



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

Date: 24 February 2006
Ref: CDM-EB-23

EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM

TWENTY-THIRD MEETING

Report

Date of meeting: 22 – 24 February 2006

Location: Bonn, Germany

Attendance: The names of members and alternate members present at the twenty-third 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. Jean-Jacques Becker ²	Ms. Gertraud Wollansky ²
Mr. Hernán Carlino ¹	Mr. Philip M. Gwage ¹
Ms. Sushma Gera ²	Mr. Masaharu Fujitomi ²
Mr. John Shaibu Kilani ²	Mr. Ndiaye Cheikh Sylla ²
Mr. Xuedu Lu ¹	Mr. Richard Muyungi ¹
Mr. José Domingos Miguez ²	Mr. Clifford Anthony Mahlun ²
Mr. Rawleston Moore ¹	Ms. Desna M. Solofa ¹
Ms. Anastassia Moskalenko ¹	Ms. Natalia Berghi ¹
Mr. Rajesh Kumar Sethi ²	Ms. Liana Bratasida ²
Mr. Hans Jürgen Stehr ¹	Mr. Lex de Jonge ¹

¹ Term: Two years (elected at COP/MOP 1 in 2005)

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): **10** (7) members or alternate members acting as members present of which **4** (3) from Annex I Parties and **6** (4) from non-Annex I Parties.

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

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

1. The Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) elected Mr. José Domingos Miguez and Mr. Hans Jürgen Stehr as Chair and Vice-Chair, respectively, of the Executive Board until the first meeting of the Board in 2007.
2. On behalf of the Board, the new Chair expressed deep appreciation to the outgoing Chair, Ms. Sushma Gera, and Vice-Chair, Mr. Xuedu Lu, for their excellent leadership during the fourth year of the Board's operations.
3. The Chair welcomed new members and alternates and took note of their oaths of service.
4. No conflict of interest was identified by any member or alternate member present at the meeting.
5. The Board noted that the secretariat was informed that Mr. Richard Muyungi and Mr. Ndiaye Cheikh Sylla were unable to attend the meeting and had provided proper justification for their absence.

Agenda item 2. Adoption of the agenda

6. 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**

7. The Board took note of the **tenth progress report (CDM-ACCR-R-10) on the work of the CDM Accreditation Panel (CDM-AP)** presented by Mr. John Shaibu 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.
8. The Chair, in particular, brought to the attention of the Board the difficulties faced due to non-availability of the methodology experts to participate in the witnessing activity.
9. The Board expressed its deep appreciations to Mr. John Shaibu Kilani and Ms Marina Shvangiradze, outgoing Chair and Vice-Chair of the CDM-AP, for their excellent work and support during their tenure.

Consideration of case-specific recommendations:

10. 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) TUV Industries Services GmbH TUV Rheinland Group (TUV Rheinland)
(VAL: 1, 2, 3, 13 / VER: none)
 13. Waste handling and disposal
 - (ii) Korean Foundation for Quality (KFQ) (VAL: none / VER: none)
 1. Energy industries (renewable - / non-renewable sources)
 2. Energy distribution
 3. Energy demand



- (b) Sector-specific verification:
- (i) TUV Industries Services GmbH TUV SUD GRUPPE (TUV Industries Services GmbH TUV) (VAL: 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13 and 15 / VER: 1, 2 and 3)
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.

11. The Board noted that the total number of DOEs accredited and provisionally designated now stands at 13. The Board also took note with gratitude that another entity from a non-Annex I Party has been accredited: the Korean Foundation for Quality (KFQ) from the Republic of Korea. A list of DOEs indicating the function and sectoral scope(s) for which they have been accredited is available on the CDM UNFCCC website (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:

12. The Board agreed to appoint Mr. Hernan Carlino as the new Chair and Ms. Anastasia Moskalenko as the new Vice Chair of the CDM accreditation panel. These new appointments will be effective as of the first day of the next meeting of the panel.

13. The Board considered a short-list of applicants to include a methodology expert as an additional member to the CDM-AP. The Board agreed to appoint Mr. Massamba Thioye as the methodology expert.

14. The Board also agreed on the revised terms of reference for the CDM-AP contained in [annex 1](#) to this report, effective as of July 2006. The Board agreed that **a call for experts** will open starting **1 March 2006 and ending 12 April 2006 (17:00 GMT)** in order to replace the three outgoing members of the CDM-AP with a view to prepare a shortlist of experts for consideration by the Board at its twenty-fourth meeting. Members currently serving the CDM-AP may submit their application and be included in the short list. The Board noted that experts appointed to replace CDM-AP members shall, if possible, not come from the same region as the members that remain in office. The Board encourages, however, candidates from all regions to apply.

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

15. The Board considered the report of the nineteenth 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:

16. The Board agreed to the “**Revised procedures for submission and consideration of a proposed new methodology (version 10)**”, as contained in [annex 2](#) of this report, in order to extend the timeframe for project participants to provide technical clarifications to the preliminary recommendation of the Meth Panel to from 10 working days to **4 weeks**. As this modification shall also apply to the procedures for afforestation and reforestation methodologies, the Board requested to revise these procedures to version 4.

17. The Board further clarified that the refundable fee (USD 1,000) for submission for proposed new methodologies shall also be refunded if the proposed methodologies are incorporated in consolidations or in existing approved methodologies.

