



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

Date: 12 May 2006
Ref: CDM-EB-24

EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM
TWENTY-FOURTH MEETING

Report

Date of meeting: 10 – 12 May 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. Mr. José Domingos Miguez, Chair of the Executive Board of the Clean Development Mechanism (CDM) (hereinafter referred to as the Board) opened the meeting and asserted that the quorum requirement was met. No conflict of interest was identified by any member or alternate member of the Board present at the meeting.

Agenda item 2. Adoption of the agenda

2. 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**

3. The Board took note of the **eleventh progress report (CDM-ACCR-R-11) on the work of the CDM Accreditation Panel (CDM-AP)** presented by Mr. Hernán Carlino, 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. 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 activities.

4. The Chair also presented the draft revised accreditation procedure. The Chair informed the Board members that the revision of the procedures has been undertaken by taking into consideration the relevant decisions and clarifications of the Board and the CDM-AP and proposed that it be made available for public comments.

Consideration of case-specific recommendations:

5. The Board agreed, pursuant to decisions 3/CMP.1, to accredit, and provisionally designate, the following applicant entities for:

- (a) Sector-specific validation:
 - (i) Tohatsu evaluation and Certification Organization, Co. Ltd. (TECO)
(VAL: none / VER: none)
 - 1. Energy industries (renewable - / non-renewable sources)
 - 2. Energy distribution
 - 3. Energy demand
 - (ii) British Standards Institution (BSI)
(VAL: none / VER: none)
 - 1. Energy industries (renewable - / non-renewable sources)
 - 2. Energy distribution
 - 3. Energy demand
 - (iii) PricewaterHouseCoopers, South Africa (PWC, SA)
(VAL: none / VER: none)
 - 1. Energy industries (renewable - / non-renewable sources)



2. Energy distribution
 3. Energy demand
- (b) Sector-specific verification:
- (i) Bureau Veritas Quality International Holding S.A. (BVQI Holding)
(VAL: 1, 2, 3 / VER: none)
 1. Energy industries (renewable - / non-renewable sources)
 2. Energy distribution
 3. Energy demand
 - (ii) Spanish Association for Standardisation and Certification (AENOR)
(VAL: 1, 2, 3 / VER: none)
 1. Energy industries (renewable - / non-renewable sources)
 2. Energy distribution
 3. Energy demand

6. The Board noted that the total number of DOEs accredited and provisionally designated now stands at 16. The Board also took note that another entity from a non-Annex I Party has been accredited: PricewaterHouseCoopers, South Africa (PWC, SA). 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:

7. The Board took note of the revised accreditation procedure and agreed to make the procedure available for public comments and to seek views from the AEs and DOEs and CDM assessment team members. The Board agreed that such a **call for input** will open starting **15 May 2006 and ending 15 June 2006 (17:00 GMT)** and invited the panel to submit to the Board a new draft taking into consideration such input.

8. The Board considered a shortlist of applicants to the CDM-AP and selected Mr. Takashi Ohtsubo, Mr. Peter Herrman and Ms. Marina Shvangiradze as members of the panel for a term of two years as new members. The Board expressed its deep appreciations to the outgoing CDM-AP members, Mr. Arve Thendrup and Ms. Maureen Mutasa.

9. The Board agreed in its deliberations at this meeting to conduct a spot check on an entity.

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

10. The Board considered the report of the twentieth meeting of the Panel on baseline and monitoring methodologies (Meth Panel) and the oral update by Mr. Rajesh Kumar Sethi, Chair of the panel.

Clarifications on approved methodologies

11. In response to the request for clarification on ACM0006 related to an amendment to draft ACM0006/Version 02, the Board clarified that as the clarification requires a revision to the approved



methodology, the appropriate procedure for this request is “request for revision of an approved methodology” and requested the DOE to submit the case through this procedure.

12. In response to clarification on ACM0006 related to scenario 14 of the methodology, the Board agreed to revise the approved methodology ACM0006, as contained in the [annex 1](#) to this report, in order to clarify the process for estimating net quantity of increased electricity from implementation of project activity under Scenario 14.

13. In response to clarification on AM0008 related to its applicability, the Board clarified that the approved methodology is not applicable to energy sector projects. It further clarified that the methodology is applicable to fuel switch in elemental process of industrial plants where natural gas is obtained from re-gasification of liquefied natural gas (LNG).

14. In response to clarification on ACM0001 related to monitoring of land fill gas (LFG), the Board declined the request for reducing the monitoring requirements as this would result in less precise estimate of emissions reductions.

15. In response to clarification on ACM0001 on monitoring of temperature and pressure of LFG, the Board agreed to revise the approved methodology to reflect that separate monitoring of LFG temperature and pressure is not required if the monitoring equipment used automatically adjusts the volume for these two parameters.

Responses to request for revisions:

16. In response to a request for revision of ACM0006, the Board clarified that the information provided in the revisions submitted to incorporate two scenarios (new scenario 16 - fossil fuel displacement and power capacity expansion and scenario 17 - partial or complete fuel switch) was not sufficient to evaluate the request and suggested resubmission by project participants after incorporating the recommendation made by the Meth Panel in its response to request for revision.

