



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

Date: 15 December 2006
Ref: CDM-EB-28

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

Report

Date of meeting: 12 – 15 December 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 fifteenth progress report on the work of the CDM accreditation panel (CDM-AP), and an oral report by the Chair, Mr. Hernán Carlino, on the work of the panel. 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.

General guidance

4. The Board took note of the options presented by the CDM-AP on how to facilitate applications for accreditation from entities located in Non-Annex I Parties to the Convention, keeping in view the cost associated with the accreditation process and requested the CDM-AP to provide updates to the Board at its next meeting. The Board took note of the measures undertaken by the CDM-AP and encouraged the CDM-AP to report on the implementation of these measures.

5. The Board considered the note on general characteristics of the regular surveillance system under the CDM accreditation process, submitted by the CDM-AP, in response to request of the Board to propose measures to provide incentives to designated operational entities (DOEs) to meet quality standards of the Board other than, and prior to, spot check. The Board agreed with the approach of regular surveillance and provided guidance to re-consider the frequency of the conduct of regular surveillance visits to the DOEs. The Board requested the CDM-AP to define, by taking into consideration the views expressed by the Board, detailed procedural steps including the development of a tracking system for the consideration of the Board at its next meeting. The Board also took note of the progress made on short-term measures by the CDM-AP.

6. The Board, recognising the differences among the DOEs in the understanding of the accreditation requirements that ‘only those premises of an AE where the on-site assessment took place shall receive the accreditation/designation as an operational entity. Any other part of that entity is not accredited/designated’, clarified to the DOEs that in carrying out validation and verification/certification, the responsibility(ies) on the decision-making regarding validation, verification and certification shall remain with the accredited office. Management review, contract review, signing of the CDM related contractual arrangements, validation reports, verification/certification reports, requests for registration/issuance and other relevant documents as well as resources allocation shall also remain within the responsibility(ies) of the accredited office. It however, may be noted that the above-mentioned provisions do not exclude utilization of the external resources by the accredited entity(ies) under the due contractual arrangements.

7. The Board considered the synthesis report presented by the CDM-AP of the DOE annual activity reports. The Board took a note with concern that some DOEs had not been able to submit their annual activity reports within the deadline and requested the CDM-AP to seek explanation from those DOEs for



not submitting their annual activity reports within the deadline. The CDM-AP was also requested to ask those DOEs to re-submit their annual activity reports which had not been found in accordance with the guidelines of the Board adopted at its nineteenth meeting. The Board also requested the CDM-AP to submit a new version of the synthesis report to the Board at its next meeting with more detailed information on the activities of the DOEs.

Case specific

8. The Board took note of the progress of accreditation of the entities, in particular that four DOEs had submitted requests for re-accreditation.

9. The Board took note of the progress of the work on two spot-check cases raised by the Board at its twenty-sixth meeting.

10. The Board considered the appeal submitted by a DOE under spot-check against the recommendation of the CDM-AP. The Board agreed to establish an appeal panel to consider the appeal and requested it to prepare a recommendation for the consideration of the Board at its next meeting.

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

11. The Board took note of the report of the twenty-fourth meeting of the Methodologies Panel on baseline and monitoring methodologies (Meth Panel), and an oral report by Vice-Chair, Mr. Jean-Jacques Becker, and the Board member, Mr. Xuedu Lu, on the work of the panel.

Case specific

12. Taking into consideration the inputs by experts (desk reviewers) and the public, the Board agreed to:

(a) **Approve the cases:**

- (i) AM0044 “Energy efficiency improvement projects: boiler rehabilitation or replacement in industrial and district heating sectors” which was proposed as NM0144-rev (Energy efficiency improvements carried out by an Energy Service Company (ESCO) in Ulaanbaatar, Mongolia to replace oil boilers with new ones) and link it to scope 1 (energy industry), as contained in the annex 1 of this report;
- (ii) AM0045 “Grid connection of isolated electricity systems” which was proposed as NM0152-rev (Celpa, Celtins & Cemat grid connection of isolated systems), and link it to scope 1 (energy industry), as contained in the annex 2 of this report; and

(b) **Possibly reconsider the cases:** NM0161, NM0170, NM0172, NM0174, NM0176, NM0181, NM0185, and NM0189 subject to:

- (i) 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;
- (ii) Reconsideration of the revised proposal directly by the Meth Panel, without further review by desk reviewers; and
- (iii) A recommendation by the Meth Panel being made to the Executive Board.



- (iv) If project participants wish to have the revised proposals considered at the twenty-fifth meeting of the Meth Panel (15 - 19 January, 2007), they shall exceptionally submit them by 28 December 2006, 11:00 AM GMT.
- (c) The Board considered the case NM0186 and:
 - (i) Raised on the following issues:
 - Assumption that the flow through the spillways in the baseline is because of non-optimal use of the available water in the reservoirs;
 - The inclusion of run of river units within the units needs to be analyzed;
 - One year data to estimate the baseline relationship given the likelihood of variations in the water availability due to rainfall pattern variations is not likely to be adequate;
 - The procedure in the methodology does not ensure that the possibility of increase in generation due to reasons other than the DSS is adequately addressed;
 - Additionality of such projects may be difficult to determine.
 - (ii) In view of the above, requested the secretariat
 - To develop, under the guidance of the Chair of the Board and the Meth Panel, term of references for the experts to address the issues
 - To ensure that the expert input is made available to the Board for consideration at its next meeting.

Response to requests for clarification of approved methodologies

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

- (a) **AM_CLA_0033** to clarify the determination of maximum historical annual production in case of two production lines, which resulted in the revision of the approved methodology AM0001, as contained in annex 3 of this report. The revised approved methodology clarifies:
 - (i) How the quantity of historical HCFC-22 production should be calculated in case of two or more production lines in the project boundary. Furthermore, the Board clarified its decision in paragraph 69 (a) of the report of the twenty-fourth meeting of the Board on the registration of project activity 0151 and its decision in paragraph 27 (a) of the report of the twenty-sixth meeting of the Board by not accepting the request for revision AM_REV_0016, that a production line that has not produced HCFC-22, but only CFCs, during the period 2000 to 2004 shall not be included in the project boundary and be eligible for crediting CERs using this methodology;
 - (ii) That methodology is applicable to situations where regulatory requirements exist to destruct the HFC-23 waste stream, as such destruction in the baseline is accounted for in the calculation of baseline emissions;
 - (iii) That an “existing” facility should also have been operated in the time period after 2004 until the start of the project activity;



- (iv) The monitoring of HFC-23, which has been expanded from the inlet to the destruction facility to the waste generation at the HCFC-22 production plant, since, in some cases, different production lines or nearby plants may use one single HFC-23 destruction facility;
- (v) That only years during which HCFC-22 was produced can be used to establish the upper limit for Q_{HCFCy}.