18. The Board further agreed to revise the procedures for revision of approved methodologies in order to extend the grace periods for a revision of approved methodologies as follows:

*“16. The revision 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 **eight (8)** weeks after the methodology was revised.” and*

*“17. In case the revision results in the withdrawal of existing approved methodologies the withdrawal shall not affect (a) registered CDM project activities using the withdrawn methodologies during their crediting period; and (b) project activities that use the previously approved methodology for which requests for registration are submitted before or within **eight (8)** weeks after the methodology was revised.”*

“Add footnote to paragraphs 16,17 and 19 containing the following: The request registration referred to in paragraphs 16, 17 and 19 is considered to be submitted within the deadline if the following conditions are fulfilled: (a) The DOE has uploaded the request for registration using the dedicated interface of the UNFCCC CDM website before 24:00 GMT on the day of the deadline. (b) Either the proof of payment is uploaded within 20 calendar days after the deadline or the payment is received within 40 calendar days after the deadline. It is noted that these conditions are checked by automated checks.”

19. This revised procedures as contained in [annex 3](#), shall apply *mutatis mutandis* to approved methodologies for afforestation and reforestation project activities and approved small scale methodologies.

20. The Board also agreed on the revised terms of reference for the Meth Panel contained in [annex 4](#) to this report, effective as of July 2006. The Board agreed that a **call for experts** will open **starting 1 March 2006 and ending 12 April 2006 (17:00 GMT)** in order to replace the outgoing members of the Meth Panel with a view to prepare a shortlist of experts for consideration by the Board at its twenty-fourth meeting. Members currently serving in the Meth Panel may submit their application and be included in the short list. The Board noted that experts appointed to replace Meth Panel members shall, if possible, not come from the same region as the members that remain in office. The Board encourages, however, candidates from all regions to apply.

21. The Board also agreed to appoint Mr. Rajesh Kumar Sethi, as new Chair of the Meth Panel and Mr. Jean-Jacques Becker as Vice Chair of the Panel. The Board also agreed to appoint Mr. Xuedu Lu and Mr. Lex de Jonge to assist the Chair and Vice Chair of the panel in their work. These new appointments will be effective as of the first day of the next meeting of the Meth Panel (CDM MP 20). The Board expressed its deep appreciation to the outgoing Chair of the Meth Panel, Mr. Jean-Jacques Becker, and Vice Chair, Mr. José Domingos Miguez, their outstanding dedication and support to the work of the Meth Panel in the last years and to Mr. Rajesh Kumar Sethi and Ms. Anastasia Moskalenko for their support of the Meth Panel at its last two meetings.

*General issues relating to guidance:*

22. The Board took note of the two submitted methodologies related to carbon dioxide capture and storage (CCS) and requested the Meth Panel to consider the new methodologies as per the procedure for consideration of new methodologies. It also agreed that these methodologies will not be pre-assessed, as required by the present procedures for consideration of a new methodology. The Board further clarified that the Meth Panel shall consider the methodologies, with the possibility to invite technical clarifications from project participants, to provide to the Board a qualitative assessment that the Board shall use to prepare its recommendation on methodological issues related to CCS as CDM project activities, in particular on boundary, permanence and leakage as requested by COP/MOP, for consideration by COP/MOP at its second session.

23. The secretariat invited the Board members input regarding the “workshop on considering carbon capture and storage as CDM project activities” electronically by 2 March 2006 at the latest.

24. The Board considered recommendations by the Meth Panel and agreed that the specific uncertainty levels, methods and associated accuracy level of measurement instruments and calibration procedures to be used for various parameters and variables should be identified in the PDD, along with detailed quality assurance and quality control procedures. In addition standards recommended shall either be national or international standards. The verification of the authenticity of the uncertainty levels and instruments are to be undertaken by the DOE during the verification stage.

25. The Board considered the draft “baseline scenario selection tool” prepared by the Meth Panel for use in assisting the selection of a baseline scenario from a set of potential baseline alternatives and agreed to open a **call for public inputs** on this draft tool **starting 1 March 2006 and ending on 26 March 2006 @ 17:00 GMT**. The Board requested the Meth Panel, based on the public inputs, to explore alternatives to the tool as well as to develop the possibility for merging the current version of the “additionality tool” with the “baseline scenario selection tool”. The Board also requested the Meth Panel to take into account the inputs received from the public, in response to call for public inputs on the alternatives for additionality tools, in its deliberations on the baseline selection tool.

26. The Board further agreed to open **calls for public inputs** on the following **starting 1 March and ending 26 March 2006 @ 17:00 GMT**:

(a) New proposals to demonstrate additionality, including options to combine the selection of the baseline scenario and the demonstration of additionality;

(b) Proposals to improve the “tool for the demonstration and assessment of additionality”

27. When using the IPCC tier 1 approach in the baseline to calculate avoided methane emissions from biogenic waste that would have been disposed either in a landfill or left to decay in an uncontrolled manner, it is assumed that all potential methane emissions from the waste are emitted in the year it was placed in the landfill. The uncertainty in the baseline scenario beyond the crediting period and the impossibility of its verification makes this approach non-conservative. The Board therefore agreed, based on its consideration of the recommendation of the Meth Panel on the issue of crediting emissions reduction beyond the crediting period, that:

(a) Only those emissions in the baseline that would have occurred over the crediting period should be considered in estimating the emissions reduction; and

(b) In particular, the first order decay (FOD) model shall be used in estimating baseline methane emissions for projects avoiding emission from biogenic waste that would have been disposed either in landfills or left to decay in an uncontrolled manner, which would have resulted in methane emissions.