17. In response to a request for revision of ACM0005 (“Amendment of the three options for selecting the benchmark for baseline emissions”), the Board accepted the request to revise the approved methodology with minor modifications to the request, as contained in the [annex 2](#) to this report.

18. In response to a request for revision on ACM0006 (Request for amendment to include biomass residues fuel switch projects that generate heat but do not produce electricity), the Board declined the request for revisions. It also suggested the submission of a new methodology for heat only generation projects, as the inclusion of heat alone options in ACM0006 will make the methodology too complex to implement. The Board also noticed that the submission as presented would not result in certified emissions reductions (CERs) for proposed project activity types if applying the proposed revision.

Revision of approved methodologies

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

(a) **AM0001** (“Incineration of HFC 23 Waste Streams”) as contained in [annex 3](#). The Board agreed to revise the approved methodology to reflect an interpretation of “lower of the two readings” in the methodology in accordance with its guidance provided at its twenty-third meeting. With this revision the methodology clearly states that monthly recording of HFC23 flow is the sum of the lower of the two periodic readings taken by the two flow meters.

(b) **AM0019** (“Renewable energy projects replacing part of the electricity production of one single fossil fuel fired power plant that stands alone or supplies to a grid, excluding biomass projects”) as contained in [annex 4](#). The Board agreed to revise the approved methodology to incorporate guidance provided at its twenty-third meeting on emissions from reservoirs of hydro electric power projects with



reservoirs. The applicability of the approved methodologies in **AM0019** is expanded to include hydro electricity projects with reservoirs.

(c) **AM0026** (“Methodology for zero-emissions grid-connected electricity generation from renewable sources in Chile or in countries with merit order based dispatch grid”) as contained in [annex 5](#). The Board agreed to revise the approved methodology to incorporate guidance provided at its twenty-third meeting on emissions from reservoirs of hydro electric power projects with reservoirs. The applicability of the approved methodologies **AM0026** is expanded to include hydro electricity projects with reservoirs.

(d) **ACM0001** (“Consolidated baseline methodology for landfill gas project activities”) as contained in [annex 6](#). The Board agreed to:

- (i) Incorporate the revision necessitated by the request for clarification as stated in paragraph 15 above.
- (ii) Incorporate the procedures of estimating emissions reductions to take into account situations where project activities may not utilize the captured LFG but require use of fossil fuel or purchased electricity in operating the project activity.

(e) **ACM0002** (“Consolidated baseline methodology for grid-connected electricity generation from renewable sources”) as contained in [annex 7](#). The Board agreed to:

- (i) Incorporate the guidance, provided by it at its twenty third meeting on emissions from reservoirs of the hydro electric power projects with reservoirs, by expanding its applicability to include hydro electricity projects with reservoirs.
- (ii) Incorporate the option to use of a weight of 75% for operating margin (OM) and 25% for build margin (BM) as default weights for intermittent generation resources where generation is relatively unpredictable and non-dispatchable. Specifically this weighting would apply to wind and solar power projects. The revision also clarifies that the OM should be calculated as the generation weighted average of the most recent three years’ of data. The choice of using ex-ante or ex-post data vintages for OM should be clearly specified in the CDM-PDD and cannot be changed during the crediting period.

(f) **ACM0003** (“Emissions reduction through partial substitution of fossil fuels with alternative fuels in cement manufacture”) as contained in [annex 8](#). This revision simplifies the procedure to estimate the moisture penalty for using alternative fuels in project scenario.

(g) **ACM0009** (“Consolidated baseline methodology for industrial fuel switching from coal or petroleum fuel to natural gas”) as contained in [annex 9](#). The Board agreed to the revised methodology to expand its applicability to projects that use natural gas sourced from LNG.

20. The above revisions will come into force as of 19 May 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.

21. The Board took note of the suggestion of the Meth Panel to consolidate the approved methodologies AM0012 and AM0025. The Board requested the Meth Panel to revise AM0025, for the consideration of the Board at its twenty-fifth meeting, incorporating the scope of AM0012 regarding its applicability to situations where a law exists for treating biodegradable waste that is not enforced. It also agreed that after the revision of approved methodology AM0025, the approved methodology AM0012 shall be withdrawn.



22. The Board agreed to the revision of the approved methodology AM0001, attached in [annex 3](#) of this report (please refer to above paragraph 19), to reflect the above guidance as well as the change that the calibration of the flow meter used for the measurement of the HFC-23 gas flow be conducted every six months and a zero check on a weekly basis. Should the zero check indicate that the flow meter is not stable, an immediate calibration of the flow meter should be undertaken by an officially accredited entity. The Board also agreed that the projects that have been submitted using earlier versions have the option of either using the procedure listed in the corresponding version of the approved methodology or the above procedure agreed by the Board.

Consideration of case-specific recommendations:

23. Taking into consideration recommendations by the Meth Panel and by desk reviewers as well as public inputs, the Board considered thirty-two (32) proposals for new baseline and monitoring methodologies and agreed on the following recommendations with respect to the cases below.

