



## Annex 3

### Draft guidance on registration of project activities under a programme of activities as a single CDM project activity

Version 01

In accordance with the comments by the Board at its twenty seventh meeting, this guidance, in order to better understand the issues, interdependencies and approaches, limits the programme of activities (*P of A*) to one 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. It does however allow for the addition of project activities otherwise known as *programme activities* at any time after registration of the *P of A*, provided it can be demonstrated that they fulfill certain conditions, which are fixed at the time of registration of the *P of A*. The *P of A* can also extend across national boundaries and each *programme activity* may have a different (renewable or non-renewable) crediting period, however not extending beyond the crediting period of *P of A*. These characteristics differentiate a *P of A* fundamentally from a bundle of CDM project activities.

#### Acronyms and Terms

- (a) **P of A** - programme of activities registered as a single CDM project activity
- (b) **Program activity** - a project activity under a programme of activities

#### Project activities under a programme of activities

1. A programme of activities (*P of A*) is a voluntary coordinated action by a coordination or management entity, which implements a national policy/measure or stated goal, which leads to GHG emission reductions or increase net greenhouse gas removals by sinks that are additional to any that would occur in the absence of the *P of A*, via an unlimited number of *programme activities*;
2. The physical boundary of a *P of A* may extend to more than one country provided that each participating non-annex I host Party provides confirmation that the *P of A*, and thereby all *programme activities*, assists it in achieving sustainable development;
3. A *P of A* shall comply with all current guidance by the Board concerning the treatment of national and/or sectoral policies and regulations. *P of A* addressing mandatory national and/or sectoral policies and regulations are permissible provided it is demonstrated that these policies/regulations are not enforced as envisaged. If they are enforced, the effect of the *P of A* is to increase the enforcement beyond the mandatory level required;
4. A *P of A* shall be proposed by any coordinator or managing entity, which can be a government or government agency, which shall be identified in the modalities of communication as the entity which communicates with the Board. Project participants of the *P of A* shall make arrangements with the coordinator or managing entity, relating to communications and distribution of CERs;



5. The *P of A* seeking registration, which is similar to that which is described under a registered CDM project activity, shall:
  - a) demonstrate that it is not part of a proposed or registered CDM project activity, and;
  - b) identify measures that ensure that all proposed *programme activities* under the *P of A* are not registered separately as single CDM project activities or contribute to CERs attributed to a proposed or registered CDM project activity;
6. A *P of A* shall apply one approved baseline and monitoring methodology, involving one baseline scenario and one type of technology or measure applicable to all programme activities;
7. The *P of A* shall demonstrate that net reductions (removals) in anthropogenic emissions for each *programme activity* under the *P of A* are real and measurable, are an accurate reflection of what has occurred within the project boundary, and are uniquely attributable to the *P of A*. The *P of A* shall therefore provide, at registration, information which is to be provided for each programme activity to ensure that leakage, additionality, establishment of the baseline, baseline emissions, eligibility and double counting are unambiguously defined for each *programme activity* within the *P of A* ;
8. Each *programme activity* shall be uniquely identified, defined and localized in an unambiguous manner including the exact start and end date of the crediting period, by providing, at the stage that it is added to the registered *P of A*, information which is determined to that end in the registered *P of A*.<sup>1</sup>
9. The duration of the *P of A* is fixed to one renewable crediting period of up to 21 years. Any *programme activity* can be added to the *P of A* at the time of verification and can either opt for a renewable or non-renewable crediting period, but its duration shall be limited to the crediting period of the *P of A*;
10. The emission reductions of each *programme activities* shall be monitored as per the registered monitoring plan described in the methodology of the registered *P of A*. For a *P of A* with an excess of # (e.g. 20) *programme activities*, statistical sampling may be used for verification of the monitored information so long as these methods are statistically sound (i.e. the samples for the identification of the operation and the verification of the emissions are to be mutually exclusive) and can be verified by the DOE to ensure a 99% confidence interval.

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<sup>1</sup> The Eb may wish to consider the need for a minimum number of programme activities to be registered at the time of registration of the P of A which are sufficient to demonstrate the application of the baseline scenario and technology type, e.g. two, described in the methodology of the P of A.