(b) **AM_CLA_0034** to clarify the combined application of ACM0006 and AMS-II.B following the modalities and procedures for large-scale project activities. The Board agreed to allow the proposed combined application of “AMS II.B Supply Side Energy Improvement – Generation” and “ACM0006 – Consolidated baseline methodology for grid-connected electricity generation from biomass” and further clarified that the clarification does not imply an endorsement of the appropriateness of the use of the above-mentioned approved methodologies for the specific project activity, as described in the PDD submitted along with the request for clarification.

Responses to requests for revisions of approved methodologies

14. The Board noted the request of the Meth Panel for further guidance regarding the request for revision AM_REV_0027 concerning ACM0002 on an approach for the exclusion of immaterial parts of a multinational grid. The Board clarified that the word “regional”, in the context of “regional electricity system” used in the approved methodology, can also be interpreted as extending across several countries. The Board further clarified that trans-national electricity systems are eligible under ACM0002 and the DNAs of countries in these regions, across which the electric system spans, shall be considered as host Parties and shall provide a letter of approval stating that the project activity assists it in achieving sustainable development. Furthermore, the Board clarified that the grid emission factor in this context shall be estimated for the “regional electricity system”.

Revision of approved methodologies

15. The Board agreed to the revisions of the following approved methodologies:

(a) **AM0002, AM0003, AM0011, AM0013, AM0022, ACM0001, and ACM0008**, in which the present procedure for estimating flare efficiency have been replaced with a reference to the Methodological Tool (as referred to in paragraph 18 below) to determine project emissions from methane flaring. The revised methodologies are contained in annexes 4, 5, 6, 7, 8, 9 and 10 of this report.

(b) **AM0028**, in which the conservative default value for oxidation of methane and hydrocarbons that may be used for destruction of NO_x has been amended. The revised version of the methodology is contained in annex 11 of this report.

(c) **ACM0010**, in which the procedure for estimating flare efficiency in the approved methodology is replaced with a reference to the Methodological Tool to determine project emissions from methane flaring. Furthermore, in order to ensure that the registered monitoring plan has been applied correctly in the estimation of reductions in anthropogenic emissions by sources, a requirement to conduct on-site inspections for each individual farm, where the project activity is implemented, has been included in the monitoring plan. The revised version of the methodology is contained in annex 12 of this report.

16. The Board considered the recommendation of the Meth Panel to revise AM0037 and agreed not to accept the recommendation. The Board took note that the Meth Panel is undertaking further work on implication of new facilities affecting the production in Annex I countries and its implications for project emissions and requested it to revise the methodology after this work has been completed.

17. The revisions referred to in paragraphs 15 to 16 above will come into effect on 22 December 2006, in accordance with the procedure for the revision of approved methodologies.

***General guidance and process***

18. The Board agreed to the “Methodological Tool” to determine project emissions from flaring gases containing methane, as contained in [annex 13](#) of this report which can be used under the following conditions:

(a) The residual gas stream to be flared contains no other combustible gases than methane, carbon monoxide and hydrogen;

(b) The residual gas streams shall be obtained from decomposition of organic material (landfills, bio-digesters or anaerobic lagoons, among others) or from gases vented in coal mines (coal mine methane and coal bed methane);

(c) The “Methodological Tool” provides two options to determine flare efficiency for enclosed flares: 90% default value or continuous monitoring. If the combustion efficiency of flare is not continuously monitored, the project participants may use a default value of 90% efficiency for combustion of methane in the flare. If the default value option is chosen, the compliance with manufacturer’s specification to operate the flare (temperature, flow rate of residual gas at the inlet of the flare) shall be continuously monitored. If in a specific hour any of the parameters are not in compliance with the manufacturer’s specifications, for that particular hour the combustion efficiency default value of 50% should be used.

19. The Board revised the "combined tool to identify the baseline scenario and demonstrate additionality" to expand its applicability to newly built facilities where the alternative scenarios to the project activity are available options to project participants, as contained in the [annex 14](#) of this report.

20. The Board postponed its consideration of the revised tool for the demonstration and assessment of additionality, in response to the request by COP/MOP 1 and COP/MOP 2 to make the tool consistent with the “combined tool to identify the baseline scenario and demonstrate additionality”. The revised version will be considered at the next meeting of the Board.

21. The Board noted that submissions in response to a call for public inputs launched in March 2006 contained alternative ideas to demonstrate additionality such as benchmarks, positive lists and market penetration, *inter alia*. The Board is of the view that such proposals may provide a simple procedure to demonstrate additionality, though issues such as free-riders need to be addressed before such ideas can be implemented. The Board therefore encourages project participants to present clear and precise ways to implement these ideas as a part of proposed new methodologies.

22. The Board considered the proposal on the issue of CDM project activities that could result in the displacement of production in Annex-I countries and agreed to discuss the issue at its next meeting before providing guidance on the issue.

23. The Board encouraged project participants to make use of the technical guideline for the development of proposed new methodologies as found in the “Guidelines for completing CDM-PDD, CDM-NM”, which would considerably assist in the consideration and approval of proposed methodologies.

24. In accordance with the decision by COP/MOP 2 which decided that a local/regional/national policy or standard cannot be considered as a clean development mechanism project activity, but that project activities under a programme of activities can be registered as a single clean development mechanism project activity, the Board considered and agreed to “guidance on the registration of a programme of activities as a single project activity” (Version 01), as contained in the [annex 15](#) of this report. This guidance provides a basic set of principles and may be revised as the body of knowledge expands. In addition the Board requested the secretariat to further refine the proposal on the modalities for the project cycle taking into account the guidance in this annex and other comments by the Board for consideration by the Board at its twenty-ninth meeting.



25. The Board agreed to the revised “Procedures for the revision of approved methodologies”, as contained in [annex 16](#) to this report, in order to limit the revision of approved methodologies by ensuring that there is a minimum of 6 months between revisions, where possible, as agreed at its twenty-seventh meeting and including a six (6) weeks deadline to submit request for revisions to the Meth Panel.

Further schedule

26. The Board took note that the twenty-fifth meeting of the Meth Panel is to take place on 15 to 19 January 2007. The Meth Panel meeting will take place over five 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

27. The Board took 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 Vice Chair, Mr. Akihiro Kuroki, on the work of the group.

Case specific

28. Taking into consideration the inputs by experts (desk reviewers) and the public, the Board agreed to:

(a) **Approve:** AR-AM0005 “Afforestation and reforestation project activities implemented for industrial and/or commercial uses”, which was proposed as ARNM0015-rev (“Reforestation as Renewable Source of Wood Supplies for Industrial Use in Brazil”) and link it to scope 14 (afforestation and reforestation), as contained in the [annex 17](#) of this report.