- Approvals:

NM0038-rev: “Avoided methane emissions from organic waste-water treatment”

24. The Board agreed to approve the proposed baseline and monitoring methodologies contained in proposal NM0038-rev, elements of which were integrated into the approved methodology AM0013. The proposed baseline and monitoring methodology is contained in [annex 10](#) (“Avoided methane emissions from organic waste-water treatment”) to this report. The scope of the methodology will continue to remain the same as that of the approved methodology AM0013 (scope 13: Waste handling and disposal) for the purpose of accreditation.

NM0080-rev and NM0153: “Baseline Methodology for Grid Connected Electricity Generation Plants using Natural Gas”:

25. The Board agreed to approve the proposed baseline and monitoring methodologies contained in proposal NM0080-rev and NM0153 and the reformatted version of these methodologies as contained in [annex 11](#) (“Baseline Methodology for Grid Connected Electricity Generation Plants using Natural Gas”) 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 1 (electricity generation) for the purpose of accreditation.

NM00124-rev: “PFC emission reductions at ALUAR Aluminio Argentino”

26. The Board agreed to approve the proposed baseline and monitoring methodologies contained in proposal NM00124-rev and the reformatted version of these methodologies as contained in [annex 12](#) (“PFC emission reductions from anode effect mitigation at primary aluminium smelting facilities”) 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 9 (Metal industry) for the purpose of accreditation.

- Possible reconsideration (“B cases”):

27. The Board agreed that the proposed new baseline and monitoring methodologies for the case NM0133, NM0134, NM0138, NM0140 and NM0142 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.



28. If project participants wish to have the revised proposals considered at the twenty-first meeting of the Meth Panel (6 - 9 June 2006), they shall exceptionally submit them **by 17 May 2006**.

- Non-approval:

29. The Board agreed not to approve the proposed new baseline and monitoring methodologies for cases NM0082-rev, NM0112-rev, NM0117-rev, NM0136 and NM0148. 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.

NM0082-rev: “Production of sugar cane-based anhydrous bio-ethanol for transportation using Life-cycle analysis (LCA)”

30. The Board agreed not to approve the proposed baseline and monitoring methodologies contained in proposal NM0082-rev (“Production of sugar cane-based anhydrous bio-ethanol for transportation using Life-cycle analysis (LCA)”). The Board observed that along with the issue of double counting, which needs further consideration, a number of issues still need to be addressed for the methodology to be approved. The observations of the Board on the case are included in the [annex 13](#) to this report.

NM0112-rev: “Increased electricity generation from existing hydropower stations through Decision Support System optimization”

31. The Board agreed not to approve the proposed baseline and monitoring methodologies contained in proposal NM0112-rev (“Increased electricity generation from existing hydropower stations through Decision Support System optimization”). The Board observed that a number of issues are still required to be addressed for the methodology to be approved. The observations of the Board on the case are included in the [annex 14](#) to this report.

Consolidation of methodologies

AM0006 and AM0016

32. The Meth Panel recommended to the Board to approve the consolidated methodology based on AM0006 and AM0016. The Board considered the recommendation from the Meth Panel and requested it to continue the review of AM0006 and AM0016 in light of the observations by the Board members for the purpose of consolidation. The Board specifically requested the Meth Panel to revise these approved methodologies to include the monitoring of flares, for consideration at its twenty-fifth meeting. The Board also requested the Meth Panel to analyze the impact of revisions on the estimated emissions reductions. The Board requested the secretariat to use the services of an expert to assist the Meth Panel in its consideration of these methodologies (AM0006 and AM0016). The Board also agreed to open a call for public inputs on these methodologies starting **19 May 2006 and ending on 16 June 2006 @ 17:00 GMT**.

33. The Board agreed that this revision is significant and the methodologies AM0006 and AM0016 should therefore be put “on hold” in accordance with the procedure for revision of approved methodologies, until the monitoring of flares is addressed in these methodologies and considered by the Board.

34. The Board agreed to withdraw the approved methodology AM0008. The Board at its last meeting had agreed to continue making available AM0008, though it was consolidated into ACM0009, as ACM0009 did not apply to projects that used natural gas sourced from LNG. As the Board at its present meeting approved the revision of approved consolidated methodology ACM0009 to expand its applicability to use of natural gas derived from re-gasification of LNG, the reason for making AM0008 available is no more applicable.



