases to consider the views and suggestions made, in particular with regard to CDM-NMB and CDM-NMM, and encourages them to make a further submission.

*Further schedule:*

38. Noting that methodologies may be proposed at any time and are treated on a **first-come first serve basis**, the Board took note of the **deadline for the thirteenth round of submissions** of proposed new baseline and monitoring methodologies being **5 October 2005**, as referred in the annex of the sixteenth meeting of the Meth Panel.

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

39. The Board considered the report of the fifth meeting of the afforestation and reforestation working group (A/R WG) and the oral report by Mr. Martin Enderlin, Chair of the working group.

40. The Board considered a short-list of applicants to the A/R WG and selected Mr. Nagmeldin G. Elhassan (Sudan) to replace Mr. Paul Desanker. The Board expressed its deep appreciation to the outgoing member, Mr. Paul Desanker, for his outstanding work and encouraged him to continue to share his expertise as desk reviewer.

41. The Board agreed furthermore to increase the size of the A/R WG by one member and selected Mr. Hilton Thadeu Zarate Couto (Brazil) for a term ending at the same time as that for the other A/R WG members (mid 2006).

Consideration of case-specific recommendations:

42. Taking into consideration recommendations by the A/R WG and by desk reviewers, the Board considered four (4) proposals for new baseline and monitoring methodologies for afforestation and reforestation project activities and agreed not to approve the proposed new baseline and monitoring methodologies for **cases ARNM0006, ARNM0008, ARNM0009 and ARNM0011**. The Board revised the recommendations on the cases and requested the secretariat to forward them to the project participants. It invited the proponents to consider the views and suggestions made, in particular with regard to CDM-AR-NMB and CDM-AR-NMM, and encouraged them to make a further submission.

General issues relating to process/guidance:

43. The Board considered the draft on the **simplified methodologies for small-scale afforestation and reforestation CDM project activities**, which was revised by the A/R WG taking into consideration 15 public inputs received in response to the call for input on this document. The Board took note of a number of technical comments made by Board members and agreed to approve these simplified methodologies with the comments incorporated with a view to recommend it to the COP/MOP. The final version of simplified methodologies for small-scale afforestation and reforestation CDM project activities will be made available on the UNFCCC CDM web site by mid November 2005 after the A/R WG has incorporated the comments. The Board requested the secretariat to inform the public through the CDM News facility. The document will be attached to the addendum of the Board's report to the COP/MOP 1.

44. The Board considered the revised **draft version of the tool for demonstrating the additionality of afforestation and reforestation project activities** (NB: not required for small-scale A/R project activities) which was revised by the A/R WG taking into consideration 12 public inputs received in response to the call for input on this document. The Board agreed to the revised **tool for demonstrating the additionality of afforestation and reforestation project activities** as contained in annex 16 of this report.

45. The Board further considered and agreed to the proposed "**Summary recommendation form (F-CDM-AR-NMSUMar)**", as contained in annex 17. This form shall be used by the A/R WG for recommendations on cases to be submitted to the Board in addition to the detail provided in the form "CDM: Proposed New A/R Methodology AR/WG recommendation to the Executive Board (F-CDM-



AR-NMwg)”. The summary recommendation will also be made available to the public and project participants.

46. The Board also agreed on the revised “**Procedures for submission and consideration for a proposed new baseline and monitoring methodology for afforestation and reforestation project activities**”, as contained in annex 18, in order to adjust them to the decisions of the Board relating to the process of consideration of methodologies agreed at the twentieth and twenty-first meetings (as referred to in paragraph 14 above except for subparagraphs (c) and (g)).

47. The Board took note of the revision of the **guidelines for completing CDM-AR-PDD, CDM-AR-NMB and CDM-AR-NMM**, as contained in annex 19, in order to align them to the revision of the guidelines to the CDM-PDD, CDM-NMB and CDM-NMM made by the Board at its nineteenth meeting.

48. The Board agreed on clarifications and guidance on *ex ante* estimations of actual net GHG removals by sinks in newly proposed baseline methodologies and the need for clear identification and justification of most likely baseline scenario, as contained in annex 20.

Further schedule:

49. The Board acknowledged the tendency for the work of the A/R WG to increase and noted that, as a consequence, there might be a need for longer and more frequent meetings.

50. The Board took note of the **tentative dates for the meetings of the A/R WG** until the end of the first half of 2006 and on the respective **dates of rounds of submissions of proposed new A/R methodologies** (see: <http://cdm.unfccc.int/Panels/ar/ARWG05_repan5_calendar_final.pdf>).

51. The Board agreed to extend the stipulated deadline for the **seventh round for submissions of proposed new A/R baseline and monitoring methodologies to 14 October 2005** to provide more opportunity to project proponents to submit proposed new methodologies for afforestation and reforestation project activities.