(b) **Possibly reconsider the cases:** ARNM0026 and ARNM0028 subject to:

- (i) Required changes being made by the project participants, taking into account issues raised by the Board, recommendations made by the AR/WG, and re-submission of a duly revised proposal. The secretariat shall make the revised proposal publicly available upon receipt;
- (ii) Reconsideration of the revised proposal directly by the AR/WG, without further review by desk reviewers;
- (iii) A recommendation by the A/R WG being made to the Executive Board; and
- (iv) If project participants wish to have the revised proposals considered at the twelfth meeting of the A/R WG (29 - 31 January, 2007), they shall exceptionally submit them by 2 January 2007, 11:00 AM GMT.

(c) **Not to approve cases:** ARNM0013-rev and ARNM0030 that, if revised taking into account comments, can be resubmitted but will require new expert and public input.

Response to requests for revision of approved methodologies

29. The Board agreed to the response to a request for revision to the approved small-scale A/R methodology AR-AMS0001 and revised the methodology, as contained in the [annex 18](#) to this report. The revised version includes changes to the calculations of biomass in baseline and improvement of leakage calculations related to the grazing capacity of lands and procedures for demonstration of the eligibility of land in accordance with the COP/MOP 2 decision.

30. The revisions referred to in paragraph 29 above will come into effect on 23 December 2006, in accordance with the procedure for the revision of approved methodologies.

*General guidance and process*

31. Further to the clarification by the Board at its twenty second meeting (annex 15), where it stated that where the baseline scenario is expected to correspond to approaches of paragraphs 22 (a) and (c) of the modalities and procedures for A/R project activities, the Board clarified that:

(a) In accordance with paragraph 21 of the modalities and procedures for CDM A/R project activities, only the increase of pre-project GHG emissions as a consequence of the implementation of the project activity has to be taken into account in the calculation of net anthropogenic GHG removals by sinks;

(b) Pre-project GHG emissions by sources which are displaced outside the project boundary in order to enable an afforestation or reforestation project activity under the CDM shall not be included under leakage if the displacement does not increase these emissions with respect to the pre-project conditions. Otherwise, leakage for the displacement of pre-project activities is equal to the incremental GHG emissions compared with the pre-project conditions.

32. The Board agreed that the same clarification be valid for baseline and monitoring methodologies which apply the baseline approach defined in paragraph 22 (b) of the modalities and procedures for A/R project activities under the CDM in the first commitment period of the Kyoto Protocol (decision 5/CMP.1) to determine a baseline scenario.

33. The Board considered a proposal on the concept of “market leakage”. The Board agreed that “market leakage”, which may include the increase in GHG emissions occurring outside the project boundary, attributable to effects of price, supply or demand of goods affected by the market impact of the CDM A/R project activity (for example the manufacture and sale of wood based products produced from wood harvested from the CDM A/R project activity), which is measurable and attributable to the CDM A/R project activity, shall not be accounted for in afforestation/reforestation baseline and monitoring methodologies.

34. The Board approved the “Technical guidelines for the development of new afforestation/reforestation baseline and monitoring methodologies” which facilitate the development of new methodologies, as contained in [annex 19](#) to this report.

35. The Board requested the secretariat to revise the guidelines for completing the CDM-AR-PDD, CDM-AR-NM to incorporate the technical guidelines, which shall be verified by the Chair of the Board and the Chair of the AR/WG. The revised guidelines shall come into force on 23 December 2006.

36. The Board noted decision by COP/MOP 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 (COP/MOP decision -/CMP.2 “Further guidance relating to the clean development mechanism”, paragraph 25). The Board also agreed that eligibility of the A/R CDM project activities under Article 12 of the Kyoto Protocol shall be demonstrated based on definitions provided in paragraph 1 of the annex to the decision 16/CMP.1 (“Land use, land-use change and forestry”), as requested by decision 5/CMP.1 (“Modalities and procedures for afforestation and reforestation project activities under the clean development mechanism in the first commitment period of the Kyoto Protocol”), until new procedures to demonstrate the eligibility of lands for afforestation and reforestation project activities under the clean development mechanism are approved by the Board.

37. In accordance with the decision by COP/MOP (“Further guidance relating to the clean development mechanism” - paragraph 26) the Board agreed to open 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 starting **1 January 2007** ending **21 February 2007** and requested the secretariat to prepare a first draft for consideration by the A/R WG at its thirteenth meeting.



38. The Board noted the request by COP/MOP to Parties, intergovernmental organizations and non-governmental organizations to submit their views to the secretariat, by 23 February 2007, on the implications of possibly changing the limit established for small-scale afforestation and reforestation clean development mechanism project activities under paragraph 1 (i) of the annex to decision 5/CMP.1, for consideration by Subsidiary Body for Scientific and Technological Advice, at its twenty-sixth session (SBSTA 26).

Further schedule

39. The Board took note that the twenty-fourth meeting of the A/R WG is to take place on 29 to 31 January 2007.

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

40. The Board took 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, on the work of the group.

Case specific

41. Taking into account the submissions SSC_059 and SSC_053 and the approach of the approved methodology AM0041 for the ‘Mitigation of Methane Emissions in the Wood Carbonization Activity for Charcoal Production’, the Board approved a new small scale category **AMS III.K** for the ‘Avoidance of methane release from charcoal production by shifting from pit method to mechanized charcoaling process’, and linked it to scope 4 (Manufacturing Industries), as contained in [annex 20](#) of this report. The new category is applicable to:

- (a) Activities that avoid the release of methane from pit charcoal production by producing charcoal in new facility(ies) equipped with recovery and flaring/combustion of methane generated in the production process;
- (b) Activities where no relevant changes in greenhouse gas emissions other than methane, occur as a consequence of the project activity and/or need to be accounted for, except for the possibilities of leakage;
- (c) The case where the implementation of the project activity does not result in changes in the type and source of biomass raw material used for the production of charcoal (e.g. if in the baseline charcoal was produced from coconut shells, the project activity will only produce charcoal from coconut shells).

Revision of approved methodologies

42. **AMS III.E:** In response to the submissions SSC_054 and SSC_056 the Board requested the SSC WG to continue its work on the revision of AMS III.E.

43. **AMS III.G:** The Board revised AMS III.G to take into account the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. The revised methodology, as contained in [annex 21](#) of this report, includes a revision of the parameters of the first order decay (FOD) model as per the Methodological Tool titled “Tool to determine methane emissions avoided from dumping waste at a solid waste disposal site”, available on the UNFCCC CDM website.