General issues relating to process/guidance:

35. The Board agreed to revise the procedures for clarification of approved methodologies included in [annex 15](#) to this report.
36. The Board requested that Meth Panel should provide substantiated justifications of the recommendations that it makes to the Board for consideration.
37. The Board accepted the Meth Panel's recommendation that a zero check cannot be considered as a substitute for calibration of the measurement instrument.
38. The Board agreed that inputs of monitoring experts may be used, if required, to review the monitoring component of the new methodology under consideration for approval by the Meth Panel, prior to recommending the cases to the Board. The Board also requested that the inputs provided by the expert on cases recommended for approval be clearly highlighted to the Board. In this regard the Board would like to encourage monitoring experts to apply to the roster of experts.
39. The Board considered the proposal made by Meth Panel to address double counting. The Board was of the view that the proposed approach does not address the exportation of the fuel to Annex I countries and ensuring that the consumption is within the Non-Annex I country. The Board requested the Meth Panel to take the above into account when analysing the issue of double counting and prepare a recommendation for consideration of the Board.
40. The Board considered the request by the Meth Panel to work on definitions of the terms for CDM project activities under a programme of activities in order to ensure consistency with the guidance provided by COP/MOP1 on CDM project activities under a programme of activities. The Board requested the Meth Panel to prepare a tabulation of issues for preparing definitions of terms for consideration of the Board at its twenty-fifth meeting, taking into account the present methodologies that are relevant to the issue. The Board also agreed to open a call for public inputs on definition of policy and programme of activities starting **19 May 2006 and ending on 16 June 2006 @ 17:00 GMT**.
41. The Board requested the Meth Panel to provide a short note of comparison amongst the methodologies which are subject to consolidation and the proposed consolidated methodologies. The Meth Panel shall also provide the reasons for recommending the withdrawal of methodologies.
42. The Board also requested the Meth Panel to provide draft guidance for consolidations and revision of approved methodologies.
43. The Board took note of the fact that the Meth Panel would require time to prepare its recommendations on additionality tool and baseline scenario selection tool, as requested by the Board at its twenty third meeting. The Board also took note that most of the public inputs submitted were suggesting improvements of the existing additionality tool and few ideas for alternative tools. In response to a request for guidance by the Meth Panel the Board asked the Meth Panel to prioritize its work taking into account the improvement and merging of the draft baseline scenario selection tool with the additionality tool, with a view to make a recommendation to the Board for its consideration at its twenty sixth meeting.
44. The Board agreed to the "technical guidelines for the development of new baseline and monitoring methodologies", which combines all guidance provided by the Board on methodological issues in one single document with the aim of facilitating the development of new methodologies as contained in the [annex 16](#). These guidelines will replace the section in the current guidelines for completing the CDM-NMB and CDM-NMM contained within the guidelines for completing CDM-PDD, CDM-NMB and CDM-NMM version 4. The Board also requested the secretariat to revise the guidelines for completing CDM-PDD, CDM-NMB and CDM-NMM version 4 to incorporate the technical guidelines, which shall be verified by the Chair of the Board and Chair of the Meth Panel. The revised guidelines shall come into force on 19 May 2006.



45. The Board agreed to revision of the existing CDM-NMB and CDM-NMB forms, as contained in annex 17, in line with the current form for A/R methodologies (CDM-AR-NM) and approved the new combined form for proposed new baseline and monitoring methodologies (CDM-NM). The revised form shall come into force on 19 May 2006.

46. The Board requested the Meth Panel to revise the desk review (F-CDM-NM_{ex}) and recommendation forms (F-CDM-NM_{mp}) and the CDM-PDD form and its guidelines reflecting the structure of the new baseline and monitoring form (CDM-NM).

47. The Board agreed to replace Ms. Jane Ellis, who had indicated that she wanted to retire, by Mr. Juerg Fuessler. The Board expressed its gratitude to Ms. Jane Ellis contribution to the work of the panel.

48. The Board agreed to revise the terms of reference for the Meth Panel in order to revise the competence requirements for members of the Meth Panel, as contained in annex 18 to this report

49. Accordingly, the Board further agreed to launch a call for experts to members of the Meth Panel. The call will open on **19 May 2006 and be ending 16 June 2006 @ 17:00 GMT**. Members currently serving in the Meth Panel may reapply. The Board encourages applications from all the regions.

Further schedule:

50. Noting that methodologies may be proposed at any time and are treated on a **first-come first serve basis**, the Board confirmed that the **deadline for the sixteenth round of submissions** of proposed new baseline and monitoring methodologies is **5 July 2006**.

51. The Board noted that the CDM-MP 19 agreed to convene its next meeting on 6 – 9 June 2006 taking into account the schedule of the Board. The tentative schedule for subsequent meetings in 2006 will be available at: <<http://cdm.unfccc.int/Panels/meth>>.

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

52. The Board considered the report of the eighth meeting of the afforestation and reforestation working group (A/R WG) and the oral report provided by the Chair of the A/R WG, Mr. Philip Gwage.

General issues relating to process:

53. Taking into consideration the procedures for clarifications of approved methodologies for non-A/R CDM project activities, the Board agreed that these procedures apply *mutatis mutandis* to approved methodologies for A/R CDM project activities.

54. The Board expressed its deep appreciation to the outgoing members of the AR WG, Ms. Carmenza Robledo and Mr. Wojtek Seweryn Galinski for their excellent work during their term.

55. The Board considered a shortlist containing the remaining members and new applicants to the A/R WG. The Board selected the following new members Mr. Craig Trotter and Mr. Sergio Jauregui for a term of one year and confirmed the membership of Mr. Hilton Thadeu Zarate do Couto, Mr. Nagmeldin G. Elhassan, Mr. Shailendra Kumar Singh and Mr. Frank Werner for a further term of one year.

