



CLEAN DEVELOPMENT MECHANISM EXECUTIVE BOARD

PROPOSED AGENDA AND ANNOTATIONS

Twenty-second meeting

Inter-Continental Hotel
Montréal, Canada
23 - 25 November 2005

CONTENTS

- I. PROPOSED AGENDA
- II. ANNOTATIONS TO THE PROPOSED AGENDA

Annex 1: Status of project activities submitted for registration



I. PROPOSED AGENDA

1. Membership issues (including disclosure of possible conflict of interest)
2. Adoption of the agenda
3. Work plan:
 - (a) Accreditation of operational entities
 - (b) Methodologies for baselines and monitoring plans
 - (c) Issues relating to CDM afforestation and reforestation project activities
 - (d) Issues relating to small-scale CDM project activities
 - (e) Matters relating to the registration of CDM project activities
 - (f) CDM registry
 - (g) Modalities for collaboration with the SBSTA
4. Management plan and resources for the work on the CDM
5. Other matters
 - (a) Report of the CDM Executive Board to COP/MOP 1 (2004-2005)
 - (b) Relations with stakeholders, intergovernmental and non-governmental organizations
 - (c) Other business
6. Conclusion of the meeting



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 twenty-first meeting, on items to be included in the provisional agenda for its twenty-second 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 2 November 2005 and thereafter posted on the UNFCCC CDM web site.
5. **Action:** Members may wish to adopt the proposed agenda for the twenty-second meeting.

3. Work plan

(a) Accreditation of operational entities

6. **Background:** The Board, at its twenty-first meeting, took note of the eighth progress report of the CDM Accreditation Panel (CDM-AP) and an oral report on the work of the CDM-AP presented by Mr. John Kilani, 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.
7. The Board agreed, pursuant to decisions 17/CP.7 and 21/CP.8, to **accredit, and provisionally designate**, two entities for sector-specific validation and two for sector-specific verification/certification and noted that requests for issuance of certified emission reductions (CERs) could henceforth be submitted. Since then CERs were issued to three CDM project activities.
8. The Board accepted a **revision to the phasing of accreditation** which facilitates the process of accreditation with regard to functions and reduces the total number of witnessing activities. The Board selected Ms Mercedes Irueste to replace Mr. Raul Prando and expressed its deep appreciation to the outgoing member, Mr. Raul Prando, for his outstanding work. The Board agreed furthermore to increase the size of the CDM-AP by one member who is a methodology expert.
9. **Work undertaken/in progress:** As announced at the twenty-first meeting of the Board, the nineteenth meeting of the CDM-AP (CDM-AP 19) can only take place on 11 and 12 November 2005 in order to ensure appropriate participation. Documentation on accreditation issues to be considered by the Board at its twenty-second meeting can, therefore, only be forwarded by 14 November 2005. The ninth progress report on the work of the CDM-AP will be presented by Mr. John Kilani, Chair of the CDM-AP.

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



10. **Interaction with the DOE/AE Coordination Forum:** The Board took note of the views, issues and concerns from the DOEs and AEs which were conveyed by Mr. Telnes, Chair of the DOE/AE coordination forum. It encouraged the DOE/AE coordination forum to continue providing input to the Board and its panels, thus enhancing common understanding and approaches. 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.

11. The secretariat and the forum identified Saturday 26 November 2005 as the most suitable date for the next forum meeting and for interaction with the Board. The venue selected allows for broad participation by DOE/AE representatives which is expected by the Chair of the forum. The Board may wish to note that, with the assistance of the secretariat, DOE and AEs will have an information booth during COP/MOP 1.

12. **Action:** The Board may wish to (a) take note of the ninth progress report on the work of the CDM-AP; (b) consider recommendations by the CDM-AP and take action, as appropriate; and (c) consider further guidance to the CDM-AP, as appropriate.

(b) Methodologies for baselines and monitoring

13. **Background:** The Executive Board, at its twenty-first meeting, took note of the report of the seventeenth 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. The Meth Panel held its eighteenth meeting in Bonn (CDM MP 18) (Germany) from 17 to 19 October 2005. The Meth Panel undertook its work in two parallel groups. It dealt with general issues relating to process and methodological clarifications and guidance and with case-specific issues as specified below.

