



Annex 61

CDM EXECUTIVE BOARD DECISION FRAMEWORK: DECISION HIERARCHY AND DEFINITIONS

(Version 01)

1. There is a hierarchical relationship between decisions taken by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) and decisions of the Executive Board of the Clean Development Mechanism hereinafter referred to as the Board. This document defines the relationship and describes the decision types issued by the Board.

A. Decisions of the CMP relating to the clean development mechanisms

2. The CMP is the ultimate decision-making body of the clean development mechanisms (CDM). This body has authority over, and provides guidance to, the Board through the adoption of decisions and resolutions, published in reports of the CMP. The decisions of the CMP outline formal expectations with respect to the CDM. They set direction and establish precedents which serve as reference for future decision making and basis for operating procedures. CMP decisions are treated as directives - mandatory requirements or rules intended to ensure the successful implementation of the Kyoto Protocol. All decisions taken by the Board must be consistent with and not contradict decisions of the CMP.

B. Decisions of the CDM Executive Board

3. The Board supervises the CDM under the authority and guidance of the CMP, and is fully accountable to the CMP. The Board has authority over, and provides guidance to, the business activities and processes of the CDM. Decisions of the Board must be consistent with and support the formal decisions of the CMP. Decisions of the Board are hierarchical in nature and are published in the reports and report annexes of the Board. Taking into account both the rule-making and rule-enforcing roles of the Board, decisions of the Board can be divided into three main classes:

- (a) Decisions of an operational nature relating to the functioning of the regulatory body;
- (b) Decisions of a regulatory nature relating to the supervision of the CDM in implementing its modalities and procedures throughout the project activity cycle;
- (c) Rulings relating to the observance of the modalities and procedures by the project participants and/or operational entities.



1. Decisions of an operational nature

4. Decisions of an operational (or administrative) nature are intended to ensure the successful running of the Board and cover matters such as: meeting agendas and reports; calendar of meetings; attendance by observers at meetings; the management of documentation of the Board and/or project activity cycle; finance and administration (management action plan, fee payments, etc); work programmes and priorities; establishment of panels, working groups, rosters of experts, committees and/or other subsidiary bodies; liaison with other bodies; calls for input; commissioning of technical reports; recommending and reporting to the CMP on the running of the Board and its programmes of work; information notes and other matters of an operational or administrative nature. Decisions of an operational nature are published within the meeting reports of the Board or as annexes to the meeting reports under one of the many document types issued by the Board. A complete listing of document types issued by the Board was approved by the Board at its forty-fifth meeting (annex 73).

2. Decisions of a regulatory nature

5. Decisions of a regulatory nature are intended to ensure the successful implementation of the modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol. Such decisions are published as annexes to the Board meeting reports subsequently posted on the UNFCCC CDM website. They include:

- (a) **Standards:** Standards describe mandatory levels or degrees of attainment or performance, and as such, are used as reference points against which attainment and performance can be evaluated. Standards are designed to achieve a uniform approach to compliance with decisions from the CMP relating to the CDM project activity cycle, including approved methodologies with their associated tools;
- (b) **Procedures:** Procedures contain mandatory series of actions (how to) that must be undertaken to satisfy specific requirements of the CDM modalities and procedures. Procedures are written to ensure that project participants and designated operational entities (DOEs) satisfy requirements in an agreed, uniform and consistent way, producing an effective outcome. Procedures are designed to achieve a uniform approach to compliance with the applicable decisions or standards issued by the CMP and/or the Board regulatory body. Procedures relate to processes in the project activity cycle and include, for example, rules of procedure of the Board, procedures for establishing panels and working groups and the terms of reference for panels and working groups;
- (c) **Guidelines:** Guidelines contain supplemental information such as acceptable methods for satisfying requirements described in procedures or standards. Guidelines are designed to achieve a uniform approach to compliance with the applicable standards or procedures issued by the CMP and/or the Board;
- (d) **Clarifications:** Clarifications are issued to alleviate confusion that has arisen relating to a standard or procedure. Clarifications are designed to achieve a uniform approach to compliance with the applicable standards or procedures issued by the CMP and/or the Board. Clarifications are transitory in nature, pending the next revision of the related standard or procedure, which takes into account and incorporates the clarification.