44. **AMS I.D:** The Board revised AMS I.D, as contained in [annex 22](#) of this report, based on the recommendations of both the SSC WG and Meth Panel (annex 9 of the twenty-third meeting of the Meth Panel) on type I capacity addition activities. The proposed revision includes the following changes:



- (a) Only the aggregate capacity of the units added to the project determines the eligibility of the project as a small-scale project i.e. the output capacity of the added units is less than or equal to 15 MW;
- (b) The added units need to be physically distinct for the project to be eligible;
- (c) Where the existing and added units share the use of common and limited renewable resources (e.g. stream flow, reservoir capacity, biomass residues), the category provides procedures to address situations:
 - (i) Where the project activity may reduce the amount of renewable resource available to existing units and thereby the electricity generation by these units, and;
 - (ii) Of the existing units shutting down, being de-rated, or otherwise limiting their electricity generation capacity.

The Board noted that the methodology only applies to project activities where the existing units are not CDM project activities.

45. **AMS I.C:** The Board revised AMS I.C to align the guidance on capacity addition and retrofit activities to be consistent with the revisions of AMS I.D, as contained in [annex 23](#) of this report.

46. **AMS I.A:** The Board revised AMS I.A, as contained in [annex 24](#) of this report, to maintain consistency across categories particularly in relation to AMS I.D. The revisions include revised guidance on capacity addition activities and a default emission coefficient of 0.8 kg CO₂ /kWh for diesel generation, as opposed to 0.9 kg CO₂ /kWh.

47. **AMS II.D:** The Board revised AMS II.D to broaden its applicability to include retrofit project activities, and to exclude technical line losses from the calculation of the emission factor, as contained in [annex 25](#) of this report.

48. **AMS III.H:** The Board revised AMS III.H to broaden its applicability to include activities that add a sequential stage of anaerobic wastewater treatment with methane recovery to the existing wastewater treatment system without methane recovery, as contained in [annex 26](#) of this report. Furthermore the following changes were proposed to the category taking into account the 2006 IPCC Guidelines for National Greenhouse Gas Inventories:

- (a) A range of values for the methane correction factor (MCF) determined by wastewater discharge pathways or type of treatment has been provided;
- (b) More accurate default values for the estimation of emissions from sludge treatment, particularly for degradable organic carbon (DOC) and methane correction factor (MCF) have been provided.

49. **AMS III.I:** The Board revised AMS III.I, analogous to AMS III.H, based on 2006 IPCC Guidelines for National Greenhouse Gas Inventories. The revised category is contained in [annex 27](#) of this report. The revision make AMS III.I applicable to activities in geographic locations where lagoon temperature is above 15°C for only a part of the year, however only those months when the lagoon temperature is above 15°C are to be accounted for in the calculation of baseline emissions.

50. **AMS III.F:** In response to the submission SSC_070, the Board revised AMS III.F, as contained in [annex 28](#) of this report, which included:

- (a) Expanding the applicability of the category to include co-composting of wastewater along with biomass solid wastes, and;



(b) Methods to calculate baseline emissions from the co-composted wastewater, which are analogous to the revised methods of AMS III.H detailed above, and;

(c) Revised parameters for avoided methane emissions from the composted solid waste, as per the Methodological Tool titled “Tool to determine methane emissions avoided from dumping waste at a solid waste disposal site”, available on the UNFCCC CDM website.

51. **AMS II.C, AMS II.E and AMS II.F:** The Board revised **AMS II.C, AMS II.E** and **AMS II.F** to ensure consistency between methodologies by excluding technical line losses from the calculation of the emission factor, as contained in the [annexes 29, 30](#) and [31](#) of this report.

52. In response to the submission of a new Type III methodology - Chemical and biological stabilization of solid waste carbon content for permanent storage, through controlled pyrolysis (SSC_069), the Board noted that the methodology proposed calculating emission reductions for avoiding methane emissions and for fixing carbon using pyrolysis, a thermo-chemical process to convert renewable biomass to activated carbon. The latter process comprises the larger portion of the emission reductions. The Board agreed that the fixing of carbon would raise issues concerning its non-permanence. Currently only the modalities and procedures for afforestation and reforestation project activities under the clean development mechanism in the first commitment period of the Kyoto Protocol (decision 5/CMP.1) account for non-permanence. The Board requested the SSC WG to further analyse the submission taking into account this guidance.

53. The revisions referred to in paragraphs 43 to 52 above will come into effect on 23 December 2006, in accordance with the procedure for the revision of approved methodologies.

General guidance and process

54. 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 kt CO₂e/yr, and instructed the SSC WG to develop new type III categories including procedures for more precise estimation of emission reductions and more detailed monitoring. As an interim measure the Board also included an applicability condition that limited the annual emission reductions of all Type III categories to 25 ktCO₂e/yr. Noting that the definitions of type II and III project activities have been revised by the COP/MOP at its second session and that it has since revised a number of type III categories to include more precise estimations of emission reductions and monitoring provisions, the Board agreed to suspend further work on developing the new type III categories referred above and instructed the secretariat to remove the applicability condition i.e. 25 ktCO₂e/yr limit from all Type III categories.

55. The Board agreed to revise the CDM glossary of terms pertinent to CDM small-scale project activities, as contained in [annex 32](#) of this report and in doing so, define the following two additional terms:

(a) ‘Retrofit’ defined as: “To modify existing industrial, commercial and residential facilities, automobiles, energy conversion systems etc. which are already in service using new, improved or more efficient parts and equipment developed or made available after the time of original manufacture or installation of the facility. The retrofit should also be consistent with the current guidance by the Board on the lifetime of plants and equipment”.

(b) ‘A project activity with more than one component’ (e.g. methane recovery and production of electricity from the recovered methane) defined as: “a single project activity composed of two or more distinct project activities being implemented by the same project participant, each applying an approved category/methodology separate from the other. Each component of a project activity should receive or provide an input from/to other components of the project activity”.

(c) Furthermore the Board instructed the secretariat to incorporate the above definitions in the CDM glossary of terms and amend documentation accordingly to refer only to this glossary.



56. The Board agreed that the sum of the size of components of a project activity belonging to the same type (capacity for type I, energy savings for type II and emission reductions for type III) should not exceed the limits for small-scale CDM project activities as stated in paragraph 28 of the decision -/CMP.2 (e.g. the limit for methane recovery component is 60 ktCO₂e/yr and the limit for the electricity production component is 15 MW output capacity).

57. The Board agreed that a project activity with more than one component may submit one PDD, provided the information regarding the sections covering the type and categories and technology / measure of the SSC project activity and application of the baseline and monitoring methodology in the CDM-PDD are provided separately for each component.