28. The Board considered the recommendation of the Meth Panel on emissions from hydroelectricity project reservoirs and agreed to define thresholds in terms of power density (W/m^2), used to determine



the eligibility of hydroelectric power plants in using existing methodologies, and corresponding emissions factors for such emissions, as contained in [annex 5](#). The Board decided to extend the eligibility of the existing methodologies dealing with renewable energy generation (AM0019, AM0026 and ACM0002) in order to include the hydroelectric power plants in accordance with this guidance. The Board also clarified that the adoption of this guidance does not prevent project participants to submit new methodologies for consideration by the Meth Panel, in particular for project activities with reservoirs that have no significant vegetative biomass in the catchments area. With regard to the Meth Panel's request for guidance on the related cases NM0121 and NM0130, the Board clarified that these methodologies shall use the above recommendation and invited the Meth Panel to take appropriate action in its consideration.

Revision of approved methodologies

29. The Board agreed on the following revised versions of approved methodologies:

(a) **AM0025 ver 3** (“Avoided emissions from organic waste through alternative waste treatment processes”) as contained in [annex 6](#). The Board agreed to:

- (i) Revise the methodology in response to a request by project participants with respect to use of procedure defined in AMS I.D for estimating electricity emission factor if the electricity consumed/supplied meets the eligibility criteria of small scale.
- (ii) Revise the methodology to incorporate elements of the case NM0127 to expand the applicability of the methodology to alternative treatment process other than composting.
- (iii) Not revise the methodology in response to the request for revision of method used for estimating avoided baseline methane emissions, and agreed to retain the FOD method, in the existing version, for estimating avoided baseline emissions;

(b) **ACM0003 ver 2** (“Emissions reduction through partial substitution of fossil fuels with alternative fuels in cement manufacture”) as contained in [annex 7](#). The Board agreed to:

- (i) Revise the methodology to clarify the term alternative fuel in the methodology, as agreed by the Board at its twenty-second meeting;
- (ii) Agreed to revise the methodology to use FOD model for estimating the methane avoided from biomass which in absence of project would have been disposed land;
- (iii) Clarified, in response to request for clarification by project proponents, that the present methodology is not applicable to projects where the biomass used in project activity is produced on land owned by the project proponents;

(c) **ACM0004 ver 2** (“Consolidated baseline methodology for waste gas and/or heat and/or pressure for power generation”) as contained in [annex 8](#). The application conditions were revised in order to include situations where:

- (i) Waste gas is used along with other fuels in generating electricity and where it is not possible to measure directly the electricity produced by use of waste gas alone.
- (ii) Electricity is produced using the pressure of the waste gas;



(d) **ACM0002 ver 5** (“Consolidated baseline methodology for grid-connected electricity generation from renewable sources”) as contained in annex 9. The Board agreed to:

- (i) Clarify that even if a part of the plant capacity enables meeting the requirement of 20% (of the generation capacity in the systems) for estimating the build margin emission factor, the total plant capacity should be considered in estimating the build margin emission factor;
- (ii) Revise the methodology to clarify that registered CDM projects need not be considered in estimating the emission factors.

(e) **AM0016 ver 3** (“Greenhouse gas mitigation from improved Animal Waste Management Systems in confined animal feeding operations”) as contained in annex 10. The Board agreed to revise the methodology to include monitoring of flare and to reflect the conditions that estimation of emissions reductions should be based on the conservative value of the two the actual methane captured and the baseline methane emissions estimated using equations provided in the methodology, which ever is conservative.

(f) **ACM0006 ver 2** (“Consolidated methodology for grid-connected electricity generation from biomass residues”) as contained in annex 11. The Board agreed to:

- (i) Revise the methodology in response to the request by project participants of the case NM0098 and expand the applicability of the methodology to the referred case.
- (ii) Revise the methodology to expand the applicability of the methodology to projects that use extraction-cum-condensing turbines for cogeneration by deleting footnote 6 in the methodology.
- (iii) Accept the request for deviation by DOEs with regard to the use of the methodology for a project using extraction-cum-condensing turbine for cogeneration.

30. The Board agreed to withdraw the existing methodology **AM0005**, as the applicability of this methodology is included in existing version of ACM0002 ver 5.

31. The revisions (paragraph 29) and withdrawals (paragraph 30) are in force as of **3 March 2006**. As indicated above, the Board agreed that proposed project activities for which a request for registration is submitted in accordance with the revised procedure for the revision of approved methodologies may be registered.

32. The Board agreed to the deviation request on use of IPCC default carbon emission factor in the context of approved small scale methodologies. It further requested the Meth Panel to consider this issue for providing generic guidance on how to deal with situations where data from various official sources are available for the host country.

Clarifications on approved methodologies

33. The Board clarified, in response to clarification on **ACM0001 ver 1**, that the regulations which entered into affect since the adoption by the COP of the CDM M&P (decision 17/CP.7, 11 November 2001) should be used only while updating the "regulation adjustment factor" at every renewal of crediting period. The Board requested the Meth Panel to revise ACM0001 to reflect the above clarification.

34. The Board did not agree to revise the methodology **AM00012** (“Biomethanation of municipal solid waste in India, using compliance with MSW rule”), in response to request for revisions from



project participants to exclude the registered CDM projects in estimating the compliance with the existing regulation applicable since the year 2000.