*General issues relating to clarifications/guidance:*

56. The Board agreed to further clarifications and guidance as outlined below:

(a) How to address the presence of afforestation/reforestation as a plausible baseline scenario, although at a slower rate than in the project scenario, in certain proposed new methodologies is clarified in the [annex 19](#) of this report.

(b) Revise with minor editorial changes the approved methodology AR-AM0001, as contained in the [annex 20](#) of this report.

(c) Losses of carbon in carbon pools due to the construction of access roads, within the project boundary, are negligible compared to net anthropogenic GHG removals by sinks over the crediting period.

57. The above revision will come into force as of 19 May 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.

58. The Board, taking into consideration the inputs by experts (desk reviewers), the public and the recommendation of the AR WG, agreed to:

- Approval (“A cases”):

(a) AR-AM0002 – “Restoration of degraded lands through afforestation/reforestation” based on ARNM0007-rev and linked to sectoral scope 14, as contained in [annex 21](#);

(b) AR-AM0003 – “Afforestation and reforestation of degraded land through tree planting, assisted natural regeneration and control of animal grazing” based on ARNM0018 and linked to sectoral scope 14, as contained in [annex 22](#);

- Possible reconsideration (“B cases”):

(c) Forward the cases ARNM0012 and ARNM0017 for revision to the project participants without the need for further expert and public input. If project participants wish to have the revised proposal considered at the tenth meeting of the A/R WG, they shall submit them by **6 June 2006**.

59. The Board further encourages the A/R WG to consider the consolidation of approved methodologies, which are similar.

Further schedule:

60. The Board took note that the next meeting of the working group is on 13 - 14 June 2006 and confirmed that the stipulated deadline for the tenth round for submissions of proposed new A/R baseline and monitoring methodologies is **6 June 2006**.

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

61. The Board considered the fifth report of the Small-Scale Working Group (SSC WG) presented by Ms. Gertraud Wollansky, Chair of the SSC WG.

62. The Board considered a shortlist of current members and new applicants to the SSC WG. The Board selected all current members namely Mr. Gilberto Bandeira De Melo, Mr. Felix Babatunde Dayo, Mr. Binu Parthan, Mr. Daniel Perczyk and Mr. Kazuhito Yamada for a further term of one year.



63. The Board noted that due to time constraints not all items, recommended by the SSC WG, under general issues relating to process/guidance could be considered and agreed that these will be addressed at its twenty fifth meeting.

64. The Board noted that type III project activities may be able to achieve significant emission reductions, without exceeding the direct emissions limits i.e.15 kilo tonnes CO₂e and therefore agreed to develop new type III categories including procedures for more precise estimations of emission reductions and more detailed monitoring. As an interim solution, the Board agreed to include the following text in the applicability conditions of all current Type III categories : *“This category is applicable for project activities resulting in annual emission reductions lower than 25,000 tonnes CO₂e. If the emission reduction of a project activity exceeds the reference value of 25,000 tonnes CO₂e in any year of the crediting period, the annual emission reduction for that particular year is capped at 25,000 tonnes CO₂e.”* The Board took into account the estimated annual emission reductions of registered SSC project activities to date in agreeing to using the average as a cap.

65. The Board requested that the new categories under Type III, referred to in paragraph above, shall be developed by the SSC WG at its seventh meeting.

66. The Board took note that the tentative date for next meeting of the SSC-WG will be fixed in due course taking into consideration the workload for the working group (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

67. The Board took note that 180 CDM project activities have been registered by 12 May 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:

68. 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 eight (8) proposed CDM project activities.

69. The Board agreed to register the project activity:

(a) “Quimobásicos HFC Recovery and Decomposition Project (0151)”, if the project participants submit a revised PDD which removes the CFC production line from the project boundary. The only eligible emission reductions are those arising from the existing HCFC 22 stream. After the submission of this documentation, the secretariat, in consultation with the Chair of the Board, will check the revised documentation before the activity is displayed as registered.

(b) “Trupan Biomass Power Plant in Chile (0259)”, if the project participants submit a revised monitoring plan indicating how the sources of the biomass to be used will be monitored. After the submission of this documentation, the secretariat, in consultation with the Chair of the Board, will check the revised documentation before the activity is displayed as registered.

(c) “Vajra and Chaskaman small hydro projects of Vindhyaachal Hydro Power Ltd., Maharashtra, India. (0273)”, taking note of the initial comments provided by the designated operational entity and project participant.

(d) “4.5 MW Biomass (Agricultural Residue) Based Power Generation Unit of M/s Matrix Power Pvt. Ltd. (MPPL) (0281)”, if the project participants revise the baseline emission factor to reflect the weighted average emissions of the generation mix in the year 2000, to comply with the guidance provided at the twentieth meeting of the Board requesting that: *“the most recent information, corresponding to the vintage of data appropriate to the project activity, which is available at the*



validation stage shall be used for the calculation of baseline". After the submission of this documentation, the secretariat, in consultation with the Chair of the Board, will check the revised documentation before the activity is displayed as registered.

