



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

Date: 29 September 2006
Ref: CDM-EB-26

**EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM
TWENTY-SIXTH MEETING**

Report

Date of meeting: 26 – 29 September 2006

Location: Bonn, Germany

Attendance: The names of members and alternate members present at the twenty-sixth 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. Akihiro Kuroki ^{2,3}
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. Rawlestone Moore ¹	Ms. Desna M. Solofa ¹
Ms. Anastasia 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)

³ Term: Mr. Fujitomi resigned in June 2006. Mr. Kuroki'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.

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 thirteenth progress report (CDM-ACCR-R-13) on the work of the CDM Accreditation Panel (CDM-AP) presented by Mr. Hernan Carlino, Chair of the CDM-AP. The report summarized information relating to the work of the CDM-AP including the status of applications and developments with respect to desk reviews, on-site assessments, witnessing activities and other accreditation related issues.

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 guidance provided by the Board at its twenty-fifth meeting.

5. The Board took note of the note from the CDM-AP elaborating the process to define the scope of the assessment work at the re-accreditation stage to take into consideration and incorporate the past performance of the DOEs

General issues relating to process/guidance

6. The Board took note of the difficulties identified by the Chair of the CDM-AP in availability of experts to undertake the assessment work and also took note of the options under consideration by the CDM-AP to overcome these difficulties.

7. The Board agreed to adopt the revised 'procedure for accrediting operational entities by the Executive Board of the CDM' contained in [annex 1](#). The Board agreed that revised accreditation procedure shall be applicable with the immediate effect, however it shall not affect the witnessing activities already proposed and accepted.

8. 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 that an extension in the expiry date shall be granted to those DOEs. The Board requested the CDM-AP to take into consideration the issue in undertaking the re-accreditation assessment of those DOEs and recommend to the Board for extension of specific cases.

9. The Board taking into consideration difficulties faced by some applicant entities in witnessing activities due to the revision of approved baseline and monitoring methodologies and the grace period for applying revised methodologies in witnessing cases, agreed to the recommendation of the CDM-AP to grant an additional six weeks to the eight weeks grace period for AEs to submit requests for registrations of cases that were witnessed.



10. The Board further requested the CDM-AP to develop options for measures that provide incentives to designated operational entities (DOEs) to meet quality standards of the Board other than, and prior to, spot-check.

11. The Board took note of the progress of the work on the spot-check. The Chair of the CDM-AP informed the Board that an on-site assessment had been undertaken and reports are being prepared. The Board requested the CDM-AP to make a recommendation to the Board at its twenty-seventh meeting, whether to suspend or confirm continuation of the accreditation of the entity.

12. The Board agreed in its deliberations to conduct a spot-check on two entities.

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

13. The Board considered the report of the twenty-second 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

14. Taking into consideration recommendations by the Meth Panel, inputs by experts (desk reviewers) and the public, the Board considered twenty-four (24) proposals for new baseline and monitoring methodologies and agreed on the following cases:

- Approvals:

NM0135: “*SF₆ emission reductions in electrical grids*”

15. The Board agreed to approve the proposed baseline and monitoring methodologies contained in proposal NM0135. The reformatted version of the proposed baseline and monitoring methodology is contained in [annex 2](#) (“SF₆ emission reductions in electrical grids”). The Chair of the Meth Panel and the Chair of the CDM-AP informed the Board that these methodologies are linked to scope 11 (fugitive emissions from production and consumption of halocarbons and sulphur hexafluoride) and scope 01 (energy industries) for the purpose of accreditation.

NM0140-rev: “*Fuel switch from fossil fuels to biomass residues in boilers for heat generation*”

16. The Board agreed to approve the proposed baseline and monitoring methodologies contained in proposal NM0140-rev. The reformatted version of the proposed baseline and monitoring methodology is contained in [annex 3](#) (“Fuel switch from fossil fuels to biomass residues in boilers for heat generation”). The Chair of the Meth Panel and the Chair of the CDM-AP informed the Board that these methodologies are linked to scope 01 (energy industry) and scope 04 (manufacturing industry) for the purpose of accreditation.

NM0145: “*Flare reduction and gas utilization at oil and gas processing facilities*”

17. The Board agreed to approve the proposed baseline and monitoring methodologies contained in proposal NM0145. The reformatted version of the proposed baseline and monitoring methodology is contained in [annex 4](#) (“Flare reduction and gas utilization at oil and gas processing facilities”). The Chair of the Meth Panel and the Chair of the CDM-AP informed the Board that these methodologies are linked to scope 10 (fugitive emissions from oil and gas), and 05 (chemical industries) for the purpose of accreditation.

18. The Board considered the case NM0145 and, after significant discussion on the implications and practicability of the third bullet in the applicability section of the approved methodology, based on the case NM0145, as referred in paragraph 17 above, the Board requested the Meth Panel to re-consider the above mentioned applicability condition bearing in mind the Marrakech Accords and relevant COP/MOP decisions. Furthermore, the implications of the applicability conditions such as those recommended by



the Meth Panel for, the case of NM0145, CDM project activities in new manufacturing plants across many industrial sectors should be carefully considered. The Board also requested the Meth Panel to compare the CO₂ reduction between the project case, which replaces new methanol plants in an Annex I country, and which do not replace any methanol plant in Annex I.

NM0146: *“Methodology for improved electrical energy efficiency of an existing submerged electric arc furnace used for the production of SiMn”*

19. The Board agreed to approve the proposed baseline and monitoring methodologies contained in proposal NM0146. The reformatted version of the proposed baseline and monitoring methodology is contained in [annex 5](#) (“Methodology for improved electrical energy efficiency of an existing submerged electric arc furnace used for the production of SiMn”). The Chair of the Meth Panel and the Chair of the CDM-AP informed the Board that these methodologies are linked to scope 09 (metal production) for the purpose of accreditation.

NM0147: *“Methane emissions reduction from organic waste water and bio-organic solid waste using co-composting”*

20. The Board agreed to approve the proposed baseline and monitoring methodologies contained in proposal NM0147. The reformatted version of the proposed baseline and monitoring methodology is contained in [annex 6](#) (“Methane emissions reduction from organic waste water and bio-organic solid waste using co-composting”). The Chair of the Meth Panel and the Chair of the CDM-AP informed the Board that these methodologies are linked to scope 13 (waste handling and disposal) for the purpose of accreditation.

