



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

Date: 14 March 2008
Ref: CDM-EB-38

EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM

THIRTY-EIGHTH MEETING

Report

Date of meeting: 12-14 March 2008

Location: Bonn, Germany

Attendance: The names of members and alternate members present at the thirty-eighth 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. Samuel Adeoye Adejuwon ¹	Mr. Kamel Djemouai ¹
Mr. Philip M. Gwage ²	Mr. Xuedu Lu ²
Ms. Natalia Berghi ²	Ms. Diana Harutyunyan ²
Mr. Lex de Jonge ²	Mr. Pedro Martins Barata ²
Mr. Akihiro Kuroki ¹	Ms. Jeanne-Marie Huddleston ¹
Mr. Clifford Mahlung ²	Mr. Tuiloma Neroni Slade ²
Mr. Paulo Manso ²	Mr. Hussein Badarin ²
Ms. Ulrika Raab ¹	Mr. Martin Hession ¹
Mr. Hugh Sealy ¹	Mr. José Domingos Miguez ¹
Mr. Rajesh Kumar Sethi ¹	Ms. Liana Bratasida ¹

¹ Term: Two years (elected at CMP2 in 2006)

² Term: Two years (elected at CMP3 in 2007)

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. Rajesh Kumar Sethi, the Chair of the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) opened the meeting and asserted that the quorum requirement was met. No conflict of interest was identified by any member or alternate member of the Board present at the meeting.
2. The Board noted that the secretariat was informed that Ms. Natalia Berghi was unable to attend the meeting and had provided proper justification for her absence.

Agenda item 2. Adoption of the agenda

3. The Board adopted the agenda and agreed to the programme of work.

Agenda item 3. Work plan**Agenda sub-item 3 (a): Accreditation of operational entities***General guidance*

4. The Board took note of the progress of the work for the elaboration of the CDM EB validation and verification manual (CDM VVM), aimed to promote quality and consistency in verification and validation reports. The Board also took note of broad aspects for the further development of the document highlighted by the secretariat and requested the secretariat to ensure that experiences and information from requests for reviews and under review cases are fully taken into account in preparation of this guidance document. The Board requested the secretariat to seek public comments and ensure that the document is in accordance with all the existing guidances, clarifications and decisions relevant to the validation and verification work of the DOEs. The Board also emphasized the importance of this document and requested the secretariat to give high priority to the finalization of this work at the thirty-ninth meeting of the Board.
5. The Board considered and accepted the new nomination of a representative from the International Accreditation Forum (IAF), Mr. Yoshikazu Kameyama to serve in an advisory capacity to the CDM Accreditation Panel (CDM-AP). The Board also expressed its appreciations to the IAF for supporting the work of the CDM-AP.
6. The Board agreed to launch a call for experts starting on 19 March 2008 and ending on 20 April 2008, 24:00 GMT in order to replace two outgoing members of the CDM-AP with a view to prepare a shortlist of experts for consideration by the Board at its thirty-ninth meeting. CDM-AP members currently serving on the CDM-AP are encouraged to submit their application, for automatic inclusion in the short list, should they wish to continue.

Further schedule

7. The Board noted that the thirty-fourth meeting of the CDM -AP is scheduled on 14 - 16 April 2008.

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

8. The Board took note of the report of the thirty-first meeting of the Methodologies Panel on baseline and monitoring methodologies (Meth Panel), and an oral report by the Chair of the panel, Mr. Akihiro Kuroki, on the work of the panel.

*Case specific*

9. Taking into consideration the inputs by experts (desk reviewers), the public, and the recommendations of the Meth Panel, the Board agreed to:
10. **Approve cases:**
- (a) **AM0066** - "GHG emission reductions through waste heat utilization for pre-heating of raw materials in sponge iron manufacturing process", which was proposed as NM0231 (Waste heat utilization for charge pre-heating in sponge iron manufacturing process at HKMPL, India) and link it to scope 9 (metal production), as contained in the annex 1 of this report. The methodology is applicable to project activities implemented both in existing and greenfield facilities. In case a project activity is implemented in a Greenfield facility, the application of Step 3 (investment analysis) of the combined tool is mandatory. The Board also agreed to the editorial revisions made by the secretariat after the Meth Panel meeting, in consultation with the Chair of the Meth Panel, to the draft methodology published in the Meth Panel report;
- (b) **AM0067** - "Methodology for installation of energy efficient transformers in a power distribution grid", which was proposed as NM0243 (Installation of energy efficiency transformers in Shandong power grid) and link it to scope 02 (Energy Distribution), as contained in the annex 2 of this report. The Board also agreed to the editorial revisions made by the secretariat after the Meth Panel meeting, in consultation with the Chair of the Meth Panel, to the draft methodology published in the Meth Panel report. The Board requested the panel to re-examine the applicability condition stating that the methodology is not applicable "if more than 20% of the transformers installed in the geographical area, three years prior to the implementation of the project activity, are of the same technology as the project activity transformers".
11. **Not to approve cases:** NM0238, NM0242, and NM0245 which, if revised taking into account comments, can be resubmitted but will require new expert review and public input.
12. The Board agreed to request the Meth Panel to review its recommendation on the case NM0249, taking into account the views of an additional desk reviewer.

Responses to clarifications

13. The Board took note of the responses to clarifications provided by the Meth Panel on the cases AM_CLA_0063 to AM_CLA_0066 .

