



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

Date: 21 July 2006

Ref: CDM-EB-25

**EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM**

**TWENTY-FIFTH MEETING**

**Report**

**Date of meeting:** 19 – 21 July 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.

<b>Member</b>	<b>Alternate</b>
<b>Mr. Jean-Jacques Becker</b> <sup>2</sup>	<b>Ms. Gertraud Wollansky</b> <sup>2</sup>
Mr. Hernán Carlino <sup>1</sup>	<b>Mr. Philip M. Gwage</b> <sup>1</sup>
<b>Ms. Sushma Gera</b> <sup>2</sup>	<b>Mr. Akihiro Kuroki</b> <sup>2,3</sup>
<b>Mr. John Shaibu Kilani</b> <sup>2</sup>	<b>Mr. Ndiaye Cheikh Sylla</b> <sup>2</sup>
<b>Mr. Xuedu Lu</b> <sup>1</sup>	<b>Mr. Richard Muyungi</b> <sup>1</sup>
<b>Mr. José Domingos Miguez</b> <sup>2</sup>	<b>Mr. Clifford Anthony Mahlun</b> <sup>2</sup>
<b>Mr. Rawlestone Moore</b> <sup>1</sup>	<b>Ms. Desna M. Solofa</b> <sup>1</sup>
<b>Ms. Anastasia Moskalenko</b> <sup>1</sup>	<b>Ms. Natalia Berghi</b> <sup>1</sup>
<b>Mr. Rajesh Kumar Sethi</b> <sup>2</sup>	<b>Ms. Liana Bratasida</b> <sup>2</sup>
<b>Mr. Hans Jürgen Stehr</b> <sup>1</sup>	<b>Mr. Lex de Jonge</b> <sup>1</sup>

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

<sup>2</sup> Term: Two years (elected at COP 10 in 2004)

<sup>3</sup> Term: Mr. Fujitomi resigned in June 2006. Mr. Kukori's first term ends at the time Mr. Fujitomi's was to end (see Rules of Procedure of the Executive Board).

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.
2. The Board noted the appointment, via electronic decision-making, of Mr. Akihiro Kuroki as alternate member of the Board to replace Mr. Masaharu Fujitomi for the remainder of his mandate.
3. The Board expressed its deep appreciation to the outgoing member, Mr. Masaharu Fujitomi for his excellent work for the Board.

**Agenda item 2. Adoption of the agenda**

4. 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**

5. The Board took note of the **twelfth progress report (CDM-ACCR-R-12) on the work of the CDM Accreditation Panel (CDM-AP)** presented by Ms. Anastasia Moskalenko, Vice-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, on-site assessments, witnessing activities and other accreditation related issues.

*Consideration of case-specific recommendations:*

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

- (a) Sector-specific validation and verification:
  - (i) Det Norske Veritas Certification UK. Ltd. (DNV Cert)  
(VAL: 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 15 /  
VER: 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 15)
    8. Mining/Mineral production
    9. Metal production
- (b) Sector-specific validation:
  - (i) TUV Industries Service GmbH TUV SUD GRUPPE (TUV SUD)  
(VAL: 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 15 /  
VER: 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 15)
    14. Afforestation and reforestation
  - (ii) TUV Nord Certification GmbH (TUV Nord)  
(VAL: 1, 2 and 3 / VER: none)
    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
- (c) Sector-specific verification:
- (i) TUV Nord Certification GmbH (TUV Nord)  
(VAL: 1, 2, 3 / VER: none)
    1. Energy industries (renewable - / non-renewable sources)
    2. Energy distribution
    3. Energy demand

7. The Board took note with gratitude that DOEs covering sectoral scopes is expanding. The entity, TUV Industries Service GmbH TUV SUD GRUPPE, is the first entity accredited for the sectoral scope 14 (afforestation and reforestation) for validation functions and Det Norske Veritas Certification is the first entity accredited for sectoral scopes 8 and 9 (mining/mineral production & metal production) for both validation and verification functions.

8. The total number of entities accredited and provisionally designated now stands at 16. It may be noted that now at least one DOE exists for each sectoral scope. 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*

9. After a presentation of the draft revised accreditation procedure recommended by the CDM accreditation panel by the Vice-Chair of the CDM-AP, the Board agreed to request the CDM-AP to further revise the procedure by taking into consideration the views of the Board members, in particular, on following aspects:

- (a) Procedures for the possibility for a visit to the project site by the CDM assessment team in undertaking witnessing activities for verification purposes;
- (b) Further clarify the procedures for notifying changes by an AE/DOE;
- (c) Further clarify procedures relating to the re-accreditation process in particular:
  - (i) The DOE shall inform the secretariat about its intention to apply for re-accreditation;
  - (ii) The period before the expiry date of the accreditation shall be nine instead of six months;
  - (iii) A process to define the scope of the re-accreditation assessment work which is to take into consideration the performance of the DOE.



10. The Board recognised that the delay in adoption of the revised accreditation procedure and the change in the period from six to nine months for a DOE to indicate its intention for re-accreditation, may result into a situation where some DOEs may not be accredited at the time of expiry of their accreditation. The Board agreed to consider this issue in conjunction with the adoption of the revised procedure for accrediting operational entities by the Executive Board of the CDM.

11. The Board took note of the update provided by the Vice-Chair of the CDM-AP on the progress of the work relating to the decision of the Board, at its twenty-fourth meeting, to conduct a spot-check on an entity.

12. The Board requested the panel to consider and recommend options to the Board on how to facilitate applications for accreditation from entities located in Non-Annex I Parties to the Convention, keeping in view the cost associated with the accreditation process.

13. The Board took note of the resignation of Mr. Peter Herrman as member of the CDM-AP and agreed to appoint Mr. George Anastasopoulos as member of the panel for a term of two years. Mr. Anastasopoulos was included in the shortlist of applicants who responded to the last call for experts which led to the appointment of Mr. Herrman at the last meeting of the Board.

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

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

#### *Case specific*

15. Taking into consideration recommendations by the Meth Panel and by desk reviewers as well as public inputs, the Board considered twenty-nine (29) proposals for new baseline and monitoring methodologies and agreed on the following recommendations with respect to the cases below.

#### **- Approvals:**

**NM0105-rev:** *Bus Rapid Transit System for Bogotá, Colombia: TransMilenio Phase II to IV*

16. The Board agreed to approve the proposed baseline and monitoring methodologies contained in proposal NM0105-rev. The reformatted version of the proposed baseline and monitoring methodology is contained in [annex 1](#) (“Baseline Methodology for Bus Rapid Transit Projects”). The Chair of the Meth Panel and the Vice-Chair of the CDM-AP informed the Board that these methodologies are linked to scope 7 (Transportation Sector) for the purpose of accreditation.

**NM0107-rev:** *Waste Gas-based Cogeneration Project at Alexandria Carbon Black Co., Egypt*

17. The Board agreed to approve the proposed baseline and monitoring methodologies contained in proposal NM0107-rev. The reformatted version of the proposed baseline and monitoring methodology is contained in [annex 2](#) (“Baseline methodology for waste gas or waste heat based cogeneration system”). The Chair of the Meth Panel and the Vice-Chair of the CDM-AP informed the Board that these methodologies are linked to scope 1 (Electricity generation) and 4 (Manufacturing sector) for the purpose of accreditation.

**NM0123-rev:** *Substitution of raw material in cement processing*

18. The Board agreed to approve the proposed baseline and monitoring methodologies contained in proposal NM0123-rev. The reformatted version of the proposed baseline and monitoring methodology is contained in [annex 3](#) (“Use of non-carbonated calcium sources in the raw mix for cement processing”). The Chair of the Meth Panel and the Vice-Chair of the CDM-AP informed the Board that these methodologies are linked to scope 4 (Manufacturing sector) for the purpose of accreditation.