35. The Board agreed to clarify in response to a request for clarification regarding AM0001 ver 03 ("Incineration of HFC23 waste streams") that project participants are to take the lower of each instantaneous flow reading from each of the two meters and sum these values over the month to estimate cumulative monthly flow quantity. The Board further requested the Meth Panel to reflect this clarification in the **AM0001 ver 03**.

36. The Board agreed to the clarification provided by the Meth Panel, at its nineteenth meeting, relating to AM0026 and AM0014, as reflected in the interface related to each of the methodologies (<<http://cdm.unfccc.int/methodologies/PAMethodologies/Clarifications>>).

37. The Board noted that the inputs received in response to the call for input on double counting will be considered at the next Meth Panel meeting with a view to making a recommendation to the Board the issue. The Meth Panel will prepare a recommendation on case NM0082-rev taking into account the recommendation on double counting.

Work on consolidation of methodologies:

38. The Board agreed to the "Consolidated methodology for industrial fuel switching from coal or petroleum fuels to natural gas", as contained in annex 12 of this report, which is based on cases NM0131 and NM0132 and the approved methodology AM0008. In this regard, the Board agreed to continue to make available AM0008 for use by the project proponents. The Chair of the Meth Panel and the Chair of the CDM-AP informed the Board that these methodologies are linked to the sectoral scope 4 (Manufacturing Industries) for the purpose of accreditation.

39. The Board took note of the COP/MOP 1 guidance regarding broadening the applicability to cover, wherever possible, the full range of methodological approaches and applicability conditions as in the underlying approved methodologies. It requested the Meth Panel to bear this guidance in mind in its consolidation efforts.

Consideration of case-specific recommendations:

40. Taking into consideration recommendations by the Meth Panel and by desk reviewers as well as public inputs, the Board considered eight (8) proposals for new baseline and monitoring methodologies and agreed on the following recommendations with respect to the cases below:

- Approvals: NM0111

NM0111: "Baseline Methodology for catalytic N₂O destruction in the tail gas of Nitric Acid Plants":

41. The Board agreed to approve the proposed baseline and monitoring methodologies contained in proposal NM0111 and the reformatted version of these methodologies as contained in annex 13 ("Catalytic N₂O destruction in the tail gas of Nitric Acid Plants") to this report. The Chair of the Meth Panel and the Chair of the CDM-AP informed the Board that these methodologies are linked to scope 5 (Chemical industries) for the purpose of accreditation.

- Possible reconsideration ("B cases"):

42. The Board agreed that the proposed new baseline and monitoring methodologies for the case NM0129 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.

43. If project participants wish to have the revised proposals considered at the twentieth meeting of the Meth Panel (4 - 7 April 2006), they shall exceptionally submit them by **13 March 2006**.

- Non-approval:

44. The Board agreed not to approve the proposed new baseline and monitoring methodologies for cases NM0126, NM0137 and NM0139. 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 new submissions.

Work in progress:

45. The Board also took note of the ongoing work by the Meth Panel in the preparation of “technical guidelines for the development of new baseline and monitoring methodologies” and a “catalogue of methodological components”, to further improve the consistency between methodologies and to facilitate the development of methodologies.

46. The Board also took note of the ongoing work by the Meth Panel on revising the forms CDM-NMB and CDM-NMM and its guidelines, in order to streamline the submission of methodologies, taking into account the revisions undertaken by the afforestation and reforestation working group at its last meeting.

47. The Board also took note of the ongoing work by the Meth Panel in the preparation of draft recommendations for monitoring issues (including standards, measurement systems, uncertainty, calibration, traceability and costs) related to CDM project-specific parameters. The Board requested the Meth Panel to provide advice on the issue of whether a zero check can replace calibration of gas flows.

Further schedule:

48. Taking into account the number of submissions of proposed new methodologies received at the fourteenth round, the Board agreed that these submissions should be considered by the Meth Panel at its twentieth and twenty-first meeting. In this regard, the Board further agreed to extend the deadline for the fifteenth round of submissions of proposed new baseline and monitoring methodologies to 9 May 2006. The proposals submitted at this round will be considered at the twenty-second meeting of the Meth Panel.

49. In its discussion on general matters related to the Meth Panel workload, the Board agreed to keep it under review and assess the situation at a later date.

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

50. The Executive Board expressed its deep appreciation to the outgoing Chair of the A/R WG, Mr. Martin Enderlin, and the Vice Chair Mr. José Domingos Miguez, for their outstanding dedication and support the working group. The Board agreed to appoint Mr. Philip Gwage as new Chair for the A/R WG and Mr. Masaharu Fujitomi as Vice Chair.

51. The Board considered the report of the seventh meeting of the afforestation and reforestation working group (A/R WG) and the oral report provided by the secretariat on behalf of Mr. Martin Enderlin who is no longer a member of the Board.

52. The Board agreed on the revised terms of reference for the A/R WG contained in [annex 14](#) to this report, effective as of July 2006 and agreed to open a call for experts starting on 1 March 2006 and



ending on 12 April 2006 @ 17:00 GMT in order to replace the outgoing members of the Afforestation and Reforestation Working Group (A/R WG) with a view to prepare a shortlist of experts for consideration by the Board at its twenty-fourth meeting. Members currently serving in the A/R WG may submit their application and be included in the short list. The Board noted that experts appointed to replace A/R WG members shall, if possible, not come from the same region as the members that remain in office. The Board encourages, however, candidates from all regions to apply.