Responses to requests for revisions and resultant revisions of approved methodologies

14. The Board agreed to the responses prepared by the Meth Panel to requests for revisions and the resultant revision of approved methodologies:
- (a) Not to accept request AM_REV_0072 concerning ACM0006 requesting a revision to include a new scenario for project activities that use biomass residue in an existing co-generation system where in absence of the project activity fossil fuels and biomass residues (i.e. co-firing) would be used.
- (b) Accept, with a number of changes as proposed by the Meth Panel, request AM_REV_0073 concerning ACM0012 requesting a revision to expand the applicability of the methodology to project activities that displace the use of electricity in the baseline with mechanical energy generated from waste gas. The Board requested the panel to prepare a draft revision of the approved consolidated methodology ACM0012 based on the response to AM_REV_0073, and also the response to AM_REV_0075.



- (c) Accept, with a number of changes as proposed by the Meth Panel, request AM_REV_0074 concerning ACM0006 requesting a revision to add a new scenario for project activities that install a higher capacity and better efficiency new single fuel or co-fired (multiple fuel) co-generation plant at an existing facility replacing the baseline plant which is also single fuel or co-fired (multiple fuel) co-generation. The Board requested the panel to prepare a draft revision of the approved consolidated methodology ACM0006 based on the response to AM_REV_0074.
- (d) Accept, with a number of changes as proposed by the Meth Panel, request AM_REV_0075 concerning ACM0012 requesting a revision to expand the applicability of the approved methodology to project activities that increase the share of waste heat/gas captured and utilized compared to the baseline use of waste heat/gas. The Board requested the panel to prepare a draft revision of the approved consolidated methodology ACM0012 based on the response to AM_REV_0075, and also the response to AM_REV_0073.
- (e) Not to accept request AM_REV_0076 concerning AM0019 requesting a revision to expand the applicability of the methodology to project activities that generate electricity from renewable energy and replace: (i) planned fossil fuel plant; and (ii) hypothetical plants that would have been built in the absence of the project activity.
- (f) Not to accept request AM_REV_0077 concerning AM0036 requesting a revision to expand the applicability of the methodology to project activity where the fuel switch from fossil fuel to biomass residue is effected in a large number of small boilers distributed in a geographical region.
- (g) Not to accept request AM_REV_0078 concerning ACM0014 requesting a revision to expand the applicability of the methodology to project activities that are implemented in greenfield facilities. Please refer to paragraph 15 (c).
- (h) Not to accept request AM_REV_0079 concerning AM0014 requesting a revision to expand the applicability of the methodology to project activities those (i) install co-generation at new commercial or institutional establishments; (ii) use steam to meet the heat requirements that in the baseline would have been met by an electrical system.
15. The Board revised the following approved methodologies and methodological tools:
- (a) **AM0034** “Catalytic reduction of N₂O inside the ammonia burner of nitric acid plants” in response to the request for clarification AM_CLA_0063. The revision clarifies that, except for production of Nitric Acid, which is monitored on a daily basis, all other variables are to be monitored at shorter intervals (i.e. 2 seconds). The procedure requires estimating the N₂O flow for the total number of operating hours of the plant based on the average N₂O flow observed for the period when the plant is operating within the permitted range, as the baseline N₂O emission factor is estimated as ratio of N₂O produced during one full campaign and actual total production of nitric acid produced during that campaign. This means that the total N₂O is estimated as if the plant was operating for recorded operating hours of a full campaign within the permitted operating parameters. The revision is contained in [annex 3](#) of this report.
- (b) **AM0037** “Flare (or vent) reduction and utilization of gas from oil wells as a feedstock” in order to remove the third applicability condition and introduce procedures in the methodology to discount emissions reductions by the amount that would have occurred in an Annex I country. The Board agreed on the secretariat's suggestion of expanding the applicability of the methodology to situations where in the baseline associated gas was vented, in line with the approved methodology AM0009. The applicability has also been limited so that the methodology



is no longer applicable to project activities that use associated gas for energy purposes alone. Such project activities can use the approved methodology AM0009. The revision is contained in annex 4 of this report.

(c) **ACM0014** “Mitigation of greenhouse gas emissions from treatment of industrial wastewater” in order to expand its applicability to project activities that are implemented in greenfield facilities. The revision is contained in annex 5 of this report.

16. The revised versions of the methodologies and tools referred to in the paragraphs above will come into effect on 28 March 2008, 17:00 GMT, in accordance with the procedure for the revision of approved methodologies.

General guidance

17. The Board clarified that the term ‘reference plant’ used in the approved methodology ACM0006 is defined as a “commonly installed new biomass residue fired co-generation power plant in the respective industry sector in the country or region”. The comparison should exclude plants implemented as CDM project activities, as referred to in paragraph 60. In cases where no such plant exists within the country, the reference plant (and its electrical efficiency) should be identified through economic analysis to identify the most probable situation in the baseline for generating the same amount of electricity (which could be partially produced by a reference plant and partially by power plants connected to the grid) and heat, as anticipated to be produced in the project activity.

18. The Board approved the guidance to the project participants that in submitting new methodologies relating to the substitution, recycling, recovery and destruction of SF₆ used in various processes, they should provide the following: (i) robust procedures to address the possibility of intentional increase of baseline SF₆ consumption; and (ii) direct monitoring of all the key parameters that are related to estimation of baseline and project emissions including detailed explanations of key operating conditions and procedures, and an explanation addressing uncertainty.

19. The Board considered the draft guidance on apportioning project emissions between products, by-products and co-products, prepared by the Meth Panel. The Board agreed to consider the draft guidance along with the revision to AM0047, which the panel would finalize at its thirty-second meeting. The Board also requested the panel to illustrate the use of the guidance by applying it to an example case.

