

**DRAFT****Annex 4****DRAFT REVISION TO THE PROCEDURES FOR THE SUBMISSION AND CONSIDERATION
OF A PROPOSED NEW BASELINE AND MONITORING METHODOLOGY FOR LARGE
SCALE CDM PROJECT ACTIVITIES *****(Version 14)****I. BACKGROUND**

1. This document contains the procedure for submission and consideration of a proposed new baseline and monitoring methodology for large scale CDM project activities (PNM) developed according to Modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol¹. It operationalizes paragraph 38 of the above mentioned modalities.

II. CONSIDERATION PROCESS

2. In order to propose a new baseline and monitoring methodology for consideration by the Executive Board, project participants shall use the latest version of the “CDM: Proposed new methodology form” (CDM-NM). The project participants shall make the submission via a Designated Operational Entity (DOE), using the UNFCCC CDM electronic submission interface. The submission shall contain also a draft project design document (CDM-PDD) containing as a minimum, completed sections A to C (including relevant annexes), providing an example of the application of the PNM.
3. A submission fee of USD 1,000 shall be charged to project participants when submitting a PNM. The submission fee is not refundable and shall be paid each time a PNM is submitted or resubmitted. However, if the methodology is approved and the project activity for which it was developed is registered, the registration fee shall be lowered by the fee mentioned above.²
4. The secretariat shall check that:
- (a) The “CDM: Proposed new methodology form” has been duly filled by the DOE;
 - (b) The documentation submitted by the DOE, as referred in paragraph 2 above, is complete; and
 - (c) The proof of payment of the submission fee has been received by the secretariat.

If all the above mentioned conditions are met, the secretariat shall inform the DOE that their submission is complete. In case the submission is not complete, the secretariat shall inform the DOE of the reasons why the submission cannot be considered as complete and request them to submit the completed documentation. For the complete submissions the secretariat shall prepare a draft pre-assessment of the

* Due to the overall modification of the document, no highlights of the changes are provided.

¹ Decision 3/CMP.1.

² The Executive Board, at its twenty-third meeting, clarified that the refundable fee (USD 1,000) for submission for proposed new methodologies shall also be refunded if the proposed methodologies are incorporated in consolidations or in existing approved methodologies.

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PNM using the latest version of the “CDM: Proposed new methodology assessment form” (F-CDM-NMas)³ to assess the quality of the submission.

5. The draft pre-assessment and the documentation submitted by the project participants (CDM-NM and CDM-PDD, including relevant annexes) shall be forwarded by the secretariat to two members of the Methodologies Panel for consideration. These members are required to assess the quality of the submission in accordance with the criteria for pre-assessment as contained in the latest version of the “CDM: Proposed new methodology assessment form” (F-CDM-NMas). The outcome of the pre-assessment of the PNM shall be agreed by the Chair of the Methodologies Panel. If the PNM is assessed to be *qualified*, it shall be taken up for further consideration by the Executive Board. If the PNM is assessed to be *disqualified*, it shall be sent back to the project participants without further consideration.

6. All documentation related to the *qualified* PNM shall be forwarded by the secretariat for consideration by the Methodologies Panel and made publicly available on the UNFCCC CDM website in order to invite public inputs. Public inputs on a PNM shall be made using the current version of the “Proposed new methodology - public comment form” (F-CDM-NMpu).⁴

7. For each PNM that is forwarded to the Methodologies Panel, two members of the Methodologies Panel, one as lead who will be responsible for presenting the case at the meetings, shall be selected to independently assess the PNM.

8. The Methodologies Panel shall review the PNM based on the draft recommendations prepared by the secretariat. The draft recommendations shall be prepared by the secretariat accounting for inputs from the desk reviews and the public, obtained using the following steps:

- (a) The Chair of the Methodologies Panel, in consultation with the two selected Methodologies Panel members, approves two desk reviewers (a lead and a second reviewer) proposed by the secretariat, of which the lead reviewer shall be selected from the roster of experts.⁵ The second reviewer may be selected from the roster of experts or he/she may be a sectoral/industry/technology expert, not included in the roster of experts. Both reviewers shall independently undertake desk reviews to assess the PNM.
- (b) Each desk reviewer shall prepare his/her recommendation to the Methodologies Panel, in accordance with the provisions of the Modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol,⁶ under the guidance of the Chair of the Methodologies Panel. He/she shall deliver it to the secretariat, using the respective current version of the forms “CDM: Proposed new methodology – lead expert desk review form” (F-CDM-NMex_3d) or “CDM: Proposed new methodology – second expert desk review form” (F-CDM-NMex_2d)⁷ or “CDM: Proposed new methodology – specialized expert desk review form” (F-CDM-NMex_Sect).⁸

9. The consideration of PNMs by Methodologies Panel shall be completed within four meetings of the Panel.

³ The current version of the form (F-CDM-NMas) is available on the UNFCCC CDM web site (section “Forms”).

