



CLEAN DEVELOPMENT MECHANISM EXECUTIVE BOARD

PROPOSED AGENDA AND ANNOTATIONS

Twenty-eight meeting

UNFCCC Headquarters
Bonn, Germany
12 - 15 December 2006

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I. PROPOSED AGENDA

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*For more information please visit the page CDM Project activities “under review” and “review requested” of the UNFCCC CDM website (http://cdm.unfccc.int/Projects/under_review.html) and (<http://cdm.unfccc.int/Projects/review.html>).

**For more information please visit the “issuance of CERs” section of the UNFCCC CDM website (<http://cdm.unfccc.int/Issuance>).



II. ANNOTATIONS TO THE PROPOSED AGENDA

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

1. The Chair shall ascertain whether (a) the members present constitute a quorum, and (b) the absence of any member or alternate member is “without proper justification”¹.

2. ► **Action:** The Board may wish to consider information provided by any member and alternate member, including with respect to any potential conflict of interest, and take action, as appropriate.

Background: The Chair shall request, at the beginning of each meeting of the CDM Executive Board, members and alternates to disclose whether they consider to have any conflict of interest relating to the work of the Board.

2. Adoption of the agenda

3. ► **Action:** Members may wish to agree the proposed agenda for the twenty-eighth meeting.

Background: The Board agreed, at its twenty-seventh meeting, on items to be included in the provisional agenda for its twenty-eighth meeting. In accordance with rule 21 of the rules of procedure of the Executive Board, subsequent additions or changes to the provisional agenda by members and/or alternate members were to be incorporated in the proposed agenda. The proposed agenda was transmitted to the Board on 22 November 2006 and thereafter posted on the UNFCCC CDM website.

3. Work plan

(a) Accreditation of operational entities

4. ► **Action:** The Board may wish to take note of the fifteenth progress report on the work of the CDM accreditation panel (CDM-AP), and an oral report by its Chair, Mr. Hernan Carlino, on the work of the panel. The Board may, bearing in mind the late availability of the report due to the meeting time and the date of the next EB meeting in 2007, consider taking action on recommendations as appropriate.

Background: The CDM-AP held its twenty-fifth meeting on 3 - 5 December 2006.

Case specific

5. ► **Action:** The Board may wish to accredit and to provisionally designate entities for sector specific validation and/or verification/certification functions.

Background: In accordance with the accreditation procedure, the recommendations for phased accreditation and the supporting documentation are confidential and have been sent under separate cover on 6 December 2006.

6. ► **Action:** The Board may wish to consider the recommendation of the CDM-AP and to agree, as applicable, to suspend or confirm continuation of the accreditation of the entities which are under spot-check.

Background: At the twenty-sixth meeting, the Board agreed to conduct the spot-check for two entities.

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

**(b) Methodologies for baselines and monitoring**

7. ► **Action:** The Board may wish to take note of the report on the work of the twenty-fourth meeting of the Methodologies Panel on baseline and monitoring methodologies (Meth Panel), and an oral report by its Vice-Chair, Mr. Jean-Jacques Becker, on the work of the panel. The Board may, bearing in mind the late availability of the report due to the meeting time and the date of the next EB meeting in 2007, consider taking action on recommendations as appropriate.

Background: The Meth Panel held its twenty-fourth meeting in Bonn, Germany from 27 November to 1 December 2006 and undertook its work in two parallel groups. The Vice-Chair, Mr. Jean Jacques Becker, with the assistance of Mr. Xuedu Lu, chaired the meeting on the work of the panel. The Chair, Mr. Rajesh Sethi, and alternate member of the Board, Mr. Lex de Jonge, had excused themselves from the meeting with proper justification. The Meth Panel dealt with general issues relating to case-specific issues process, methodological clarifications, guidance and other issues, as specified below.

Case specific

8. ► **Note:** At the drafting time of these annotations the meeting of the panel had not taken place. The recommendations by the panel to the Board will be transmitted after the meeting (4 December 2006).