**NM0143 and NM0164 : Catalytic reduction of N<sub>2</sub>O inside the ammonia burner of nitric acid plants at Fertilizers & Chemicals Ltd., Israel and Sasol Nitrous Oxide abatement Project**

19. The Board agreed to approve the proposed baseline and monitoring methodologies contained in proposal NM0143 and NM0164. The reformatted version of these methodologies is contained in [annex 4](#) (“Catalytic reduction of N<sub>2</sub>O inside the ammonia burner of the nitric acid plant”). The Chair of the Meth Panel and the Vice-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”):**

20. The Board agreed that the proposed new baseline and monitoring methodologies for the cases NM0141, NM0149, NM0150, NM0152, and NM0157 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.

21. If project participants wish to have the revised proposals considered at the twenty-second meeting of the Meth Panel (4 - 8 September 2006), they shall exceptionally submit them by **7 August 2006**.

**- Non-approval:**

22. The Board agreed not to approve the proposed new baseline and monitoring methodologies for cases NM0118-rev, NM0154, and NM0156. 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, using the form (CDM-NM), to make new submissions.

**- Review of new proposed methodology:**

23. The Board agreed not to accept the recommendation of the Meth Panel for the case NM0158 and further requested the Meth Panel to review the case taking into account a new independent expert reviewer.

*Requests for clarifications of approved methodologies*

24. In response to clarification [AM\\_CLA\\_0027](#) regarding the approved consolidated methodology **ACM0009**'s applicability to projects in the district heating sector, the Board agreed to revise the consolidated methodology to expand the applicability conditions to include fuel switches in heat-only boilers in the district heating sector, as contained in [annex 5](#) to this report, as the methodology is presently only applicable to fuel switch from coal and/or petroleum fuel to natural gas, in industrial facilities.

25. In response to clarification [AM\\_CLA\\_0028](#) regarding the approved consolidated methodology **ACM0001** requirement for monitoring landfill gas flows in projects where only flaring occurs, the Board agreed to revise the consolidated methodology, as contained in [annex 6](#) to this report.

26. In response to clarification [AM\\_CLA\\_0025](#) regarding eligibility of the use of fuel prepared from biomass residues in the approved consolidated methodology **ACM0003**, the Board clarified that those biomass residue types, where the preparation of biomass residue for use in the project plant may be associated with significant GHG emissions, are not eligible in the methodology. The Board further



agreed to revise the consolidated methodology to exclude biomass residues, gases, liquids, or solids recovered from the decomposition of non-fossilized and biodegradable organic material. The revised methodology is contained in [annex 7](#) to this report.

27. In response to clarification [AM\\_CLA\\_0026](#) concerning the approved consolidated methodology **ACM0004** and in particular guidance on the applicability of the treatment of additional gain in sensible heat due to combustible elements of waste gas, the Board agreed to accept the clarification provided by the Meth Panel. The Board clarified that since an after burning chamber (ABC) is present in the baseline, where the waste gas from the DRI kiln would have been combusted, the unutilized sensible heat of waste gas is the same as that being utilized for generating power in the project situation. Also, emissions from the ABC in the baseline and modified ABC (M-ABC) in the project case are of the same order, therefore, not accounting for the emissions from M-ABC in the project case does not imply that the heat gain in M-ABC should also be ignored for claiming emissions reductions.

*Request for revisions of approved methodologies*

28. In response to the request for revision [AM\\_REV\\_0010](#) the Board agreed to revise the approved methodology **AM0014** to expand its applicability to cogeneration systems owned or operated by the consuming facilities that receive the project heat and electricity. The revised methodology is contained in [annex 8](#) to this report. The methodology is presently applicable to situations where the cogeneration plant supplying energy to an industrial facility is established within, and owned by, the industrial unit.

29. In response to the request for revision [AM\\_REV\\_0011](#) the Board agreed to revise the approved methodology **AM0022** to allow for flaring-only of biogas, as contained in [annex 9](#) to this report. Presently the methodology is applicable to projects where the captured methane is used for energy and/or electricity generation only. Furthermore, unrelated to the request for revision, the Board agreed to revise the methodology to clarify the procedure for estimating the baseline heat and electricity consumption at the facility, where the gas capture and utilization project activity is implemented.

30. The Board agreed not to accept the request for revision [AM\\_REV\\_0009](#) to change the applicability of the approved methodology **AM0019** to allow it to be applied to renewable energy projects replacing part of the electricity production of more than one fossil fuel fired power plant.

31. The Board agreed not to accept the request for revision [AM\\_REV\\_0012](#) concerning the approved consolidated methodology **ACM0001** to allow the use of alternative approaches to monitoring flare efficiency and the use of thermal-mass flow meters. Furthermore, unrelated to the request for revision, the Board agreed to the revision of the approved methodology with respect to the monitoring of efficiency of flare and prescribes a default methane destruction flare efficiency factor for situations where efficiency of flare is not measured. This is in addition to the revisions agreed to by the Board in response to request for clarification, as mentioned in paragraph 25, above.

32. The Board agreed not to accept the request for revision [AM\\_REV\\_0013](#), which requested an amendment of **ACM0006** by adding a new scenario where the project cogeneration plant is installed in place of a lower efficiency cogeneration system using the biomass. The biomass in the project scenario is to be used in a high efficiency system, thus producing additional energy without any additional biomass or other fuel that would result in emissions.

*Revision of approved methodologies*

33. Further to the revisions agreed to above (**AM0014**, **AM0022** and **ACM0001**, **ACM0003**, **ACM0009** in paragraphs 24 to 31), the Board also agreed to revise the following approved methodologies:

(a) [ACM0008](#): To clarify the monitoring requirement for efficiency of the flare as well as the default value of efficiency of flare for open and enclosed flares, if the efficiency of the flare is not measured. The revised approved methodology is contained in [annex 10](#) to this report;



(b) AM0006 and AM0016: The Board considered the recommendation of the Meth Panel to revise the methodologies AM0006 and AM0016 to reflect monitoring and measurement of flares and the use of an annual methane conversion factor (MCF) as given by the IPCC 2006 Guidelines for National Greenhouse Gas Inventories. After considerable discussion, the Board agreed to continue to keep the methodologies AM0006 and AM0016 "on hold" and in this regard requested the Meth Panel to prepare a consolidated methodology of AM0006 and AM0016 taking into account the above mentioned MCF, monitoring and measurement of flares, for consideration at the Boards twenty-sixth meeting. In doing so, the Meth Panel shall also consider the public comments already received, in response to a call for inputs launched by the Board at its twenty fourth meeting, and similarly the input by an expert on the methodologies AM0006 and AM0016 as agreed by the Board at its twenty-fourth meeting.

34. The revisions referred to above in paragraph 33 will come into effect on 28 July 2006, in accordance with the procedure for the revision of approved methodologies.

*General guidance and process*

35. The Board requested the Meth Panel to consolidate all cogeneration based waste gas/heat methodologies, as the differences between the individual cases are not significant enough to warrant separate methodologies. The Board also requested the Panel to ensure that the consolidation is undertaken in accordance with paragraph 24 of decision 7/CMP.1.

36. The Board, in view of the request by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session (COP/MOP1) to consider proposals for new methodologies for carbon dioxide capture and storage (CCS) as clean development mechanism project activities with a view to making recommendations to the COP/MOP at its second session, on methodological issues, in particular with regards to project boundary, leakage and permanence, considered the qualitative assessments and report prepared by the Meth Panel on the proposed new methodologies submitted on carbon capture and storage project activities. The Board also considered the report of the SSC WG on the qualitative assessment of a carbon dioxide capture and ocean storage submission for small-scale project activities and requested an expert to review the proposal. The Board appreciated the efforts of the SSC WG and the Meth Panel and requested the Meth Panel to revise its recommendation taking into account the following:

(a) The experts review of the proposal on a carbon dioxide capture and ocean storage submission for small-scale project activities;

(b) A provision in the methodologies for adequate procedures for monitoring the actual volume of CO<sub>2</sub> in the reservoir to ensure that emission reductions are real and measurable;

(c) A provision to ensure project boundary not be limited to the injection site of captured CO<sub>2</sub>, but includes the complete physical boundary of the reservoir to ensure monitoring of the seepage from the reservoir; and

(d) The affect of corrosivity of CO<sub>2</sub> on seepage from reservoir.