NM0163: *“Baseline and monitoring methodology for project activities using alternative raw materials that contain carbonates in clinker manufacturing in cement kilns”*

21. The Board agreed to approve the proposed baseline and monitoring methodologies contained in proposal NM0163. The reformatted version of the proposed baseline and monitoring methodology is contained in [annex 7](#) (“Baseline and monitoring methodology for project activities using alternative raw materials that contain carbonates in clinker manufacturing in cement kilns”). The Chair of the Meth Panel and the Chair of the CDM-AP informed the Board that these methodologies are linked to scope 04 (manufacturing industries) for the purpose of accreditation.

- Possible reconsideration (“B cases”):

22. The Board agreed that the proposed new baseline and monitoring methodologies for the cases NM0121, NM0144, NM0155, NM0159, NM0160, NM0165 and NM0166 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.

23. If project participants wish to have the revised proposals considered at the twenty fourth meeting of the Meth Panel (27 November - 1 December, 2006), they shall exceptionally submit them by 20 October 2006.

**- Non-approval:**

24. The Board agreed not to approve the proposed new baseline and monitoring methodologies for cases, NM0134-rev, NM0138-rev, NM0162, NM0169, NM0173, NM0175, NM0177, NM0182 and NM0183. The Board invites the project participants for these cases to consider the views and suggestions made, in particular with regard to CDM-NM, and encourages them to make new submissions.

25. The Board considered the cases NM0108-rev and NM0129-rev, which are proposed for project activities claiming CERs from the production of biofuels only, while not taking into account consumers of these biofuels. The Board, noting that further guidance shall be developed and provided for addressing double counting in such methodologies (see paragraph 32 below), agreed to keep its decision on the recommendation by the Meth Panel pending until such guidance is approved.

Responses to clarifications of approved methodologies

26. The Board agreed to the responses to clarifications provided by the Meth Panel on the following cases:

(a) AM_CLA_0029: To clarify that the “request for clarification”, concerning the eligibility of the DOE to submit the registration request based on an approved methodology linked to a sectoral scope to which the DOE is accredited, but referring to the use of another approved methodology to whose sectoral scope the DOE is not accredited, should be addressed to the accreditation panel.

(b) AM_CLA_0031: To clarify that the approved methodology ACM0001 is not applicable for a project activity that aims to collect LPG and upgrade to CPLG. Further, the Board encourages the submission of a “request for revision of approved methodology” taking into account the recommendations made by the Meth Panel in its response to the clarification.

Responses to request for revisions of approved methodologies

27. The Board agreed to the responses to requests for revisions submitted, as referred below:

(a) Not to accept AM_REV_0016 concerning request to broaden the applicability of approved methodology AM0001 to swing plants, which produced only CFC in the past but were to be converted to produce HCFC 22 as per previous agreement, i.e. with an international organization.

(b) Accept AM_REV_0017 concerning request to broaden the applicability of the approved methodology AM0028 to project activities that destroy N₂O emissions from process of caprolactam production, which resulted in the revision of the methodology, as attached in [annex 8](#) to this report. Unrelated to the request, the approved methodology was amended to include the monitoring of N₂O using the standard EN1418, which is also used in the approved methodology AM0034.

(c) Not accept AM_REV_0020 concerning expanding the applicability of approved methodology AM0009 to other possible uses for flared gas. The proposed request did not address: the implications of the expansion of the applicability on the monitoring methodology; the information on the kind of products that will be produced from use of flared gas; the implication of extraction of products on the total amount of waste gas generated in project case vis-à-vis the baseline; and monitoring of end users of the products extracted from the waste gas. Furthermore, the Board encourages the submission of a “requests for revision of approved methodology” taking into account the recommendations made by the Meth Panel in its response to the request for revision.

(d) Not accept AM_REV_0021 proposing to amend the approved methodology AM0029 by adding the name of the project participants in the source section of the approved methodology. The Board reiterated that the ‘source’ section of an approved methodology is based on information included in the CDM-PDD section titled “Date of completion of the application of the baseline study and



monitoring methodology and the name of the responsible person(s)/entity(ies)” of draft CDM-PDD submitted by project participants when proposing a new methodology. The Board further clarified that only the information provided in the above mentioned section of the CDM-PDD be included in the ‘source’ section of the approved methodology.

Revision of approved methodologies

28. The Board agreed to the revisions of the following methodologies:

(a) **AM0025** (“Avoided emissions from organic waste through alternative waste treatment processes”): to incorporate the scope of the approved methodology AM0012. The revised methodology, as included in [annex 9](#) to this report, is now applicable to project activities that: (i) use anaerobic digestion to treat municipal solid waste, which in absence of the project activity would have been disposed in a landfill; and (ii) are implemented in a country where mandatory regulation exist to treat the biodegradable part of the municipal solid waste before disposing the waste in a landfill, but the regulation is not implemented.

(b) Furthermore, the Board agreed to withdraw the approved methodology **AM0012** (“Baseline methodology for biomethanation of municipal solid waste in India, using compliance with MSW rules”) as agreed at its twenty-fourth meeting after the revision of approved methodology AM0025.

(c) **AM0027** (“Substitution of CO₂ from fossil or mineral origin by CO₂ from renewable sources in the production of inorganic compounds”): to clarify that the approved methodology is applicable to project activities where the generation of CO₂ from fossil or mineral sources in the baseline is only for the purpose of producing CO₂ used for the production of inorganic compounds and there is no energy by-product of CO₂ production from fossil source and its consumption in the baseline. The revised methodology is included in [annex 10](#) to this report.

29. The revisions/withdrawal referred to in paragraph 28 above will come into effect on 06 October 2006, in accordance with the procedure for the revision of approved methodologies.

Consolidation of approved methodologies

30. The Board agreed to approve the draft consolidated methodology (“Consolidated baseline methodology for GHG emission reductions from manure management systems”) based on the approved methodologies AM0006 and AM0016, as included in [annex 11](#) to this report, and withdraw the approved methodologies AM0006 and AM0016. Since the methodologies are on hold the withdrawal is with immediate effect.

General guidance and process

31. The Board considered the recommendation by the Meth Panel on the avoidance of double counting in project activities concerning blended biofuel for energy use and agreed to provide guidance on situations concerning the consumption only as well as the consumption and production of biofuel within the same project boundary, as contained in [annex 12](#) to this report.