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

52. The Board considered the report of the third meeting of the working group on proposed methodologies and project categories for small-scale CDM project activities (SSC-WG) and the oral report by Ms. Gertraud Wollansky, Chair of the working group.

General issues relating to process/guidance:

53. The Board agreed on the **principles for bundling** as contained in annex 21 to this report and requested the SSC-WG to continue its work on further technical aspects of bundling.

54. The Board agreed to the **amendments to the simplified methodologies** for small-scale CDM project activities (Appendix B) as contained in annex 22 to its report. This revision shall be effective as of 12 October 2005.

55. The Board further agreed to delete the **references to “non-renewable biomass”** in Appendix B. This deletion shall become effective after the twenty-second meeting of the Board as contained in annex 22. The Board agreed that the SSC-WG shall undertake work on the development of methodologies for calculating emission reductions for small-scale project activities that propose the switch from non-renewable to renewable biomass on a priority basis.

56. In this regard, the Board requested the secretariat to launch a call for inputs related to alternative methods for calculating emission reductions for small-scale project activities that propose the switch from non-renewable to renewable biomass, taking into account the following guidance agreed by the Board at its twentieth meeting: “Where a project activity, which does not seek to obtain tCERs or ICERs



from afforestation or reforestation project activities, may directly or indirectly result in a net increase of carbon pools compared to what would occur in the absence of the project activity, this increase should not be taken into account in the calculation of emission reductions”.

57. The Board took note of the ongoing work of the SSC-WG and AR-WG in developing procedures to address leakage from biomass project activities.

58. The Board requested the secretariat to make available on the UNFCCC CDM web site all submissions of queries and/or proposals for amendments or new categories to the small-scale methodologies, along with the responses provided by the SSC-WG.

59. The Board emphasized that submitters of queries, and/or proposals for amendments or new categories to the small-scale methodologies, must use the form F-CDM-SSC-Subm to provide clear justifications, preferably by presenting examples, on why amendments or further categories might be necessary.

60. The Board took note of the tentative date of the fourth meeting of the SSC-WG to take place from 26 –27 January 2006, depending on submissions received on small-scale methodologies.

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

Case specific issues:

61. The Board took note of twenty-five (25) CDM project activities being registered by 30 September 2005. The status of current project activities registered can be viewed on the UNFCCC CDM web site at <<http://cdm.unfccc.int/Projects/registered.html>>.

Registration procedure:

62. The Board considered a draft paper relating to **possible streamlining of registration procedures** prepared by the secretariat, entitled “Clarifications to facilitate the implementation of the procedures for review as referred to in paragraph 41 of the CDM modalities and procedures, Version 02”. This was based on draft informal notes of Ms. Marina Shvangiradze, discussions at and decisions of the Board at its twentieth meeting. Issues raised by the Board at that meeting are reflected in [annex 23](#) to this report. The Board agreed to further consider a draft containing procedures for operationalizing a body to support the appraisal of requests for registration. This draft is to be prepared by the secretariat, with a view to taking an electronic decision.

Clarifications and guidance:

63. The Board reiterated, as stipulated in its guidance in the CDM glossary of terms, that the starting date of a CDM project activity does not need to correspond to the starting date of the crediting period for this project activity. The Board clarified therefore that project activities starting as of 1 January 2000 may be validated and registered as a CDM project activity after 31 December 2005.

64. The Board further clarified that provisions of paragraphs 12 and 13 of decision 17/CP.7 do not apply to CDM afforestation and reforestation project activities. A CDM afforestation and reforestation project activity starting after 1 January 2000 can also be validated and registered after 31 December 2005 as long as the first verification of the project activity occurs after the date of registration of this project activity. Given that the crediting period starts at the same date as the starting date of the project activity, the projects starting 2000 onwards can accrue tCERs/ICERs as of the starting date.

65. The Board reiterated that the form F-CDM-REG “CDM project activity registration and validation report form” contains two sections: (1.) Request for registration and (2.) Validation Report. The form, in accordance with the registration procedures agreed by the Board, therefore does include the Validation Report. The Board is considering, however, whether this form provides the necessary information required for a validation report and possible options to improve it. Therefore, the Board



agreed to request the DOE/AE coordination forum to propose options, for consideration by the Board at its twenty-second meeting, to revise the F-CDM-REG and the structure of supporting documentation, with the aim of providing the Board with the required information in a more efficient way.

66. Stressing that project participants are to strictly apply the approved methodologies, monitoring plan and other provisions referred to in the registered CDM-PDD, and noting that the CDM is still in a learning-by-doing phase, the Board agreed to the following clarification: “A DOE shall, prior to requesting registration of a project activity or issuance of CERs, notify the Board of deviations from approved methodologies and/or provisions of registered project documentation and explain how it intends to address such deviations. The DOE shall only proceed with further actions after receipt of guidance from the Board. The Chairs of the panels shall provide an input as to whether the issue should be considered or not by the panels. The Board shall, if needed, address these issues by electronic decision. When providing such guidance, the Board shall consider issuing general clarifications to all DOEs and project participants, as appropriate.”