Background: The Meth Panel will hold its twenty-fourth meeting in Bonn (Germany) from 27 November to 1 December 2006, where it is intending to consider 22 cases. Information on methodologies under consideration by the Board and the Meth Panel are available on the UNFCCC CDM website (<<http://cdm.unfccc.int/methodologies/PAmethodologies/publicview.html>>).

Responses to clarifications

9. ► **Note:** At the drafting time of these annotations the meeting of the panel had not taken place. The recommendations by the panel to the Board will be transmitted after the meeting (4 December 2006).

Background: The Meth Panel will hold its twenty-fourth meeting in Bonn (Germany) from 27 November to 1 December 2006, where it is intending to consider two (2) requests for clarifications (AM_CLA_0033, and AM_CLA_0034). Information on the clarification to methodologies is available on the UNFCCC CDM website (<<http://cdm.unfccc.int/methodologies/PAmethodologies/Clarifications>>).

Responses to requests for revision and revisions

10. ► **Note:** At the drafting time of these annotations the meeting of the panel had not taken place. The recommendations by the panel to the Board will be transmitted after the meeting (4 December 2006).

Background: The Meth Panel will hold its twenty-fourth meeting in Bonn (Germany) from 27 November to 1 December 2006, where it is intending to consider one request for revision (AM_REV_0027). Information on the revisions to methodologies is available on the UNFCCC CDM website (<<http://cdm.unfccc.int/methodologies/PAmethodologies/Revisions>>).

General guidance

11. ► **Action:** The Board may wish to agree, in response to the request by COP/MOP 1 and COP/MOP 2², the revised tool for the demonstration of additionality as contained in the annex 2 of these annotations, which makes this tool consistent with the “Combined Tool”.

² Decision -/CMP.2 “Further guidance relating to the clean development mechanism” is contained in annex 1 to these annotations.



Background: The Board, at its twenty-seventh meeting, invited the secretariat to prepare a proposal for the improvement of the tool for the demonstration of additionality (AT), which is consistent as applicable with the Combined Tool (CT), with a view to consideration at its twenty-eighth meeting. In addition the Board requested the Meth Panel to reconsider the restriction that “all newly built facilities cannot apply the combined tool. Furthermore, the COP/MOP, at its second session, by its decision -/CMP.2 paragraph 16 (b) and (c) requested the Board to finalize with utmost priority its work to improve the “tool for the demonstration and assessment of additionality”, as a follow-up to paragraph 25 (b) of decision 7/CMP.1 and to continue to consider new proposals to demonstrate additionality with a view to including approved approaches for the demonstration of additionality in baseline methodologies and to report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its third session.

12. ► **Action:** The Board may wish to consider and agree to the draft “Guidance on the registration of a programme of activities as a single project activity, version 01”, as contained in annex 3 of these annotations and take appropriate action.

Background: The Board, at its twenty-seventh meeting, requested the secretariat to prepare a revised proposal for consideration by the Executive Board at its next meeting taking into account the inputs provided by the Board. Furthermore, the COP/MOP, at its second session, by its decision -/CMP.2 paragraph 16 (a) requested the Board to finalize with utmost priority its guidance relating to the definition of project activities under a programme of activities and procedures for registration as a single clean development mechanism project activity. Following the guidance by the Board at its twenty-seventh meeting aiming at a better understanding the issues, interdependencies and approaches, the draft guidance as contained in annex 3, prepared by the secretariat, limits the programme of activities (P of A) to a non-renewable crediting period and the application of one approved methodology (non-A/R, A/R, SSC) with one technology resulting in one baseline scenario.

13. ► **Action:** The Board may wish to consider and agree to the draft revised “Procedures for the revision of approved methodologies”, as contained in annex 4 to these annotations.

Background: The Board at its twenty-seventh meeting requested the Meth Panel to limit the revision of approved methodologies to ensure that there is a minimum of 6 months between revisions, where possible. The Chair of Meth Panel may recommend an earlier revision if it is deemed of importance, taking into account all implications. The Board requested the secretariat to revise applicable procedures for consideration by the Board at its twenty-eighth meeting.