37. The Board considered the table of issues for defining the term "CDM project activities under a programme of activities" prepared by the Meth Panel. The Board requested the Meth Panel to prepare options and implications of the questions it raised in the table of issues and in particular to prepare a list of options for definitions (i.e. bundle and a program), boundary, monitoring, additionality, crediting period (i.e. staggered) and approaches to address a large project bundle and guidance for bundling. The Board also requested the Meth Panel to take into account the public comments received in preparing its recommendation to the Board for consideration at the next meeting of the Board.

38. The Board considered the proposal made by A/RWG on avoiding double counting of emission sources in a project activity, which has both A/R and non-A/R components. The Board agreed that the emissions associated with A/R activity should be accounted for in the A/R CDM project activity. In



general all project activities using biomass for energy should account for emissions associated with production of biomass. However, in the case that it can be demonstrated that for a project activity using biomass for energy, which uses biomass originating from a registered A/R project activity (i.e. through contractual agreement for procurement of biomass) it need not account for emissions related to biomass production.

(a) The Board agreed to the revisions of the desk review forms (F-CDM-NMex\_3d and 2d), recommendation form (F-CDM-NMmp), public input form (CDM-NMpu), the CDM-PDD form and its guidelines (Guidelines for completing CDM-PDD, CDM-NM) as recommended by the Meth panel. The forms were revised in order to reflect the structure of the new baseline and monitoring form as approved by the Board at its twenty-fourth meeting as well as to improve the guidelines for completion of the CDM-PDD. The revised documents are contained in [annex 11](#), [annex 12](#), [annex 13](#), [annex 14](#), [annex 15](#) and [annex 16](#) of this report. The Board further requested the project participants to use the latest version of the CDM-NM form when submitting technical clarifications to the preliminary recommendations made by the Meth Panel.

39. The Board further clarified that in the revised CDM-PDD form the details of the application of a methodology are to be provided in sections A to C, in stead of sections A to E. In other words, only sections A to C need to be completed in the example CDM-PDD, submitted with a proposed new methodology. These changes are contained in the “Procedures for submission of new methodologies (version 10)” and the “Procedures for revision of approved baseline or monitoring methodology (version 3)”, which have been revised accordingly. Furthermore, the Board clarified in these procedures that the date of revision of an approved methodology shall be effective as of the date of publication (24h00 GMT) on the UNFCCC website, which will typically be within five (5) calendar days after the date of publication of the Board. The revised procedures are contained in [annexes 17 and 18](#) respectively of this report.

40. The Board further agreed to revise the above mentioned (paragraph 40) “Procedures for the submission and consideration of a proposed new methodology (version 10)” in order to clarify that, should a proposed new methodology be graded a “2” in assessing the quality of the submission and the proposal is submitted once again, it is considered as a new submission and the project participants shall pay the fee of USD 1,000. Furthermore, the Board agreed to revise the same procedures to reflect that for the review of methodologies longer than 100 pages, the lead reviewer shall be paid a three (3) days fee and the second reviewer a two (2) days fee for the first 100 pages of the proposed new methodology (CDM-NM) and a (1) one day fee for each additional 30 pages, or part thereof.

41. The revisions to the above forms and procedures will come into effect on 28 July 2006.

42. The Board took into account the applications received in response to a call for experts to members of the Meth Panel, which was open from 19 May 2006 to 16 June 2006 @ 17:00 GMT. The Board agreed to appoint the following (14) members to the Meth Panel: Mr. Amr Abdel-Aziz, Mr. Felix Dayo, Mr. Christophe de Gouvello, Mr. Michael Richard Lazarus, Mr. Jan-William Martens, Mr. Vijay Kumar Mediratta, Mr. Daniel Perczyk, Mr. Braulio Pikman, Mr. Ashok Sarkar, Mr. Roberto Schaeffer, Mr. Lambert Richard Schneider, Mr. Christoph Sutter, Mr. Massamba Thioye and Mr. Kenichiro Yamaguchi. The Board thanked the outgoing members Mr. Stanford Johanne Mwakasonda, Mr. Paata Janelidze, and Mr. Zhihong Wei for their contributions to the Meth Panel over the last two years and requested that they complete their outstanding work at the twenty second meeting of the Meth Panel. The Board at its twenty-fourth meeting agreed to appoint Mr. Juerg Fuessler to the Meth Panel, who replaces Ms. Jane Ellis, who is also invited to attend the twenty-second meeting of the Meth Panel as some of her work assignments were scheduled to be completed for consideration at that meeting.

*Further schedule*

43. 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 **seventeenth round** of submissions of proposed new baseline and monitoring methodologies is **5 October 2006**.

44. The Board noted that the CDM-MP 21 agreed to convene its next meeting on **4 – 8 September 2006**. 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**

45. The Board considered the report of the ninth 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.

46. The Executive Board expressed its deep appreciation to the outgoing Vice Chair of the A/R WG, Mr. Masaharu Fujitomi, for his outstanding dedication and support to the working group. The Board agreed to appoint Mr. Akihiro Kuroki as the new Vice Chair of the A/R WG.

*Case specific***- Non-approval:**

47. The Board, taking into consideration the inputs by experts (desk reviewers), the public and the recommendation of the A/R WG, agreed not to approve the proposed new A/R methodologies AR-NM0022, AR-NM0023 and AR-NM0025. The Board invites the project participants to consider the views and suggestions made, in particular with regard to the CDM-AR-NM, and encourages them to make new submissions.

*General guidance and process*

48. The Board agreed on guidance on the avoidance of double counting of emission sources between A/R and non A/R methodologies as reflected in paragraph 38 above.

49. The Board agreed to revise the forms: Summary Recommendation to the Executive Board (F-CDM-ARNMSUMar); Working Group Recommendation to the Executive Board (F-CDM AR-NMar); A/R methodology Public Comment form (F-CDM-AR-NMpu); CDM A/R methodology Expert form - Lead (F-CDM-AR-NMex\_3d) and CDM A/R methodology Expert form - Second (F-CDM-AR-NMex\_2d) as contained in annexes 19, 20, 21, 22 and 23 respectively. The revised forms shall come into effect on 28 July 2006.

50. The Board agreed to revise the “Procedures for the Submission and Consideration of a Proposed New Afforestation and Reforestation Methodology (version 4)” to reflect that for the review of methodologies longer than 100 pages, the lead reviewer shall be paid a three (3) days fee and the second reviewer a two (2) days fee for the first 100 pages of the proposed new methodology (CDM-NM) and a (1) one day fee for each additional 30 pages, or part thereof. The revised procedures shall come into effect on 28 July 2006 and are contained in annex 24 to this report.

*Further schedule*

51. The Board noted that the CDM-A/R WG09 agreed to convene its next meeting on **29 - 30 August 2006**. The tentative schedule for subsequent meetings in 2006 will be available at: <http://cdm.unfccc.int/Panels/ar>.

52. 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 **eleventh round** for submissions of proposed



new A/R baseline and monitoring methodologies is **14 September 2006**.

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

53. The Board considered the sixth report of the Small-Scale Working Group (SSC WG) presented by Ms. Gertraud Wollansky, Chair of the working group.