Nubarashen Landfill Gas Capture and Power Generation Project in Yerevan (0069):

67. In accordance with the procedures for review as referred to in paragraph 41 of the CDM modalities and procedures, taking into consideration requests for review made by Board members, the Board agreed:

(a) To undertake a review of Nubarashen Landfill Gas Capture and Power Generation Project in Yerevan (0069);

(b) That the scope of this review is relating to issues associated with validation requirements, as contained in [annex 24](#);

(c) To nominate Mr. Martin Enderlin and Mr. Xuedu Lu as members of the Review Team for this case. The review team may call on outside expertise in consultation with the Chair of the Board, as appropriate.

Agenda sub-item 3 (f): CDM registry

68. The Board took note of a demonstration, by the secretariat and the developer of the CDM registry, on the completed version 2 of the CDM registry. It noted that this version is able to forward CERs, tCERs and ICERs to the national registries of Annex I Parties. This may, however, only occur once the necessary national registries and the international transaction log are operational. The Board expressed its appreciation to the secretariat and the developer for the work on the CDM registry.

69. Ms. Anastasia Moskalenko and Mr. Rajesh Kumar Sethi reported to the Board on the results of the consultations undertaken since the twentieth meeting of the Board.

General issues relating to process/guidance:

70. The Board agreed that requests for the partial distribution of CERs, tCERs and ICERs issued in a single transaction shall be allowed. The Board further agreed that information on undistributed units from a project activity, aggregated at the Party-level, is to be included in the monthly reports provided by the CDM registry to DNAs of respective Parties involved.

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

71. The Board considered a draft of the information paper on “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” (FCCC/SBSTA/2005/INF.8) prepared by the secretariat based on submissions by Parties. The final version of this document is to be submitted to SBSTA 23 for its consideration. The Board agreed that the paper provided a balanced analysis of the submissions received by Parties to the call for submissions. The Board requested Mr. José Miguez and Mr. Martin Enderlin to



follow negotiations at SBSTA 23 relating to “Implications of the implementation of project activities under the clean development mechanism, referred to in decision 12/CP.10, for the achievement of objectives of other environmental conventions and protocols” and report on the outcome to the Board.

72. The Board requested Ms. Anastasia Moskalenko and Mr. Rajesh Kumar Sethi to follow the negotiations at SBSTA 23 relating to registries and report on the outcome to the Board.

Agenda item 4. CDM management plan and resources for the work on the CDM

CDM-MAP:

73. The Board agreed on the CDM Management Plan (CDM-MAP) for the 18 months period from mid 2005 to the end of the year 2006, based on a draft prepared by the secretariat in consultation with the Chair and, in an amended form, presented by Mr. Hans Juergen Stehr. The Board requested the secretariat to incorporate a number of remaining issues raised at the meeting with a view to making the CDM-MAP publicly available on 10 October 2005 as annex 25 of this report.

Resources:

74. The Board took note of information by the secretariat on the updated budget, resources and expenditure in 2005 as of 30 September 2005. Compared to the total budget of USD 7.02 million for CDM activities in 2005 (core and supplementary), and in spite of recent contributions, a resource gap of USD 2.27 million remained for the year 2005 which was hampering the full implementation of activities in the fourth quarter 2005. The Board expressed its appreciation to Parties which have generously contributed resources for the work of the CDM and invited Parties which have recently pledged resources to convert them into contributions in the very near future.

75. The secretariat further informed the Board of resource requirements for supporting the operations of the CDM in the biennium 2006-2007 amounting USD17.83 million: USD 4.56 million from the core budget and USD 13.27 million from supplementary resources. A further annual increase of approximately USD 1.5 million is expected if the CDM-MAP is to be implemented. In view of the increasing workload and the need to fund the expansion of activities, currently available supplementary resources will be exhausted in April 2006. The Board therefore reiterated its call to Parties to make voluntary contributions for the work on the CDM to the UNFCCC Trust Fund for Supplementary Activities to ensure the functioning of the CDM in the biennium 2006-2007 in a predictable and sustained manner.

Share of proceeds:

76. At its twentieth meeting, the Board agreed to consider at its twenty-first meeting a recommendation to COP/MOP 1 on a percentage for the share of proceeds to cover administrative expenses of the CDM and requested the secretariat to provide a draft note on this issue.

77. After consideration of this note at its twenty-first meeting, the Board agreed on the recommendation to COP/MOP 1 related to the **share of proceeds** to cover administrative expenses, as contained in annex 26 of this report.