15. **General issues relating to process:** At its twenty-first meeting, the Board **finalized its work to improve the process of consideration and approval of proposed new methodologies** and agreed on revisions to the **Procedures for the submission and consideration of a proposed new methodology (version 08)**. In order to implement these new procedures, forms for recommendations by the Meth Panel and desk reviewers as well as for the pre-assessment of methodologies were revised and electronic workflows supporting submissions of cases adapted.

16. The CDM MP 18 held a **teleconference call with representatives of DOEs** on 19 October 2005. Topics discussed included:

- (a) The initial implementation of the procedures for clarification of application of approved methodologies,
- (b) Pre-assessment of proposed new methodologies that DOEs could undertake voluntarily,
- (c) Inputs from DOEs regarding monitoring methodologies and improvement of feedback from DOEs on the verifiability of proposed new methodologies.

17. The Meth Panel recommended that, subject to availability of resources, a one-day meeting to discuss these issues to be organized in the first quarter of 2006, which could be held in conjunction with the joint workshop planned for the first half February 2006.

18. The **Procedures for submission and consideration of queries regarding the application of approved methodologies by DOEs to the Meth Panel**, adopted by the Board at its twenty-second meeting, are being implemented. The CDM MP 18 considered six requests for **clarifications by DOEs relating to the application of approved baseline and monitoring methodologies** and provided answers. The requests and the clarifications are publicly available on the UNFCCC CDM web site at



<<http://cdm.unfccc.int/methodologies/Clarifications>>. Clarifications that implied a recommendation by the Meth Panel to revise an approved methodology are reflected in paragraph 33 below.

19. **General issues relating to clarifications and guidance:** The CDM MP 18 considered a number of methodological issues for which further clarifications and guidance by the Board are necessary as outlined below.

20. In response to the request of the Board at its nineteenth meeting, the CDM MP 18 prepared recommendations for consideration of the Board regarding the use of **weighted average of the operating margin (OM) and the build margin (BM)** emission factor to calculate the baseline emission factors for projects generating electricity to the grid, as contained in annex 8 to its report.

21. In appraising some of the proposed new methodologies under its consideration the Meth Panel has encountered cases that could potentially give rise to **double counting of emission reductions**. The CDM MP 18 has therefore highlighted issues on which it requests guidance by the Board, as outlined in paragraphs 21 to 24 of and in annex 6 to its report.

22. The CDM MP 18 noted that some methodologies have make **use of life cycle analysis (LCAs)** to calculate emission reductions. The Meth Panel has recommended that the Board clarify that when reference is made to LCAs project participants should also provide for all equations and assumptions underlying the calculation of emission reductions in the baseline and monitoring methodologies in a transparent manner.

23. In evaluating proposed new baseline and monitoring methodologies that involve the replacement or retrofit of existing equipment of facilities, the Meth Panel observed that in many methodologies the lifetime of the existing equipment is not appropriately addressed. The CDM MP 18 has therefore prepared recommendations for clarifications regarding **the treatment of the lifetime of plants and equipment in proposed new baseline methodologies** for the consideration of the Board, as contained in annex 7 to its report.

24. The Meth Panel noted that several methodologies utilize **sampling** to estimate some parameters used in estimating emission reductions. The CDM MP 18 recommended to the Board to provide guidance to project participants that uncertainties should be quantified for such parameters at 95% confidence level. The choice of the upper or lower bounds to be used in estimating emission reductions should be done in a manner that ensures conservativeness.

25. The CDM MP 18 recommended to the Board to provide guidance to project participants that in selecting **emission sources which should be considered in the project boundary, in the baseline scenario and in the calculation of leakage emissions**, project participants should make conservative assumptions, i.e. the magnitude of emission sources neglected in the calculation of project emissions and leakage effects (if positive) should be expected to be equal or less than the magnitude of emission sources neglected in the calculation of baseline emissions.