#### *Case specific*

54. In response to the request by COP/MOP1 to develop, as a priority, a simplified methodology “for calculating emission reductions for small-scale project activities that propose the switch from non-renewable biomass to renewable biomass”, the Board considered the revised recommendations of two draft categories by the Small Scale Working group. These recommendations, which take into account the provision in the decision 3/CMP.1 (paragraph 7) that only afforestation and reforestation projects can be registered as project activities with emission reductions arising out of carbon stock changes under the CDM, proposed to take the fossil fuels commonly observed with local consumers for meeting similar thermal energy needs as the baseline. As requested by the Board at its twenty-fourth meeting, the recommendations included provisions on leakage. However, the Board could not agree to approve these recommendations. The discussions in the Board showed a divergence of opinions, stressing on the one hand the social and health benefits of such projects and concerns with establishing realistic baselines and on the other hand possible leakage effects and incentives for further deforestation, that could not be overcome by further revision of the proposed recommendations.

55. The Board requested the SSC WG to revise the draft category “SSC III.J. Avoidance of fossil fuel combustion for carbon dioxide production” to be used as raw material for industrial processes, taking into account the situation where the CO<sub>2</sub> in the baseline is produced as a by-product and the other by-product is used for energy generation purposes. In this regard the Board requested the Meth Panel to conduct a consistency check of the corresponding large scale methodology AM0027 and provide a recommendation to the SSC WG and to the Board, if required.

#### *Revision of approved methodologies*

56. The Board agreed to the revision of approved methodologies:

(a) ‘**AMS III.D. Methane recovery**’ as contained in the [annex 25](#) of this report to expand its applicability to cover project activities that change manure management practices e.g. from ‘lagoon’, ‘liquid/slurry’, ‘solid storage’ or ‘drylot’ to ‘anaerobic digestion’ for the treatment of swine or cattle manure.

(b) ‘**AMS III.G. Landfill methane recovery**’ as contained in the [annex 26](#) of this report to clarify the procedure for estimating the baseline emissions as well as the procedure for estimating ex-ante emission reductions to be provided in the Project Design Document (CDM-SSC-PDD).

(c) ‘**AMS - III.I. Avoidance of methane production in wastewater treatment through replacement of anaerobic lagoons by aerobic systems**’ to clarify the applicability condition relating to residence time of wastewater being treated, as contained in the [annex 27](#) of this report. The Board also requested the SSC WG, if it is technically feasible, to broaden the applicability of the category for situations where the temperature of the lagoon is below 15 degrees C for part of the year.

(d) ‘**AMS - III.H. Methane Recovery in Wastewater Treatment**’, to clarify the inclusion of methane emission factor in the formula for baseline calculations, as contained in the [annex 28](#) of this report.

(e) ‘**AMS - I.D. Grid connected renewable electricity generation**’ as contained in the [annex 29](#) of this report, which entails an amendment to the procedure for estimating the combined



margin emission factor of AMS - I.D, making it thereby consistent with ACM0002. The recommended changes would provide more options to the project participants to estimate the emission factors.

(f) **AMS-III.C, -III.B and -III.D**, to include among others guidance on accounting of methane leakage and uncombusted methane due to methane destruction flare inefficiency or flare availability, as contained in the [annex 30](#), [annex 31](#) and [annex 25](#) respectively of this report.

57. The above new categories and revision to approved methodologies will come into effect on **28 July 2006**, in accordance with the procedure for the revision of approved methodologies.

#### *General guidance and process*

58. The Board agreed to confirm that the project activities/parts of project activities resulting in emission reductions from reduced consumption of bunker fuels (e.g. fuel saving on account of shortening of the shipping route on international waters) are not eligible under the CDM.

59. The Board agreed that the IPCC default values should be used only when country or project specific data are not available or difficult to obtain.

60. The Board agreed that for thermal applications of biomass, biofuels or biogas (e.g. the cookstoves), the limit of 45 MWth is the installed/rated capacity of the thermal application equipment or device/s (e.g. biogas stoves) where the biomass, biofuels or biogas is used. The 'General guidance' has been revised to reflect this guidance as contained in [annex 32](#) of this report. The Board further requested the SSC WG to provide a more detailed analysis and explanation of the conversion factor for solar thermal collectors (m<sup>2</sup> area to kW thermal) taking into account collector designs commonly found in Non-Annex I countries.

61. The Board agreed to include 'General guidance on leakage in biomass project activities' as attachment C to appendix B of the simplified modalities and procedures for small-scale CDM project activities as contained in [annex 33](#) of this report.

62. The Board noted that the share of registered SSC type II energy efficiency project activities in the CDM project pipeline is small. The Board agreed therefore to launch a call for inputs from the public on the following questions:

- (a) Does the current definition (eligibility limits) of type II small-scale CDM project activities pose barriers to developing projects under this type?
- (b) Are there other barriers in this regard that relate to methodological issues?

63. The Board requested the secretariat to open the public call for inputs starting **24 July 2006 and ending 14 August 2006 @ 17:00 GMT**.

64. The Board considered the request by the SSC WG to launch a call for public inputs on issues pertaining to the production and use of biofuels for small scale project activities. The Board noted that some of the issues raised in the request for public inputs are under consideration by the Meth Panel and therefore agreed that the call be deferred until the Meth Panel presents its recommendations to the Board.

65. The Board noted the recommendation by the SSC WG that the limit on all type III project activities be based on the emission reductions as the project direct emissions in many cases do not relate to the size of the project activity and are therefore not best suited for defining a limit for small scale project activities. The Board requested the SSC WG to continue its work in this regard and provide an analysis as the basis for recommending revisions to definitions of all the three types, taking into account the projected annual emission reductions of project activities that have the highest projected annual emission reductions among all currently registered type I project activities.



66. The Board agreed to revise the forms for the ‘request for clarification/revision’ (F-CDM-SSC-Subm) to enhance its use friendliness and indicate when a submission is a request for clarification, request for revision of a category or a request for creation of a new category. The revised form is contained in [annex 34](#) of this report.

67. The Board agreed that the request for the creation of new categories should be accompanied by a completed draft PDD (section A to E) along with more substantive evidence from the project participants explaining why a small-scale methodology/category should be created if an applicable large-scale methodology exists, which can be used for such project activities. The Board agreed to revise the guidelines for completing CDM-SSC-PDD in particular Part III ‘General Information on the form to submit proposals for changes to the simplified baseline and monitoring methodologies’ to reflect this guidance, as contained in [annex 35](#) to this report.

68. To facilitate consistency and interpretation of the guidelines for completing CDM-SSC-PDD, the Board agreed to delete the definition of ‘Component project activity’ from the glossary of terms as well as the occurrences of the term ‘component’ under the ‘Information note on bundling of small scale CDM Project Activities’ contained in the guidelines for completing CDM-SSC-PDD as contained in [annex 35](#) to this report.

69. The above attachment C to appendix B, and revisions to the General Guidance, the Guidelines for completing CDM-SSC-PDD and the F-CDM-SSC-Subm form will come into effect on **28 July 2006**.

70. The Board confirmed that the SSC WG is not obliged to respond to submissions following the procedure for submissions to the SSC WG, which only request justification of the decisions of the Board or the recommendations of the working group.

71. The Board agreed to indicate to the project participants that project activities under the CDM shall make use of technologies which are proven under field conditions and show general acceptance of the technology.

72. The Board agreed that a member of the SSC WG shall receive the equivalent of one half-day fee for each ‘request for revision/clarification’ for which the member has provided input to a SSC WG meeting.

#### *Further schedule*

73. The Board noted that the CDM-SSC WG06 agreed to convene its next meeting from **31 August to 1 September 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/ssc>.