32. The Board agreed that further guidance shall be developed and provided for addressing the issue of avoidance of double counting in methodologies for project activities claiming CERs from the production of biofuels only, while not taking into account consumers of these biofuels. The Board also agreed to open a call for public inputs on the issue starting **02 October 2006 and ending 20 October 2006 @ 17:00 GMT**.

33. The Board considered the draft recommendation prepared by the Meth Panel based on qualitative consideration of the Carbon Dioxide Capture and Storage (CCS) cases NM0167 and NM0168 and the small-scale methodology submission SSC_038 (Anthropogenic Ocean Sequestration by Changing the



Alkalinity of Ocean Surface Water). The Board was of the view that COP/MOP 1 decision only requests the Board to make recommendations based on an analysis of the proposals and not recommendations on the process by COP/MOP. The Board, therefore, agreed to adopt the draft recommendation prepared by the Meth Panel without the recommendations on the process by COP/MOP, as contained in annex 13 of this report. The Board thanked the Meth Panel for its work on the draft recommendation.

34. The Board requested the secretariat to refine the options for definitions of “programme of activities” and “policy” recommended by the Meth Panel based on input received from the Board. The Board agreed to consider the revised draft at its twenty-seventh meeting.

35. The Board agreed to approve the “**Methodological Tool**” to determine methane emissions avoided from dumping waste at a solid waste disposal site, which may be referred to in methodologies, in a similar fashion to referencing the “tool for assessment and demonstration of additionality” in approved methodologies, as contained in annex 14 of this report.

36. The Board further agreed that the tool mentioned in paragraph 35 above should estimate methane emissions avoided such that it credits emission reductions for waste disposed during the year y , at end of year y , which is consistent with the formulae in the current approved version of the methodology AM0025.

37. The Board considered an update on the progress of the work of the Meth Panel on the merging of the draft baseline scenario selection tool with the additionality tool (referred to as “combined tool”), as requested by the Board at its twenty-fourth meeting, according to the request by COP/MOP1 (decision 7.CMP.1 paragraph 25 and 26). The Board requested the Meth Panel to focus as a priority on a clear and if possible broadly applicable “combined tool”, as well as on improvement of the existing additionality tool, taking into account input from the public. When ever possible these tools shall only be referred to in new methodologies, thereby not unnecessarily limiting the applicability of such tools in new methodologies, to be consistent with the request by COP/MOP1 (decision 7.CMP.1 paragraph 23 and 24) for the development of methodologies with broad applicability conditions, including broadening of the applicability of approved methodologies.

38. Furthermore the Board was of the view that further guidance is needed in order to assist with the application of the additionality tool, in particular for the verification of additionality by the DOE. The Board, therefore agreed to request one or more experts, under the guidance of an appointed member of the Board, to develop a brief manual to accompany the additionality tool. The manual shall be assessed by the Meth Panel and presented to the Board for its consideration by no later than its twenty-eighth meeting.

39. The Board confirmed the nomination by the panel of Mr. Braulio Pikman to participate as its representative in the afforestation and reforestation working group (A/R WG) meetings. The Board thanked Mr. Lambert Schneider, the outgoing representative of the panel, for his dedication and outstanding service to the A/R WG.

Further schedule

40. The Board took note that the twenty-third Meth Panel meeting is to take place on 9 - 11 October 2006. The Meth Panel meeting will take place over three days with no informal day but instead a mid-meeting working day in order to complete in meeting tasks.

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

41. The Board considered the report of the tenth 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.

42. The Executive Board expressed its deep appreciation to the outgoing representative of the Methodology Panel, Mr. Lambert Schneider, for his outstanding dedication and support to the working group.

Case specific**- Approval (“A cases”):**

43. 20. The Board agreed to approve the proposed baseline and monitoring methodologies contained in proposal ARNM0019. The reformatted version of the proposed baseline and monitoring methodology is contained in [annex 15](#) “Reforestation or afforestation of land currently under agricultural use”). The Chair of the AR WG and the Chair of the CDM-AP informed the Board that these methodologies are linked to scope 14 (Afforestation and reforestation) for the purpose of accreditation. .

- Possible reconsideration (“B cases”):

44. The Board agreed to forward the cases ARNM0015, ARNM0020, ARNM0021 and ARNM0024 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 eleventh meeting of the A/R WG (5 to 6 December 2006), they shall submit them by 30 October 2006.

- Non-approval (“C cases”):

45. The Board, taking into consideration the inputs by experts, the public and the recommendation of the A/R WG, agreed not to approve the proposed new A/R methodology ARNM0027.

46. The Board considered the recommendation of the A/R WG for the case ARNM0012-rev and agreed to request the AR WG to revise its recommendation on ARNM0012-rev electronically allowing the project participants the opportunity to respond to clarifications by 30 October 2006 for consideration at the next meeting of the A/R WG.

Revisions of the approved methodologies

47. The Board agreed to revise the following approved methodologies:

(a) AR-AM0003: To further clarify the monitoring of the boundary of proposed A/R CDM project activities to reflect a literal application of the definition of project boundary and to correct the formula for the calculation of leakage due to the displacement of fuel wood collection. The revised approved methodology is contained in [annex 16](#) to this report;

(b) AR-AMS0001: To correct the equation for estimation of the below-ground biomass and include some minor editorial changes. The revised approved methodology is contained in [annex 17](#) to this report.

General guidance and process

48. The Board agreed to revise the procedures to define the eligibility of lands for afforestation and reforestation project activities and in doing so changed its title to reflect that the guidance required the demonstration of eligibility. These revised procedures are contained in [annex 18](#) to this report.



49. The Board further agreed to revise the forms: Project Design Document Form for Afforestation and Reforestation Project Activities (CDM AR-PDD), Proposed New Baseline and Monitoring Methodologies for A/R (CDM-AR-NM) and the Guidelines For Completing the Project Design Document for A/R and the Proposed New Methodology for A/R, as contained in annexes 19, 20 and 21 respectively. The revised forms shall come into effect on **06 October 2006**.

50. The Board agreed to guidance on accounting for emissions of N₂O from fertilizer application.

(a) Only direct (e.g. volatilization), and not indirect (e.g. run-off), emissions of N₂O from application of fertilizers within the project boundary shall be accounted for in A/R project activities;

(b) If the only source of N₂O emissions, which is located outside the project boundary is due to the application of fertilizer in nurseries supplying seedlings to the A/R project activity, then these N₂O emissions (either direct or indirect), may be considered as negligible.