26. The Board, at its twenty-first meeting, had taken note of the oral report of the Chair of the Meth Panel on the deliberation of the panel on **national policies** and agreed to consider this issue with a view to agreeing to provide guidance to the Meth Panel at its twenty-second meeting. In addition, the Board, at its nineteenth meeting, had an initial consideration of the request of the Meth Panel to obtain **guidance on whether local/national/regional policy development and/or implementation can be eligible as CDM project activities**. The Board did not agree on a course of action at that meeting.

27. **Recent submissions of proposed new methodologies – status of consideration:** Eighteen (18) proposed new methodologies were submitted at the thirteenth round for submitting new methodologies which concluded on 5 October 2005. These cases are currently undergoing pre-assessment by the Meth Panel



members², in accordance with paragraph 7 of the procedures of submission and consideration of a proposed new methodology. The cases which will pass this quality-check assessment by the Meth Panel will be considered at the nineteenth meeting of the Meth Panel. 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>>).

28. The CDM MP 18 considered a total of **24 cases of proposed new methodologies** for baselines and monitoring, of which seven (7) had been submitted in the twelfth round. Recommendations for consolidation or for preliminary and final considerations were prepared for 22 cases. The Meth Panel agreed to defer the consideration on cases **NM0121** and **NM0130** as these concern the production of electricity from dams with reservoirs on which additional expertise needs to be obtained.

29. **Case-specific recommendations:** 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 **NM0076-rev** (reformatted), **NM0111** (yet to be reformatted), and **NM0115** (reformatted);

(b) Forward cases **NM0105**, **NM0117**, **NM0118**, **NM0123** and **NM0124** for revision to the project participants and for resubmission without the need for further experts and public input;

(c) Not approve case **NM0128** which, if revised taking into account comments, can be resubmitted but will require new expert and public input.

30. **Other case-specific issues:** The Meth Panel agreed on **preliminary recommendations** to project participants for cases **NM0082-rev**, **NM0129**, **NM00126** and **NM0127**.

31. **Work on consolidation of methodologies:** As requested by the Board at its twenty-first meeting, the CDM-MP 18 prepared recommendations for:

(a) A draft **consolidated 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 4 to its report. The Meth Panel underlines that this consolidated methodology is not applicable to open-cast mines and abandoned mines and that proposed new methodologies for such project activities would be welcome. Such new methodologies may use part of the current consolidated methodology;

(b) A draft **consolidated methodology for “Conversion from single cycle to combined cycle power generation”**, which consolidates the proposed new methodologies **NM0078-rev** and on elements of the case **NM0070**, as contained annex 3 to its report;

32. The CDM MP 18 recommended that cases **NM0131** and **NM0132** are consolidated into the already approved methodology **AM0008: “Industrial fuel switching from coal and petroleum fuels to natural gas without extension of capacity and lifetime of the facility”**. The Meth Panel will finalize this consolidation at its nineteenth meeting with a view to preparing a recommendation for the consideration of the Board at its twenty-third meeting.

33. **Revisions of approved methodologies:** In response to technical queries and inputs by project participants and DOEs, the CDM-MP 18 considered the approved methodologies **AM0002**, **AM0025**, **ACM0002**, **ACM0003** and **ACM0006** and agreed on recommendations for the revision of these methodologies, as outlined in paragraphs 8 to 18 of and annex 5 to its report.

² One submitted proposed new methodology, which is the first submitted proposed methodology for carbon capture and storage is on hold until further guidance is provided by the Board, as agreed by the Board at its twenty-first meeting.



34. **Further schedule:** The CDM-MP 18 agreed to convene its next meeting from 31 January – 3 February 2006. The tentative schedule for meetings in 2006 can be found at: <http://cdm.unfccc.int/Panels/meth>.