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

74. The Board took note that 248 CDM project activities have been registered by 21 July 2006. The status of requests for registration of project activities can be viewed on the UNFCCC CDM website at <http://cdm.unfccc.int/Projects/>. A search facility providing a multitude of search criteria has been recently added.

#### *Case specific*

75. In accordance with the procedures for review as referred to in paragraph 41 of the CDM modalities and procedures, the Board considered 28 requests for review of requests for registration by DOEs.

76. The Board agreed to register the project activity:

(a) “Manal, Chandni and Timbi Small Hydroelectric Projects of HCPL (0330)” taking note of the initial comments provided by the project participant and the DOE.



(b) “4.5 MW Biomass (low density Crop Residues) based Power Generation unit of Malavalli Power Plant Pvt Ltd. (0298)” taking note of the initial comments provided by the project participants and the DOE.

(c) “Kina Biopower 11.5MW EFB Power Plant (0385)” taking into consideration the additional information supplied by the DOE that clarified the issue of debundling. This information shall be included on the project page on the CDM website.

(d) “Seguntor Bioenergy 11.5MW EFB Power Plant (0386)” taking into consideration the additional information supplied by the DOE that clarified the issue of debundling. This information shall be included on the project page on the CDM website.

77. The Board agreed to register with corrections the project activity:

(a) “Bagasse based power project at Jamkhandi Sugars Limited, Bagalkot, Karnataka (0282)” if the project participant and DOE submit a revised PDD and validation report which:

- (i) confirm that the CDM was considered in the decision to proceed with the project activity;
- (ii) include the explanation and calculation of the Karnataka State grid baseline emission factor; and
- (iii) include the CM emission factor calculated using 2004/05 data.

(b) “Tarucani I (“the project”) (0285)” if the project participant and DOE submit a revised PDD and validation report that ensures that the baseline emission factor of any electricity imported from another country is zero (0t CO<sub>2</sub>/MWh) and inconsistencies with respect to the stakeholder consultation are removed.

(c) “Project for HFC23 Decomposition at Changshu 3F Zhonghao New Chemical Materials Co. Ltd, Changshu, Jiangsu Province, China (306)”, taking into consideration the confirmation of the validation data, if the starting date of the crediting period is changed to 1 October 2006.

(d) “Generation of Electricity through combustion of waste gases from Blast furnace and Corex units at JSW Steel Limited (in JPL unit 1), at Torangallu in Karnataka, India (0325)” if the project participants and DOE submit a revised PDD and validation report which:

- (i) Clarifies the relationship of this project activity with the proposed project activity “Use of waste gas use for electricity generation at JSW Energy Limited (0350)”; and
- (ii) Updates the version number and date to ensure consistent cross referencing.

(e) “AWMS GHG Mitigation Project BR05-B-01, Minas Gerais, Brazil (0335)” if the project participant and DOE submit a revised PDD and validation report, which removes outdated information on an electricity grid emission factor.

(f) “AWMS GHG Mitigation Project BR05-B-03, Brazil (0336)” if the project participant and DOE submit a revised PDD and validation report with improved presentation of the location and number of project sites, technology to be employed and the monitoring plan as indicated in the DOE initial comments to the requests for review.

(g) “Cogeneration system based on biomass (rice-husk) replacing oil fired boiler for process steam and generating power for partly replacement of grid power supply to the plant at M/s Indian Acrylics Ltd., District Sangrur, Punjab, India (0348)” if the project participant and DOE submit a revised



PDD and validation report which claim only the emission reductions that are resulting from the fuel switch (thermal energy generated using biomass boilers and consumed on-place).

(h) “Bagasse Based cogeneration power project of Rana Sugars Limited, Amritsar District, Punjab (0355)” if the revised PDD and validation report submitted by the project participant and DOE, in response to the requests for review, are displayed on the project page on the CDM website.

(i) “Angkor Bio Cogen Rice Husk Power Project (0363)” if the project participant and DOE submit a revised PDD and validation report that ensure that the quantity of electricity supplied to the local community is included in the monitoring plan, and is subtracted from the electricity generated in order to calculate the emission reductions, and address the editorial issues raised in the requests for review.

(j) “Waste heat recovery project based on technology up-gradation at Apollo Tyres, Vadodara, India (0389)” if the project participant and DOE submit a revised PDD and validation report that reflect the initial comments with respect to the estimation of the baseline and emission reductions.

(k) “Solar steam for cooking and other applications (0414)” if the project participant and DOE submit a form F-CDM-SSC-BUNDLE, and revised PDD and validation report that incorporates the following corrections:

- (i) Information on the use of non-renewable biomass as fuel is removed;
- (ii) Reference to the possibility of changing the composition of the project bundle is removed;
- (iii) Calculations demonstrating that the total capacity of the project bundle is within the limit for small-scale project activities is included; and
- (iv) The starting date of the crediting period is set after the date of registration.

(l) “Inácio Martins Biomass Project (0403)” if the revised host country letter of approval is uploaded on the CDM website by the secretariat, and the project participants and DOE submit a revised PDD and validation report that incorporates the following corrections:

- (i) The starting date of the crediting period is set after the date of registration;
- (ii) The calculation of the operating and build margins in the baseline estimation are clearly indicated;
- (iii) The use of fossil fuel and the monitoring of biomass purchases and consumption is clarified;
- (iv) Editorial issues with regard stakeholder consultation and the term “co-generation” are corrected; and
- (v) References are made to the revised host country letter of approval.

(m) “Guangdong Nan’ao Huaneng 45.05MW Wind Power Project (0299)” if the revised PDD and validation report submitted by the project participants and DOE, in response to the requests for review, are displayed on the project page in the CDM website.

(n) “Jilin Taobei Huaneng 49.3MW Wind Power Project (0238)” if the revised PDD and validation report submitted by the project participants and DOE, in response to the requests for review, are displayed on the project page in the CDM website.

(o) “MNA Biomass 9.7 MWe Condensing Steam Turbine Project (0407)” if the project participant and DOE submit a revised PDD and validation report that include all additional



information/clarifications provided by the DOE in its initial response to the requests for review, as well as a map of the Northern Sumatra Electricity Grid.

(p) “Use of waste gas use for electricity generation at JSW Energy Limited (0350)” if the project participants and DOE submit a revised PDD and validation report which clarifies the relationship of this project activity with proposed project activity “Generation of Electricity through combustion of waste gases from Blast furnace and Corex units at JSW Steel Limited (in JPL unit 1), at Torangallu in Karnataka, India (0325)”.

(q) “Ganpati co-generation project at Medak, Andhra Pradesh (0370)” if the project participant and DOE submit a revised PDD and validation report which:

- (i) Omit ethanol options from the list of baseline options and from barrier analysis;
- (ii) Omit the phrase “Set up a new co-generation power project based on high pressure boiler configuration and develop the project under the CDM” from the list of alternatives; and
- (iii) Uses the correct notation (MWh) in the monitoring plan.

78. After the submission of the specified documentation, the secretariat, in consultation with the Chair of the Board, will check the revised documentation before the activities are displayed as registered.

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

(a) “GACL Blended Cement Projects in India (0304)” and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 36](#) to this report.

(b) “125 MW Wind Power Project in Karnataka, India (0315)” and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 37](#) to this report.

80. The Board agreed to nominate Ms. Anastasia Moskalenko (lead), Mr. John Kilani and Mr. Clifford Mahlung 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.

81. The Board agreed to undertake a review of the project activity “Krubong Melaka LFG Collection & Energy Recovery CDM Project (0323)” and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 38](#) to this report.

82. The Board agreed to nominate Ms. Anastasia Moskalenko (lead), Mr. Rajesh Kumar Sethi and Mr. Clifford Mahlung as members of the Review Team for the above case. The review team may call on outside expertise in consultation with the Chair of the Board, as appropriate.

