



Annex 22

GUIDELINES ON THE DEMONSTRATION AND ASSESSMENT OF PRIOR CONSIDERATION OF THE CDM

(version 03)

A. Background

1. In consideration of requests for registration, the Executive Board takes notes that the issue of prior consideration of the CDM as a major element in assessing that the CDM benefits were considered necessary in the decision to undertake the project as a CDM project activity. As such the Board at its 41st meeting has introduced a guidance on the means of demonstrating compliance with this requirement. These guidelines are revised to reflect the evolution of knowledge and best practice in this area.

B. New project activities

2. The Board decided that for project activities with a starting date on or after 02 August 2008, the project participant must inform a Host Party DNA and the UNFCCC secretariat in writing¹ of the commencement of the project activity and of their intention to seek CDM status. Such notification must be made within six months of the project activity start date and shall contain the precise geographical location and a brief description of the proposed project activity, using the standardized form F-CDM-Prior Consideration. Such notification is not necessary if a PDD has been published for global stakeholder consultation or a new methodology proposed to the Executive Board for the specific project before the project activity start date.

3. The UNFCCC secretariat will maintain a publicly available list of such notifications.

4. When validating a project activity with a start date on or after 2 August 2008, DOEs shall ensure by means of confirmation from the UNFCCC secretariat that such a notification had been provided. If such a notification has not been provided, the DOE shall determine that the CDM was not seriously considered in the decision to implement the project activity.

5. Additionally for project activities for which a PDD has not been published for global stakeholder consultation or a new methodology proposed or request for revision of an approved methodology is requested, every subsequent two years after the initial notification the project participants shall inform the UNFCCC secretariat of the progress of the project activity

C. Existing project activities

6. Proposed project activities with a start date before 2 August 2008, for which the start date is prior to the date of publication of the PDD for global stakeholder consultation, are required to demonstrate that the CDM was seriously considered in the decision to implement the project activity. Such demonstration requires the following elements to be satisfied:

- (a) The project participant must indicate awareness of the CDM prior to the project activity start date, and that the benefits of the CDM were a decisive factor in the decision to proceed with the project. Evidence to support this would include, *inter alia*, minutes and/or notes related to the consideration of the decision by the Board of Directors, or equivalent, of the project participant, to undertake the project as a CDM project activity.

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(b) The project participant must indicate, by means of reliable evidence, that continuing and real actions were taken to secure CDM status for the project in parallel with its implementation. Evidence to support this should include, *inter alia*, contracts with consultants for CDM/PDD/methodology services, Emission Reduction Purchase Agreements or other documentation related to the sale of the potential CERs (including correspondence with multilateral financial institutions or carbon funds), evidence of agreements or negotiations with a DOE for validation services, submission of a new methodology to the CDM Executive Board, publication in newspaper, interviews with DNA, earlier correspondence on the project with the DNA or the UNFCCC secretariat.

7. Assessment of real and continuing actions shall be validated by the DOE and the validation should focus on real documented evidence as indicated in paragraph 6 (b), including an assessment by the DOE of the authenticity of the evidence.

8. In validating proposed CDM project activities where:

- (a) there is less than 2 years of a gap between the documented evidence the DOE shall conclude that continuing and real actions were taken to secure CDM status for the project activity;
- (b) the gap between documented evidence is greater than 2 years and less than 3 years, the DOE may validate that continuing and real actions were taken to secure CDM status for the project activity and shall justify any positive or negative validation opinion based on the context of the evidence and information assessed;
- (c) the gap between documented evidence is greater than 3 years, the DOE shall conclude that continuing and real actions were not taken to secure CDM status for the project activity.

9. If evidence to support the serious prior consideration of the CDM as indicated above is not available the DOE shall determine that the CDM was not considered in the decision to implement the project activity.

History of the document

Version	Date	Nature of revision
03	EB 49, Annex 22, 11 September 2009	Clarifications regarding the validation of real and continuing actions
02	EB 48, Annex 61, 17 July 2009	Revision of the guideline to require all notifications to be sent to the UNFCCC secretariat, to require the secretariat to make a maintain a publicly available list and to provide a standardized form for notifications.
01	EB 41, Annex 46, 2 August 2008	Initial adoption
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