General issues relating to process:

53. Taking into consideration the revised version of CDM-AR-NM agreed by the Board at its twenty second meeting, the Board agreed on the revision of the CDM-AR-PDD as well as changes in **the guidelines for CDM-AR-PDD and CDM-AR-NM**, which should **replace the previous guidelines and forms CDM-AR-NMB and CDM-AR-NMM** as contained in annex 15(a) and 15(b) of this report. The complete revised version of the form CDM-AR-PDD and guidelines for CDM-AR-PDD and CDM-AR-NM will be also available in the relevant sections of the UNFCCC CDM website.

54. The Board agreed on the forms for **small-scale afforestation and reforestation project design document** (CDM-AR-SSC-PDD) and guidelines for CDM-AR-SSC-PDD, as contained in the annex 16(a) and 16(b). The complete revised version of the form CDM-AR-SSC-PDD and guidelines for CDM-AR-SSC-PDD will also be available in the relevant sections of the UNFCCC CDM website.

55. The Board agreed to the revised methodology assessment form (CDM-AR-NM as ver.2) for afforestation and reforestation project activities under the CDM, as contained in the annex 17. The form will be also available in the relevant sections of the UNFCCC CDM website.

General issues relating to guidance:

56. The Board agreed that the A/R WG shall await the outcome of work of the Meth Panel on the “baseline scenario selection tool” (as per paragraph 25 above), before developing a tool for afforestation and reforestation project activities.

57. The Board agreed to adopt a definition of renewable biomass, as contained in annex 18 to this report. The Board also agreed that the use of biomass is not necessarily excluded if it does not meet the definition of renewable biomass. In such cases the possible negative impact on carbon stocks of such use, shall be accounted for as leakage in baseline and monitoring methodologies.

58. The Board agreed to provide guidance of national and/or sectoral policies and circumstances particular to afforestation and reforestation project activities, as contained in annex 19 of this report.

59. The Board encourages project participants to use nomenclature for parameters and variables, as used in previously approved A/R methodologies, when submitting proposed new methodologies and agreed this would ensure the consistency of approved methodologies and facilitate the methodology approval process for afforestation and reforestation project activities.

- Possible reconsideration (“B cases”):

60. The Board agreed that the proposed new baseline and monitoring methodologies for the **case ARNM0013** 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 A/R WG, 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 A/R WG, without further review by desk reviewers; and

(c) A recommendation by the A/R WG being made to the Executive Board.



61. If project participants wish to have the revised proposal considered at the eighth meeting of the A/R WG (28 - 29 March 2006), they shall submit them by **9 March 2006**.

- Non-approval (“C cases”):

62. The Board agreed not to approve the proposed new baseline and monitoring methodologies for cases ARNM0014, and ARNM0016. The Board invites the project participants to consider the views and suggestions made in particular with regard to CDM-AR-NM and encourages them to make a further submission.

Work in progress:

63. The Board agreed that it would consider the methodology ARNM0007-rev and ARNM0012 at its next meeting.

Further schedule:

64. The Board took note that the next meeting of the working group is on 28-29 March 2006 and confirmed that the stipulated deadline for the **ninth round for submissions of proposed new A/R baseline and monitoring methodologies to 9 March 2006**.

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

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

66. The Board also agreed on the revised terms of reference for the SSC-WG contained in annex 20 to this report, effective as of July 2006. The Board agreed to open a call for experts starting **1 March 2006 and ending 12 April 2006 @ 17:00 GMT** in order to replace the outgoing members of the SSC-WG with a view to prepare a shortlist of experts for consideration by the Board at its twenty-fourth meeting. Members currently serving in the SSC WG may submit their application and be included in the short list. The Board noted that experts appointed to replace SSC WG members shall, if possible, not come from the same region as the members that remain in office. The Board encourages, however, candidates from all regions to apply.

67. The Board further agreed to extend the terms of the current members of the SSC-WG until July 2006. It kindly requests current working group members to remain in office until then.

General issues relating to process/guidance

68. The Board took note of the two draft categories which offer alternative methods for calculating emission reductions for small-scale project activities that propose the switch from non-renewable to renewable biomass i.e. (a) Category I.E. Switch from non-renewable biomass for thermal applications, and (b) Category II. G. Energy efficiency measures in thermal applications of Non-Renewable Biomass.

69. The Board agreed to request the SSC-WG to make amendments to these categories to provide recommendations on how to take into consideration leakage.

70. In this regard the Board requested the secretariat to **open a public call for inputs** starting **1 March 2006 and ending 21 March 2006 @ 17:00 GMT** on procedures to address leakage from small-scale CDM biomass project activities.

71. The Board further requested the SSC WG to provide an analysis of plausible scenarios of emission reduction and transaction costs of a hypothetical small scale project activity applying these categories in consultation with A/R WG.



72. The Board agreed to the amendments to the simplified methodologies for small-scale CDM project activities to include four new categories under type III project activities i.e.

- (a) Category III.G. “Landfill methane recovery”, as contained in [annex 21](#);
- (b) Category III.F. “Avoidance of methane production from biomass decay through composting”, as contained in [annex 22](#);
- (c) Category III.H. “Methane recovery in wastewater treatment”, as contained in [annex 23](#);
- (d) Category III.I. “Avoidance of methane production in wastewater treatment through replacement of anaerobic lagoons by aerobic systems”, as contained in [annex 24](#).