70. The Board agreed to undertake a review of the project activity:

(a) "Grid-connected electricity generation from renewable sources at Satara by M/s Bajaj Auto Ltd. (BAL) using wind Power (0221)", and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 23](#).

(b) "Grid-connected electricity generation from renewable sources at Supa, Taluka Parner, Dist. Ahmednagar by M/s Bajaj Auto Ltd. (BAL) using wind Power (0224)", and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 24](#).

71. The Board agreed to nominate Mr. Xuedu Lu (lead), Mr. Hernán Carlino and Mr. Masaharu Fujitomi as members of the Review Team for these cases. The Review Team may call on outside expertise in consultation with the Chair of the Board, as appropriate.

72. The Board further agreed to undertake a review of the project activity:

(a) "Lazaro Energy Efficiency Project (0311)", and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 25](#).

(b) "El Dorado Energy Efficiency Project (0317)", and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 26](#).

73. The Board agreed to nominate Mr. Hernán Carlino (lead), Mr. Rajesh Kumar Sethi, and Mr. Masaharu Fujitomi as members of the Review Team for these cases. The Review Team may call on outside expertise in consultation with the Chair of the Board, as appropriate.

Registration procedure:

74. The Board considered the catalogue prepared by the secretariat of issues raised in appraisals of requests for registration in which some minor correction and/or consideration had been recommended prior to registration. The Board considered also the experience to date with the operation of the registration and issuance team (RIT) and expressed its appreciation to the RIT for its input into the registration and issuance process. In order to streamline and increase the effectiveness of the operation of the RIT the Board agreed to adopt version 3 of the "Terms of reference and procedures for a registration and issuance team" as contained in [annex 27](#) to this report.

75. In order to facilitate the process of clarification or correction of minor issues arising in requests for registration the Board agreed to adopt version 3 of the "Clarifications to facilitate the implementation of the procedures for review as referred to in paragraph 41 of the modalities and procedures for a clean development mechanism" as contained in [annex 28](#) to this report.

76. The Board considered a submission from the DOE/AE coordination forum containing a proposal for a revised registration request form (F-CDM-REG). It agreed on a revised "Registration request form (F_CDM_REG)" as contained in [annex 29](#) to this report and that the form shall be used once the secretariat has prepared the UNFCCC CDM Information system for its use. The secretariat shall inform all DOE/AEs accordingly.

Deviations:

77. The Board considered six (6) requests for deviation, agreed on answers for two (2) of them and requested the secretariat to inform the DOEs accordingly. The Board agreed to request additional information from a DOE with regard to one case and requested the Methodology Panel to consider at its



next meeting the remaining three cases as well as the case for which additional information was requested.

78. The Board agreed on the revised “Procedures for requests for deviation to the Executive Board (version 2)” as contained in [annex 30](#) to this report.

Clarifications and guidance:

79. The Board requested that during validation DOEs pay particular attention to and provide detailed information on the use by project participants of the additionality tool, including barrier analysis. In doing so DOEs should ensure that project participants only select relevant barriers in presenting the additionality of the proposed project activity, and provide an analysis of the barriers presented in the PDD.

80. The Board requested the secretariat to revise the “Guidelines for completing the project design document (CDM-PDD)” by adding the following sentence: “*the local stakeholder process shall be completed before submitting the proposed project activity to a DOE for validation*” in the guidance with respect to Section G.1 of the PDD.

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

81. The Board noted that 5,366,271 CERs had been issued as of 11 May 2006, and that new account applications and forwarding requests continue to be processed by the CDM registry administrator.

82. The Board considered the request for review of the request for issuance of 672,271 CERs for “**GHG emission reduction by thermal oxidation of HFC 23 at refrigerant (HCFC-22) manufacturing facility of SRF Ltd (0115)**” for the monitoring period 1 October 2005 to 31 October 2005 inclusive. The Board noted the additional clarifications provided by the DOE and considered that this additional information provided satisfactory evidence that the DOE had taken into consideration the Board’s decision to discount by 2%. The Executive Board therefore instructed the CDM registry administrator to issue the CERs as requested by the DOE, following publication on the CDM website of the additional information supplied by the designated operational entity.

83. The Board considered the request for review of the request for issuance of 1,312,676 CERs for “**GHG emission reduction by thermal oxidation of HFC 23 at refrigerant (HCFC-22) manufacturing facility of SRF Ltd (0115)**” for the monitoring period 1 January 2006 to 28 February 2006 inclusive. The Board noted the additional clarifications provided by the DOE and considered that this additional information provided satisfactory evidence that the annual limits required by the methodology were adhered to. The Executive Board therefore instructed the CDM registry administrator to issue the CERs as requested by the DOE.

84. The Board considered requests for clarifications with regard to changes to the start date of the crediting period of registered CDM project activities. The Board agreed to the “Procedures for requesting post-registration changes to the start date of the crediting period” contained in [annex 31](#) to this report.