20. The Board agreed to postpone the discussion on the “Tool for assessment and demonstration of additionality” allowing it to take into account ongoing work on common practice analysis and guidance on investment analysis, with a view to finalizing its discussions at its thirty-ninth meeting.

21. The Board agreed to launch a call for public comments on the draft revision to “Guidelines for completing the project design document (CDM-PDD), and the proposed new baseline and monitoring methodologies (CDM-NM)” from 19 March to 30 April 2008, 24:00 GMT. The Board also requested the secretariat to revise the CDM-NM guidance section of the guidelines, before publishing for public comments, to align the guidance with the revised CDM-NM form, approved in paragraph 22 below.

22. The Board revised the form for proposed new methodologies (CDM-NM), as contained in annex 6 of this report. This revision restructures the presentation of the methodology into several new sections without any content change. The first section contains the recommendations made by the panel members, the second section contains the methodological procedures provided by the proposed new methodology, and the last section contains explanations or justifications the project participants may wish to provide on the proposed methodology.



23. The Board agreed to launch a call for experts starting on 19 March 2008 and ending on 20 April 2008, 24:00 GMT in order to replace the outgoing members of the CDM Meth Panel with a view to preparing a shortlist of experts for consideration by the Board at its thirty-ninth meeting. Meth Panel members currently serving on the Meth Panel are encouraged to submit their application, for automatic inclusion in the short list, should they wish to continue.

24. The Board took note of the oral progress report of the secretariat on the work related to energy efficiency. The secretariat informed the Board that the work to identify tools and guidance is underway, which will be provided for consideration by the Board at its next meeting. The Board noted that a new methodology for energy efficiency equipment (transformers) has been approved at its present meeting and it also noted that the panel is close to finalizing its recommendation on an energy efficiency appliance methodology.

Further schedule

25. The Board noted that the thirty-second meeting of the CDM Meth Panel is scheduled on 7 - 11 April 2008. The Board also reminded the project participants that the deadline for the twenty-third round of submissions of proposed new methodologies is 16 April 2008. Furthermore, it reminded the project participants that the deadline for submission of requests for revision and requests for clarification for consideration at the thirty-third meeting to be held from 23 - 27 June 2008 shall be 11 May 2008, 24:00 GMT.

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

26. The Board took note of the report on the work of the eighteenth meeting of the Afforestation and Reforestation Working Group (A/R WG) and an oral report by its Vice Chair, Ms. Diana Harutyunyan, on the work of the group.

Case specific

27. Taking into consideration the inputs by experts (desk reviewers), the public, and the recommendations of the A/R WG, the Board agreed to:

- (a) **Approve the case ARNM0032-rev** ("San Carlos" Land Restoration Through Silvopastoral Systems) as the consolidated methodology **AR-ACM0001** (Afforestation and reforestation of degraded land) based on the above-mentioned case (ARNM0032-rev) and the approved methodology AR-AM0003, as contained in the annex 7 of this report, and link it to the sectoral scope 14;
- (b) Withdraw the approved methodology AR-AM0003 at the forty-third meeting of the Board, as it has been replaced by AR-ACM0001.

General guidance

28. The Board clarified that in order to demonstrate the eligibility of land, for both large- and small-scale A/R CDM project activities, it is sufficient to follow the most recent version of the "Procedures to demonstrate the eligibility of land for afforestation and reforestation CDM project activities" and it is not essential to differentiate between afforestation and reforestation A/R CDM project activities.

29. The Board considered the A/R WG proposal on the application of the definition of the project boundary to A/R CDM project activities to allow for more flexibility, as requested by the Board in its thirty-sixth meeting. The Board agreed to reiterate its request to the A/R WG for further proposals for



consideration at its thirty-ninth meeting in particular for those projects, which do not intend to submit as a Programme of Activities (PoA).

30. The Board requested the A/R WG to develop new simplified baseline and monitoring methodologies for small-scale afforestation and reforestation project activities under the CDM for (i) agroforestry activities implemented on cropland or grassland, and (ii) sand-dune fixation, under the grassland and cropland types of small-scale afforestation or reforestation project activities.

31. The Board clarified that the "Procedure for the submission and consideration of request for clarification on the application of approved small-scale methodologies" applies *mutatis mutandis* to requests for clarification on the application of approved A/R small-scale methodologies. The Board requested the secretariat to prepare and make available the forms to be used with the above-mentioned procedure.

32. The Board agreed to launch a call for experts starting on 19 March 2008 and ending on 20 April 2008, 24:00 GMT, in order to replace the outgoing members of the A/R WG with a view to preparing a shortlist of experts for consideration by the Board at its thirty-ninth meeting. A/R WG members currently serving on the A/R WG are encouraged to submit their application, for automatic inclusion in the short list, should they wish to continue.

Further schedule

33. The Board noted that the nineteenth meeting of the A/R WG is scheduled on 14 - 16 April 2008. The Board also reminded the project participants that deadline for the eighteenth round of submissions of proposed new methodologies is 26 May 2008.

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

34. The Board took note of the report on the work of the fourteenth meeting of the small-scale working group (SSC WG) to assist the Board in reviewing proposed methodologies for small-scale CDM project activities and of an oral report by its Chair, Ms. Ulrika Raab, on the work of the group.

Case specific

35. The Board approved a new small-scale methodology 'AMS II.H Energy efficiency measures through centralization of utility provisions of an industrial facility' assigned to sectoral scope 4 (Manufacturing industries) as contained in annex 8 of this report. The methodology is applicable to project activities that implement more efficient technologies to produce electrical energy, thermal energy and cooling in addition to switching fossil fuels in an integrated manner. Emission reductions are achieved through the introduction of a combined heat and power (CHP) unit or a combined cooling, heat and power unit (CCHP) that uses a less carbon intensive fuel.