3. Rulings

6. Rulings of the Board relating to the observance of the modalities and procedures for the CDM as defined in Article 12 of the Kyoto Protocol are published as annexes to the Board meeting report and include the following categories:

- (a) **Accrediting operational entities:** Includes rulings resulting in recommendations to the CMP for the designation of operational entities such as: accrediting and provisionally designating entities for section specific validation/certification functions; rulings relating to outcomes and recommendations of the CDM-AP on spot-checks;
- (b) **Approving methodologies:** Includes rulings relating to requests for approval of methodologies; requests for clarifications to approved methodologies and/or tools; requests for revisions to approved methodologies; requests for consolidation of methodologies, requests for deviations to approved methodologies;
- (c) **Registering project activities:** Includes rulings relating to the registration of CDM project activities, such as requests for review; projects under review; projects to be registered with corrections following consideration of a request for review or after a review; requests for review for renewal of the crediting period; projects under review for renewal of a crediting period;
- (d) **Issuing certified emissions reduction units:** Includes rulings relating to the issuance of certified emission reduction units and the CDM registry, such as requests for review; projects under review; issuance of CERs with corrections following consideration of a request for review or after a review; requests for deviations; requests for revisions of monitoring plan.



Diagram I: Classification of Decisions

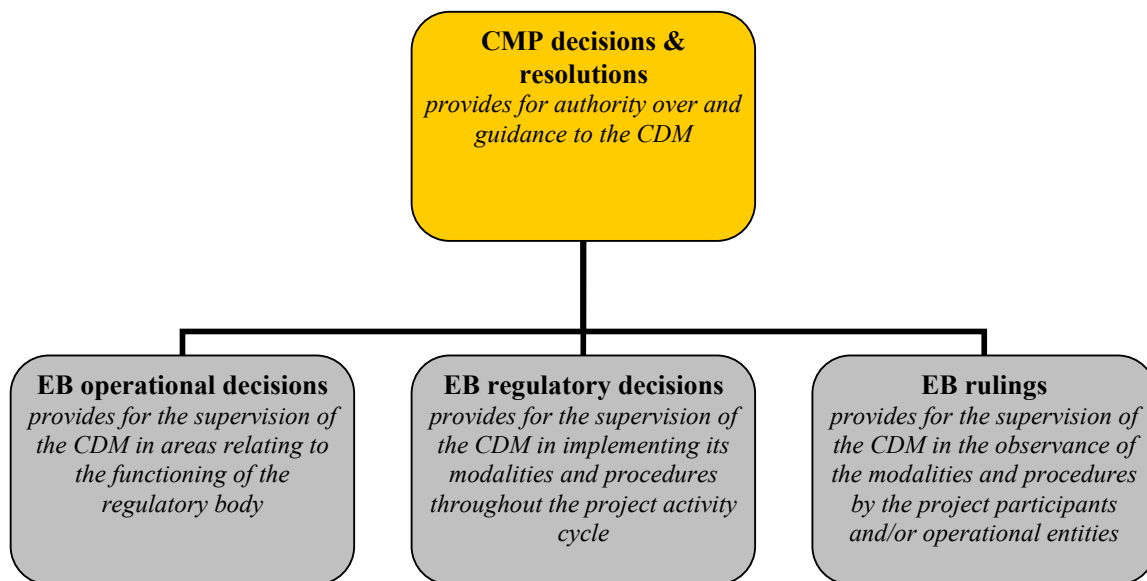
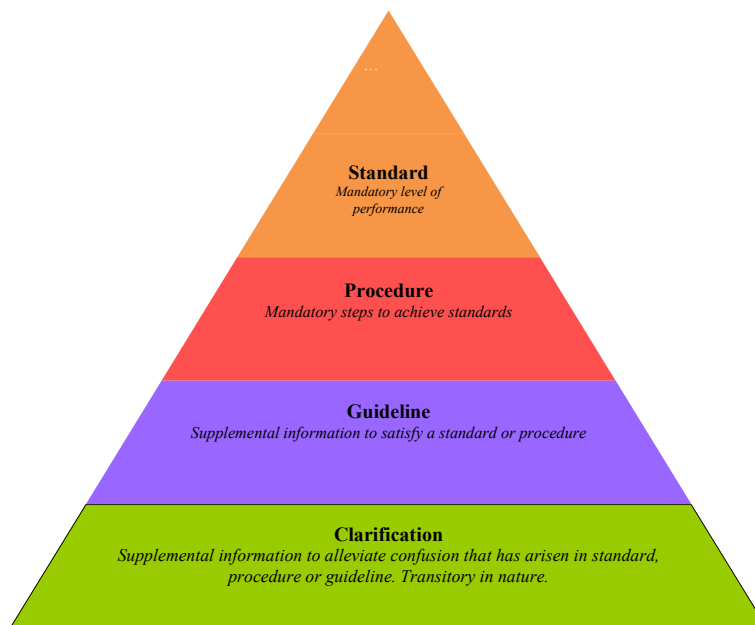


Diagram II: Hierarchy of Regulatory Decisions





History of the document

Version	Date	Nature of revision
01	EB 47, Annex 61, 28 May, 2009	Initial adoption