58. The Board agreed to revise the Guidelines for completing CDM-SSC-PDD and F-CDM-SSC-Subm, F-CDM-Bundle, and the CDM project design document for small-scale activities (CDM-SSC-PDD), which takes into account the Guidelines for completing CDM-PDD, CDM-NM, as contained in annexes 33 and 34 of this report. The revised guidelines and forms will come into effect on 22 December 2006.

59. The Board agreed to revise the general guidance on leakage in biomass project activities (attachment C to appendix B) to include additional guidance on estimation of leakage due to competing uses of biomass, as contained in annex 35 of this report.

60. The Board agreed to include a paragraph in all approved methodologies as follows: “Project participants shall take into account the general guidance to the methodologies, information on additionality, abbreviations and general guidance on leakage provided at <<http://cdm.unfccc.int/methodologies/SSCmethodologies/approved.html>>”.

61. The Board noted the request by COP/MOP 2 (paragraph 29 and 30, decision -/CMP.2) to the Board to recommend to the COP/MOP at its third session, simplified methodologies “for calculating emission reductions for small-scale project activities that propose the switch from non-renewable to renewable biomass”. It further noted in paragraph 29 of the same decision that it extended an invitation to Parties, intergovernmental organizations and non-governmental organizations to submit to the 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 and agreed to open a call for public input from **15 January to 16 April 2007** in this regard. The Board further requested the SSC WG to consider these proposals with the view to recommending a proposal for consideration by the Board at its thirty-second meeting. The Board also requested the secretariat to arrange a side event at the next subsidiary body session, in this regard.

Further schedule

62. The Board took note that the ninth meeting of the SSC WG will take place on from 18 to 20 March 2007. The SSC WG 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 (e): Matters relating to the registration of CDM project activities

63. The Board took note that 435 CDM project activities have been registered by 15 December 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

64. In accordance with the procedures for review as referred to in paragraph 41 of the CDM modalities and procedures, the Board considered twenty (20) requests for review of requests for registration by DOEs.



65. The Board agreed to register the project activity:

(a) “Onyx Alexandria Landfill Gas Capture and Flaring Project” (0508) taking note of the initial comments provided by the project participant and the DOE (SGS) in response to the request for review;

(b) “OSIL - Waste Heat Recovery Based Captive Power Project” (0515) taking note of the initial comments provided by the project participant and the DOE (TÜV Rheinland) in response to the request for review;

(c) “Saihanba East 45.05 MW Windfarm Project” (0561) taking note of the initial comments provided by the project participant and the DOE (DNVCert) in response to the request for review;

(d) “11.35 MW Grid Connected Wind Electricity Project at Pohra (Rajasthan) in India” (0570) taking note of the initial comments provided by the project participant and the DOE (BVQI) in response to the request for review;

(e) “10.6 MW wind farm at Village Badabagh, District Jaisalmer, Rajasthan” (0571) taking note of the initial comments provided by the project participant and the DOE (BVQI) in response to the request for review;

(f) “Saihanba North 45.05 MW Windfarm Project” (0576) taking note of the initial comments provided by the project participant and the DOE (DNVCert) in response to the request for review;

(g) “MAHARASHTRA, INDIA- Kurkumbh, 1.5 MW Biomass / Bagasse Based Co-generation Power Project “ (0581) taking note of the initial comments provided by the project participant and the DOE (RWTUV) in response to the request for review.

66. The Board agreed to register, as corrected, the project activity:

(a) “Anaconda Landfill Gas Project” (0226) if the additional annexes to the PDD submitted by the project participant and the DOE (DNVCert) in response to the request for review are displayed on the UNFCCC CDM website;

(b) “Repowering Small Hydro Plants (SHP) in the State of São Paulo, Brazil ” (0489), if the new Letter of Approval submitted by the DNA of Brazil in relation to the revised versions of the PDD and the validation report submitted by the project participant and the DOE (SGS) in response to the request for review are displayed on the UNFCCC CDM website;

(c) “AWMS Methane Recovery Project MX06-S-35, Jalisco and Michoacán, México” (0538) if the revised PDD and validation report submitted by the project participant and the DOE (TÜV SÜD) in response to the request for review are displayed on the UNFCCC CDM website;

(d) “AWMS Methane Recovery Project MX06-S-42, Guanajuato, Michoacán, and Querétaro, México” (0542) if the revised PDD and validation report submitted by the project participant and the DOE (TÜV SÜD) in response to the request for review are displayed on the UNFCCC CDM website;

(e) “Durban Landfill-gas-to-electricity project – Mariannahill and La Mercy Landfills” (0545) if the revised PDD and validation report submitted by the project participant and the DOE (TÜV SÜD) in response to the request for review are displayed on the UNFCCC CDM website;

(f) “12MW Captive Power Project based on Waste Heat Recovery of Industrial Waste Gases” (0556) if IRR calculations submitted by the project participant and the DOE (DNVCert) in response to the request for review are displayed on the UNFCCC CDM website;



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

(a) “Installation of Additional Urea Trays in Urea Reactors (11/21- R01)” (0587) if the project participant and the DOE (DNVCert) provide a revised PDD, which includes their initial comments in response to the request for review and also incorporates metering of the energy use in accordance with the approved small-scale methodology AMS-II.D, and a corresponding validation report;

(b) “Shalivahana Non-Conventional Renewable Sources Biomass Power Project” (0591) if the project participant and the DOE (DNVCert) submit a revised PDD, in which the monitoring plan includes monitoring of the biomass types used by the project activity, and a corresponding revised validation report;

(c) “Paramount Integrated Corporation Methane Recovery and Electricity Generation” (0605) if the DOE (DNVCert) submits a revised validation report, incorporating its initial comments, of the revised PDD submitted by the project participants in response to the request for review.

68. 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.

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

(a) “Ramirana Emission Reduction Project of Agrícola Super Limitada” (0457), submitted for registration by the DOE (DNVCert), and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 36](#) to this report.

(b) “AWMS GHG Mitigation Project MX06-B-32, Aguascalientes, Guanajuato and Michoacán, México” (0463), submitted for registration by the DOE (TÜV SÜD), and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 37](#) to this report.

(c) “Bii Nee Stipa III” (0517), submitted for registration by the DOE (AENOR), and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 38](#) to this report.

(d) “16 MW Bagasse based cogeneration plant” by GMR Industries Ltd. (GIDL)” (0552), submitted for registration by the DOE (SGS) and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 39](#) to this report.¹

70. The Board agreed on the nomination of the members of the review teams for the above. The review teams may call on outside expertise in consultation with the Chair of the Board, as appropriate.