14. ► **Action:** The Board may wish to provide guidance to its panels and working groups as necessary, relating to the encouragement by COP/MOP (decision -/CMP.2 paragraph 15 (a) to (c)):

- (a) To provide non-binding best practice examples on the demonstration of additionality, documents, in particular for small-scale project activities;
- (b) To continue its efforts to broaden the application of methodologies;
- (c) To further develop generic and user-friendly methodological tools.

Background: The COP/MOP at its second session encouraged the Executive Board:

(a) To provide non-binding best practice examples on the demonstration of additionality to assist the development of project design documents, in particular for small-scale project activities;

(b) To continue its efforts to broaden the application of methodologies while maintaining their environmental integrity and to ensure that consolidated methodologies cover the full range of methodological approaches and applicability conditions as in the underlying approved methodologies;



(c) To further develop generic and user-friendly methodological tools that can assist project participants in designing or applying methodologies and thereby ensuring consistency and simplicity.

15. ► **Action:** The Board may wish to take note of, and take appropriate action, of the process determined by COP/MOP related to carbon dioxide capture and storage in geological formations as CDM project activities

Background: The COP/MOP, at its second session, determined a process relating to the issue carbon dioxide capture and storage in geological formations as CDM project activities. Please refer to paragraphs 18 to 24 of the decision on “Further guidance relating to the CDM” which inter alia: (a) Requested the Board to continue to consider proposals for new methodologies, including the project design documents for carbon dioxide capture and storage in geological formations as clean development mechanism project activities, with a view to gaining further knowledge and understanding of matters related to the clean development mechanism; (b) Invited for input of information by intergovernmental organizations (IGOs) and non-governmental organizations (NGOs) on a list of issues and by Parties on the same list, taking into consideration the information by IGOs and NGOs.

(c) **Issues relating to afforestation and reforestation project activities**

16. ► **Action:** The Board may wish to take note of the report on the work of the eleventh meeting of the Afforestation and Reforestation Working Group (A/R WG) and an oral report by its Chair, Mr. Phillip Gwage, on the work of the group at its next meeting. The Board may, bearing in mind the late availability of the report due to the meeting time and the date of the next Board meeting in 2007, consider taking action on recommendations as appropriate.

Background: At the drafting time of these annotations the meeting of the working group had not taken place. The recommendations by the working group to the Board will be transmitted in time for the twenty-ninth meeting of the Board. The A/R WG will hold its eleventh meeting (A/R WG 11) in Bonn (Germany) from 3 to 5 December 2006.

17. ► **Action:** The Board may wish to take note of the decision -/CMP.2 paragraph 25 and take appropriate action to put on hold annexes 16 and 18 of the twenty-second and twenty-sixth meetings respectively of the Board concerning guidance for the determination of the eligibility of land under Afforestation and Reforestation.

Background: The COP/MOP at its second session decided to put on hold annex 16 to the report of the twenty-second meeting of the Executive Board and annex 18 to the twenty-sixth meeting of the Executive Board.

18. ► **Action:** The Board may wish to launch on 19 December 2006 a call for public input on new procedures to demonstrate the eligibility of lands for afforestation and reforestation project activities under the clean development mechanism to be submitted to the secretariat by 31 January 2007 and request the secretariat to prepare a first draft for consideration of the Board.

Background: The COP/MOP, at its second session, requested the Executive Board to prepare, after a call for public input, new procedures to demonstrate the eligibility of lands for afforestation and reforestation project activities under the clean development mechanism providing for an additional call for public input on a final draft.

19. ► **Action:** The Board may wish to take note of the request by COP/MOP to Parties, intergovernmental organizations and non-governmental organizations to submit to the secretariat, by 23 February 2007, their views on the implications of possibly changing the limit established for small-scale afforestation and reforestation clean development mechanism project activities under decision 6/CMP.1, for



consideration by Subsidiary Body for Scientific and Technological Advice, at its twenty-sixth session (SBSTA 26).

Background: The decision of COP/MOP, at its second session.