Agenda item 5. Other matters

Agenda sub-item 5 (a): Report of the CDM Executive Board to the COP/MOP 1 (2004-2005)

78. The Board requested the secretariat to update the current draft of the annual report of the Board to the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP 1). The report will therefore reflect progress made in the third quarter 2005 (i.e. until 30 September 2005) inter alia, in the fields of accreditation, methodologies and registration of CDM



project activities, share of proceeds to cover administrative expenses and simplified methodologies for small-scale CDM afforestation are reforestation project activities as well as with respect to the CDM-MAP. Developments from 1 October to 25 November 2005 will be contained in an addendum.

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

79. Due to the increased amount of submissions received, the Board agreed to procedures for external communication as contained in [annex 27](#) of this report. The Board emphasized that these procedures shall be followed with respect to all unsolicited submissions.
80. The Board met with registered observers for informal briefings on 30 September 2005 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.
81. The Board took note of CDM-related events attended by Board members and alternates since the last meeting.
82. The Board took note with appreciation of inputs to its work received from Parties and intergovernmental and non-governmental organizations.
83. The Board further agreed to continue to meet with the same type of arrangement as at its twenty-first meeting, with space being made available for 70 observers, and to reconsider the issue when necessary. **Observers to the twenty-second meeting of the Executive Board shall have registered with the secretariat by 2 November 2005, no later than 17:00 GMT.** In order to ensure proper security and logistical arrangements, the Board emphasized that this deadline will be strictly enforced by the secretariat.

Agenda sub-item 5 (c): Other business

84. The Board agreed on the provisional agenda for its twenty-second meeting as contained in [annex 28](#) to this report. The Board agreed to postpone the Coordination Workshop for the Board, its panels and working groups, DOEs and AEs as well as selected experts, with the view of holding this workshop in the first half of February 2006 in conjunction with the first meeting of the Board in 2006.
85. The Board agreed to discuss issues relating to electronic decision-making at its next meeting.

Agenda item 6. Conclusion of the meeting

86. The Chair summarized the main conclusions.

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

87. 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

88. The Chair closed the meeting.

Annexes to the reportAccreditation of operational entities

Annex 1: Phasing of accreditation

Methodologies for baselines and monitoring plans

Annex 2: Revised procedures for submission and consideration of a proposed new methodology (version 8)

Annex 3: Revised pre-assessment form (“F-CDM-NMas”)

Annex 4: New methodologies expert form (lead reviewer)

Annex 5: New methodologies expert form (second reviewer)

Annex 6: Revised “Procedures for the revision of an approved baseline or monitoring methodology by the Executive Board” (version 2)

Annex 7: Recommendations on multiple regression analysis to estimate baseline emissions or project emissions

Annex 8: Revision to the approved baseline and monitoring methodology **ACM0002** (“Consolidated methodology for grid-connected electricity generation from renewable sources”)

Annex 9: Revision to the approved baseline and monitoring methodology **ACM0001** (“Consolidated methodology for landfill gas project activities”),

Annex 10: Revision to the approved baseline and monitoring methodology **AM0003** (“Simplified financial analysis for landfill gas capture projects”)

Annex 11: Revision to the approved baseline and monitoring methodology **AM0011** (“Landfill gas recovery with electricity generation and no capture or destruction of methane in the baseline scenario”)

Annex 12: ACM0005 “Consolidated methodology for increasing the blend in cement production”

Annex 13: ACM0006 “Consolidated methodology for grid-connected electricity generation from biomass residues”

Annex 14: Approved baseline and monitoring methodology AM0024 (based on NM0079-rev)

Annex 15: Approved baseline and monitoring methodology AM0025 (based on NM0090)

Issues relating to procedures for afforestation and reforestation project activities

Annex 16: Tool for demonstrating the additionality of afforestation and reforestation

Annex 17: Summary recommendation form “F-CDM-AR-NMSUMarwg”

Annex 18: Procedures for submission and consideration for a proposed new baseline and monitoring methodology for afforestation and reforestation project activities

Annex 19: Guidelines for completing CDM-AR-PDD, CDM-AR-NMB and CDM-AR-NMM

Annex 20: Clarifications regarding ex-ante estimations of actual net GHG removals by sinks and identification and justification of most likely baseline scenario

Issues relating to small-scale CDM project activities

Annex 21: Principles for bundling

Annex 22: Amendments to the simplified methodologies for small-scale CDM project activities (Appendix B)

Matters relating to the registration of CDM project activities

Annex 23: Draft on possible streamlining of registration procedures

Annex 24: Scope of review Nubarashen Landfill Gas Capture and Power Generation Project in Yerevan (069)

CDM management plan and resources for the work on the CDM

Annex 25: CDM management Plan

Annex 26: Recommendation on share of proceeds

Relationship with stakeholders, intergovernmental and non-governmental organizations

Annex 27: Procedures for external communication

Other business

Annex 28: Provisional agenda for EB22