71. In accordance with the procedures for review as referred to in paragraph 41 of the CDM modalities and procedures, the Board considered the recommendations of the review teams for the four (4) project activities which were placed “Under review” at the twenty-seventh meeting of the Board.

72. In accordance with the provisions of paragraphs 17 and 18 (a) of the above-mentioned procedures, the Board agreed to register the project activity “ARAPUtanga Centrais ELétricas S. A. - ARAPUCCEL - Small Hydroelectric Power Plants Project” (0530) taking note of the clarifications provided by the project participant and the DOE (TÜV SÜD).

73. In accordance with the provisions of paragraphs 17 and 18 (b) of the above-mentioned procedures, the Board agreed to register the project activity “Destruction of HFC-23 at refrigerant

¹ Changes have also to be made to the project documentation to ensure compliance of the proposed monitoring plan with requirements of the approved monitoring methodology ACM0006 version 3 if the Board ultimately decides to register this project activity.



(HCFC-22) manufacturing facility of Chemplast Sanmar Ltd” (0499) if the DOE (DNVCert) submits a revised validation report which validates the production data provided by the project participant in response to the review.

74. In accordance with the provisions of paragraphs 17 and 18 (c) of the above mentioned procedures, the Board agreed to reject the project activity:

(a) “Increasing the Additive Blend in cement production by Jaiprakash Associates Ltd.” (0454) submitted for registration by the DOE (DNVCert), considering that the DOE and the project participant failed to substantiate significant and additional technological and market acceptability barriers to increasing the level of additives in the production of blended cement above the level of common practice in the country, the project activity did not meet the additionality requirements as stipulated in paragraphs 43 to 52 of the CDM modalities and procedures.

(b) “6.6 MW Sheshadri Iyer Mini Hydel Power project of Atria Hydel Power Limited at Malavalli Taluk, Mandya District, Karnataka ” (0522) submitted for registration by the DOE (BVQI), considering that none of the institutional, prevailing practice and hydrology risk barriers were adequately demonstrated in the PDD and that the project participant and the DOE failed to substantiate any of these barriers during the review process, the project activity did not meet the additionality requirements as stipulated in paragraphs 43 to 52 of the CDM modalities and procedures.

75. In accordance with the clarifications to paragraph 10 of the above mentioned procedures the Board considered the project activity “Cogeneration system based on biomass (rice-husk) replacing oil fired boiler for process steam and generating power for partly replacement of grid power supply to the plant at M/s Indian Acrylics Ltd., District Sangrur, Punjab, India” (0348) submitted for registration by the DOE (TÜV Rheinland). In accordance with the provisions of paragraphs 17 and 18 (c) of the above mentioned procedures, the Board agreed to reject the proposed project activity considering that it was a debundled component of the registered CDM project activity “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), the project activity did not comply with the requirement of paragraph 12 (c) of the simplified modalities and procedures for small scale CDM project activities.

76. The Board considered one (1) request for deviation, agreed to an answer, and requested the secretariat to inform the DOE accordingly.

Registration procedure

77. The Board agreed to the procedures for the renewal of a crediting period, as contained in [annex 40](#) of this report.

78. In accordance with paragraph 4 of decision -/CMP.2 (*Further guidance relating to the clean development mechanism*), the Board agreed to extend the deadline for the submission for registration of the clean development mechanism project activities wishing to claim retro-active credits, from 31 December 2006 to 31 March 2007 and agreed, 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 by 31 March 2007, midnight GMT;
- (b) Any required registration fee is received by the secretariat before 30 April 2007; and
- (c) The request is complete and published on the UNFCCC CDM website, by 15 May 2007.



General guidance

79. The Board noted that COP/MOP 2 welcomed the progress made toward implementation of the “CDM Bazaar” and requested that it be launched as soon as possible. The Board requested the secretariat to implement the Bazaar and present regular progress reports to the Board.

80. The Board considered progress to date with the operation of the registration and issuance team (RIT), and thanked the members of the team for their inputs to date. The Board noted that the terms of reference for the RIT have to be reviewed by the end of March 2007. The Board requested the secretariat to prepare a draft revision to the terms of reference for the RIT for consideration by the Board at its twenty-ninth meeting.

81. The Board agreed to revise “Clarifications on the procedures for review as referred to in paragraph 41 of the CDM modalities and procedures”, as contained in [annex 41](#).

82. The Board reiterated that deviations from approved methodologies shall be considered an exception and DOEs shall ensure the application of the provisions of the approved methodology. Under situations where a DOE identifies deviations from the approved methodology and there is no approved deviation applicable to the case, the DOE shall seek guidance from the Board, through the request for deviation process, before finalizing the validation report. If a DOE considers that an approved deviation may be applicable to a project they shall, by means of a request for deviation, request the Board’s permission to apply this approved deviation prior to finalization of the validation report.

83. The Board clarified that there is no need to re-publish the PDD at validation stage in case project participants choose to apply a revision of an approved methodology, which was agreed to prior to the twenty-sixth meeting of the Board.

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

84. The Board took note that 23,376,891 CERs have been issued as at 15 December 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

85. In accordance with the procedures for review as referred to in paragraph 65 of the CDM modalities and procedures, the Board considered a request for review of one (1) request for issuance.

86. In accordance with paragraph 10 of these procedures the Board agreed to instruct the CDM registry administrator to issue 22,290 CERs for “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” (0339) for the monitoring period 1 April 2005 - 31 March 2006, taking note of the initial comments from the DOE (SGS) and project participant in response to the request for review.

87. The Board considered three (3) revised requests for issuance in accordance with the “Procedures for review as referred to in paragraph 65 of the modalities and procedures for a clean development mechanism”.

88. In accordance with the clarifications to paragraph 18 (b) of the above mentioned procedures the Board agreed to instruct the CDM registry administrator to issue:

(a) 105,902 CERs for Hapugastenne and Hulu Ganga Small Hydropower Projects. “(0085)” for the monitoring period 1 January 2003 - 31 December 2005, on the basis of the revised verification



and certification reports supplied by the DOE (DNVCert), following the uploading of the revised request for issuance on the UNFCCC CDM website.

(b) 225,534 CERs “Optimal Utilization of Clinker” project at Shree Cement Limited (SCL), Beawar, Rajasthan (0183)” for the monitoring period 1 August 2000 - 30 September 2005, on the basis of the revised verification and certification reports supplied by the DOE (DNVCert), following the uploading of the revised request for issuance on the UNFCCC CDM website.