(d) Issues relating to small-scale CDM project activities

20. **► Action:** The Board may wish to take note of the report on the work of the eighth meeting of the working group to assist the Executive Board in reviewing proposed methodologies for small-scale CDM project activities (SSC WG) and of an oral report by its Chair, Ms. Gertraud Wollansky, and its Vice-Chair, Mr. Richard Muyungi, on the progress of the group at its next meeting. The Board may, bearing in mind the late availability of the report due to the meeting time and the date of the next Board meeting in 2007, consider taking action on recommendations, as appropriate.

Background: At the drafting time of these annotations the meeting of the working group had not taken place. The recommendations by the working group to the Board will be transmitted in time for the twenty-ninth meeting of the Board. The SSC WG will hold its eighth meeting (SSC WG 08) in Bonn (Germany) from 4 to 6 December 2006.

21. **► Action:** The Board may wish to take note of the revised the definitions for small scale project activities referred to in paragraph 6 (c) of decision 17/CP.7, and request the secretariat to promptly align all documentation and invite the SSCWG to align all the type II and type III categories with this decision.

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

Furthermore, the COP/MOP, at its second session, decided to revise the definitions for small-scale clean development mechanism project activities referred to in paragraph 6 (c) of decision 17/CP.7, as follows:

(a) Type I project activities shall remain the same, such that renewable energy project activities shall have a maximum output capacity of 15 MW (or an appropriate equivalent);

(b) Type II project activities or those relating to improvements in energy efficiency which reduce energy consumption, on the supply and/or demand side, shall be limited to those with a maximum output of 60 GWh per year (or an appropriate equivalent);

(c) Type III project activities, otherwise known as other project activities, shall be limited to those that result in emission reductions of less than or equal to 60 kt CO₂ equivalent annually;

22. **► Action:** The Board may wish to take note of the invitation by COP/MOP (paragraph 29, decision -/CMP.2) to Parties, intergovernmental organizations and non-governmental organizations to submit to the Executive Board proposals for methodologies for small-scale clean development mechanism project activities that propose the switch from non-renewable biomass to renewable biomass, addressing issues related to leakage, differentiation between renewable and non-renewable biomass and consistency with paragraph 7(a) of decision 17/CP.7.



23. ► **Action:** The Board may wish to consider the request by COP/MOP (paragraph 30, decision -/CMP.2), to the Board to make a recommendation to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its third session, on a simplified methodology for calculating emission reductions for small-scale project activities that propose the switch from non-renewable to renewable biomass; approval of such methodologies by the Executive Board for use for clean development mechanism project activities can occur only after concurrence of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

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

24. ► **Action:** The Board may wish to take stock on the progress of registration.

Background: The information available in the section on “Project Activities” on the UNFCCC CDM website (<<http://cdm.unfccc.int/Projects>>), indicates the status of project activities submitted for registration. The main information, as of 27 November 2006, can be summarized as follows:

- (a) Registered CDM project activities: 421 (four hundred and twenty-one);
- (b) Request for registration: 53 (fifty-three);
- (c) Request for review: 22 (twenty-two);
- (d) Corrections requested: 5 (five);
- (e) Under review: 4 (four);
- (f) Rejected CDM project activities: 8 (eight);
- (g) Withdrawn: 2 (two).

Case specific

25. ► **Action:** The Board shall consider the requests for review of the 20 requests for registration listed in table 1 below.

Table 1: Projects for which a review has been requested by three or more Board members or one Party involved.

<i>Ref No.</i>	<i>Title</i>	<i>A</i>	<i>B</i>	<i>C</i>
515	OSIL - Waste Heat Recovery Based Captive Power Project	?	?	?
538	AWMS Methane Recovery Project MX06-S-35, Jalisco and Michoacán, México	?	?	?
542	AWMS Methane Recovery Project MX06-S-42, Guanajuato, Michoacán, and Querétaro, México	?	?	?
581	MAHARASHTRA, INDIA- Kurkumbh, 1.5 MW Biomass / Bagasse Based Co-generation Power Project	?	?	?
587	Installation of Additional Urea Trays in Urea Reactors (11/21-R01)	?	?	?
591	Shalivahana Non-Conventional Renewable Sources Biomass Power Project	?	?	?
489	Repowering Small Hydro Plants (SHP) in the State of São Paulo, Brazil	?	?	?