73. In this regard the Board agreed to the amendments to category III. D. Methane Recovery to clarify its applicability, as contained in [annex 25](#).

74. The Board further agreed to:

- (a) The revision of the simplified Project Design Document for small-scale CDM project activities ‘CDM-SSC-PDD’ to include a dated cover form ‘F-CDM-SSC-BUNDLE’ to be completed and submitted by all bundled project activities as contained in [annex 26](#).
- (b) Guidelines for completion and submission of the form ‘F-CDM-SSC-BUNDLE’ to be included in the guidelines for completing the simplified Project Design Document ‘CDM-SSC-PDD’ as contained in [annex 27](#).

75. The Board agreed to the amendments to the small-scale CDM project category III.E. Avoidance of methane production from biomass decay through controlled combustion to include detailed guidance on the direct project emissions as contained in [annex 28](#) to this report.

76. In order to (i) include provisions for retrofit and renewable energy capacity additions as eligible activities; (ii) provide clarification for baseline calculations under category I.D; and (iii) provide clarification on the applicability of Category I.A as against Category I.D, the Board agreed to the amendments to the categories of type I small-scale CDM project activities i.e.:

- (a) Category I.A. “Electricity Generation for the User”, as contained in [annex 29](#);
- (b) Category I.B. “Mechanical Energy for the User”, as contained in [annex 30](#);
- (c) Category I.C. “Thermal energy for the User”, as contained in [annex 31](#);
- (d) Category I.D. “Grid Connected Renewable Electricity generation”, as contained in [annex 32](#).

77. Taking note of guidance from COP/MOP at its first session, the Board requested the SSC WG to make recommendations on revisions to definitions of small-scale project activities referred to in paragraph 6 (c) of decision 17/CP.7.

78. The Board agreed to include additional guidelines for monitoring under the ‘General Guidance section’ of the indicative methodologies of small-scale CDM project activities as contained in [annex 33](#) to this report.

79. The Board agreed that the SSC WG should consider submissions related to carbon dioxide capture and storage (CCS) project activities. The Board further clarified that SSC-WG shall consider these methodologies with a view to provide the Board with a qualitative assessment making use of technical clarifications from project participants, if needed. The Board shall use this input to prepare, as requested, its recommendation for consideration by COP/MOP at its second session on methodological issues related to CCS as CDM project activities, in particular boundary, permanence and leakage.



80. The Board agreed that transfer of know-how and training, as such, cannot be considered as CDM project activities. The eligibility of project activities that are a result of the transfer of know-how and training shall be based only on measurable emission reductions which are directly attributable to these project activities.

81. The Board agreed that the categories of small-scale methodologies should be treated as independent documents rather than as a part of Appendix B in terms of revisions and versioning.

82. The Board took note of the tentative date for next meeting of the SSC-WG is 30 - 31 March 2006 (for more details please refer to: <http://cdm.unfccc.int/Panels/ssc>).

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

83. The Board took note that 101 CDM project activities have been registered by 24 February 2006. The status of requests for registration of project activities can be viewed on the UNFCCC CDM website at <http://cdm.unfccc.int/Projects/>.

Case specific issues:

84. In accordance with the procedures for review as referred to in paragraph 41 of the CDM modalities and procedures, the Board considered requests for review of requests for registration of two (2) proposed CDM project activities and agreed to register:

(a) The project activity “**BK Energia Itacoatiara Project (0168)**” if the project participants submit a revised PDD in which only the emission reductions from fresh wood waste generated by a sawmill are considered and is validated by the DOE. After the submission of this documentation, the secretariat, in consultation with the Chair of the Executive Board, will check the revised documentation before the activity is displayed as registered.

(b) The project activity “**Santa Cândida Bagasse Cogeneration Project (SCBCP) (0065)**” taking note of the initial comments provided by the designated operational entity and project participant.

Registration procedure:

85. The Board agreed on the revised terms of reference and procedures for a Registration and Issuance Team (EB-RIT), as contained in [annex 34](#). The revision pertains to the inclusion of appraisals of requests for issuance into the scope of the team, the increase of the number of members of the team to 10 and procedures for undertaking the appraisal of requests for issuance which do not require the inclusion of experts from the roster of methodologies. The Board further agreed that the Registration and Issuance Team shall commence its work as of 6 March 2006. The Board agreed that the secretariat shall try to replace Board members and alternate members, already assigned to undertake appraisals, by members of the Registration and Issuance team, bearing in mind the proximity of the end of a request for registration/issuance period.

86. The Board selected the following experts as members of the Registration and Issuance Team: Ms. Branca Americano, Mr. Martin Enderlin, Mr. Shinichi Iioka, Ms. Mila Jude, Mr. Jamidu Katima, Mr. Deshun Liu, Mr. Axel Michaelowa, Mr. Josphe Nowarski, Ms. Marina Shvangiradze, and Mr. Govinda Timilsina. The Board appointed Mr. Xuedu Lu as the first Chair of the Registration and Issuance Team for the first 10 cases.

Deviations:

87. The Board considered three (3) requests for deviation, agreed on answers for all of them and requested the secretariat to inform the DOEs accordingly.