35. **Action:** The Board may wish to consider: (a) the report of the eighteenth meeting of the Meth Panel and oral updates by its Chair; (b) possibility of a one day meeting to be held between the Meth Panel and DOEs; (c) proposal on regarding the use of weighted average of the operating margin (OM) and the build margin (BM); (d) request for guidance regarding double counting of emission reductions; (e) recommendations on clarifications use of life cycle analysis, treatment of the lifetime of plants and equipment in proposed new baseline methodologies, use of sampling, and emission sources which should be considered in the project boundary, in the baseline scenario and in the calculation of leakage emissions; (f) guidance to the Meth Panel regarding the treatment of national policies in baseline scenarios; (g) possible course of action regarding the request by the Meth Panel for guidance on whether local/national/regional policy development and/or implementation can be eligible as CDM project activities; (h) recommendations by the Meth Panel on consolidated methodologies for “Coal bed methane and coal mine methane capture and use for power (electrical or motive) and heat and/or destruction by flaring” and for “Conversion from single cycle to combined cycle power generation”; (i) recommendations by the Meth Panel on revisions to approved methodologies AM0002, AM0025, ACM0002, ACM0003 and ACM0006; (j) the draft reformatted approved methodologies for cases NM0076-rev, NM0115; (k) the recommendations by the Meth Panel, referred to above, on cases NM0076-rev, NM0105, NM0111, NM0115, NM0117, NM0118, NM0123, NM0124 and NM0128; (l) other recommendations by the Meth Panel as contained in the report of its eighteenth meeting; and (m) guidance to the Meth Panel on additional matters, as appropriate.

(c) Issues relating to afforestation and reforestation project activities

36. **Background:** The Executive Board, at its twenty-first meeting, took note of the report of the fifth 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 this working group.

37. The A/R WG held its sixth meeting (A/R WG 06) in Bonn (Germany) from 31 October to 2 November 2005. It dealt with case specific issues as well as with general issues relating to process and methodological clarifications and guidance and simplified methodologies for small-scale afforestation and reforestation project activities (SSC A/R project activities) as well as with case-specific issues as specified below.

38. **General issues relating to process:** The A/R WG 06, responding to the request by the Board, at its twentieth meeting, to revise the forms for submitting new baseline and monitoring methodologies for afforestation and reforestation projects (CDM-AR-NMB and CDM-AR-NMM) has prepared recommendations for guidelines and a **form for “proposed new baseline and monitoring methodologies for A/R” (CDM-AR-NM) which should replace the previous forms CDM-AR-NMB and CDM-AR-NMM**, as contained in annex 5 to its report.

39. The A/R WG 06 also revised the forms for **the recommendations by desk reviewers and its recommendation form** in order to better implement the **Procedures for the submission and consideration of a proposed new methodology for afforestation and reforestation project activities under the CDM** which were revised by the Board at its twenty-first meeting.

40. **General issues relating to clarifications/guidance:** The A/R WG 06 considered a number of methodological issues for which further clarifications and guidance by the Board are necessary as outlined below.