457	Ramirana Emission Reduction Project of Agrícola Super Limitada	?	?	?
517	Bii Nee Stipa III	?	?	?
508	Onyx Alexandria Landfill Gas Capture and Flaring Project	?	?	?
463	AWMS GHG Mitigation Project MX06-B-32, Aguascalientes, Guanajuato and Michoacán, México	?	?	?
605	Paramount Integrated Corporation Methane Recovery and Electricity Generation	?	?	?
571	10.6 MW wind farm at Village Badabagh, District Jaisalmer, Rajasthan	?	?	?
570	11.35 MW Grid Connected Wind Electricity Project at Pohra (Rajasthan) in India	?	?	?
556	12MW Captive Power Project based on Waste Heat Recovery of Industrial Waste Gases	?	?	?
552	16 MW Bagasse based cogeneration plant” by GMR Industries Ltd. (GIDL)	?	?	?
561	Saihanba East 45.05 MW Windfarm Project	?	?	?
576	Saihanba North 45.05 MW Windfarm Project	?	?	?
545	Durban Landfill-gas-to-electricity project – Mariannahill and La Mercy Landfills	?	?	?
226	Anaconda Landfill Gas Project	?	?	?

Background: Three (3) or more members of the Executive Board or a Party involved requested a review of the requests for registration of the cases listed in table 1 above. In accordance with “Procedures for review referred to in paragraph 41 of the modalities and procedures for a clean development mechanism”, for each case the Board shall decide whether to register the project activity as requested (case A in table 1), request that changes be made in the project documentation prior to registration (case B in table 1), or undertake a review (case C in table 1). If the Board agrees to undertake a review of these requests for registration it shall also decide on the scope of the review and the composition of the review team for each case.

26. **Action:** The Board shall consider the recommendations of the Review teams for the four (4) project activities listed in table 2, which were placed under review at EB27.

Table 2: Projects which were placed “Under review” at EB27

Ref No.	Title	A	B	C
454	Increasing the Additive Blend in cement production by Jaiprakash Associates Ltd (JAL)	?	?	?
499	Destruction of HFC-23 at refrigerant (HCFC-22) manufacturing facility of Chemplast Sanmar Ltd	?	?	?
522	6.6 MW Sheshadri Iyer Mini Hydel Power project of Atria Hydel Power Limited at Malavalli Taluk, Mandya District, Karnataka	?	?	?



530	ARAPUtanga Centrais ELétricas S. A. - ARAPUCEL - Small Hydroelectric Power Plants Project	?	?	?
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Background: At its twenty-seventh meeting the Board decided to place the project activities identified in table 2 above under review. In each case a review has been conducted by a review team and recommendations have been circulated to the Board. In accordance with the “Procedures for review referred to in paragraph 41 of the modalities and procedures for a clean development mechanism”, for each case the Board shall decide whether to register the project activity (case A in table 2), to request the DOE and project participants to make corrections (case B in table 2), or to reject the project activity (case C in table 2).

27. ► **Action:** The Board may wish to consider corrections made to the proposed CDM project activities list in table 3.

Table 3: Projects to be registered with corrections for which the Chair requested consideration at this meeting

Ref No.	Title
0348	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.

Background: In accordance with the clarifications to paragraph 10 of the “Procedures for review referred to in paragraph 41 of the modalities and procedures for a clean development mechanism”, the Chair of the Board requested the secretariat to put on the agenda the project activities listed on table 3 above for further consideration by the Board.

28. ► **Action:** The Board may wish to provide guidance in relation to requests for deviation submitted by DOEs prior to registration.

Background: One (1) request for deviation has been submitted by a DOE to the Board since its twenty-seventh meeting for consideration by the Board at its twenty-eighth meeting.