85. The Board considered the first two monthly reports provided by the CDM registry administrator to the Executive Board and acknowledged the ongoing operation of the CDM registry and the increased confidence that this provides to the market. The Board invited the secretariat to continue issuing these reports and to report on implementation of the CDM registry to the Board at its next meeting.

86. The Board took note of an oral report from the secretariat on the registry system administrators’ (RSA) forum, organized by the secretariat on 10-11 April 2006 in Bonn, in which the secretariat represented the CDM registry administrator. The Board acknowledged the progress made and requested the secretariat to provide an update to the Board at its next meeting.

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

87. The Board requested Mr. José Domingos Miguez and Ms. Sushma Gera to follow negotiations at SBSTA 24 related to “Implications of the implementation of project activities under the clean development mechanism, referred to in decision 12/CP.10, for the achievement of objectives of other environmental conventions and protocols” and report on the outcome to the Board at its next meeting.

88. The Board requested Ms. Anastasia Moskalenko and Mr. Rajesh Kumar Sethi to follow the negotiations at the twenty-fourth sessions of the Subsidiary Bodies relating to the International Transaction Log (ITL) and report on the outcome to the Board.

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

89. The Board took note of a presentation by Mr. Janos Pasztor, Coordinator, Officer-in-Charge of the Project-based Mechanisms programme and that the secretariat had focused on core deliverables, such as process support to the Meth panel, accreditation and registration and issuance process, due to financial and human resource constraints. It took note of the new facility in the EB extranet to access information on contributions, expenditures, the status of revenues from the registration fees and the share of proceeds.

Resources

90. The Board took note of information provided by the secretariat on the status of resources in 2006 as at 11 May 2006. Since the twenty-second meeting of the Board (23 February 2006), contributions have been received from Austria (USD 90,000), Belgium (USD 24,175), Canada (USD 260,000), European Commission (USD 362,400), Ireland (USD 49,232), Italy (USD 500,000). As a result of the above contributions and of a USD 5.60 million carry-over from 2005, as of 11 May 2006 the total resource available amount to USD 7.5 million.

91. With a view to accruing resources to cover administrative expenses for operational functions as of 2008 since the twenty-third meeting of the Board, a further USD 15,000 were received from one applicant entity, USD 2.16 million from 67 project registration fees, USD 3,960 from 4 methodologies fees and USD 46,796 from SOPs bringing the for a total income received as from 1 January 2006 to USD 3.94 million.

92. 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 budget requirements of ~USD 22 million, 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 1.55 million and to USD 10.56 million for the biennium 2006-2007.

93. The current gap in resources would be substantially reduced by the conversion of pledges into contributions. Currently there is a total of USD 5.82 million pledged by Parties as indicated in [annex 32](#). This amount does not include a pledge of USD 1 million that the Government of Japan made at COP/MOP 1 towards activities described in the CDM MAP in addition to in kind contributions. It has been clarified that Japan will provide in-kind contributions equivalent to maximum USD 1 million towards activities outside the CDM MAP.

94. 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.



95. 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, timely and sustained manner.

Agenda item 5. Other matters

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

96. The Board took note of the steps undertaken by the secretariat to facilitate discussion and exchange of views between DNAs. The Board encouraged the DNAs to make use of the communication tools made available by the secretariat to exchange views and share information, *inter alia*, on the procedures of the DNA Forum and items/issues to be discussed in that forum.

97. The Board also took note of the status of the activities related to facilitating the work of the DNA Forum and of meetings organized with a view to bring together DNAs at regional as well as global level.

98. The Board requested the secretariat to organize, subject to availability of resources, a meeting of the forum in conjunction with its EB meeting preceding COP/MOP 2 in such a manner that it will be possible for the Board to interact with the forum in a cost effective manner.

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

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

(a) Concerns on the increase in the number of review requests and stressed the need for more interactions between the Board and AEs/DOEs;

(b) Questions about the independence of experts in the registration and issuance team (RIT) and about how the independence of experts in the RIT would be ensured;

(c) Concerns raised by several AEs/DOEs and Project Participants over the recommendation by the Meth Panel to consolidate the methodologies concerning animal waste management systems (AWMS) on animal farms to avoid the methane emissions that would have occurred in the absence of the project activity (AM0006 and AM00016). Matters of concern raised included the difficulty to validate and monitor such a methodology as data are not always available. Both AEs/DOEs and project participants have considerable experience in these types of project activities and the DOE/AE Forum invites the Board to draw on this expertise;

(d) Concerns on the recommended applicability conditions for all current Type III categories, which limit project activities to those resulting in annual emission reductions that are lower than 25,000 tonnes CO₂e. The DOE/AE Forum highlighted to the Board that, in particular for those gases with large GWP, the cap would render such project activities nonviable and requests the Board to consider this recommendation carefully;

(e) The status of the consideration of simplified registration form (F-CDM-REG), submitted by the AE/DOE Coordination Forum.

100. The Board took note of the issues raised by Mr. Telnes and considered the interaction useful. The Board encouraged the DOE/AE coordination forum to continue providing input to the Board and its panels, thus enhancing common understanding and approaches.