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

(a) “2x5 Radhanagari Hydro Electric Project (0400)” and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 39](#) to this report.<sup>1</sup>

(b) “Satyamaharshi 6 MW Biomass Power Project (0396) and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 40](#) to this report.<sup>2</sup>

---

<sup>1</sup> Changes have also to be made to the project documentation to reflect the initial comments with respect to the estimation of the baseline if the Board ultimately decides to register this project activity.

<sup>2</sup> Changes have also to be made to the project documentation to reflect the initial comments with respect to the version of the methodology, the baseline estimation and the monitoring plan if the Board ultimately decides to register this project activity.



84. The Board agreed to nominate Mr. Jean-Jacques Becker (lead), Mr. Xuedu Lu and Mr. Lex de Jonge 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.

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

(a) “Rosslyn Brewery Fuel- Switching Project (0358) and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 41](#) to this report.

(b) “7.5 MW Biomass (Mustard crop residue) based Power Project at RIICO Industrial area, Rajasthan by M/s Amrit Environmental Technologies Pvt. Ltd. (0372) and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 42](#) to this report.

86. The Board agreed to nominate Mr. Rawleston Moore (lead), Mr. Hans Jürgen Stehr and Mr. Philip Gwage 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.

87. In accordance with the “Procedures for review as referred to in paragraph 41 of the CDM modalities and procedures” (Annex III, Decision 4/CMP.1), the Board considered the recommendations of the review teams for the four (4) project activities which were placed “Under review” at EB24. In accordance with the provisions of paragraphs 17 and 18 (c) of these procedures, the Board agreed to reject the project activity:

(a) “Grid-connected electricity generation from renewable sources at Satara by M/s Bajaj Auto Ltd. (BAL) using wind Power (0221)”;

(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)”;

(c) “Lazaro Energy Efficiency Project (0311)”;

(d) “ElDorado Energy Efficiency Project (0317)”.

#### *Deviations*

88. The Board considered four (4) requests for deviation, agreed on answers for three (3) of them and requested the secretariat to inform the DOEs accordingly. The Board noted that additional information from the DOE with regard to one case would be considered by the Methodology Panel at its next meeting.

#### *Registration procedure*

89. The Board considered the experience of the registration and issuance team (RIT) to date and expressed its appreciation of its ongoing role in the registration and issuance process. To further increase the effectiveness of the operation of the RIT the Board agreed to adopt revised “Terms of reference and procedures for a registration and issue team (version 4)”, as contained in [annex 43](#) to this report.

90. In order to facilitate the process of clarification or correction of minor issues arising in requests for registration the Board agreed to adopt 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 (version 4)” as contained in [annex 44](#) to this report.

91. The Board requested the secretariat to make available to the Board a compilation of electricity grid emission factors used in the PDDs of project activities registered to date.

*General guidance*

92. The Board agreed that in cases where during validation of a project activity the project participants wish to change the methodology applied from one approved methodology to another after the PDD was available to the public for comments (note the PDD is to be made public as received from project participants), the DOE shall make publicly available again, for 30 days, the CDM-PDD in accordance with paragraph 40 (a) and (b) of the modalities and procedures for the CDM.

93. The Board agreed that in cases where during validation of a project activity the project participants wish to change the version of a methodology applied due to the expiry of the version originally applied after the PDD was available to the public for comments (note the PDD is to be made public as received from project participants), the DOE shall make publicly available, for 30 days, the CDM-PDD in accordance with guidance specified in the corresponding revised methodology.

94. The Board agreed that in cases where requests for registration of project activities claiming retroactive credits are being submitted, the DOE requesting registration shall submit the evidence that the project participant(s) requested validation of the project activity prior to 31 December 2005, in accordance with the clarification provided by the Board at its twenty third meeting.

95. The Board reiterated that DNAs, in preparing a letter of approval, should include all the required elements as requested by the Board and reflected in the Glossary of CDM terms under the term “Approval by Parties involved”<sup>3</sup>, in particular that: the country has ratified the Kyoto Protocol, the approval of voluntary participation in the proposed CDM project activity and, in cases of host country letter of approval, that the proposed CDM project activity contributes to sustainable development.

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

96. The Board took note that 10,762,403 CERs have been issued as at 21 July 2006, and that the secretariat, in its capacity as the CDM registry administrator, continues to process requests for opening of holding accounts and for forwarding of CERs. The status of requests for issuance of CERs can be viewed on the UNFCCC CDM website at <<http://cdm.unfccc.int/Issuance>>.

*Case specific issues*

97. In accordance with the procedures for review as referred to in paragraph 65 of the CDM modalities and procedures, the Board considered requests for review of 4 requests for issuance.

98. The Board agreed to instruct the CDM registry administrator to issue 12,680 CERs for “SRS Bagasse Cogeneration Project (0080)”, and instructed the project participant and DOE that, in accordance with paragraph 56 of Decision 3/CMP.1, the monitoring plan in the registered PDD is to be used as the basis for all future verification activities during the crediting period.

99. The Board agreed to undertake a review of the request for issuance of 1,189,657 CERs for “Bandeirantes Landfill Gas to Energy Project (BLFGE) (0164)” and that the scope of this review is relating to issues associated with verification requirements, as contained in annex 45 to this report.

100. The Board agreed to nominate Mr. Rajesh Kumar Sethi (lead), Mr. Hans Jürgen Stehr and Ms. Natalia Berghi as members of the Review Team for this case. The review team may call on outside expertise in consultation with the Chair of the Board, as appropriate.

101. The Board agreed to undertake a review of the request for issuance of 43,348 CERs for “6.5 MW biomass based (rice husk) power generation by M/s Indian Acrylics Ltd. and replacement of electrical power being imported from state electricity grid/ surplus power supply to grid (0341)” and that the scope

<sup>3</sup> See Part I.B of the “GUIDELINES FOR COMPLETING CDM-PDD and CDM-NM” available in the reference section of the UNFCCC CDM web site <http://cdm.unfccc.int/Reference/Documents>



of this review is relating to issues associated with verification requirements, as contained in annex 46 to this report.

102. The Board agreed to nominate Mr. José Domingos Miguez (lead), Mr. Rawlestone Moore and Mr. Richard Muyungi as members of the Review Team for this case. The review team may call on outside expertise in consultation with the Vice-Chair of the Board, as appropriate.

103. The Board agreed to undertake a review of the request for issuance of 293,299 CERs for “Optimal Utilization of Clinker” project at Shree Cement Limited (SCL), Beawar, Rajasthan (0183)” and that the scope of this review is relating to issues associated with verification requirements, as contained in annex 47 to this report.

104. The Board agreed to nominate Mr. Jean-Jacques Becker (lead), Mr. Xuedu Lu and Ms. Liana Bratasida as members of the Review Team for this case. The review team may call on outside expertise in consultation with the Chair of the Board, as appropriate.

105. The Board considered the case of a request for a change in the start date of the crediting period of a project activity for which CERs have already been issued. The Board agreed that the “Procedures for requesting post-registration changes to the start date of the crediting period” (annex 31, EB24) apply in this case and that the secretariat can proceed to make the change as requested.

#### *General guidance*

106. The Board agreed to adopt “Clarifications on the Procedures for review referred to in paragraph 65 of the modalities and procedures for a clean development mechanism (Version 4)” as contained in annex 48 to this report.

107. The Board noted that in the context of verification the first monitoring report made publicly available by DOEs on the CDM website shall be the one prepared by the project participants prior to the verification activity<sup>4</sup>. Any revised monitoring report, prepared as a result of corrective action raised by the DOE, shall be submitted as an additional document together with the request for issuance form (F-CDM-REQCERS).

108. The Board clarified that the content of the letter of approval required to transfer CERs to accounts in national registries from holding accounts of entities authorized by non-Annex I Parties is to be the same as required by the Board (see “Approval by Parties involved” in the Glossary of CDM terms<sup>5</sup>).