41. In response to the request of the Board at its twenty-first meeting, the A/R WG 06 has incorporated technical comments provided by Board members in **the simplified methodologies for small-scale afforestation and reforestation CDM project activities**, as contained in annex 2 to its report.
42. In response to the request of the Board at its twentieth meeting to the A/R WG to consider and discuss in detail the accounting of non-CO₂ emissions, including from sources existing before the implementation of a project activity, and its relation to project boundaries and to the calculation of leakage and actual net greenhouse gas removals by sinks, the A/R WG 06 agreed on recommendations, as contained in its report, for clarifications to be considered by the Board on:
- (a) The **accounting of non-CO₂ pre-project emissions**; and
 - (b) The **accounting of decreases of carbon pools outside the project boundary**.
43. The A/R WG agreed on a recommendation to the Board of **procedures to define the eligibility of lands for afforestation and reforestation project activities**, in accordance with the modalities and procedures for afforestation and reforestation project activities under the CDM, as contained in annex 6 to its report. The A/R WG has further recommended that these procedures, once approved by the Board, become part of the CDM-AR-PDD and may be therefore mandatory. Approved and proposed new baseline and monitoring methodologies should not need to provide information regarding eligibility of lands anymore. The step 0 of the “Tool for the demonstration and assessment of additionality for afforestation and reforestation CDM project activities” should also be deleted as the procedures replace it.
44. The A/R WG 06, after having consulted with the working group on proposed methodologies and project categories for small-scale CDM project activities (SSC-WG) and the Meth Panel, agreed on recommendations to the Board on the **definition of renewable biomass**, as contained in annex 7 to its report.
45. The A/R WG 06 has further recommended to the Board **formulae to calculate net anthropogenic GHG emissions by sinks for project activities choosing to use ICERs or tCERs**, as contained in annex 8 to its report. These formulae have been incorporated in the reformatted versions of methodologies recommended for approval and the recommendations for revised forms for CDM-AR-NMB and CDM-AR-NMM and the guidelines for their completion.
46. **Recent submissions of proposed new A/R methodologies - status of consideration:** Six (6) proposed new methodologies for afforestation and reforestation project activities (A/R methodologies) were submitted at the seventh round for submitting new methodologies, which concluded on 14 October 2005. Two (2) methodologies had been submitted and have passed the quality-check assessment by the A/R WG in the sixth round, which had concluded on 20 July 2005. Clarifications by project participants were received in response to preliminary recommendations on two (2) additional methodologies from round 5 (which had concluded on 15 June 2005). Methodologies submitted under the fifth and sixth rounds were considered by A/R WG 06. 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>).
47. The A/R WG 06 considered a total of **four (4) cases of proposed new A/R methodologies** for baselines and monitoring of which two (2) were submitted in the sixth round.
48. **Case-specific recommendations:** The A/R WG, taking into consideration the inputs by experts (desk reviewers) and the public, agreed on recommendations to the Board to:
- (a) **Approve case ARNM0010** (reformatted);
 - (b) Forward case **ARNM0007** for **revision** to the project participants without the need for further experts and public input.



49. **Other case specific issues:** The A/R WG agreed on preliminary recommendations to project participants on proposals ARNM0012 and ARNM0013.
50. **Further schedule:** The A/R WG 06 agreed to convene its next meeting from 5 to 7 February 2006. The tentative schedule for meetings in 2006 can be found at: <<http://cdm.unfccc.int/Panels/ar>>.
51. **Action:** The Board may wish to consider (a) the report of the sixth meeting of the A/R WG and oral updates by its Chair; (b) proposed new format and guidelines to replace CDM-AR-NMB and CDM-AR-NMM by CDM-AR-NM; (c) draft simplified methodologies for small-scale afforestation and reforestation CDM project activities; (d) recommendations regarding the accounting of non-CO₂ pre-project emissions; and the accounting of decreases of carbon pools outside the project boundary; (e) procedures to define the eligibility of lands for afforestation and reforestation project activities; (f) proposals for the definition of renewable biomass; (g) recommendations regarding formulae to calculate net anthropogenic GHG emissions by sinks for project activities choosing to use ICERs or tCERs; (h) recommendations by the A/R WG, referred to above, on cases ARNM0010 and ARNM0007; and (i) guidance to the A/R WG on additional matters, as appropriate.
- (d) Issues relating to small-scale CDM project activities**
52. **Background:** The Executive Board, at its twenty-first meeting, took note of the report of the third 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 this working group.
53. **Work undertaken/in progress:** As requested by the Board, the secretariat launched on 28 October 2005 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”. Public inputs received until 5 December 2005 will be considered by the SSC-WG at its fourth meeting (26 - 27 January 2006) with a view to preparing a recommendation for the consideration of the Board at its twenty-third meeting.
54. As requested by the Board, the secretariat made **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. Information is available on the UNFCCC CDM web site at <<http://cdm.unfccc.int/methodologies/SSCmethodologies/Clarifications>>.
55. The procedures for the revision of approved methodologies provides that the revision of a methodology “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.” Queries were submitted by DOEs and project participants on whether this provision is also applicable to amendments to the simplified methodologies for small-scale CDM project activities.
56. **Further schedule:** The SSC WG 03 agreed to schedule its fourth meeting from 26 - 27 January 2006. The tentative schedule for meetings in 2006 can be found at: <http://cdm.unfccc.int/Panels/ssc_wg>.
57. **Action:** The Board may wish to (a) consider clarifying whether provisions regarding implications of amendments to simplified methodologies to project activities that use the previous version of these methodologies; and (b) provide any guidance to the SSC-WG, as appropriate.