101. The Board took note of the fourth meeting of the DOE/AE Forum held on 11 May 2006 and requested the Chair of this forum to request AEs/DOEs to pay attention on clarity of the information presented to the Board.

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

102. The Board met with registered observers for informal briefings on 12 May 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.

103. The Board further agreed to continue to meet with the same type of arrangement at its twenty-fifth meeting, with space being made available for 70 observers, and to reconsider the issue when necessary. Observers to the twenty-fifth meeting of the Executive Board shall have registered with the secretariat by **28 June 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.

104. 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

105. The Board took note of the five (5) submissions received as response to the call for inputs launched by the Board from 1 March 2006 to 21 April 2006 on the regional distribution of CDM project activities¹. The Board agreed to further discuss this issue at its twenty-fifth meeting in order to also consider submissions by Parties on request by COP/MOP 1² on this issue which are due by **31 May 2006**.

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

Agenda sub-item 5 (e): Other business

107. The Board had agreed that the preparation of a catalogue of decisions should be undertaken as a priority and had tasked the secretariat to initiate work, including the preparation of a draft outline. The Board further noted that some initial preparatory work had been undertaken in the areas of methodologies and accreditation to identify possible keywords and decisions to be indexed. It encourages the secretariat to make efforts to bring this task requested by COP/MOP 1 forward.

108. The Board requested the secretariat to explore options for Board members and alternate members to attend the UNFCCC sessions in their capacity as Board members/alternate members as well as for DOE/AE representatives.

109. The Board agreed on the provisional agenda for its twenty-fifth meeting (19 - 21 July 2006) as contained in [annex 33](#) to this report.

Agenda item 6. Conclusion of the meeting

110. The Chair summarized the main conclusions.

¹ The submissions received can be found on the UNFCCC CDM website at http://cdm.unfccc.int/public_inputs/reg_distri.

² Decision 7/CMP.1 “Further guidance relating to the clean development mechanism” (FCCC/KP/CMP/2005/8/Add.1)



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

111. 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

112. The Chair closed the meeting.



Annexes to the report

Methodologies for baselines and monitoring plans

- Annex 1 - Revision to approved consolidated methodology ACM0006
- Annex 2 - Revision to approved consolidated methodology ACM0005
- Annex 3 - Revision to approved methodology AM0001
- Annex 4 - Revision to approved methodology AM0019
- Annex 5 - Revision to approved methodology AM0026
- Annex 6 - Revision to approved consolidated methodology ACM0001
- Annex 7 - Revision to approved consolidated methodology ACM0002
- Annex 8 - Revision to approved consolidated methodology ACM0003
- Annex 9 - Revision to approved consolidated methodology ACM0009
- Annex 10 - Revised methodology AM0013 incorporating elements of NM0038-rev
- Annex 11 - Reformatted methodology NM0080_NM0153
- Annex 12 - Reformatted methodology NM0124
- Annex 13 - Observations of the Board on the Methodological deficiencies of NM0082-rev
- Annex 14 - Observations of the Board on the Methodological deficiencies of NM0112-rev
- Annex 15 - Revised procedures for the submissions and consideration of queries regarding the application of AMs by DOE to the Meth Panel
- Annex 16 - Technical guidelines for the development of new baseline and monitoring methodologies
- Annex 17 - New methodology form CDM-NM
- Annex 18 - Revised terms of reference of the Meth Panel

Issues relating to procedures for afforestation and reforestation project activities

- Annex 19 - Afforestation/reforestation in the baseline scenario
- Annex 20 - Revision to AR-AM0001 – Reforestation of degraded land
- Annex 21 - AR-AM0002 – Restoration of degraded lands through afforestation/reforestation
- Annex 22 - AR-AM0003 – Afforestation and reforestation of degraded land through tree planting, assisted natural regeneration and control of animal grazing

Matters relating to the registration of CDM project activities

- Annex 23 - Scope of the review on “Grid-connected electricity generation from renewable sources at Satara by M/s Bajaj Auto Ltd. (BAL) using wind Power (0221)
- Annex 24 - Scope of the review on “Grid-connected electricity generation from renewable sources at Supa, Taluka Parner, Dist. Ahmednagar by M/s Bajaj Auto Ltd. (BAL) using wind Power (0224)”
- Annex 25 - Scope of the review on “Lazaro Energy Efficiency Project (0311)”
- Annex 26 - Scope of the review on “El Dorado Energy Efficiency Project (0317)”
- Annex 27 - Revised terms of reference and procedures for a Registration and Issuance Team (EB-RIT) (version 3)
- Annex 28 - Revised clarifications to facilitate the implementation of the procedures for review as referred to in paragraph 41 of the modalities and procedures for a clean development mechanism (ver 3)
- Annex 29 - Revised registration request form (F_CDM_REG)
- Annex 30 - Revised procedures for requests for deviation to the Executive Board (version 2)

Matters relating to the issuance of CERs and the CDM Registry

- Annex 31 - Procedures for requesting post-registration changes to the start date of the crediting period

Resources

- Annex 32 - Status of pledges to support 2006 CDM activities

Other business

- Annex 33 - Provisional agenda for EB25