109. The Board requested the secretariat to prepare draft procedures to facilitate the changes in monitoring plans of registered CDM project activities in accordance with paragraph 57 of the modalities and procedures of the CDM for consideration by the Board at its twenty-sixth meeting.

110. The Board reiterated that a “Party involved” is only considered a Project Participant if this is clearly indicated in section A.3 of the PDD or, in case of registered projects, if the secretariat is explicitly informed of this in accordance with revised modalities of communication. The Board requested the secretariat to revise the CDM Glossary accordingly by adding in the definition of project participants after “a Party involved”: “which has indicated to be a project participant”. It further requested the secretariat to separate the Glossary of CDM terms from the Guidelines for filling PDD forms for all type of activities and create a stand alone document applicable to type of project activities.

---

<sup>4</sup> See paragraph 1 and 2 of the “Procedures for making the monitoring report available to the public in accordance with paragraph 62 of the modalities and procedures for the CDM” available under “Procedures” in the reference section of the UNFCCC CDM web site <<http://cdm.unfccc.int/Reference/>>.

<sup>5</sup> See Part I.B of the “GUIDELINES FOR COMPLETING CDM-PDD and CDM-NM” available in the reference section of the UNFCCC CDM web site <http://cdm.unfccc.int/Reference/Documents>

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

111. The Board requested Mr. José Miguez and Ms. Sushma Gera to follow negotiations at SBSTA 25 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”. The SBSTA at its twenty-fifth session is to prepare a draft decision containing guidance to the Executive Board of the CDM for adoption by the COP/MOP, at its second session (November 2006).

112. The Board requested Ms. Anastasia Moskalenko and Mr. Rajesh Kumar Sethi to follow the negotiations at the twenty-fifth session 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*

113. The Board took note of a presentation by Mr. Janos Pasztor, Coordinator, Officer-in-Charge of the Project-based Mechanisms programme highlighting, inter alia, the evolution of the income and expenditure situation, the recent increase in expenditures due to intensive recruitment, and generally the outlook for the period covering 2006-7. He also informed the Board that the secretariat intended to reach the staff capacities envisaged in the CDM-MAP before the end of the year. He presented to the Board the process that needed to be followed to ensure the adoption by the Board of a revised CDM-MAP for 2007-8 before COP/MOP2.

114. The Board agreed to have a retreat of one day in conjunction with its next meeting to consider the CDM-MAP including its underlying assumptions, the status and forecast of the level of accumulation of share of proceeds prior to 2008, specification of operational needs to become more Executive as well as management indicators for the Board’s work. It requested the secretariat to make arrangements similar to those of its previous retreat.

115. The Board requested the secretariat to prepare a revised CDM-MAP for the next session, taking into account the initial ideas expressed by the Board during its twenty-fifth session, as well as the experience gained by the secretariat in implementing the CDM-MAP so far.

116. The Board took note, with appreciation, of the launch of the work on the design of a catalogue of decisions and implications for continues maintenance. This work includes the plan to provide opportunities for comment to DOEs, the Board and if possible a smaller group of experts prior to the consideration of the result of this work by the Board at its twenty-sixth meeting.

117. In the context of the CDM-MAP moving toward self-finance based on fees and shares of proceeds, as well as the substantially increased work-, and related travel-load of Board members and alternate members, the Board agreed to request the secretariat, that subject to the availability of resources, the travel of Board members and alternates henceforth, follow the same UN rules and regulations as those applied to UN staff.

118. Given the increase in workload, and the need for Board members to have access to local staff support to better prepare themselves, the Board requested the secretariat to explore options on the possibilities to hire local expertise to provide analytical support to Board Members for the Board consideration.

119. The Board took note of the update by the secretariat on progress regarding 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. The secretariat will propose to the Bureau to COP 11 to consider this matter.

*Resources*

120. The Board took note of information provided by the secretariat on the status of resources in 2006 as at 21 July 2006. Since the twenty-fourth meeting of the Board (12 May 2006), contributions have been received from Denmark (USD 106,000), France (USD 125,210), Slovenia (USD 6,536), Spain (USD 127,531), United Kingdom (USD 740,000). As a result of the above contributions and of a USD 5.60 million carry-over from 2005, as of 21 July 2006 the total income available amounted to USD 9.2 million.

121. With a view to accruing resources to cover administrative expenses for operational functions as of 2008 since the twenty-fourth meeting of the Board (12 May 2006), a further USD 44,975 were received from one applicant entity, USD 908,562 million from 53 project registration fees, USD 15,877 from 15 methodologies fees and USD 238,179 from SOPs bringing the for a total income received as from 1 January 2006 to USD 6.16 million.

122. 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, USD 4.56 million are included in the UNFCCC programme budget for the biennium 2006-2007. The remaining USD 18.07 million need to be covered from supplementary resources. Based on the income received of USD 6.16 million, and the 2006 budget of USD 9.04 million, the gap at the end of 2006 would be 2.88 million. However, given lower levels of expenditure at the beginning of the year, there will in fact be a surplus at the end of the year of approximately USD 3 million, if no additional contributions are received. If all pledges made in Montreal are received, however, the surplus will grow to over USD 7 million. Taking into account the budgeted expenditures of US 9.04 million in 2007, there would still be a shortfall of USD 1.5 million by the end of 2007.

123. 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. The current status of pledges are contained in [annex 49](#) to this report.

124. The Board reiterated its call to Parties to make further 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, before self financing from shares of proceeds and fees starts in January 2008. 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): Report of the CDM Executive Board to the COP/MOP 2 (2005-2006)**

125. The Board considered its draft report to the second session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP 2), provided feedback to the secretariat and agreed that the secretariat will finalize it in consultation with the Chair and Vice-Chair of the Board and the Chairs of panels and working groups, as applicable. The report will be issued as a UNFCCC document for consideration by the COP/MOP at its second session. Developments from 22 July 2006 until the second session of the COP/MOP will be covered by an addendum to this report.

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

126. The Board took note that an informal DNA Forum meeting was convened by the secretariat on 24 May 2006, in Bonn, in conjunction with twenty-fourth sessions of the Subsidiary Bodies. The Board



also took note of a wide range of issues that were highlighted by the participants to be further discussed at the first meeting of the Forum.

127. The Board also took note of the update by the secretariat on the status of arrangements of the first meeting of the forum in conjunction with EB meeting preceding COP/MOP 2. Once the dates are confirmed the secretariat will inform the DNAs through listserv.

128. The Board encouraged the DNAs to make in the meantime use of the listserv made available by the secretariat to exchange views and share information.

#### **Agenda sub-item 5 (c): Regional distribution of project activities**

129. The Board took note of the update by the secretariat on the current status of the distribution of project activities.

130. The Board agreed to postpone the further consideration of this issue to its twenty-sixth meeting in order to consider submissions by Parties as requested by COP/MOP 1<sup>6</sup>, which were not yet made available to Parties, with a view to prepare its recommendation on regional distribution to the COP/MOP 2. The Board further requested the secretariat to prepare an analysis of the submissions received from Parties and in response to its own call for public input on that issue for consideration of the Board at its twenty-sixth meeting.

131. 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 (d): Relations with Designated Operational and Applicant Entities**

132. 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) The Chair reported that fourth meeting of the AE/DOE Coordination Forum was held on 11 May 2006 in Cologne and one of the most important aspect came out of this meeting was the recognition of a wide gap in the comprehension of issues and understanding of the process among AEs and DOEs. The Chair requested the Board to consider ways on how to overcome this issue. It was acknowledged that the work on the development of validation verification manual might contribute in enhancing the capacity of the AEs and DOEs, but further suggested to the Board to institute some capacity building measures, such as holding a workshop with AEs and DOEs to highlight the expectations of the Board;

(b) Acceptance of a phased approach for monitoring purposes for multi-site CDM project activities as practiced in other greenhouse gas and accreditation schemes. The approach would enable to adopt a sampling method for assessing some project sites and based on the assessment results to conclude for other site visits and/or re-visits;

(c) Clear guidance on whether the CDM project activities of similar characteristics can apply decisions of the Board on requests for deviations submitted for previous cases;

(d) Significant differences have been noted in some of the requests for reviews raised by the Board. It was found that some of these review requests were well justified whereas others were based on minor points.