Registration procedure:

29. ► **Action:** The Board may wish to agree to final procedures for the renewal of a crediting period contained in annex 5 to these annotations.

Background: At its twenty-seventh meeting the Board requested the secretariat to prepare draft procedures to request the renewal of a crediting period in accordance with paragraph 49 (a) of the CDM modalities and procedures.

30. ► **Action:** The Board may wish to:

(a) Extend, in accordance with paragraph 4 of decision -/CMP.2 (“Further guidance relating to the clean development mechanism”), the deadline for the submission for registration of the clean development mechanism project activities wishing to claim retro-active credits, referred to in paragraph 4 of decision 7/CMP.1, from 31 December 2006 to 31 March 2007.

(b) Update the operational deadlines for this provision set in paragraph 86 of the report of the twenty-sixth meeting of the Board.

Background: The COP/MOP, at its second session, authorized the Board to extend the deadline for project activities wishing to claim retroactive credits from 31 December 2006 to 31 March 2007 in accordance



with paragraph 4 of decision 7/CMP.1 (decision -/CMP.2 “Further guidance relating to the clean development mechanism”). Accordingly, the clarification by the Board at its twenty-sixth meeting, to operationalize this deadline requires an update in terms of dates.

(f) Matters relating to the issuance of certified emission reductions and the CDM registry

31. ► **Action:** The Board may wish to take stock on the progress of issuance and the operation of the CDM registry.

Background: The information available in the section on “Issuance of CERs” on the UNFCCC CDM website (<http://cdm.unfccc.int/Issuance>), indicates the status of request for issuance. The main information, as of 27 November 2006, can be summarized as follows:

- (a) CERs Issued: 103 issuances, aggregate 21,475,988 CERs
- (b) Requests for Issuance: 4 requests, 970,317 aggregate CERs
- (c) Requests for review: 1 request, 22,290 aggregate CERs
- (d) Under review: 0 requests

Case specific

32. ► **Action:** The Board shall consider requests for review of the one request for issuance listed in table 4.

Table 4: Requests for issuance for which a review has been requested by three or more Board members.

<i>Ref. no.</i>	<i>Title</i>	<i>No. of CERs</i>	<i>A</i>	<i>B</i>	<i>C</i>
339	Emission reduction through partial substitution of fossil fuel with alternative fuels like agricultural by-products, tyres and municipal solid waste (MSW) in the manufacturing of portland cement at Grasim Industries Limited-Cement division South (GIL-CDS), Tamilnadu, India.	22,290	?	?	?

Background: Three (3) or more Board members requested a review of the requests for issuance listed in table 4 above. In accordance with the “Procedures for review referred to in paragraph 65 of the modalities and procedures for a clean development mechanism”, for each case the Board shall decide whether to instruct the CDM registry administrator to issue the requested CERs (case A in table 4), to issue CERs following corrections (case B in table 4) or to undertake a review of the request for issuance (case C in table 4). If the Board agrees to undertake a review of these requests for issuance it shall also decide on the scope of the review and the composition of the review team for each case.

33. ► **Action:** The Board may wish to consider the 3 revised requests for issuance for the cases listed in table 5 below in accordance with paragraph 18 (b) of the “Clarifications to facilitate the implementation of the procedures for review as referred to in paragraph 41 of the modalities and procedures for a clean development mechanism”.



Table 5: Requests for issuance for which corrections have been requested

Ref. No.	Title	No. of CERs	A	B
0164	Bandeirantes Landfill Gas to Energy Project (BLFGE)	808 887	?	?
0183	“Optimal Utilization of Clinker” project at Shree Cement Limited (SCL), Beawar, Rajasthan	225 534	?	?
0085	Hapugastenne and Hulu Ganga Small Hydropower Projects.	107 008	?	?

Background: The Executive Board requested corrections to be made to requests for issuance listed in table 5 above and in accordance with the above procedures the Board will consider the revised documentation submitted. If the Board considers the corrections as satisfactory, the CERs shall be issued (case A in table 5), otherwise the request is rejected (case B in table 5).