### **Modalities for the project cycle of a *P of A* as single CDM project activity**

#### *Design*

11. The design document for a *P of A* shall contain the following information in addition to or over and above that required in the PDD for a non *P of A*:
  - a) The objective and design of the *P of A* describing explicitly the link between the *P of A* and all *programme activities* that form the *P of A*. This shall include the identification of the coordinating and/or managing entity and its link to the project participants of the respective *programme activities*, including a record management system for information and data relating to all programme activities;
  - b) Description of a *programme activity* that can be included in the *P of A* covering the technology or measure to be used in applying an approved baseline and monitoring methodology, the eligibility criteria for its inclusion as a *programme activity* under a *P of A*, and the information (e.g. variables, parameters or measurements) that is to be provided for each *programme activity* when added to the *P of A* to ensure, inter alia, additionality;
  - c) Definition of a boundary for the *P of A* in terms of a geographical area (e.g., municipality, region within a country, country or several countries,) within which all the *programme activities* that form the *P of A* will be implemented, taking into consideration the requirement to use a baseline applicable for all *programme activities* and that all applicable national and/or sectoral policies and regulations are similar within that chosen boundary;
  - d) Definition of the project boundary for the *programme activity* as per the approved baseline and monitoring methodology applicable to the *P of A*, such that no *programme activity* boundary can extend beyond that of the *P of A*;
  - e) A definition of the baseline scenario applicable to all *programme activities* including a justification of why the identified baseline scenario is the same for all *programme activities* under the *P of A* in particular if there are difference in circumstances and policies/regulations in sub-regions within the project boundary of *P of A*;
  - f) Adequate information for proving additionality in a two tiered approach, for the *P of A* and for the *programme activities* under the *P of A*:
    - a) The coordinating and/or managing entity shall demonstrate the additionality of the *P of A* by showing that in the absence of the CDM the *P of A* an existing mandatory law/regulation/standard would not have been enforced with the same or more important impact in terms of GHG emission reductions or removals, or that the *P of A* will lead to a greater level of enforcement of the existing mandatory law/regulation/standard;
    - b) The coordinating and/or managing entity shall demonstrate the additionality of the *programme activities* as described in the approved baseline and monitoring methodology, by identifying information (e.g. via variables, parameters or measurements) that will unambiguously demonstrate additionality for each



*programme activity* added to the *P of A*, which shall be measured and reported for each *programme activity*.

12. The forecast at registration of the *P of A* of the baseline emission, project emission and emissions reduction for a typical *programme activity*.
13. The monitoring plan shall included a three tiered approach:
  - a) Tier I: a management system for recording information for each programme activity implemented under the P of A.
  - b) Tier 2: a sampling procedure to be used to verify stochastically the emissions reduction at verification. Two separate representative and statistically significant samples shall be used: one for assessing the number of operational and performing *programme activities* and one for estimating emission reductions for each of the programme activities.
  - c) Tier 3: data and variables to be monitored by each programme activity are to be described in the registered monitoring plan and be in accordance with in the approved baseline and monitoring methodology applied.
14. Comments by local stakeholders have been invited, a summary of the comments received has been provided, and a report to the designated operational entity on how due account was taken of any comments received. The consultation should involve, directly or indirectly, all stakeholders that will be impacted by the *P of A*.
15. The design document which is to be provided for each *programme activity* under a *P of A* when it is added to the *P of A* shall contain the following information:
  - a) Exact name and location of the programme activity, its participants and exact start date and end date of the programme activity;
  - b) Demonstration of eligibility of the programme activity to participate in the P of A and its additionality by providing the information as determined in the registered design document of the P of A;
  - c) Contract with the coordinating and/or managing entity signed by the two parties;

#### *Validation*

16. Validation of the *P of A* shall be made by a DOE as follows:
  - a) Make the design document publicly available for 30 days
  - b) Cover in addition to the requirements in M&P for the validation of CDM project activities in particular the following requirements:
    - Validate the management system of the coordinating and or managing entity for record management for each *programme activity*;



- Validate the eligibility criteria and information requirements for an *programme activity* of the proposed *P of A*;
- The documentation provided to demonstrate that using the baseline scenario for all possible locations in the “ project” boundary of the *P of A* is the same for each *programme activity*;

17. Validation of a *programme activity*:

- a) The DOE will not make public each activity, as the information and conditions for a *programme activity* to qualify are described in the design document of the *P of A*.
- b) All *programme activities* have to be validated by a DOE prior to requesting their being added to a registered *P of A* in the context of requesting registration and/or issuance.

*Monitoring*

18. Monitoring of the *P of A* is undertaken through the monitoring of each registered *program activity*.
19. Each *programme activity* has to monitor its activities in accordance with the registered monitoring plan for the *programme activity* under the *P of A* and keep record of all data till the last verification has taken place. The record can be kept by the coordinating/managing entity.
20. The coordinator/manager entity of the *P of A* shall submit the monitored information to the DOE contracted for verification. All the monitoring reports submitted shall be made publicly available.

*Verification*

21. As a result of verification of a *P of A* two actions may occur:
  - a) Request for issuance of verified CERs
  - b) Addition of *programme activities*<sup>2</sup>
22. Verification of the *P of A*
  - a) Verification of all monitoring reports of all the *programme activities* which are operational and have submitted to the coordinator/manager of the *P of A* a report.
  - b) On site verification [may][shall not] occur on a statistically sound sampling method.<sup>3</sup>

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<sup>2</sup> The Board may wish to note that this aspects needs further thinking in terms of how this happens. The secretariat will work further on this aspect and provide an update at the meeting of the Baord.

*Certification and Issuance*

23. The DOE shall only certify emission reduction for programme activities that submitted a monitoring report to the EB for a monitoring period through the coordinating/managing entity.
24. No different provisions apply.

*CDM registry*

25. The request for distribution shall be forwarded by the coordinating/managing entity in accordance with the modalities of communication for the *P of A*.

The same provisions for opening of accounts and forwarding are applicable.

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<sup>3</sup> The Board may wish to note that this aspects needs further thinking. The secretariat will work further on this aspect and provide an update at the meeting of the Baord.