89. The Board considered a revised request for issuance for the monitoring period 23 December 2003 - 28 February 2006 for the project activity “Bandeirantes Landfill Gas to Energy Project (BLFGE)” (0164), which was submitted by the DOE (TÜV-SÜD) pursuant to paragraph 104 (a) of the report of the twenty-sixth meeting of the Executive Board. In addition, in accordance with paragraph 63 of the report of the twenty-seventh meeting of the Executive Board, the Board considered new information not made available during the review process.

90. Following consideration of both of these items in paragraph 89 above the Board instructed the DOE to resubmit a final revised request for issuance for the monitoring period 23 December 2003 - 28 February 2006 which requests CERs for:

(a) The fraction of methane which was destroyed in electricity generation as previously verified; and

(b) Only that fraction of methane destroyed by flaring for which a flare temperature in excess of 1,000° C has been recorded during the hours of delivery of the landfill gas to the flare. The methane combustion efficiency of the flare during these periods of time shall be considered to be 90%.

(c) The associated verification report should also indicate how it can be assured that the landfill gas is only being delivered to the operational flare.

91. This revised request for issuance will be considered by the Board in accordance with the clarifications to paragraph 18 (b) of the “Procedures for review referred to in paragraph 65 of the CDM modalities and procedures”.

92. The Board considered two (2) requests for deviation, agreed to answers for both, and requested the secretariat to inform the DOEs accordingly.

General guidance

93. The Board agreed to the revised “Clarifications on the procedures for review as referred to in paragraph 65 of the CDM modalities and procedures” as contained in [annex 42](#).

94. The Board reiterated that deviations from approved methodologies and/or registered project documentation shall be considered an exception and DOEs shall ensure the application of the approved methodology. Under situations where a DOE identifies deviations from the approved monitoring methodology and/or registered project documentation and there is no approved deviation applicable to the case the DOE shall seek guidance from the Board, through the request for deviation process, before finalizing the verification report. If a DOE considers that an approved deviation may be applicable to a project they shall, by means of a request for deviation, request the Board’s permission to apply this approved deviation prior to finalization of the verification report.

95. The Board noted that paragraph 42 of the CDM modalities and procedures (3/CMP.1) states that a “proposed project activity that is not accepted may be reconsidered for validation and subsequent registration after appropriate revisions”, and that no similar provision exists regarding requests for issuance which are not accepted.

96. The Board considered the issue of resubmission of a rejected request for issuance. In cases where the reasons for rejection can be addressed by means of a revised verification report, based on a



revised monitoring report, if appropriate, the DOE may request, explaining the reasons, to be permitted to submit a revised request for issuance for the same monitoring period covered by the rejection. The Board will consider such a request at the subsequent EB meeting following that request in accordance with the procedures and decide on a case-by-case basis. In these cases the Board will provide further guidance, as appropriate. In cases where such a revised request for issuance is also rejected it shall not be possible to resubmit for a third time.

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

97. The Board took note of the oral report made by Mr. José Domingos Miguez on the outcomes of the negotiations at the twenty-fifth sessions of the Subsidiary Body for Scientific and Technological Advice (SBSTA) relating to “Implications of the establishment of new hydrochlorofluorocarbon-22 (HCFC-22) facilities seeking to obtain certified emission reductions for the destruction of hydrofluorocarbon-23 (HFC-23)” and requested Mr. José Domingos Miguez to follow negotiations at SBSTA 26 related to this issue and report on the outcome to the Board.

98. The Board took note of the oral report made by Ms. Anastasia Moskalenko and Mr. Rajesh Kumar Sethi on the negotiations at the twenty-fifth sessions of the Subsidiary Body for Implementation (SBI) relating to registries and requested them to follow the negotiations at SBI 26 relating to registries and report on the outcome to the Board.

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

CDM-MAP

99. The Board noted the decision by COP/MOP 2 (paragraph 6 - 10, decision -/CMP.2) in relation to the Management plan (CDM-MAP) and agreed to continue to keep the CDM MAP under review and make adjustments as necessary to continue ensuring the efficient, cost-effective, transparent and consistent functioning of the clean development mechanism. The Board was informed by the secretariat that the catalogue of decisions will be “road tested” in February 2007 with the view to become operational by the end of the second quarter 2007.

100. The Board took note of a presentation by the secretariat on the status of income and expenditure, the recent increase in expenditures due to intensive recruitment, a general outlook for the period covering 2006-2007 and the need for the conversion of pledges by Parties for 2006 against the background of possibly reaching the level of operating cushion by the end of the second Quarter 2007.

Resources

101. The Board took note of information provided by the secretariat on the status of resources received in 2006 as at 14 December 2006. Since the twenty-seventh meeting of the Board (1 November 2006), contributions have been received from Austria (USD 38,717), Estonia (USD 5,000), Germany (USD 1 million), Norway (USD 327,030), Spain (USD 200,875), and Sweden (139,970). As a result of the above contributions, of fees for requests for accreditation and of a USD 5.6 million carry-over from 2005, as of 14 December 2006 the total income available amounted to USD 11.04 million. The budget reserve from the Share of Proceeds, fees for requests for registration and methodologies amounts to USD 11.7 million. In consideration of the expected carry over into 2007, the Board requests Parties to convert into contributions all the pending 2006 pledges which would imply, given the present level of information, that no new pledges towards the CDM MAP will be requested to Parties in 2007.

102. The Board expressed its appreciation to Parties which have generously contributed resources for the work of the CDM and, in light of the recommendation contained in paragraph 101, 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 43](#) to this report.

**Agenda item 5. Other matters****Agenda sub-item 5 (a): Guidance by COP/MOP**

103. The Board took note of the decision -/CMP.2 “Further guidance to the clean development mechanism” and agreed to take action and be guided in accordance with this decision adopted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

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

104. The Board considered the issues addressed at the second informal meeting of the CDM DNA Forum held on 13 November 2006 in Nairobi, Kenya, in conjunction with second session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

105. The Board further agreed to interact with the CDM DNA Forum each time a meeting of the forum is held in conjunction with a meeting of the Board.

106. It noted that two meetings of the Forum can be held during the year 2007 as envisaged in the CDM-MAP. One of these two meetings will be organised in conjunction with the joint coordination workshop of the Board which brings together the Board, Panels, working groups, RIT members, DNA Forum and DOE Forum members, methodology desk reviewers, accreditation team members. The Board further noted the DNA Forum suggestion to have a forum in the second half of 2007 in Africa.

107. The Board further noted that the COP/MOP invited Parties included in Annex I to the Convention to contribute to the holding of additional forums of designated national authorities not provided for financially in the clean development mechanism management plan.

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

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

109. The Board noted the decision by COP/MOP 2 (paragraph 31 to 42, decision -/CMP.2) in relation to the regional distribution of CDM project activities and welcomed the “Nairobi Framework”, as announced by the Secretary-General of the United Nations at the opening of the high-level segment of the second session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, to catalyze clean development mechanism in Africa.