*Clarifications and guidance:*

88. The Board considered the request for guidance in relation to appraisals of requests for registration in which some minor corrections and/or considerations have been recommended prior to registration. The Board requested the secretariat to prepare a catalogue of such corrections / considerations with an analysis of the issues raised in such appraisals that did not lead to a request for review and to make it available to the Board to facilitate the discussion regarding registration procedures at its twenty-fourth meeting.

89. The Board further requested the secretariat to provide analysis of all information available including initial information provided by project participants and designated operational entities and identify possible options for consideration by the Board whenever a request for review of a request for registration/issuance is to be considered by the Board. The Board took note that, initially, until the registration/issuance unit is fully staffed, such analysis could be limited to presenting issues and responses in a summarized manner.

90. The Board considered requests for clarification referring to paragraph 4 of the COP/MOP 1 Decision “Further guidance relating to the clean development mechanism” with regard to requests for retroactive credits. The Board clarified that:

(a) “Requesting validation” requires that a project design document has been submitted to a designated operational entity by 31 December 2005. DOEs are required to have a system to deal with their documents and processes. The Board noted that the date of receipt shall be documented in such a manner that a verification in the context of re-accreditation or spot-check is possible without doubt.

(b) Bearing in mind the short period after COP/MOP 1 and that it was a holiday season, the Board agreed that 11 January 2006 is the effective deadline for submitting proposed new methodologies (equivalent to the deadline of round fourteen for submission of proposed new methodologies).

(c) With regard to proposed new methodologies that were submitted before the deadline referred to in sub-paragraph (b) and which are not approved (“C” cases) and submitted again, as recommended, the Board agreed that:

- (i) If the project activity is not changed and is registered before 31 December 2006 using an approved methodology which was submitted based on the non-approved proposed methodology, it would qualify for retroactive crediting in accordance with the relevant decision of COP/MOP 1.
- (ii) The resubmitted methodology would not be granted any type of special considerations on resubmission.

91. The Board adopted a revised registration fee as contained in [annex 35](#) to this report. The structure of the revised registration fee is based on the principles agreed at EB21. The Board instructed the secretariat to apply the revised registration fee from 1 March 2006.

Agenda sub-item 3 (f): Matters relating to the issuance of CERs and the CDM registry

92. The Board noted that 3,616,773 CERs had been issued by 22 February 2006, and that the secretariat, in its capacity as CDM registry administrator, has instructed project participants as to how they may open holding accounts and forward the issued CERs to such accounts.

93. The Board considered the request for review of the request for issuance of 6,330 CERs for the “**Granja Becker GHG Mitigation Project (0108)**” and the initial submission from the project participants and the DOE, including a revised monitoring report. In light of the explanations provided therein, the Board requested the designated operational entity to conduct a verification of the revised monitoring report and submit a new request for issuance.

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

94. The Board took note of the oral report made by Mr. José Domingos Miguez on the outcomes of the negotiations at SBSTA 23 relation 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 requested Mr. José Domingos Miguez and Ms. Sushma Gera to follow negotiations at SBSTA 24 related to this issue and report on the outcome to the Board.

95. The Board took note of the oral report made by Ms. Anastasia Moskalenko and Mr. Rajesh Kumar Sethi on the negotiations at SBSTA 23 relating to registries and requested them to follow the negotiations at SBSTA 24 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*

96. At its twenty-second meeting, the Board agreed on the following amendments to the CDM-MAP: (a) More detailed budget information would be provided in annex 6 to the CDM-MAP (rev 01) (b) A communication officer and a support staff should be added to the CDM section in order to improve the communication on decisions and to strengthen the outreach activities of the Board. The secretariat included the above amendments into a revised version of the CDM management plan.

97. The Board took note of the presentation of the secretariat on the revised CDM-MAP. It noted that one important goal would be to promote further the calls for experts including through activities at sessions of subsidiary body, communicating with DNAs or inviting DNA's to include a link to the calls on their website. The Board agreed that the revised CDM-MAP will be prepared by the secretariat in consultation with the Chair and the Vice Chair of the Board and approved electronically. The Board suggested that the secretariat put in place electronic tools that could help the Board in keeping track of the resources necessary to implement the CDM-MAP. It requested that detailed information be circulated to the Board within 15 calendar days.

Resources

98. The Board took note of information provided by the secretariat on the status of resources in 2006 as at 23 February 2006. Since the twenty-second meeting of the Board (November 2005), contributions have been received from Canada (USD 250,000) Finland (USD 40,000), France (120,500), Germany (USD 175,397), Luxembourg (USD 23,894), Malta (USD 5,000), the Netherlands (USD 264,706), Spain (USD 171,595) and Switzerland (USD 76, 094). A further USD 14,967 were received from one applicant entity, USD 739,515 from 59 project registration fees and USD 7,929 from eight (8) methodologies fees for a total income of USD 1.6 million received since the twenty-second meeting of the Board. As a result of the above income and of a USD 5.60 million carry-over from 2005, as of 23 February 2006 the total resource available amount to USD 6.10 million.

99. With a view to accruing resources to cover administrative expenses for operational functions as of 2008 a further USD 0.88 million received since 1 January 2006 have been put aside (i.e. registration (USD 479,460) and methodologies (USD 24,776) fees, and share of proceeds (USD 380,479)).