51. In order to facilitate the submission of requests for revisions and queries (clarifications) of approved A/R methodologies, the Board agreed to the following forms, which shall come into effect on **06 October 2006**:

(a) Form for submission of requests for revisions of approved methodologies to the Afforestation and Reforestation Working Group - version 01 (F-CDM-AR-AM-Rev), as contained in annex 22 of this report;

(b) Form for submission of queries from DOEs to the Afforestation and Reforestation Working Group regarding the application of approved A/R methodologies - version 01 (F-CDM-AR-AM-Subm), as contained in annex 23 of this report; and

(c) Form for Submission on Small Scale Afforestation / Reforestation Methodologies and Procedures - version 01 (F-CDM-SSC-AR-Subm), as contained in annex 24 of this report.

52. Taking into account the increasing workload of the AR/WG, the Board announced that a call for experts will be made from 2 October 2006 to 20 October 2006 (17.00 GMT) in order to increase the number of AR WG members from 6 to 8, with a view to consider a shortlist of experts at its twenty-seventh meeting.

53. The Board clarified that the A/R WG and not the SSC WG will consider submissions of SSC-AR methodologies. The required amendment has been made to Part III of the Guidelines for completing the simplified project design document for small scale A/R and the form for submissions on methodologies for small scale AR CDM project activities as contained in annex 25. The revised Guidelines will come into effect on **06 October 2006**.

Further schedule

54. The Board noted that the A/R WG agreed to convene its eleventh meeting on **5 to 6 December 2006**.

55. 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 **twelfth round** for submissions of proposed new A/R baseline and monitoring methodologies is **18 December 2006**.

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

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

Case specific

57. In response to the request for clarification/revision SSC_037 the Board approved a new methodology for project activities avoiding fossil fuel combustion to produce carbon dioxide, to be used as a raw material for industrial processes as contained in [annex 26](#). The Chair of the SSC WG and the Chair of the CDM-AP informed the Board that this methodology is linked to scope 5 (Chemical Industries) for the purpose of accreditation.

58. This methodology is applicable to activities that satisfy the following conditions:

(a) Where the generation of CO₂ from fossil or mineral sources in the baseline is only for the purpose of use in the production of inorganic compounds

(b) There is no energy by-product of CO₂ production from fossil or mineral source and its consumption in the baseline.

(c) The CO₂ used in the industrial process is emitted to the atmosphere at some point in time.

(d) All carbon in the CO₂ produced under the project activity shall be derived from renewable biomass. The residual CO₂ from the processing of biomass was already produced but was not used before the project activity, so that no diversion of CO₂ from other applications is due to the project activity.

59. The Board noted that the SSC WG has received two (2) small scale methodology submissions (SSC_056 and SSC_061) related to “calculating emission reductions for small-scale project activities that propose the switch from non-renewable biomass to renewable biomass”. The Board took note of the preliminary assessment of the SSC WG, as reported by the Chair of the SSC WG, that these submissions were based on concepts already taken into account by the Board, in its consideration of the revised recommendations of two draft categories for activities saving non renewable biomass which could not adopted by the Board at its twenty-fifth meeting (see report of EB25, paragraph 54).

60. The Board further agreed that the SSC WG shall not carry out further work in this area until further notice from the Board.

Revision of approved methodologies

61. The Board noted that the SSC WG had recommended a revision of the approved methodology AMS I.D to clarify the eligibility limits of project activities adding renewable energy capacity, in response to a request for clarification/revision (SSC_050). The Board requested the SSC WG to further analyse potential situations under which renewable energy capacity addition is undertaken particularly with reference to technologies such as hydro-power, biomass energy, wind energy and cogeneration. In this regard, the Board requested the Meth Panel to provide a recommendation on this issue to the SSC WG for consideration by the SSC WG at its eighth meeting.

***General guidance and process***

62. In response to the request for clarification/revision (SSC_062), the Board agreed to include the definition of “same technology/measure” in the CDM glossary of terms, as follows:

(a) Two different project activities will be considered to be applying the same technology if they provide the same kind of output and use the same kind of equipment and conversion process.

(b) Two different project activities will be considered to be using the same measure if they constitute the same course of action and result in the same kind of effect (e.g. two projects using the same management practice such as fuel switch).

63. In response to the request by COP/MOP1 to review the simplified modalities, procedures and definitions of small-scale project activities and, if necessary, make appropriate recommendations, the Board considered a proposal by the SSC WG based on an analysis of projects in the CDM pipeline taking into account public inputs and expert opinions. The Board agreed to recommend the following revisions to the definitions of small-scale project activities referred to in paragraph 6 (c) of decision 17/CP.7:

(a) Type I project activities: Renewable energy project activities with a maximum output capacity of 15 MW (or an appropriate equivalent);

(b) Type II project activities: Energy efficiency improvement project activities, which reduce energy consumption, on the supply and/or demand side, by up to a maximum of 60 GWh per year (or an appropriate equivalent);

(c) Type III project activities: Other project activities that result in emission reduction of less than or equal to 60 ktCO₂e annually.

64. The Board noted that the threshold value of 15 GWh/year energy savings might have been a barrier to the development of type II project activities. Further the Board considered that it was more appropriate to use a threshold based on emission reductions than a threshold based on project direct emissions for defining small-scale project activities under type III.

65. In recommending these revisions the Board took into account the need to make the definitions of the three types equivalent to each other, and doing so decided to maintain the current definition of type I project activities. Further the Board proposed a revised definition of type II project activities based on the electrical energy generation capacity of a 15 MW power generating unit operating for 4000 hrs a year and a revised definition of type III project activities based on the emission reductions of currently registered type I project activities with the highest projected annual emission reduction.

66. The Board agreed that for thermal applications of solar energy projects, the ‘maximum output’ of a glazed flat plate or evacuated tubular collector shall be calculated using a conversion factor of 700 Wth/m² of aperture area of the collector i.e. the project eligibility limit in terms of aperture area is 64000 m² of collector area. Project participants may also use other conversion factors determined as per the procedures prescribed for ‘equipment performance’ under paragraph 5 of the ‘General Guidance’ to the indicative methodologies, however, it shall be justified why the chosen conversion factor is more appropriate to the project activity. This revision of the ‘General Guidance’ to indicative methodologies is reflected in [annex 27](#) and will come into effect on 06 October 2006.