(e) Concerns raised by many project developers and DOEs on the feedback from the Methodology Panel on flare efficiency. It may be noted that flare efficiency is only determined by

---

<sup>6</sup> Decision 7/CMP.1 “Further guidance relating to the clean development mechanism” (FCCC/KP/CMP/2005/8/Add.1)



turbulence which occurs in high pressure flares and not in low pressure flares which is normally the case of landfill gas and biogas projects;

(f) Reference to European and/or International standards in some of the approved baseline and monitoring methodologies, which poses difficulties to apply these methodologies in developing countries. The Methodology Panel should consider referring to relevant standards in developing countries, which would ensure applicability of these methodologies in developing countries;

(g) With regards to feedback relating to application of additionality and baseline identification tool on a specific methodology, except for step 1 of the additionality tool, all other steps are handled in the baseline identification. The Methodology Panel may wish to consider merging the requirements;

(h) Delays in clearing the projects submitted for registration. In some cases it took up to six weeks for a project activity to clear.

(i) Problems in obtaining complete LoAs from some DNAs. The Board may consider to be flexible in accepting LoAs which do not include the statement that the Party ratified the Kyoto Protocol since this information is anyway available.

(j) Status of the implementation of revised registration form adopted by the Board at its twenty-fourth meeting.

133. The Board took note of the issues raised by Mr. Telnes and considered the interaction useful. The Board requested the AE/DOE Forum to submit inputs/proposals for the consideration of the CDM accreditation panel and the Board on measures to enhance the capacity of the DOEs and improve their performance as expected by the Board. The Board further requested to make inputs to the CDM-AP on the issue of phased approach for multi-site project sites. The Board further requested the AE/DOE Forum to make inputs on how to improve the regional distribution of CDM project activities.

134. The Board encouraged the DOE/AE coordination forum to continue providing input to the Board and its panels, thus enhancing common understanding and approaches.

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

135. The Board met with registered observers for informal briefings on 19 July 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 webcast.

136. The Board further agreed to continue to meet with the same type of arrangement at its twenty-sixth meeting, with space being made available for 70 observers, and to reconsider the issue when necessary. Observers to the twenty-sixth meeting of the Executive Board shall have registered with the secretariat by **5 September 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.

137. 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 (f): Other business**

138. The Board agreed on the provisional agenda for its twenty-sixth meeting (26 - 29 September 2006) as contained in [annex 50](#) to this report, with the open session on 28 and 29 September in order to facilitate observers attendance.



**Agenda item 6. Conclusion of the meeting**

139. The Chair summarized the main conclusions.

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

140. 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**

141. The Chair closed the meeting.



## Annexes to the report

### Methodologies

- Annex 1 - Approved baseline and monitoring methodology AM0031 (based on NM0105-rev)
- Annex 2 - Approved baseline and monitoring methodology AM0032 (based on NM0107-rev)
- Annex 3 - Approved baseline and monitoring methodology AM0033 (based on NM0123-rev)
- Annex 4 - Approved baseline and monitoring methodology AM0034 (based on NM0143 and NM0164)
- Annex 5 - Revision to consolidated approved baseline methodology ACM0009
- Annex 6 - Revision to the approved consolidated baseline methodology ACM0001
- Annex 7 - Revision to the consolidated approved baseline methodology ACM0003
- Annex 8 - Revision to the approved baseline methodology AM0014
- Annex 9 - Revision to approved baseline methodology AM0022
- Annex 10 - Revision to the consolidated approved baseline methodology ACM0008
- Annex 11 - Revision of the desk review form (F-CDM-NMex\_3d)
- Annex 12 - Revised desk review form (F-CDM-NMex\_2d)
- Annex 13 - Revised recommendation forms (F-CDM-NMmp)
- Annex 14 - Revised public input form (CDM-NMpu)
- Annex 15 - Revised CDM-PDD form
- Annex 16 - Revised Guidelines for completing CDM-PDD & CDM-NM
- Annex 17 - Revised procedures for the submission and consideration of a proposed new methodology, version 11
- Annex 18 - Revised procedures for the revision of an approved baseline or monitoring methodology, version 04

### Issues relating to procedures for afforestation and reforestation project activities

- Annex 19 - Revised summary recommendation form (F-CDM-AR-NMSUMar)
- Annex 20 - Revised Group Recommendation form (F-CDM-AR-NMar)
- Annex 21 - Revised new methodology public comment form (F-CDM-AR-NMpu)
- Annex 22 - Revised Lead Expert Form (F-CDM-AR-NMex\_3d)
- Annex 23 - Revised Second Expert Form (F-CDM-AR-NMex\_2d)
- Annex 24 - Revised procedures for the submission and consideration of a proposed new methodology for afforestation and reforestation project activities under the CDM, version 05

### Issue relating to procedures for small-scale project activities

- Annex 25 - Revision of AMS III.D
- Annex 26 - Revision of AMS III.G
- Annex 27 - Revision of AMS III.I.
- Annex 28 - Revision of AMS III.H.
- Annex 29 - Revision of AMS I.D.
- Annex 30 - Revision of AMS III.C
- Annex 31 - Revision of AMS III.B
- Annex 32 - Revised General Guidance on output capacity of renewable energy equipment
- Annex 33 - General guidance on leakage in biomass project activities' as attachment C to Appendix B
- Annex 34 - Revised submission to SSC WG form (CDM-SSC-Subm)
- Annex 35 - Revisions to guidelines for completing CDM-SSC-PDD

### Matters relating to the registration of CDM project activities

- Annex 36 - Scope of review on “GACL Blended Cement Projects in India (0304)”
- Annex 37 - Scope of review on “125 MW Wind Power Project in Karnataka, India (0315)”
- Annex 38 - Scope of review on “Krubong Melaka LFG Collection & Energy Recovery CDM Project (0323)”



Annex 39 - Scope of review on “2x5 Radhanagari Hydro Electric Project (0400)”

Annex 40 - Scope of review on “Rosslyn Brewery Fuel- Switching Project (0358)”

Annex 41 - Scope of review on “Satyamaharshi 6 MW Biomass Power Project (0396)”

Annex 42 - Scope of review on “7.5 MW Biomass (Mustard crop residue) based Power Project at RIICO Industrial area, Rajasthan by M/s Amrit Environmental Technologies Pvt. Ltd. (0372)”

Annex 43 - Terms of reference and procedures for a registration and issue team (version 4)

Annex 44 - 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 (version 4)

#### Matters relating to the issuance of CERs and the CDM Registry

Annex 45 - Scope of review on “Bandeirantes Landfill Gas to Energy Project (BLFGE) (0164)”

Annex 46 - Scope of review on “6.5 MW biomass based (rice husk) power generation by M/s Indian Acrylics Ltd. and replacement of electrical power being imported from state electricity grid/ surplus power supply to grid (0341)”

Annex 47 - Scope of review on ““Optimal Utilization of Clinker” project at Shree Cement Limited (SCL), Beawar, Rajasthan (0183)”

Annex 48 - Clarifications on the Procedures for review referred to in paragraph 65 of the modalities and procedures for a clean development mechanism

#### Resources

Annex 49 - Status of pledges to support 2006 CDM activities

#### Other business

Annex 50 - Provisional agenda for EB26