34. ► **Action:** The Executive Board may wish to consider the recommendations of the review team in connection with the request for issuance of “Bandeirantes Landfill Gas to Energy Project (BLFGE)” (0164).

Background: The Board, at its twenty-seventh meeting, requested a review team to consider the circumstances relating to the provision of new information which had not been made available during the original review of this request for issuance, in order for the Board to take a decision at its twenty-eighth meeting.

35. ► **Action:** The Board may wish to provide guidance in relation to requests for deviation submitted by DOEs prior to issuance.

Background: Two (2) requests for deviation have been submitted by a DOE to the Board since its twenty-seventh meeting for consideration by the Board at its twenty-eighth meeting.

(g) Modalities for collaboration with the Subsidiary Bodies

36. ► **Action:** The Board may wish to take note of progress on the issues related to HFC23 and the International Transaction Log (ITL), as appropriate.

Background: At its twenty-fifth session, the Subsidiary Body for Scientific and Technological Advice (SBSTA) considered the submissions from Parties contained in document FCCC/SBSTA/2006/MISC.11, elaborating on practical solutions to address the implications of the situation that issuing certified emission reductions (CERs) for the destruction of hydrofluorocarbon-23 (HFC-23) at new hydrochlorofluorocarbon 22 (HCFC-22) facilities could lead to higher global production of HCFC-22 and/or HFC-23 than would otherwise occur and that the clean development mechanism (CDM) should not lead to such increases. SBSTA could not conclude its consideration of the issue and will continue its deliberations on the matter at its twenty-sixth session.

With regard to the International Transaction Log (ITL), the secretariat during the month of August has awarded the contract to build the electronic infrastructure required for settling emission trades under the Kyoto Protocol. The ITL is scheduled to become fully operational by April 2007 and the CDM registry will be the first one to be tested and connected.

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

37. ► **Action:** The Board may wish to: (a) consider, the implications on the CDM MAP of decisions by COP/MOP at its second sessions in terms of operational needs, (b) take note of the report by the secretariat on the status of resources; (c) indicate its appreciation to Parties which have generously contributed resources for the work on the CDM; (d) take further action, as necessary.

Background: The current status of income and expenditure is presented in table 6 below.

<i>In million USD</i>	2006-2007	Accumulation of operating reserve
Carry over from 2005	5.6	n/a
+ Party contributions*	3.9	n/a
+ Accreditation fees	0.2	n/a
+ Methodology fees	n/a	0.07
+ Registration fees	n/a	8.00
+ SOP Admin	n/a	2.85
+ Interest on operating reserve and unspent balances	tbd	tbd
TOTAL income in 2006	9.7	10.9
- Total forecasted expenditure till end 2006	5.1	n/a
Expected carry-over in 2007	4.6	n/a
Outstanding contributions	4.1	
TOTAL expected resources available in 2007	8.8	
- Total budget need in 2007	-13.9	n/a
Shortfall for resources till end of 2007	-5.1	n/a
Expected 2008 budget to be funded by SOP		13.9
Accumulated operating reserve as % of 2008 budget		78%
Accumulated operating reserve as % of 1.5 year budget		52%

* Note that since the twenty-seventh meeting of the CDM Executive Board, Estonia (USD 5,000), Spain (USD 200,875) and Sweden (USD 139,970) have contributed to the CDM.

Table 6 above shows that adding together the expected carry over in 2007 and the outstanding contributions, the secretariat will be able to operate the activities of the CDM MAP well into 2007. Considering that the financing of CDM MAP activities from fees and share of proceeds is expected to start late in the second quarter of 2006, it is therefore necessary that all the outstanding pledges made by Parties at CMP1 in Montreal in 2005 and afterwards are paid in full so that no shortfall of resources will be faced in 2007.

5. Other matters**(a) Guidance by COP/MOP**

38. ► **Action:** The Board may wish to consider the COP/MOP decision -/CMP.2 “Further guidance relating to the clean development mechanism” other than those mentioned in these annotations and take action, as appropriate. The decision adopted by the COP/MOP is contained in annex 1 to these annotations.