67. The Board clarified that tier 2 approach of IPCC guidelines cited in the approved methodology AMS III D, refers to the chapter ‘Emissions from Livestock and Manure Management’ under the volume ‘Agriculture, Forestry and other Land use’ of the latest published version of the IPCC Guidelines for National Greenhouse Gas Inventories.



68. The Board further clarified that the ‘2006 IPCC Guidelines for National Greenhouse Gas Inventories’ will be published on the IPCC website on 24 October 2006 after which this version shall be considered as the latest version.

Further schedule

69. The Board noted that the next meeting of the CDM-SSC WG would be held on 5 - 6 December 2006.

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

70. The Board took note that 321 CDM project activities have been registered by 29 September 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

71. In accordance with the procedures for review as referred to in paragraph 41 of the CDM modalities and procedures, the Board considered nine (9) requests for review of requests for registration by DOEs.

72. The Board agreed to register the project activity:

(a) “Rickli Biomass electricity generation project” (0114) taking note of the initial comments provided by the project participant and the DOE (Det Norske Veritas Certification Ltd. (DNV)) in response to the request for review;

(b) “Electricity generation at 8MW captive power plant using enthalpy of flue gases from blast furnace operations of Kalyani Steels Limited, in Karnataka State of India” (0427) taking note of the initial comments provided by the project participants and the DOE (Bureau Veritas Quality International Holding S.A. - BVQI) in response to the request for review;

(c) “PetroSA Biogas to Energy Project” (0446) on the basis of the revised PDD and the Validation Report provided by the project participant and the DOE (PricewaterhouseCoopers - South Africa - PwC) in response to the request for review;

(d) “Generation of electricity from 6.25 MW capacity wind mills by Sun-n-Sand Hotels Pvt. Ltd at Soda Mada Rajasthan” (0447) taking note of the initial comments provided by the project participant and the DOE (TÜV NORD CERT GmbH - RWTUV) in response to the request for review;

(e) “Methane recovery and power generation in a distillery plant by GMR Industries Ltd. (GIDL)” (0505) on the basis of the revised PDD and the Validation Report provided by the project participant and the DOE (SGS United Kingdom Ltd. - SGS) in response to the request for review.

73. The Board agreed to register with corrections the project activity “Imbituva Biomass Project” (0401) if the revised PDD, submitted by the project participant through the DOE (DNV) in response to the request for review, and an updated validation report are displayed on the UNFCCC website and the starting date of the crediting period is changed to a date after the project registration.

74. After the submission of the specified documentation, the secretariat, in consultation with the Chair of the Board, will check the revised documentation before the activity is displayed as registered.

75. The Board agreed to undertake a review of the request for registration by the DOE (BVQI) for the project activity “Cosipar Renewable Electricity Generation Project” (0410) and that the scope of this review is relating to issues associated with validation requirements, as contained in annex 28 to this report.



76. The Board agreed to undertake a review of the request for registration by the DOE (Spanish Association for Standardisation and Certification - AENOR) for the project activity “CAPEX S.A. – Agua del Cajón thermal power plant – open to combined cycle conversion” (0443) and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 29](#) to this report.

77. The Board agreed to undertake a review of the request for registration by the DOE (DNV) for the project activity “Aços Villares Natural gas fuel switch project” (0474) and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 30](#) to this report.

78. The Board agreed on the nomination of the members of the review teams for the above cases and decided that for these and future cases the names of the review team members would be considered confidential. The review teams may call on outside expertise in consultation with the Chair of the Board, as appropriate.

79. 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 seven (7) project activities which were placed “Under review” at the twenty-fifth meeting of the Board.

80. In accordance with the provisions of paragraphs 17 and 18 of the above-mentioned procedures, the Board agreed to register the project activity:

(a) “GACL Blended Cement Projects in India” (0304) on the basis of the revised PDD provided by the project participant and a revised validation report to be submitted by the DOE (DNV);

(b) “125 MW Wind Power Project in Karnataka, India” (0315) taking note of the clarifications provided by the project participant and the DOE (DNV);

(c) “Krubong Melaka LFG Collection & Energy Recovery CDM Project” (0323) on the basis of the revised PDD and the Validation Report provided by the project participant and the DOE (Japan Consulting Institute - JCI);

(d) “Rosslyn Brewery Fuel-Switching Project” (0358) on the basis of the revised PDD and the Validation Report provided by the project participant and the DOE (DNV);

(e) “7.5 MW Biomass (Mustard crop residue) based Power Project at RIICO Industrial area, Rajasthan by M/s Amrit Environmental Technologies Pvt. Ltd” (0372) on the basis of the revised PDD and the Validation Report provided by the project participant and the DOE (TUV Industrie Service GmbH TUV SUD GRUPPE - TUEV SUD);

(f) “Satyamaharshi 6 MW Biomass Power Project” (0396) taking note of the clarifications provided by the project participant and the DOE (DNV).

81. In accordance with the provisions of paragraphs 17 and 18 (c) of the above-mentioned procedures, the Board agreed to reject the project activity “2x5 Radhanagari Hydro Electric Project ” (0400) considering that none of the investment, technological and prevailing practice barriers were adequately demonstrated in the PDD and that the project participant and the DOE (DNV) failed to substantiate these barriers in response to the request of the review team, and therefore the project activity did not meet additionality requirements as stipulated in paragraphs 43 to 52 of the CDM modalities and procedures.

82. The Board agreed to instruct the secretariat to include on the relevant section of the CDM website the reasons for the rejection of the project activity for all cases rejected by the Board.

83. The Board considered five (5) requests for deviation, agreed on answers to all of them and requested the secretariat to inform the DOEs accordingly.

***Registration procedure***

84. The Board considered a shortlist of applicants to the Registration and Issuance Team (RIT) and, taking into account the consideration of regional balance, selected Ms. Flordeliza Andres, Mr. Aliou Ba, Mr. Luis de la Torre, Mr. Vinay Deodhar, Mr. Sergio Jauregui, Ms. Carolyn Luce, Mr. Divaldo Rezende, Mr. Francesco Tubiello, Mr. Sk Noim Uddin, and Ms. Simone Ullrich to serve as members of the RIT in accordance with the “Terms of reference for a registration and issuance team”.