36. The Board took note that the case SSC-NM0004 was not recommended by the SSC WG as the working group considered the case not suitable for recommendation to the Board, in accordance with the 'procedures for the submission and consideration of a proposed new small scale methodology'. The case, if revised taking into account comments provided by SSC WG, available on the UNFCCC CDM website at <http://cdm.unfccc.int/methodologies/SSCmethodologies/Clarifications/index.html>, can be resubmitted but will require new expert review and public input.

**Revisions of approved methodologies:**

37. The Board agreed to the revised approved methodologies:

(a) **AMS I.C** 'Thermal energy for the user with or without electricity', expanding its applicability to include additional baseline scenarios (e.g., steam/heat produced from renewable biomass and electricity imported from the grid and/or generated in a captive plant in the baseline, while in the project case heat and electricity are produced by a renewable biomass based co-generation unit), as contained in [annex 9](#) of this report.

(b) **AMS III.H** 'Methane recovery in wastewater treatment', expanding its applicability to include the possibility for pipeline transport of the recovered and upgraded biogas from the wastewater treatment facility to end users, as contained in [annex 10](#) of this report. The revisions also clarified that for project activities involving sequential treatment of wastewater in anaerobic lagoons, the Chemical Oxygen Demand (COD) removed by each of the lagoon shall be considered for baseline estimations.

(c) **AMS III.D** 'Methane recovery in animal manure management systems', clarifying the use of the tier 2 approach of 2006 IPCC guidelines for emission reduction calculations for manure management systems, as contained in [annex 11](#) of this report. Further the applicability of the methodology is expanded to include the possibility of pipeline transport of the recovered and upgraded biogas to the end-users, similar to the revision recommended to AMS III.H.

(d) **AMS III.G** 'Landfill Methane Recovery' as contained in [annex 12](#) of this report. The revision excludes the consideration of landfill gas collection efficiency in the ex-ante calculation of emission reductions. Furthermore, the applicability of the methodology is expanded to include the possibility of pipeline transport of the recovered and upgraded biogas from the landfill recovery facility to end-users, similar to the revision recommended to AMS III.H.

General guidance

38. The Board agreed to launch a call for experts starting on 19 March 2008 and ending on 20 April 2008, 24:00 GMT in order to replace the outgoing members of the SSC WG with a view to prepare a shortlist of experts for consideration by the Board at its thirty-ninth meeting. SSC WG members currently serving on the SSC WG are encouraged to submit their application, for automatic inclusion in the short list, should they wish to continue. The Board further agreed to increase the number of members serving on the SSC WG by one additional member when the SSC WG is reconstituted at the thirty-ninth meeting of the Board. The Board particularly encourages experts with energy efficiency experience in Non-Annex I countries to apply.

Further schedule

39. The Board noted that the fifteenth meeting of the SSC WG is scheduled on 14-16 April 2008.

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

40. The Board took note that 953 CDM project activities have been registered by 14 March 2008. The status of requests for registration of project activities can be viewed on the UNFCCC CDM website.

Case specific

41. In accordance with the procedures for review as referred to in paragraph 41 of the CDM modalities and procedures, the Board considered a request for review of seventeen (17) requests for registration.



42. The Board agreed to register the project activity:
- (a) “Power Generation by Waste Heat Recovery Project in Henglai Building Materials Co. Ltd., Yixing City, Jiangsu Province, P. R. China” (1380) taking note of the initial comments provided by the project participant and DOE (TÜV-SÜD) in response to the request for review;
 - (b) “Jaroensompong Corporation Rachathewa Landfill Gas to Energy Project” (1413) taking note of the initial comments provided by the project participant and DOE (DNV) in response to the request for review.
43. The Board agreed to register with corrections the project activities:
- (a) “Biomass generation project, in Sheyang county, Jiangsu province, P.R. China” (1366) if the DOE (TÜV-SÜD) submits a revised validation report which validates the input values used in the investment analysis and explains why the results of the sensitivity analysis relating to the electricity output reported in the PDD are not supported by the associated spreadsheet;
 - (b) “Shandong Gaotang 30MW Biomass Power Generation Project” (1375) if the DOE (TÜV-SÜD) submits a revised validation report which validates the input values used in the investment analysis and confirms that the treatment of VAT in the calculation of the sales revenue is in accordance with local regulations;
 - (c) “Yunnan Dali Yang_er 49.8MW Hydropower Project” (1388) if the DOE (TÜV-SÜD) submit a revised validation report which includes:
 - (i) validation of the input values used in the investment analysis; and
 - (ii) validation of the essential distinctions between the project and the other similar project activities in the Yunnan province.
 - (d) “Jinggangshan 36 MW Hydropower Project” (1400) if the DOE (BVC Holding SAS) submits a revised validation report which includes validation of the input values used in the investment analysis;
 - (e) “Steam Optimization in Cooking Process in Paper Plant” (1403) if the project participant and DOE (DNV) submit a revised PDD and corresponding revised validation report which includes the monitoring frequency for each of the parameters contained in the monitoring plan;
 - (f) “Carhuaquero IV Hydroelectric Power Plant” (1424) if the project participant and DOE (DNV) submit a revised PDD and corresponding revised validation report in which the demonstration and assessment of additionality is conducted on the basis of the investment analysis submitted in response to the request for review;
 - (g) “Pushihe Erji 10 MW Small Hydropower Project in Yunnan Province” (1430) if the DOE (DNV) submits the revised validation report which validates the input values used in the investment analysis;
 - (h) “Aluhe 12.6 MW Small Hydropower Project in Yunnan Province” (1439) if the project participant and DOE (DNV) submits the revised validation report which independently validates the input values used in the investment analysis.
44. 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.