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

58. **Background:** The “**Status of project activities submitted for registration**”, contained in annex 1 to this annotated agenda, summarizes, for ease of reference, the 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. **Work undertaken/in progress on cases:** There are **34 registered CDM project activities** as of 9 November 2005 which represents an increase of 9 since the end of September 2005. Twenty (20) of the 34 registered project activities are of small scale.

60. In addition to the 34 registered activities, a total of 21 requests for registration had been received till 8 November 2005. Of the 21, 18 have been recently submitted and are awaiting automatic registration unless a review is requested. Of the 55 activities which have requested registration so far, a review was requested and undertaken for eight (8) cases of which five (5) were registered. In one case, the project participants did not yet come back to the Board after having received guidance; in another case, project participants withdrew their request; and in a third case, the Board decided, at its twenty-first meeting, to undertake a review. A recommendation by the review team is to be considered by the Board at its twenty-second meeting as referred to in paragraph 61 below.

61. In accordance with the “Procedures for review of requests for registration as referred to in paragraph 41 of the CDM modalities and procedures”, taking into consideration requests for review made by Board members at its twenty-first meeting 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 to the report of the twenty-first meeting of the Board;



(c) To nominate Mr. Martin Enderlin and Mr. Xuedu Lu as members of the Review Team for this case.

62. The recommendation of the review team will be forwarded to the Board via electronic list serv and shall be considered at the twenty-second meeting.

63. **Work undertaken/in progress on registration procedure and related issues:** At its twenty-first meeting, 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 discussed at and decisions of the Board at its twentieth meeting. The Board agreed to a revision, as reflected in Annex 23 of the report of the twenty-first meeting of the Board. It requested the secretariat to prepare draft terms of reference and procedures for operationalizing a body to support the appraisal of requests for registration which will be forwarded to the Board via list serv.

64. The Board, at its twenty-first meeting, also clarified that **project activities starting as of 1 January 2000** may be validated and registered as a CDM project activity after 31 December 2005. 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**.

65. The Board, at its twenty-first meeting, in considering whether the **form F-CDM-REG** provides the necessary information required for a validation report and possible options to improve it, 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. The DOE/AE coordination forum has not yet provided an input and the Chair of the forum will provide an oral update on progress on this task.

66. With respect to **requests for deviation**, the Board agreed, at its twenty-first meeting, that “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.

67. Since the twenty-first meeting of the Board, six (6) requests for deviations were submitted to the Board which have been circulated for electronic decision-making. If the Board does not agree on a request for deviation via electronic decision-making, it is to consider the case at its twenty-second meeting.

68. **Action:** The Board may wish to (a) take note of the registered CDM project activities to date; (b) consider the outcome of the review process referred to in paragraph 61 above, (c) take note of an oral report by the secretariat on the status of requests for registration; (d) consider options for operationalizing a body to support the appraisal of requests for registration and agree on further steps on this matter; and (e) provide additional clarifications and guidance, as appropriate.

(f) **CDM registry (including matter relating to the issuance of CERs)**

69. **Background:** The Board, at its twenty-first meeting, took note of a demonstration, by the secretariat and the developer of the CDM registry, on the completed version 2 of the CDM registry.

70. Following the accreditation for verification and certification of two (2) DOEs (Det Norske Veritas Certification Ltd. and TUV Industrie Service GmbH TUV SUD GRUPPE), the first requests for issuance of



CERs were received on 4 October 2005. A further request for issuance was received on 5 October 2005. In accordance with paragraph 65 of the modalities and procedures for the CDM, the issuance is considered final 15 days after the receipt of the request unless a review of the request is received from a Party involved or from three Board members. In accordance with paragraph 66 of the modalities and procedures for the CDM, the secretariat, acting as the CDM registry administrator, issues the requested CERs into the pending account of the CDM registry.

71. **Work undertaken/in progress:** Version 2 of the CDM registry is being deployed in the secretariat in mid-November 2005. It will be further upgraded to enhance its data link with the CDM information system and to allow its integration with the UNFCCC CDM website (including the provision of secure access for account holders).