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

110. The Board took note of the oral report by Mr. Werner Betzenbichler, Chair of the DOE/AE coordination forum including a brief report on the fifth meeting of the forum. It was reported that the forum discussed matters such as, modalities for the work of the forum, concerns of the Board on the performance of DOEs and issues related to transparency in the work of DOEs. The Chair of the forum raised, *inter alia*, the following points for the consideration of the Board:

(a) Requested clarification on dealing with mistakes in the approved methodologies by validating/verifying DOEs. The Board clarified that such cases should be addressed through requests for revisions and or deviations and its decision in the twenty-seventh meeting to open a call for inputs to allow DOEs to submit requests for revisions for approved methodologies provides opportunities to the DOEs to submit their requests.

(b) Monitoring services, such as calibration services and laboratory analyses, by other units of the same DOE accredited by other accreditation bodies. The Board recognised this as an important



issue and requested the Chair of the Forum to submit the proposed recommendation to the Chair of the Board so that it could be forwarded to the CDM accreditation panel for further consideration.

(c) Clarification on when baseline campaigns should be conducted in AM0034. The Board recognised this as an important issue and requested the Chair of the Forum to submit a proposed recommendation to the Chair of the Board so that it could be forwarded to the CDM Meth Panel for further consideration.

(d) Clarification on applying multi-component small-scale with respect to the emission reduction limits, which the Board has responded as addressed in its report in section 3 (d) above.

(e) With reference to paragraph 25 of the decision of the COP/MOP (decision -/CMP.2) on further issues relating to the CDM, clarification is needed for the possibility for the DOEs to submit afforestation and reforestation project activities for registration. The Board has addressed this issue as in paragraph 36 above.

111. The Board took note of the issues raised by Mr. Betzenbichler and provided responses to some of the issues raised by him and considered the interaction useful.

112. The Board acknowledged with appreciation that the DOE/AE Forum submitted its timely inputs/proposals for the on measures to enhance the capacity of the DOEs, improve their performance as expected by the Board and on how to improve the regional distribution of CDM project activities.

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

113. The Board met with registered observers for informal briefings on 15 December 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.

114. The Board further agreed to continue to meet with the same type of arrangement at its twenty-nine meeting, with space being made available for 70 observers, and to reconsider the issue when necessary. Observers to the twenty-nine meeting of the Executive Board shall have registered with the secretariat by **24 January 2007, 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.

115. 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

116. The Board agreed on the provisional agenda for its twenty-nine meeting (14 - 16 February 2007) as contained in annex 44 to this report, with an open session on 15 and 16 February in order to facilitate observers attendance.

Agenda item 6. Conclusion of the meeting

117. The Chair summarized the main conclusions.

118. The Board expressed its deep appreciation to the outgoing Chair, Mr. José Domingos Gonzalez Miguez, and Vice-Chair, Mr. Hans Jürgen Stehr, for the outstanding leadership and dedication. The Board also thanked all outgoing members and alternate members for their hard work during their tenure.



119. The Board thanked the secretariat for its hard work and professional support in this year, in particular in view of the exponential growth of the CDM. The Board felt that the results archived this year would not have been possible without the support and hard work of the secretariat.

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

120. 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

121. The Chair closed the meeting.



Annexes to the report

Methodologies

- Annex 1 - Approved baseline and monitoring methodology AM0044 (based on the case NM0144-rev)
- Annex 2 - Approved baseline and monitoring methodology AM0045 (based on the case NM0152-rev)
- Annex 3 - Revision of the approved methodology AM0001
- Annex 4 - Revision of the approved methodology AM0002
- Annex 5 - Revision of the approved methodology AM0003
- Annex 6 - Revision of the approved methodology AM0011
- Annex 7 - Revision of the approved methodology AM0013
- Annex 8 - Revision of the approved methodology AM0022
- Annex 9 - Revision of the approved methodology ACM0001
- Annex 10 - Revision of the approved methodology ACM0008
- Annex 11 - Revision of the approved methodology AM0028
- Annex 12 - Revision of the approved methodology ACM0010
- Annex 13 - Methodological Tool to determine project emissions from flaring gases containing methane
- Annex 14 - Revised combined tool to identify the baseline scenario and demonstrate additionality
- Annex 15 - Guidance on the registration of a programme of activities as a single project activity
- Annex 16 - Revised procedures for the revision of approved methodologies

Issues relating to procedures for afforestation and reforestation project activities

- Annex 17 - Approved baseline and monitoring methodology AR-AM0005 (based on ARNM0015-rev).
- Annex 18 - Revision to simplified baseline and monitoring methodologies for selected small-scale afforestation and reforestation project activities under the clean development mechanism AR-AMS0001.
- Annex 19 - Technical guidelines for the development of new afforestation/reforestation baseline and monitoring methodologies

Issue relating to procedures for small-scale project activities

- Annex 20 - AMS III.K. Avoidance of methane release from charcoal production by shifting from pit method to mechanized charcoaling process.
- Annex 21 - Revision of AMS III.G
- Annex 22 - Revision of AMS I.D
- Annex 23 - Revision of AMS I.C
- Annex 24 - Revision of AMS I.A
- Annex 25 - Revision of AMS II.D
- Annex 26 - Revision of AMS III.H
- Annex 27 - Revision of AMS III.I
- Annex 28 - Revision of AMS III.F
- Annex 29 - Revision of AMS II.C
- Annex 30 - Revision of AMS II.E
- Annex 31 - Revision of AMS II.F
- Annex 32 - Revision of the glossary of terms (for small-scale project activities)
- Annex 33 - Revision of Guidelines for completing CDM-SSC-PDD and F-CDM-SSC-Subm, F-CDM-Bundle
- Annex 34 - Revision of CDM project design document for small-scale activities CDM-SSC-PDD
- Annex 35 - Revisions to general guidance on leakage in biomass project activities



Matters relating to the registration of CDM project activities

Annex 36 - Scope of review (registration) - Project 457

Annex 37 - Scope of review (registration) - Project 463

Annex 38 - Scope of review (registration) - Project 517

Annex 39 - Scope of review (registration) - Project 552

Annex 40 - Procedures for renewal of a crediting period

Annex 41 - Clarifications on the procedures for review referred to in paragraph 41 of the CDM modalities and procedures - version 6

Matters relating to the issuance of CERs and the CDM Registry

Annex 42 - Clarifications on the procedures for review referred to in paragraph 65 of the CDM modalities and procedures - version 3

Resources

Annex 43 - Status of pledges to support 2006 CDM activities

Other business

Annex 44 - Provisional agenda for EB29