45. The Board agreed to undertake a review of the project activity:
- (a) “UHE Mascarenhas power upgrading project” (1232) 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 13](#) to this report;
 - (b) “Power generation from waste heat of new DRI kilns at JSPL” (1292) submitted for registration by the DOE (BVC Holding SAS) and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 14](#) to this report;
 - (c) “24.75 MW Ranganathaswamy Mini Hydel Project, Karnataka, India” (1345) submitted for registration by the DOE (TÜV NORD) and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 15](#) to this report;
 - (d) “Flare gas recovery project at Hazira Gas Processing Complex (HGPC), Hazira plant, Oil and Natural Gas Corporation (ONGC) Limited” (1354) submitted for registration by the DOE (DNV) and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 16](#) to this report;
 - (e) “Koppal Green Power Limited Biomass Power Project” (1383) submitted for registration by the DOE (TÜV Rheinland) and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 17](#) to this report;
 - (f) “Biomass Based Power Project of Balaji Agro Oils Ltd.” (1398) 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 18](#) to this report;
 - (g) “CEMEX Costa Rica: Use of biomass residues in Colorado cement plant” (1405) 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 19](#) to this report;
46. 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.
47. 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 eleven (11) project activities which were placed “Under review” at the thirty-seventh meeting of the Board.
48. In accordance with paragraphs 17 and 18 (b) of the procedures mentioned in paragraph 47, the Board agreed to register, subject to satisfactory corrections, the project activities:
- (a) “Someshwara small hydropower project (24.75 MW) in Karnataka, India” (1273) if the project participant and DOE (DNV) submit a revised PDD and corresponding revised validation report which include the revised investment analysis submitted in response to the review;
 - (b) “Fundão-Santa Clara Energetic Complex Project (FSCECP)” (1279) if the project participant and DOE (BVC Holding SAS) submit a revised PDD and corresponding revised validation report which include:
 - (i) validation of the correctness of the pre-project design costs included in the investment analysis; and
 - (ii) a detailed timeline of the consideration and implementation of the project activity, including the precise dates on which decisions were taken to proceed with the investments and the dates on which construction commenced and commissioning took place, for each



of the two sites;

(c) “Fuel switchover from higher carbon intensive fuels to Natural Gas (NG) at Indian Farmers Fertiliser Cooperative Ltd (IFFCO) in Phulpur Village, Allahabad, Uttar Pradesh by M/s Indian Farmers Fertiliser Cooperative Ltd (IFFCO)” (1289) if the DOE (DNV) submit a revised validation report which validates the changes in the revised PDD provided in response to the review;

(d) ““Waste Heat Recovery project" at Saraikela, Kharsavan, Jharkhand by M/s Kohinoor Steel Private Limited” (1296) if the project participant and DOE (SGS) submit a revised PDD and corresponding revised validation report which incorporate the further substantiation of the barriers provided in response to the review;

(e) “Power generation from waste heat of submerged arc furnaces” (1324) if the project participant and DOE (TÜV-SÜD) submit a revised PDD and validation report which incorporate the additional evidence and explanations provided in the response to the review;

(f) “Zhongzhou 16.5 MW Hydropower Project” (1333) if DOE (TÜV-SÜD) undertakes validation of the input values used in the IRR calculation as to their applicability in the context of the project activity;

(g) ““5 MW renewable energy project for a grid system” at Rohru Tehsil, Shimla District in Himachal, India” (1363) if the project participant and DOE (DNV) submit a revised PDD and corresponding revised validation report which include the revised investment analysis submitted in response to the review.

49. In accordance with paragraphs 17 and 18 (c) of the procedures mentioned in paragraph 47, the Board could not register the following project activities:

(a) “Tradewinds Methane Extraction and Power Generation Project” (1285) submitted for registration by the DOE (DNV) because the approach adopted by the project participant to determine the parameter ‘R lagoon’ is a deviation from the methodology, which requires prior notification to and guidance from the Board.

(b) “Fuel Free Electricity to Grid” (1331) submitted for registration by the DOE (BVC Holding SAS) because the project participant and DOE failed to substantiate the additionality of the project activity, in particular the suitability of the benchmark due to the return on equity element of the weighted average cost of capital calculation and that benefits of the CDM were seriously considered in the decision to invest in the project activity.

(c) “Reducing the Average Clinker Content in Cement at CEMEX Mexico Operations” (1356) submitted for registration by the DOE (SGS) because the project participant and DOE failed to substantiate:

(i) that significant and additional technological and market acceptability barriers exist to increasing the level of additives in the production of blended cement above the baseline level; or

(ii) how leakage would be assessed in accordance with the applied methodology ACM0005 version 03.

(d) “Bundled Wind Power Project of JeJu Special Self-Governing Province in Korea” (1377) submitted for registration by the DOE (KFQ) because the project participant and DOE failed to substantiate the additionality of the project activity, in particular that the CDM was seriously



considered in the decision to proceed with the project activity.

50. In accordance with the clarifications to paragraph 18 (b) of the above-mentioned procedures the Board considered one (1) project activity for which corrections had been submitted in response to the outcome of a previous review.