85. The Board thanked the secretariat for preparing the compilation of electricity grid emission factors and requested that the compilation be kept up-to-date as new project are registered and made available on the Board’s extranet. The Board requested the secretariat to make an analysis of the consistency of these factors for consideration by the Meth panel at its twenty-fourth meeting.

Clarification regarding registration procedure relating to retro-active crediting (paragraph 4 of decision 7/CMP.1)

86. In order to operationalize paragraph 4 of Decision 7/CMP.1 the Board clarified that project activities that started in the period between 1 January 2000 and 18 November 2004 that have either submitted a new methodology by 11 January 2006 or have requested validation by a designated operational entity by 31 December 2005 can request retroactive credits if:

- (a) The request for registration of the project activity is submitted by the DOE through the electronic interface 31 December 2006, midnight GMT;
- (b) Any required registration fee is received by the secretariat before 31 January 2007; and
- (c) The request is complete and, hence published on the UNFCCC CDM website, by 15 February 2007.

General guidance

87. The Board working towards further strengthening the system and having assessed its experience in considering reviews and requests for review, while noting the learning by doing nature of the CDM and the amount of work undertaken by the DOEs, expressed its concern at the quality with which some validation activities are being conducted by DOEs. In this regard the Board requests DOEs to ensure that:

- (a) All requirements of decisions by COP/MOP and the Board are fully and transparently addressed in validation reports
- (b) Their work is consistently of high quality and complete.

88. In a spirit to provide constructive feedback to the DOEs, part of the CDM infrastructure, the Board agreed to consider at each meeting the nature of errors and to communicate to DOEs, if applicable, its observations through the Secretary of the Board. The Board noted that if issues are frequent and/or recurrent (i.e. no response to the concerns of the Board by the DOE) appropriate formal actions will follow.

89. The Board encouraged project participants and DOEs to pay particular attention to the outcomes of past experience with requests for review and review cases to understand the quality standards and service levels to be expected.

90. The Board requested DOEs to ensure that detailed information on the demonstration of additionality and the determination of baselines, including related calculations, be either integrated in PDDs or submitted as annexes to PDDs.



91. The Board requested the secretariat to add to its completeness check of submitted requests for registration by ensuring the availability of the above information.

92. To facilitate the process of review of project activities the Board requested the secretariat, resources permitting, to make available to the review teams concise briefing notes summarising issues within the scope for review, clarifications provided by project participants and DOEs, and the assessment from the appointed RIT member.

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

93. The Board took note that 15,580,139 CERs have been issued as at 29 September 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

94. 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 five (5) requests for issuance.

95. The Board agreed to instruct the CDM registry administrator to issue 47,716 CERs for “Clarion 12MW (Gross) Renewable Sources Biomass Power Project (0075)”, taking note of the initial comments from the DOE (SGS) and project participant in response to the request for review.

96. The Board agreed to instruct CDM registry administrator to issue CERs for “San Jacinto Tizate geothermal project (0198)” following the submission by the project participants of a revised monitoring report and verification report submitted by the DOE (TUEV SUD) which:

- (a) Present the aggregate monitoring results at the intervals required by the monitoring plan, and
- (b) indicate clearly how the requirement to cross check the measured electricity consumption against sales records has been met.

97. After the submission of the specified documentation, the secretariat, in consultation with the Chair of the Board, will check the revised documentation before the CDM registry administrator is instructed to issue any CERs.

98. The Board agreed to undertake a review of the request for issuance by the DOE (DNV) of 107,008 CERs for “Hapugastenne and Hulu Ganga Small Hydropower Projects (0085)” and that the scope of this review is relating to issues associated with verification requirements, as contained in annex 31 to this report.

99. The Board agreed to undertake a review of the request for issuance by the DOE (DNV) of 3,301 CERs for “AWMS GHG Mitigation Project, MX05-B-07, Sonora, México (0150)” and that the scope of this review is relating to issues associated with verification requirements, as contained in annex 32 to this report.

100. The Board agreed to undertake a review of the request for issuance by the DOE (DNV) of 2,345 CERs for “AWMS GHG Mitigation Project, MX05-B-09, Nuevo León, México (0163)” and that the scope of this review is relating to issues associated with verification requirements, as contained in annex 33 to this report.

101. The Board agreed on the nomination of the members of the review teams for the above cases and decided that for these and future cases the names of the review team members would be considered confidential. The review teams may call on outside expertise in consultation with the Chair of the Board, as appropriate.



102. In accordance with the procedures for review as referred to in paragraph 65 of the CDM modalities and procedures, the Board considered the recommendations of the review teams for the three (3) request for issuance which were placed “Under review” at the twenty-fifth meeting of the Board.

103. In accordance with the provisions of paragraphs 17 and 18 (a) of these procedures, the Board agreed to instruct CDM registry administrator to issue 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)” in accordance with the request from the DOE (SGS).

104. In accordance with the provisions of paragraphs 17 and 18 (b) of these procedures, the Board agreed to instruct CDM registry administrator to issue CERs for:

(a) “Bandeirantes Landfill Gas to Energy Project (BLFGE) (0164)” following the submission by the DOE (TUEV SUD) of a revised verification and certification report and request for issuance which requests CERs only for the component of methane which was combusted for the purposes of electricity generation. No CERs shall be claimed for the component of methane which was flared, as the monitoring of this flaring has not been conducted in accordance with the relevant version of the approved methodology or the registered monitoring plan.

(b) “Optimal Utilization of Clinker” project at Shree Cement Limited (SCL), Beawar, Rajasthan (0183)” following the submission by the project participant of a revised monitoring report, revised verification and certification report by the DOE (DNV) and revised request for issuance which:

- (i) Uses IPCC emission factors rather than local emission factors for the fuels used in the cement plant
- (ii) Uses net rather than gross electricity consumption in the calculation of the emission factor for self generated electricity
- (iii) Applies the trend increase in baseline additive rate to the first year of the monitoring period and on a compound rather than linear basis.

General guidance

105. The Board working towards further strengthening the system and having assessed its experience in considering reviews and requests for review, while noting the learning by doing nature of the CDM and the amount of work undertaken by the DOEs, expressed its concern at the quality with which some verification activities are being conducted by DOEs. In this regard the Board requests DOEs to ensure that:

(a) All requirements of decisions by COP/MOP and the Board are fully and transparently addressed in verification reports

(b) Their work is consistently of high quality and complete.