72. The first CERs were issued into the pending account of version 1 of the CDM registry on 20 October 2005 for two hydroelectric projects, both of which are hosted in Honduras. These first two instances were followed by the third, in which CERs were issued for a biomass project in India on 21 October 2005. Following a decision by COP/MOP 1 regarding the share of the proceeds for administrative expenses, as provided for in paragraph 66 (a) of the modalities and procedures for the CDM, the secretariat will be able to forward CERs to the holding accounts of the project participants.

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

73. **Background:** At its twenty-first meeting, 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 available on the UNFCCC web site and is to be considered by SBSTA 23. The Board requested Mr. José Miguez and Mr. Martin Enderlin to follow negotiations under item 6 (b) of the proposed agenda of SBSTA 23 on “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.

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

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

75. **Background:** At its twenty-first meeting, 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 to the Board. The Board requested the secretariat to incorporate a number of remaining issues raised at the meeting.

76. With respect to **resources**, the Board, at its twenty-first meeting, took note of a report by the secretariat on income and expenditures as of 30 September 2005. Compared to the total budget of USD 7 million for CDM activities in 2005 (core and supplementary), and in spite of recent contributions and fees, a considerable resource gap of USD 2.3 million remained for the year 2005 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 on the CDM and invited Parties which have recently pledged resources to convert them into contributions in the very near future.

77. The Board agreed at its twenty-first meeting on a recommendation to COP/MOP 1 on the **share of proceeds** to cover administrative expenses (annex 26 of the report of the Board at its twenty-first meeting and annex 1 of the annual Executive Board report to COP/MOP 1).



78. **Work undertaken/in progress:** Following the incorporation of the changes and editing, the **CDM-MAP** was made publicly available on 12 October 2005 as annex 25 to the report of the Board at its twenty-first meeting. A summary has also been included in the annual report of the Board to COP/MOP 1.

79. The budget provisions for supporting the operations of the CDM, as contained in the proposed UNFCCC programme budget for the biennium 2006-2007, amount to USD 4.6 million (core budget) and USD 12.7 million (supplementary), thus jointly totalling USD 17.3 million. Since the adoption by the SBI 22, the **resources** required under supplementary funding have, however, increased mainly as a result of higher service requirements. In addition, further adjustments would arise from the implementation of the CDM-MAP. The revised budget, which is attached to the CDM-MAP and reflected in the report of the Board to COP/MOP 1, indicates resource requirements from supplementary funding amounting to USD 5.7 million for 2005. For the biennium 2006-2007, in addition to the USD 4.6 million contained in the UNFCCC core budget, resources requirements from supplementary funding amount to USD 17 million, bringing the overall requirements to USD 21.6 million.

80. The secretariat will provide the updated status report on budget, income and expenditure to the Board as of 25 November 2005. Since the twenty-first meeting of the Board (September 2005), contributions have been received from Sweden (USD 47,945) and Norway (USD 671,689) bringing the overall amount of contributions received in 2005 to USD 2.5 million. As of 10 November 2005, the resource gap for the remainder of 2005 has therefore been reduced to USD 0.8 million. Contributions are pending as follows: Canada (USD 510,000), the European Commission (USD 145,000) and Germany (315,000). In addition, further resources were pledged by Germany (USD 210,000). Furthermore, USD 319,597 were received in fees from 20 requests for project registration. (all supplementary).

81. The Board may wish to further consider details relating to the implementation of the **share of proceeds** to cover administrative expenses for work on the CDM, such as capping the registration fee.

82. **Action:** The Board may wish to: (a) take note of the report by the secretariat on the status of resources; (b) to express its appreciation to Parties which have generously contributed resources for the work on the CDM; (c) alert Parties to the need for endowing the CDM, in a timely fashion, with resources for its activities in the 2006-2007; (d) take further action, as necessary, such as on the implementation of the recommendation to COP/MOP 1 on the share of proceeds to cover administrative expenses.

5. Other matters

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

83. **Background:** At its twenty-first meeting, the Board agreed on its annual report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP) covering activities undertaken from the end of November 2004 until 30 September 2005. The work of the Board from 1 October to 25 November 2005 will be covered in an addendum to this report.