51. The Board agreed to register, as corrected, the project activity "4.5 MW Wind Power Project in Kadavakallu, Andhra Pradesh" (1131) submitted for registration by the DOE (BVC Holding SAS).

General guidance

52. The Board agreed to extend the terms of reference of the Registration and Issuance Team (RIT) for a period of one year and requested the secretariat to make the necessary administrative arrangements to extend the term of existing RIT members to 31 March 2009.

53. The Board agreed to launch a call for additional members of the RIT starting on 19 March 2008 and ending on 20 April 2008, 24:00 GMT, with a view to selecting such additional members at its thirty-ninth meeting.

54. The Board clarified that in cases where project participants rely on values from Feasibility Study Reports (FSR) that are approved by national authorities for proposed project activities, DOEs are required to ensure that:

(a) The FSR has been the basis of the decision to proceed with the investment in the project, i.e. that the period of time between the finalization of the FSR and the investment decision is sufficiently short for the DOE to confirm that it is unlikely in the context of the underlying project activity that the input values would have materially changed.

(b) The values used in the PDD and associated annexes are fully consistent with the FSR, and where inconsistencies occur the DOE should validate the appropriateness of the values.

(c) On the basis of its specific local and sectoral expertise, confirmation is provided, by cross-checking or other appropriate manner, that the input values from the FSR are valid and applicable at the time of the investment decision.

55. The Board agreed to adopt version 08 of "Clarifications on the procedures for review referred to in paragraph 41 of the CDM modalities and procedures" as contained in [annex 20](#) of this report.

56. The Board agreed to request the secretariat to prepare a proposal for the standardization of the format of the modalities of communications between project participants and the Executive Board for consideration by the Board at its thirty-ninth meeting.

57. The Board agreed that in cases where project participant(s) wish(es) to withdraw their participation from a registered CDM project activity the secretariat shall ensure that all project participants have communicated their agreement to this withdrawal in writing, in accordance with the modalities of communication. In cases where such written acceptance and a suitable revised modalities of communication have been received, the secretariat shall:

- (a) update the list of registered project participants on the UNFCCC CDM website,
- (b) inform all Parties involved of this withdrawal, and
- (c) maintain a publicly available record of the history of participation.



58. The Board reiterated that in undertaking global stakeholder consultation DOEs are required to take account of all comments received from members of the public. Such comments are to be made available via the UNFCCC CDM website, in accordance with paragraph 40 (c) of the CDM modalities and procedures, and be summarized in the final validation report with details regarding how account was taken of the comments. The Board further requested the secretariat to develop proposals regarding increasing the transparency of the validation and public comment process for consideration at its thirty-ninth meeting.

59. The Board noticed that several project activities, which were already in operation, could not be registered due to a lack of credible evidence on the role of CDM at the starting date of the project activity. The Board reaffirmed, as indicated in section B5 of the "Guidelines for completing the project design document", that project activities which have a starting date before the date of validation shall provide evidence that the incentive from the CDM was seriously considered in the decision to proceed with the project activity.

60. The Board clarified that in the context of conducting common practice analysis, project participants may exclude registered CDM project activities and project activities which have been published on the UNFCCC CDM website for global stakeholder consultation as part of the validation process.

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

61. The Board took note that 128,481,895 CERs have been issued as of 14 March 2008 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.

Case specific issues

62. 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 fourteen (14) requests for issuance.

63. In accordance with paragraph 10 of these procedures, the Board agreed, subject to a check by the secretariat of the revised documentation and in consultation with the Chair of the Board, to instruct the CDM registry administrator to issue CERs for:

- (a) "RSCL cogeneration expansion project" (0127) if the revised verification report submitted by the DOE (SGS) in response to the request for review is displayed on the UNFCCC CDM website.
- (b) "Quimobásicos HFC Recovery and Decomposition Project" (0151) if the project participant and the DOE (TÜV-SÜD) submit a revised monitoring report and a corresponding revised verification report which incorporate:
 - (i) Clarification on HCFC22 production and HFC23 supplied to the decomposition process during the periods of 31 May-13 June 2007 and 14-29 June 2007 provided in response to the request for review; and
 - (ii) An assessment of w factor in the past one year period including this monitoring period (1 September 2006 - 30 August 2007) in accordance with paragraph 90 of EB35.
- (c) "HFC23 Decomposition Project of Zhejiang Juhua Co., Ltd, P. R. China" (0193) if the project participant and the DOE (SGS) submit the revised monitoring report submitted in response



to the request for review and a corresponding revised verification report which includes additional information provided in response to the request for review and an assessment of monitoring period (1 November 2006 - 31 October 2007) in accordance with paragraph 90 of EB35.

(d) "AWMS GHG Mitigation Project, MX05-B-12, Sonora, México" (0204) if the project participant and the DOE (DNV) submit a revised monitoring report and a corresponding revised verification report which incorporate the clarifications on the change of meter at Agropecuaria Adali and the malfunctioning equipment provided in response to the request for review.

(e) "AWMS GHG Mitigation Project, MX05-B-14, Jalisco, México" (0257) if the project participant and the DOE (DNV) submit a revised monitoring report and a corresponding revised verification report which incorporates the clarifications on the change of meters at Granja San Rafael Sitio 2 and Granja Santa Maria and corrections to the typographical error of the references for the formulae provided in response to the request for review.

(f) "Nueva Aldea Biomass Power Plant Phase 1" (0258) if the project participant and the DOE (SGS) submit a revised monitoring report and a revised verification report which recalculate the baseline emission due to uncontrolled burning of biomass in accordance with Equation 24 of Scenario 3 ACM0006 version 01, using an appropriate boiler efficiency that would be used in the absence of the project activity.