106. In a spirit to provide constructive feedback to the DOEs, part of the CDM infrastructure, the Board agreed to consider at each meeting the nature of errors and to communicate to DOEs, if applicable, their observations through the Secretary of the Board. The Board noted that if issues are frequent and/or recurrent (i.e. no response to the concerns of the Board by the DOE) appropriate formal actions will follow.

107. The Board encouraged project participants and DOEs to pay particular attention to the outcomes of past experience with requests for review and review cases to understand the quality standards and service levels to be expected.



108. The Board agreed to the 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, as contained in [annex 34](#) to this report.

109. The Board agreed to instruct DOEs that, in performing verification,:

(a) DOEs shall ensure that all of the monitoring parameters required by the registered monitoring plan are reported by the project participants at the intervals required by the registered monitoring plan. Project participants are advised that data should be contained in the monitoring report before a request for issuance is made to a DOE, and submitted to the secretariat in a format which allows for assessment by the RIT member appointed to conduct the appraisal.

(b) In conducting verification, when it is discovered that activity levels or non-activity parameters have not been monitored by the project participants in accordance with the registered monitoring plan, the DOE shall make the most conservative assumption theoretically possible in finalising the verification report.

110. To facilitate the process of review of requests for issuance, the Board requested the secretariat, resources permitting, to make available to the review teams concise briefing notes summarising issues within the scope for review, clarifications provided by project participants and DOEs, and the assessment from the appointed RIT Member.

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

111. The Board noted that Mr. José Miguez and Ms. Sushma Gera will 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 noted that Ms. Anastasia Moskalenko and Mr. Rajesh Kumar Sethi will 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 held a one-day retreat to discuss the CDM management plan (CDM-MAP), including its underlying assumptions, specification of operational needs to become more Executive, as well as management indicators for the Board’s work. The Board agreed to further consider this issue at its next, 27th meeting, and requested the secretariat to prepare for this a draft CDM-MAP for 2007, including a budgeted projection for 2008, with a view to finalizing this at its twenty-seventh meeting. It noted that the anticipated caseload volume would, even with the Board’s shift to a more executive role, require a high number of meetings. It requested the secretariat to prepare the draft CDM-MAP reflecting the needs identified in the retreat with regard to increased secretariat support and measures to optimize the use of working time of the Board, panels and working groups in accordance with decision 7/CMP.1. The draft should include a revised costing of the needs for consideration and adoption of the Board.¹

114. The Board also considered in the retreat the issue of management indicators and requested the secretariat to prepare a draft list of indicators that describe the nature of the process as a whole as well as

¹ In accordance with decision 7/CMP.1, paragraph 13 (b).



set of indicators that describe system processes and steps. The aim being that a first set of indicators be adopted at the twenty-seventh session of the Board for implementation thereafter.

115. The Board took note of a presentation by the secretariat highlighting, *inter alia*, the evolution of the income and expenditure situation, the recent increase in expenditures due to intensive recruitment, and general outlook for the period covering 2006-2007. Given the nature of flows of registration fee, share of proceed, methodology fee etc., the Board will consider at its next meeting a report by the secretariat on the need for Party contributions in 2007 against the background of possibly reaching the level of operating cushion before 1 January 2008.

Resources

116. The Board took note of information provided by the secretariat on the status of resources received in 2006 as at 27 September 2006. Since the twenty-fifth meeting of the Board (21 July 2006), a contribution has been received from Portugal (USD 38,163) and a further USD 67,437 were received from five applicant entities. As a result of the above contributions and of a USD 5.60 million carry-over from 2005, as of 27 September 2006 the total income available amounted to USD 9.33 million.

117. With a view to accruing resources to cover administrative expenses for operational functions as of 2008 since the twenty-fifth meeting of the Board (27 September 2006), the total amount accumulated has reached USD 6.81 million from 260 project registration fees, USD 55,490 from 56 methodologies fees and USD 2.66 million from SOPs relating to 31 project activities, bringing the overall total income received from 1 January 2006 to USD 9.52 million. This amount will partially cover the costs associated with the resource requirements for 2008 which are currently estimated in USD 10.65 million. However, since the Executive Board recommended that an 1.5 year operational cushion should be in place by the end of 2007, there is still a shortfall of USD 6.46 million that needs to be filled. Nevertheless, given the rate of arrival of new income from this source, it is now expected that the operating cushion of 1.5 years of operation will be met some time before 31 December 2007.

118. 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. USD 4.56 million are also included in the UNFCCC core programme budget for the biennium 2006-2007 to support secretariat activities in this area. The remaining USD 18.07 million need to be covered from supplementary resources. Based on the income received of USD 9.33 million, and the 2006 budget of USD 9.05 million, the surplus at the end of 2006 would be USD 0.28 million. Further to this, given lower levels of expenditure at the beginning of 2006, it is estimated that at the end of the year, there will be in fact a total surplus of approximately USD 2.47 million, if no additional contributions are received. If all pledges made in Montreal are received, however, the surplus will grow to over USD 6.76 million. Taking into account the budgeted expenditures of US 9.01 million in 2007, there would still be an estimated shortfall of USD 2.25 million by the end of 2007. This shortfall could grow as a result of further resources requirements reflecting the 2007 CDM MAP once approved by the Board. Consequently, the realization of all pledges made in Montreal is a high priority.

119. 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 35](#) to this report.

120. On the basis of the status of resources presented by the secretariat, 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 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): Catalogue of decisions**

121. The Board considered the draft design of the catalogue of decisions prepared by the secretariat and requested the secretariat to implement this design with a view to have this system operational in the course of the first quarter of 2007. The Board further requested to secretariat to keep it updated on this development.

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

122. The Board took note of the status of arrangements for the first meeting of the forum scheduled to take place on 27-28 October 2006. This forum will take place in conjunction with Board meeting preceding COP/MOP 2, in order to have an opportunity to the Board to interact with the forum on 28 October 2006 in the morning.

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

123. The Board took note of the update by the secretariat on the current status of the distribution of project activities (see distribution of registered activities at <http://cdm.unfccc.int/Statistics>).