84. 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, the report is submitted 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.



85. **Action:** The Board may wish to agree on an addendum to its report to COP/MOP 1, covering the period 1 October to 25 November 2005.

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

86. **Background:** On the occasion of its twenty-first meeting, the Chair and other members of the Board met with registered observers for an informal briefing.

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

88. The Board agreed to hold an information event on its activities (questions and answers), in conjunction with the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP), on Monday, 28 November 2005.

89. **Action:** The Board may wish to (a) agree to avail itself for informal briefings with registered observers in the afternoon of 25 November 2005; and (b) invite members and alternates to share information on events in which they participated; (c) request members and alternates attending COP/MOP 1 to be present at the Board's CDM information event on 28 November 2005(13:00-15:00).

(c) Other business

90. **Background:** At its twenty-first meeting the Board agreed on Procedures for public communication with the CDM Executive Board as contained in annex 27 to its report. These procedures shall be followed with respect to all unsolicited submissions.

91. The Board has received the following communications from DOEs/AES and the general public prior to the twenty-second meeting of the Board:

(a) Letter from Mr. Henk Sa, EcoSecurities relating to the proposed new methodology NM0092-rev (distributed at EB21 on 28 September 2005);

(b) Letter from Mr. Rameshore Prasad Khamaal from the Ministry of Finance, Nepal, relating to the concerns of the Government of Nepal over the SSC-WG's recommendation regarding the treatment of biomass (distributed at EB21 on 28 September 2005);

(c) Letter from Mr. Odin K. Knudsen, Carbon Finance Business/World Bank, relating to the eligibility criterion for the Third Category of small-scale projects (distributed at EB21 on 29 September 2005);

(d) Letter from Mr. Odin K. Knudsen, Carbon Finance Business/World bank, relating to the crediting period of Afforestation/Reforestation projects in the CDM (distributed at EB21 on 30 September 2005);

(e) Letter from Mr. Urs Brodmann, Factor Consulting and Management AG, relating to the proposed new methodology NM0090 (distributed at EB21 on 30 September 2005);

(f) Letter from Mr. Bernhard Zander, KfW Carbon Fund, relating to the SSC-WG's recommendation regarding the treatment of biomass (received on 4 October 2005 and forwarded to the Board ASAP);

(g) Letter from Mr. Odin K. Knudsen, Carbon Finance Unit/World Bank, relating to the EB related to the Registration of the Early Start Projects in the CDM (received on 17 October 2005 and forwarded to the Board ASAP);



(h) Letter from Mr. Odin K. Knudsen, Carbon Finance Unit/World Bank, relating to the decision of the EB on the treatment of non renewable biomass in small-scale project activities (received on 24 October 2005 and forwarded to the Board ASAP);

(i) Letter from Mr. Junji Hatano, Mitsubishi UFJ Securities, relating to the new baseline and monitoring methodology for “Carbon Capture and Storage (CCS) eligibility in KP” (received on 2 November 2005 and forwarded to the Board ASAP);

(j) Letter from Mr. James Graham, CAMCO International, relating to comments on AM00XX / Version 01 - 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, (received on 4 November 2005 and forwarded to the Board ASAP);

(k) Letter from Mr. Lex de Jonge, Ministry of Housing, Spatial Planning and the Environment, The Netherlands, relating to CDM Additionality and additionality background, (received on 4 November 2005 and forwarded to the Board ASAP);

(l) Letter from Mr. Samuel Sproule, MD Carbon Ventures, relating to a request for investigation with respect to the assessment of NM0111 and NM0117, (received on 7 November 2005);

(m) Letter from Mr. James Graham, CAMCO International, relating to Deliberations on Request for Guidance on Application of AM0005 in China, (received on 8 November 2005 and forwarded to the Board ASAP);

(n) Letter from Mr. Bernhard Schlamadinger, Joanneum Research, relating to Expiry of the Small-scale Methodology for replacement of non-renewable biomass after EB 22 (received on 9 November 2005 and forwarded to the Board ASAP).

92. **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

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