The Board further noted that the monitoring plan should be revised to include the measurement of net quantity of heat generated in the cogeneration project plant (Q_y) in accordance with Equation 24 of ACM0006 version 01 prior to the next request for issuance.

(g) "Trupan Biomass Power Plant in Chile" (0259) if the project participant and the DOE (SGS) submit a revised monitoring report and a revised verification report which recalculate the baseline emission due to uncontrolled burning of biomass in accordance with Equation 24 of Scenario 3 ACM0006 version 01 using an appropriate boiler efficiency that would be used in the absence of the project activity. The Board further noted that the monitoring plan should be revised to include the measurement of net quantity of heat generated in the cogeneration project plant (Q_y) in accordance with Equation 24 of ACM0006 version 01 prior to the next request for issuance.

(h) "LDEO Biomass Steam and Power Plant in Malaysia" (0395) if the revised verification report submitted by the DOE (DNV) in response to the request for review is displayed in the UNFCCC CDM website.

The Board further noted that the monitoring plan should be revised to include the monitoring of the amount of each type of biomass consumed in the boiler prior to the next request for issuance.

(i) "Demand side energy conservation & reduction measures at IPCL – Gandhar Complex" (0445) if the project participant and the DOE (DNV) submit a revised monitoring report and a corresponding revised verification report which incorporate :

(i) Clarification on the operation and capacity of the VAR provided in response to the request for review;

(ii) Clarification on the reasons the inlet temperature of the coolant was most of the time below the design temperature for this monitoring period; and

(iii) Information on the specific times during the monitoring period that the over capacity was due to the lower cooling water temperature.



- (j) "Jilin Taonan Wind Power Project" (0599) if the revised monitoring report and the revised verification report submitted by the DOE (SGS) in response to the request for review are displayed on the UNFCCC CDM website.
- (k) "HFC23 Decomposition Project at Zhonghao Chenguang Research Institute of Chemical Industry, Zigong, SiChuan Province, China" (0767) if the project participant and the DOE (DNV) submit a revised monitoring report and a revised verification report which incorporate the result of the analysis of the effluent gas during the shutdown period (6-7 July 2007) of the incinerator provided in response to the request for review.
- (l) "Zhongjieneng Suqian 2*12MW Biomass Direct Burning Power Plant Project" (0819) if the revised monitoring report and the revised verification report submitted by the DOE (SGS) in response to the request for review are displayed on the UNFCCC CDM website.
- (m) "Incomex Hydroelectric Project" (0968) if the project participant and the DOE (DNV) submit a revised monitoring plan that reflects the monitoring practice as currently implemented by the project participant in accordance with the applied methodology.
64. In accordance with the provisions of paragraph 10 of these procedures, the Board agreed to undertake a review of the request for issuance of CERs and to appoint members of the review team for "Onyx Alexandria Landfill Gas Capture and Flaring Project" (0508), submitted by the DOE (TÜV-SÜD), and that the scope of this review is relating to issues associated with verification requirements, as contained in [annex 21](#) to this report.
65. The Board agreed on the nomination of the members of the review team for the above. The review team may call on outside expertise in consultation with the Chair of the Board, as appropriate.
66. In accordance with the procedures for review as referred to in paragraph 65 of the CDM modalities and procedures, the Board considered the recommendation of the review team for two (2) project activities which were placed "Under review" at the thirty-seventh meeting of the Board.
67. The Board agreed to instruct the CDM registry administrator to issue CERs, subject to satisfactory corrections, for:
- (a) "CAMIL Itaquí Biomass Electricity Generation Project" (0231) for the monitoring period 01 January 2006 - 31 December 2006 if the revised monitoring report and the revised verification report submitted by the DOE (TÜV-SÜD) in response to the review are displayed in the UNFCCC CDM website and a new request for issuance is submitted.
- (b) "15.4 MW wind farm at Satara District, Maharashtra" (0593) for the monitoring period 01 April 2002 - 31 March 2007 if the project participant and the DOE (DNV) submit a revised monitoring report and a corresponding revised verification report which include clarification provided in response to the review and information on the difference in the accuracy of meters submitted in response to the request for review.
68. In accordance with the clarifications to paragraph 18 (b) of the above-mentioned procedures, the Board considered one (1) project activity for which corrections had been submitted in response to the outcome of a previous review.
69. The Board agreed to instruct the CDM registry administrator to issue CERs, considering that the corrections requested by the Board at its thirty-fifth meeting following a review had been made, for "Sahabat Empty Fruit Bunch Biomass Project" (0288) submitted by the DOE (SGS).

The Board noted that the revised documentation was not submitted within the 12 week-deadline, and



agreed to give consideration to the corrections due to the exceptional nature of the delay which had been notified to the secretariat and adequately justified by the DOE and project participant.

The Board further re-iterated that the project participants and DOEs shall ensure that corrections in response to the outcome of a previous review are submitted in a timely manner.

70. The Board considered six (6) requests for deviation related to monitoring reports undergoing verification, agreed to answer them and requested the secretariat to inform the DOEs accordingly.

General guidance

71. The Board agreed to adopt version 05 of "Clarifications on the procedures for review referred to in paragraph 65 of the CDM modalities and procedures" as contained in [annex 22](#) of this report.

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

CDM-MAP

72. The Board took note of the presentation by the secretariat of the proposal to enhance the executive and supervisory role of Board members by providing them with secretarial and information technology support. The Board agreed with the approach proposed by the secretariat and requested the secretariat to implement it. The Board further requested the secretariat to prepare a new proposal on travel issues to be presented at the thirty-ninth meeting of the Board. The secretariat informed the Board that once the costs associated with this support are calculated, the currently adopted MAP 2008 (version 01) will be revised to include the additional costs and circulated to the Board for approval.