⁴ The current version of the form (F-CDM-NMpu) is available on the UNFCCC CDM web site (section “Forms”).

⁵ The roster of expert is to be maintained by the secretariat.

⁶ Decision 3/CMP.1.

⁷ The current versions of the forms are available on the UNFCCC CDM web site (section “Forms”).

⁸ This form shall be used by the sectoral/ industry/technology expert.

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10. The outcome of the consideration of a PNM agreed by the Methodologies Panel in each of the meetings mentioned above shall be one of the following types: (a) final recommendation to approve (referred to as A); (b) final recommendation not to approve (referred to as C); (c) preliminary recommendation; (d) work-in-progress (referred to as WIP).

11. In case the recommendation of the Methodologies Panel to the Executive Board is to approve the PNM, the secretariat shall publish on the CDM website:

- (a) The final recommendation using the “CDM: Proposed New Methodology (CDM-NM)” form;
- (b) The summary recommendation using the “CDM: Methodologies Panel summary recommendation to the Executive Board” (F-CDM-NMSUMmp)⁹ form;
- (c) The draft reformatted methodology based on the PNM.

12. In case the recommendation of the Methodologies Panel to the Executive Board is not to approve the PNM, the secretariat shall publish on the CDM website:

- (a) The final recommendation using the “CDM: Proposed New Methodology (CDM-NM)” form;
- (b) The summary recommendation using the “CDM: Methodologies Panel summary recommendation to the Executive Board” (F-CDM-NMSUMmp) form.

13. In case the Methodologies Panel agrees to a preliminary recommendation, the secretariat shall publish on the CDM website the preliminary recommendation using the “CDM: Proposed New Methodology (CDM-NM)” form, and forward it to the project participants, copying the DOE.

14. After the receipt of the preliminary recommendation mentioned above, the project participants may submit (copying the DOE) through the secretariat, clarifications to the Methodologies Panel on technical issues concerning the PNM raised in the recommendation. If technical clarifications provided by the project participants include the revisions in the “CDM: Proposed New Methodology (CDM-NM)” form then all changes shall be highlighted. Clarifications provided by the project participants shall be made available to the Executive Board and uploaded on the CDM website after they have been received by the secretariat.

15. The Methodologies Panel may consider the PNM as “work-in-progress” if:

- (a) An expert input is awaited to finalize the recommendation;
- (b) The PNM is being reformatted by the secretariat and/or subjected to quality control process;
- (c) Further guidance from the Executive Board or CMP is needed to finalize the recommendation.

⁹ The current versions of the form F-CDM-NMSUMmp) is available on the UNFCCC CDM web site (section “Forms”).

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16. The reason for consideration of the PNM as “work-in-progress” shall be explained in the meeting report of Methodologies Panel.
17. A PNM may be treated as “work-in-progress” for a period no longer than two meetings of the Methodologies Panel. If the issues as mentioned in paragraph 15 above can not be solved within the period of two meetings of the Methodologies Panel, then they shall be presented to the Executive Board at its next meeting in order to obtain an advice regarding further consideration of the PNM.
18. In case a PNM is considered as “work-in-progress” due to the reasons specified in paragraphs 15 (a) and 15(c) above, then the provisions of paragraphs 9. and 17. do not apply.
19. The draft reformatted methodology referred to in paragraph 15 (b) above shall be sent to project participants at least two weeks before the meeting of the Methodologies Panel in which the final recommendation should be considered. The project participants shall inform the secretariat whether the draft reformatted methodology is applicable to their project. They may also identify the changes needed to be applied in the draft reformatted methodology in order to make it applicable to their project and request the Methodologies Panel to consider them.
20. The Methodologies Panel shall consider the project participants’ requests in order to possibly include them into the draft reformatted methodology. If the Methodologies Panel does not agree to the project participants’ requests, it may recommend to the Executive Board the draft reformatted methodology without accounting for the project participants’ requests. The Methodologies Panel shall justify its recommendation.
21. The secretariat, on behalf of the Methodologies Panel, may request at any stage of the consideration of the PNM, copying the DOE, project participants to make available additional technical information necessary for further clarification or analysis of the PNM within a defined timeframe. Any significant technical information provided by project participants to the Methodologies Panel shall be made available to the Executive Board and uploaded on the CDM website after receipt by the secretariat.
22. All PNMs that were not accepted after pre-assessment or that were not approved by the Executive Board may be resubmitted for the consideration of the Executive Board at any time following this procedure.

III. TIMELINES OF THE PROCESS

23. The project participants may submit a PNM at any time. All PNMs that are received by the Executive Board after the deadline for a respective round of submissions of PNMs will be considered together with PNMs submitted for the subsequent round, taking into account priorities set by the Executive Board.
24. The completeness check of the submitted PNM shall be conducted by the secretariat within five working days of closure of the round of methodologies submission. For a submission which is not complete, the DOE may within 48 hours since receiving the relevant communication from the secretariat, submit the corrected documents.
25. The pre-assessment of the submitted PNM shall be completed by the secretariat in consultation with the selected members and the Chair of the Methodologies Panel, within 30 days after the closing date of the round of submission. The PNM is considered to be received by the Executive Board, once it is accepted under the pre-assessment.