124. The Board considered the analysis prepared by the secretariat of the submissions received from Parties in response to the request by COP/MOP and inputs received in response to its own call for public input on the regional distribution of CDM project activities.

125. A draft recommendation to COP/MOP 2, to be included in the addendum of the EB report to COP/MOP 2, was prepared and considered by Board members. The secretariat was mandated to elaborate this document, for further consideration by the Board at its twenty-seventh meeting, taking into account views expressed by the Board and its written inputs to be submitted by 11 October 2006 to the secretariat.

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

126. 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) Procedures for extension of crediting period for registered project activities for which the first seven years of crediting period expires in 2007;
- (b) Differences approaches of appraisals of RIT members;
- (c) Treatment of project activities that have requested registration within the necessary deadlines for submission of project activities in order to be registered before the end of 2006 to be qualified for retroactive credits, but received a request for review;
- (d) Registered project activities, using methodologies that now have been consolidated into an approved consolidated methodology, using the consolidated methodology at the renewal of the crediting period in place of the methodology with which it was registered. The DOE forum requested guidance to the Board on this issue; and
- (e) Phased approach for monitoring purposes for multi-site CDM project activities as practiced in other greenhouse gas and accreditation schemes, referred at the last meeting of the Board.

127. The Board took note of the issues raised by Mr. Telnes and considered the interaction useful. The Board reiterated its request to 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.

128. The Board encouraged the DOE/AE coordination forum to provide timely 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)

129. The Board met with registered observers for informal briefings on 29 September 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.

130. The Board further agreed to continue to meet with the same type of arrangement at its twenty-seventh meeting, with space being made available for 70 observers, and to reconsider the issue when necessary. Observers to the twenty-seventh meeting of the Executive Board shall have registered with the secretariat by **9 October 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.

131. 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

132. The Board agreed to a the calendar of meetings for 2007 and deadlines for submission of proposed new methodologies, which is contained in [annex 36](#) to this report. The Board noted that experts that are being considered for nomination as Board members or alternate members may wish to note that the caseload and number of meetings for 2007 remain high.

133. The Board agreed on the provisional agenda for its twenty-seventh meeting (29 October - 1 November 2006) as contained in [annex 37](#) to this report, with the open session taking place on 31 October and 1 November in order to facilitate observers attendance.

Agenda item 6. Conclusion of the meeting

134. The Chair summarized the main conclusions.

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

135. 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

136. The Chair closed the meeting.



Annexes to the report

Accreditation

Annex 1 - Revised procedures for accreditation

Methodologies

Annex 2 - Approved baseline and monitoring methodology AM0035 (based on the case NM0135)

Annex 3 - Approved baseline and monitoring methodology AM0036 (based on the case NM0140-rev)

Annex 4 - Approved baseline and monitoring methodology AM0037 (based on the case NM0145)

Annex 5 - Approved baseline and monitoring methodology AM0038 (based on the case NM0146)

Annex 6 - Approved baseline and monitoring methodology AM0039 (based on the case NM0147)

Annex 7 - Approved baseline and monitoring methodology AM0040 (based on the case NM0163)

Annex 8 - Revision of the approved methodology AM0028

Annex 9 - Revision of the approved methodology AM0025

Annex 10 - Revision of the approved methodology AM0027

Annex 11 - Approved consolidated baseline and monitoring methodology ACM0010 (based on the approved methodology AM0006 and AM0016)

Annex 12 - Guidance on double counting in project activities using blended biofuel for energy use

Annex 13 - Recommendation of the Board, to the COP/MOP, on Carbon Capture and Storage projects as CDM projects

Annex 14 - Approved Tool to determine methane emissions avoided from dumping waste at a solid waste disposal site

Issues relating to procedures for afforestation and reforestation project activities

Annex 15 - Approved baseline and monitoring methodology AR-AM0004 (based on ARNM0019).

Annex 16 - Revision to approved afforestation and reforestation baseline and monitoring methodology AR-AM0003.

Annex 17 - Revision to simplified baseline and monitoring methodologies for selected small-scale afforestation and reforestation project activities under the clean development mechanism AR-AMS0001 .

Annex 18 - Proposed procedures to demonstrate the eligibility of lands for afforestation and reforestation project activities.

Annex 19 - Revised Project Design Document Form for Afforestation and Reforestation Project Activities (CDM AR-PDD) - Version 03.

Annex 20 - Revised form: Proposed New Baseline and Monitoring Methodologies for A/R (CDM-AR-NM) - Version 02.

Annex 21 - Revised guidelines for completing the project design document for A/R (CDM AR PDD), the proposed new methodology for A/R: baseline and monitoring (CDM-AR-NM) - Version 05.

Annex 22 - Form for submission of requests for revisions of approved methodologies to the Afforestation and Reforestation Working Group (F-CDM-AR-AM-Rev) - Version 01

Annex 23 - Form for submission of queries from DOEs to the Afforestation and Reforestation Working Group regarding the application of approved A/R methodologies (F-CDM-AR-AM-Subm) - Version 01

Annex 24 - Form for Submission on Small Scale Afforestation / Reforestation Methodologies and Procedures (F-CDM-SSC-AR-Subm) - Version 01

Annex 25 - Guidelines for completing the simplified project design document for small scale A/R (CDM-SSC-AR PDD) and the form for submissions on methodologies for small scale A/R CDM project activities (F-CDM-SSC-AR-Subm) - Version -02



Issue relating to procedures for small-scale project activities

Annex 26 - AMS III.J. Avoidance of fossil fuel combustion for carbon dioxide production to be used as raw material for industrial processes

Annex 27 - Conversion factor for solar collectors to calculate output capacity from the area.

Matters relating to the registration of CDM project activities

Annex 28 - Scope of review (registration) - Project 410

Annex 29 - Scope of review (registration) - Project 443

Annex 30 - Scope of review (registration) - Project 474

Matters relating to the issuance of CERs and the CDM Registry

Annex 31 - Scope of review (issuance) - Project 085

Annex 32 - Scope of review (issuance) - Project 150

Annex 33 - Scope of review (issuance) - Project 163

Annex 34 - Procedures for revising monitoring plans in accordance with paragraph 57 of the modalities and procedures for the CDM

Resources

Annex 35 - Status of pledges to support 2006 CDM activities

Other business

Annex 36 - Tentative calendar of meetings for 2007

Annex 37 - Provisional agenda for EB27