Resources

73. The Board took note of information provided by the secretariat on the status of resources received as reflected in [annex 23](#). The annex shows that USD 10.7 million are available to support the implementation of the CDM MAP 2008. The above amount represents approximately 50 per cent of the budget (as in version 01 of CDM MAP 2008) to support the CDM in 2008. Based on projections on the inflow of resources generated by fees and share of proceeds (SOP), it is expected that sufficient resources to cover the 2008 budget will be accumulated by the end of the third quarter of 2008.

Agenda item 5. Other matters

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

74. The Board took note of the update from the secretariat on on-going activities in this area, in particular with regard to the progress in the implementation of the Nairobi Framework. The Board further noted the need for innovative approaches to address concrete needs at the country level provided that adequate financial resources are available for this purpose.

75. The Board discussed what key role the Board can play in disseminating its knowledge and expertise in order to further improve the regional distribution of CDM project activities.

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

76. The Board took note of the status of planning and preparation for the next meeting of the DNA Forum to be held on 14 - 15 April 2008 in Bonn, Germany, which will be held in conjunction with the annual CDM Joint Coordination Workshop.

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

77. The Chair of the DOE/AE Coordination Forum, Mr. Flavio Gomes, elaborated the input received from entities for the consideration of the Board, and sought guidance from the Board on evaluation of input values used in the investment analysis for proposed CDM project activities in China. The Board informed Mr. Gomes that this issue was addressed by the Board at this meeting as reflected in paragraph 54 above.

78. The Board also took note of the information presented regarding the number of project activities validated by DOEs but which could not be submitted for registration (due to rejection or participants inability to close corrective action requests), and thanked the Chair for the presentation of this data and requested that more detailed information on the reasons to be made available to the Board.

79. The Board members responded to the question raised by the Chair of the DOE/AE Forum. The Board also took note of the remaining issues and agreed to further consider these issues.

80. The Chair of the Board thanked Mr. Flavio Gomes and appreciated the issues raised also proposals as possible answers to the questions for the consideration of the Board.

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

81. The Board met with registered observers for an informal interaction on 14 March 2008 and agreed to continue with such meetings in the last day of its future meetings, unless otherwise indicated. These meetings are available on webcast.

82. The Board further agreed to continue to meet with the same type of arrangement, with space being made available for 70 observers, and to reconsider the issue when necessary. Observers to the thirty-ninth meeting of the Executive Board shall have registered with the secretariat by **23 April 2008, 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.

Agenda sub-item 5 (e): Other business

83. The Board agreed on the provisional agenda for its thirty-ninth meeting (14 - 16 May 2008) as contained in [annex 24](#) to this report, with an open session on the 15 to 16 May 2008.

Agenda item 6. Conclusion of the meeting

84. The Chair summarized the main conclusions.

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

85. 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

86. The Chair closed the meeting.



Annexes to the report

Methodologies

Annex 1 - AM0066 "GHG emission reductions through waste heat utilisation for pre-heating of raw materials in sponge iron manufacturing process" (version 01)

Annex 2 - AM0067 "Methodology for installation of energy efficient transformers in a power distribution grid" (version 01)

Annex 3 - Revision to AM0034 "Catalytic reduction of N₂O inside the ammonia burner of nitric acid plants" (version 03)

Annex 4 - Revision to AM0037 "Flare (or vent) reduction and utilization of gas from oil wells as a feedstock" (version 02)

Annex 5 - Revision to ACM0014 "Mitigation of greenhouse gas emissions from treatment of industrial wastewater" (version 02)

Annex 6 - Revised proposed new methodology: baseline and monitoring (CDM-NM) form (version 03)

Issues relating afforestation and reforestation CDM project activities

Annex 7 - AR-ACM0001 "Consolidated methodology afforestation and reforestation of degraded land" (version 01)

Issues relating to small-scale CDM project activities

Annex 8 - AMS II.H "Energy efficiency measures through centralisation of utility provisions of an industrial facility" (version 01)

Annex 9 - Revision of AMS I.C "Thermal energy for the user with or without electricity" (version 13)

Annex 10 - Revision of AMS III.H "Methane recovery in wastewater treatment" (version 09)

Annex 11 - Revision of AMS III.D "Methane recovery in animal manure management" (version 14)

Annex 12 - Revision of AMS III.G "Landfill methane recovery" (version 06)

Matters relating to the registration of CDM project activities

Annex 13 - Scope of review (registration) - Project 1232

Annex 14 - Scope of review (registration) - Project 1292

Annex 15 - Scope of review (registration) - Project 1345

Annex 16 - Scope of review (registration) - Project 1354

Annex 17 - Scope of review (registration) - Project 1383

Annex 18 - Scope of review (registration) - Project 1398

Annex 19 - Scope of review (registration) - Project 1405



Annex 20 - Clarifications to facilitate the implementation of the procedures for review as referred to in paragraph 41 of the CDM modalities and procedures (version 08)

Matters relating to the issuance of CERs and the CDM registry

Annex 21 - Scope of review (issuance) - Project 0508

Annex 22 - Clarifications to facilitate the implementation of the procedures for review as referred to in paragraph 65 of the CDM modalities and procedures (version 05)

Resources

Annex 23 - Status of resources and pledges to support 2008 CDM activities

Other matters

Annex 24 - Provisional agenda for EB39