100. Resource requirements for supporting the work on the CDM in the biennium 2006-2007 currently amount to USD 22.63 million. This reflects the activities spelled out in the CDM-MAP as revised in December 2005. Of the current requirements, USD 4.56 million are included in the proposed UNFCCC programme budget for the biennium 2006-2007. The remaining USD 18.07 million would need to be covered from supplementary resources. As a result of the above income, the gap in supplementary resources for the remainder of 2006 amounts to USD 2.8 million and to USD 11.85 million for the biennium 2006-2007.



101. The Board expressed its appreciation to Parties which have generously contributed resources for the work of the CDM and invited Parties which have pledged resources to convert them into contributions in the very near future.

102. The Board 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. However, it stressed the importance that these contributions are made early and in a predictable and sustained manner.

Agenda item 5. Other matters

103. The Board discussed the implementation of the COP/MOP decision on further guidance under the various agenda items reflected in the previous paragraphs furthermore the Board also agreed that the preparation of the catalogue of decisions should be undertaken as a priority. In this regard the Board tasked the secretariat to initiate work, including the preparation of a draft outline which will be circulated to the Board for comments.

Agenda sub-item 5 (a): Relations with Designated National Authorities

104. The Board took note of the draft decision of the first session of the COP /MOP on “Further guidance relating to the clean development mechanism” with regard to relations with Designated National Authorities (DNAs).

105. The Board agreed to:

- (a) Establish the CDM DNA forum (presently there are 94 DNAs (75 from Parties not included in Annex I)) and request the secretariat to provide support to this forum;
- (b) Invite the secretariat to explore options for funding/collaboration to support a meeting of the DNA forum at least two times a year as well as means to enhance the connectivity of DNAs to the listserve and the extranet.
- (c) Request the secretariat to organize at least the meeting of the forum which takes place in conjunction with a meeting of the COP/MOP in such a manner that it will be possible for the Board to interact with the forum in a cost effective manner.
- (d) Encourage the secretariat to stimulate and facilitate the discussion of the forum by electronic means with a view to establishing issues they would like to discuss amongst them and in an interaction with the Board.
- (e) Note that this forum could be an important avenue to build capacity through cooperation and exchange of experiences relating to building an adequate infrastructure and to overcoming other barriers.

Agenda sub-item 5 (b): Relations with Designated Operational and Applicant Entities

106. The Board took note of the oral report by Mr. Einar Telnes, Chair of the DOE/AE forum who highlighted, inter alia, the following points:

- (a) In order to avoid delays, there is a need for a mechanism to deal with cases of deviations from baseline and monitoring methodologies in a prompt manner;
- (b) Four (4) weeks grace period to apply a revised methodology is not sufficient, as referred in the existing procedures for revision of approved methodologies. It was requested to extend the grace period from one month to three months (see paragraph 18 regarding EB decision to extend the period to 8 weeks).



(c) Requested guidance from the Board relating to the COP/MOP decision on extension of the deadline to claim retroactive credits for the project activities that started in the period between 1 January 2000 and 18 November 2004 and have not yet requested registration but have either submitted a new methodology or have requested validation by a DOE. (see paragraph 90 regarding EB decision on this issue).

(d) Invited the Board to nominate one Board member to be part of the steering committee undertaking the work on the upgrade and consolidation of the validation and verification manual.

107. The Board took note of the issues raised by Mr. Telnes and provided clarifications and responses to some issues. The Board encouraged the DOE/AE coordination forum to continue providing input to the Board and its panels, thus enhancing common understanding and approaches. In particular the Board agreed to nominate Mr. Kilani as the representative of the Board in the forum's steering committee for the work on the upgrade and consolidation of a DOE/AE validation and verification manual. Mr. Stehr will serve as a backup to Mr. Kilani in this task. The Board requested the secretariat to assist the two members in this task.

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

108. The Board met with registered observers for informal briefings on 24 February 2006 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.

109. The Board took note of CDM-related events attended by Board members and alternates since the last meeting.

110. The Board further agreed to continue to meet with the same type of arrangement as at its twenty-fourth meeting, with space being made available for 70 observers, and to reconsider the issue when necessary. Observers to the twenty-fourth meeting of the Executive Board shall have registered with the secretariat by **19 April 2006**, 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.

111. The Board acknowledged the (unsolicited) submissions received and recognized that due to time constraints and its current workload was not able to respond to them.

Agenda sub-item 5 (d): Regional distribution of project activities

112. The Board took note of the unedited decision of the first session of the COP /MOP "Further guidance relating to the clean development mechanism" with regard to regional distribution of CDM project activities and agreed to **open a public call for inputs** through the UNFCCC CDM website starting **from 1 March 2006 and ending 21 April 2006 @ 17:00 GMT**. Submissions received will be considered at the twenty-fourth meeting of the Board.

113. The Board agreed to keep this issue as a standing item on its agenda with a view to take stock, exchanges views and take action, as appropriate.

Agenda sub-item 5 (e): Other business

114. The Board agreed on the provisional agenda for its twenty-fourth meeting (10 - 12 May 2006) as contained in [annex 36](#) to this report. The Board agreed on tentative schedule for 2006, as contained in [annex 37](#).

115. The Board took note of the successful discussions and exchanges held at the Coordination Workshop for the Board, its panels and working groups, DOEs and AEs as well as selected experts which took place on 4 - 5 February 2006 and agreed to repeat this experience in the year 2007.



116. The board took note of the electronic decisions reflected in this report.

Agenda item 6. Conclusion of the meeting

117. The Chair summarized the main conclusions.

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

118. 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

119. The Chair closed the meeting.