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26. A PNM shall be open for public inputs during a period of 15 working days. Comments received shall be forwarded to the Methodologies Panel and uploaded on the UNFCCC CDM website at the end of the 15-working-day period.
27. The desk reviews shall be completed within 10 working days after receipt of the legal contract for this work.
28. If project participants provide clarifications related to a preliminary recommendation by the Methodologies Panel within a deadline of four weeks after the receipt of the preliminary recommendation, then the PNM shall be considered at the subsequent meeting of Methodologies Panel. If no response to the preliminary recommendation is provided within three (3) months after the date of the report of Methodologies Panel meeting in which the case received its preliminary recommendation, then the submission shall be considered as withdrawn.
29. The Executive Board shall consider a PNM at the next meeting following the receipt of the final recommendation regarding the approval (“A” recommendation) or non-approval (“C” recommendation) of the PNM by the Methodologies Panel.

IV. CONFLICT OF INTEREST AND CONFIDENTIALITY

30. Each member of Methodologies Panel, all desk reviewers and external experts shall declare, in writing, to the secretariat, any conflict of interest with respect to PNMs considered/analysed by them.
31. Each member of the Methodologies Panel, all desk reviewers and external experts shall respect the confidentiality of all confidential information acquired in his/her position as the member of Methodologies Panel or the desk reviewers or external experts and not make improper use of or disclose such confidential information to third parties.

V. REMUNERATION FOR WORK ON PROPOSED NEW METHODOLOGIES

32. The two Methodologies Panel members selected for the review of the draft pre-assessment of the PNM prepared by the secretariat shall be paid a fee for one (1) day.
33. The two Methodologies Panel members selected for the review of the PNM based on the draft recommendation prepared by the secretariat shall be paid a fee for one (1) day.
34. The desk reviewer undertaking the lead review of a PNM shall be paid a fee for three (3) days and the reviewer undertaking the second review shall be paid a fee for two (2) days for the first 100 pages of the PNM and for each additional 30 pages, or part thereof, a fee for one (1) day. The second reviewer, when providing specialized expertise, will be paid a fee for three (3) days.

VI. OTHER ITEMS

35. In case more than ten (10) PNMs are submitted by a deadline for submissions of PNMs, the Chair of the Methodologies Panel shall ascertain how many PNMs shall be analyzed at the next meeting of the Methodologies Panel and decide to postpone the analysis of remaining submissions to the subsequent meeting of the Methodologies Panel. Submissions received and confirmed to be *qualified* in pre-assessment by the appointed Methodologies Panel members and agreed by Chair of the Methodologies Panel, shall be treated on a “first come first served” basis, accounting for the priorities decided by the Executive Board.



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36. The Executive Board may decide to change the deadline for submissions of PNMs taking into account the workload of the Methodologies Panel.

**DRAFT****Appendix 1****Provisions and criteria for including experts in the
“UNFCCC roster of experts – CDM methodologies”****CDM Expert (Lead or second expert, in case second expert is selected as CDM expert)**

1. CDM expert in order to undertake a desk review of a PNM shall comply with the following requirements:

- (a) Familiarity with the CDM modalities and procedures and relevant decisions of the COP (or COP/MOP);
- (b) Relevant experience related to working on CDM project activities including development of CDM project design documents, consulting on CDM projects or experience in industry conceptualizing and developing the CDM projects;
- (c) Technical/scientific experience related to development, review or application of baseline and/or monitoring methodologies, *inter alia*, through publications;
- (d) Advanced university degree in energy management/systems, renewable energy, environmental studies, natural sciences, engineering, development studies, economics, or any related discipline;
- (e) Good analytical and drafting skills;
- (f) Good working knowledge in English. Working knowledge of other UN languages desirable;
- (g) Free from any interest that might cause him/her to act in other than an impartial and non-discriminatory manner.

Sectoral/Industry/Technology Expert (In case second expert require sectoral/industry/technology knowledge)

2. The sectoral/industry/technology expert in order to undertake a desk review of a PNM shall comply with the following requirements:

- (a) At least five years of working experience either in related industry or consulting or related work in the relevant industry/sector;
- (b) Relevant working experience related to sector specific project activities/technologies including development of project feasibility documents, engineering consultancy on related technology/projects or technical experience in relevant sector/industry;
- (c) Advanced university degree in energy management/systems, renewable energy, environmental studies, natural sciences, engineering, development studies, economics, or any related discipline;
- (d) Good analytical and drafting skills;

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- (e) Good working knowledge in English. Working knowledge of other UN languages desirable;
- (f) Free from any interest that might cause him/her to act in other than an impartial and non-discriminatory manner.

3. An expert applying for the roster of experts to undertake desk reviews of PNM shall provide, in addition to the P11, a detailed information on working and/or scientific and technical experience.