Background: The COP/MOP, at its second session, took note of the annual report (2005–2006) of the Board and its addendum and adopted its decision -/CMP.2 “Further guidance relating to the clean development mechanism”.

**(b) Relations with Designated National Authorities**

39. ► **Action:** The Board may wish to note that second informal meeting of the CDM DNA Forum was held on Monday, 13 November 2006 in Nairobi, Kenya. The participants raised various other issues and stressed the need for more frequent Forum meetings and interaction with the Board and other stakeholders in the CDM.

40. ► **Action:** The Board may wish to invite the DNA Forum to hold its next meeting in conjunction with the Board's coordination workshop so that participants to the DNA Forum could take part in the annual coordination workshop.

Background: The Board convenes every year a coordination workshop which provides an opportunity for exchanging experience, ensure a common understanding and identify new issues and solutions. The workshop involves all Board, panel, working group, RIT members, selected desk reviewers, assessment team members as well as participants to the DOE Forum.

(c) Regional distribution of project activities³

41. ► **Action:** The Board may wish to take note of the current status of distribution of CDM project activities and to take note of the elements of the decision -/CMP.2 "Further guidance relating to the clean development mechanism" referring to regional distribution and capacity-building with a view to agree on further actions in this areas.

Background: The COP/MOP, at its second session, adopted a decision (-/CMP.2), which contains several elements relating to regional distribution and capacity building, including an encouragement to the Executive Board to continue to facilitate the regional distribution of project activities.

(d) Relations with Designated Operational and Applicant Entities

42. ► **Action:** The Board may wish to (a) take note of the report by the Chair of the forum; and (b) provide feedback to the forum, as appropriate.

Background: Views on issues to be addressed to the Board by the CDM DOE/AE Coordination Forum are being sought from the DOEs and AEs. The Chair of the forum will present these orally to the Board for its consideration at the twenty-eighth meeting.

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

43. ► **Action:** The Board may wish to (a) agree to avail itself for informal briefings with registered observers in the afternoon of 15 December 2006; and (b) invite members and alternates to share information on events in which they participated.

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

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

(f) Other business

44. ► **Action:** The Board may wish to take note of communications submitted by the public and agree on any actions, as appropriate.

³ Statistics relating to registered CDM project activities can be found at <http://cdm.unfccc.int/Statistics>



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

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

- (a) Letter from Mr. Paulo Manso, Government of Costa Rica, San José, through Mr. William Alpizar and sent to the Board on 18 October 2006;
 - (b) Letter from the group of leading CDM project developers through Mr. Jonathan Avis, EcoSecurities, Oxford, United Kingdom and sent to the Board on 19 October 2006;
 - (c) Letter below from Mr. Einar Telnes and Mr. Michael Lehmann, DNV Certification, Høvik, Norway and sent to the Board on 19 October 2006;
 - (d) Letter from Mr. Jonathan Avis, EcoSecurities, Oxford, United Kingdom, related to clarifications of ACM004 and sent to the Board on 20 October 2006;
 - (e) Letter from Mr. Thomas Black-Arbelaez, Andean Center for Economics in the Environment, Bogota, Colombia, through DNV requesting the recognition of authorship and contributions to AM 0036 including two attachments and sent to the Board on 20 October 2006;
 - (f) Letter below from Mr. Tatsushi Hemmi, Pacific Consultants Co., through DNV related to methodological issues and sent to the Board on 20 October 2006;
 - (g) Letter from "Soberanía Acción Ecológica" in Ecuador and the informal translation in English of the letter and sent to the Board on 20 October 2006;
 - (h) Letter from Ms. Belinda Kinkead, EcoSecurities, Oxford, United Kingdom, through Mr. Pedro Moura Costa, related to rejection of projects 0410 and 0474.
45. ► **Action:** The Board may wish to consider any other business it deems necessary.

5. Conclusion of the meeting

46. ► **Action:** The Board may wish to agree the report of the twenty-seventh meeting.

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