

**DRAFT****Annex 6****TERMS OF REFERENCE FOR THE CLEAN DEVELOPMENT MECHANISM
PROJECT ASSESSMENT COMMITTEE (CDM-PAC)****(Version 01)****A. Background**

1. The Conference of the Parties serving as the meeting of the Parties (CMP) in its guidance to the Executive Board has requested that the Board take measures to emphasize its executive and supervisory role. The CMP has also requested that the Board take measures to streamline the registration and issuance processes. In response to these requests the Executive Board hereby establishes a Project Assessment Committee. The establishment of this Committee will enable the Executive Board to focus its own efforts on taking policy related decisions and managing the continued growth of the CDM.

B. Areas of work

2. In accordance with the “Procedures for review of requests for registration” and the “Procedures for review of requests for issuance” the CDM-PAC is tasked by the Executive Board with the role of making rulings on those requests for registration and issuance which have received request for review from at least three members of the Executive Board or one Party involved.

C. Membership in the committee**Size and composition:**

3. The Executive Board shall select twelve members of the Project Assessment Committee from a short list prepared by the secretariat, based on an invitation to experts to submit their applications for membership on the UNFCCC CDM website. The Executive Board will take fully into account the consideration of regional and gender balance. The Executive Board shall select, from among the twelve appointed members of the CDM-PAC, a Chair of the Committee.

4. Employees of Designated Operational Entities or Designated National Authorities shall not be eligible to serve as members of the Committee.

5. Each member shall serve for a term of 12 months. No member shall serve for a consecutive period of more than two years.

Competence requirements:

6. Each Committee member is expected to comply with the requirements contained in the general guidelines for panels¹, and also:

- (a) Have demonstrated relevant working experience of at least three (3) years at managerial/decision making level;
- (b) Have demonstrated relevant working experience of at least three (3) years in the area of project design, implementation or financing;

¹ The general guidelines for panels have been approved on 22 March 2002 by the Executive Board in accordance with rule 29 of the draft rules of procedure.

**DRAFT**

- (c) Have knowledge and understanding of the modalities and procedures of the CDM;
 - (d) Have advance university degree in economics, environmental studies, natural sciences, engineering, development studies, or any related discipline.
7. Collectively the Committee shall possess expertise related to:
- (a) Project finance, and investment decision making;
 - (b) The design and implementation of greenhouse gas emission reduction projects;
8. The Executive Board shall require members of the CDM-PAC to commit in writing to comply with the rules defined by the Executive Board and the modalities and procedures for a CDM, in particular with regard confidentiality and to independence from commercial and other interests, including any existing or prior association with a project activity to be assessed.

Compensation:

9. Travel costs and daily subsistence allowance shall be paid to CDM-PAC members attending a meeting of the committee in accordance with UN rules and regulations.
10. Members of the CDM-PAC shall be paid fees (USD400/day) for attending meetings of the CDM-PAC, in accordance with United Nations rules and regulations.
11. The Chair of the CDM-PAC shall be paid fees for an additional day for each meeting to cover the costs associated with his/her involvement in the planning and administration of the meeting.
12. Members of the CDM-PAC shall be paid fees for assessing recommendations in advance of meetings of the CDM-PAC, in accordance with United Nations rules and regulations, on the basis of one days remuneration (USD400) for each five recommendations assessed.
13. The secretariat, in consultation with the Chair of the CDM-PAC, shall be responsible for determining whether issues related to the quality of performance may impact the payment of fees to members for the assessment of recommendations.

D. Meetings of the project assessment committee

14. The schedule of the project assessment committee shall be established by the Chair of the Committee in consultation with the secretariat. The regularity of meetings shall be determined based on the estimated volume of recommendations to be discussed, but shall not be less than once every six weeks.
15. Meetings of the Project Assessment Committee shall not exceed three days unless authorized by the Chair of the Executive Board.
16. Each meeting of the Project Assessment Committee shall be attended by the Chair of the Committee and between four and six other members from the established list of twelve members.
17. The Chair of the Committee shall determine which members to invite to specific meetings of the Committee, based upon advise from the secretariat which accounts for the quantity and type of recommendations which are scheduled to be discussed.

**DRAFT****E. Modalities of work**

18. The Committee shall assess the recommendations prepared by secretariat, in accordance with the Procedures for review of requests for registration and the Procedures for review of requests for issuance, to ensure that the such recommendations are in conformity with the CDM requirements.

19. A member shall:

- (a) Treat with strict confidentiality any of the information which s/he receives in the context of the work for the CDM-PAC which is not public;
- (b) Declare on assigned cases and issues, whether or not s/he is in a situation of perceived conflict of interest

20. Each recommendation scheduled to be discussed at a specific meeting of the Project Assessment Committee shall be assigned to a member of the Committee no later than one week in advance of the meeting. The member is expected to be prepared to highlight issues, as appropriate, for consideration by the Committee in relation to each assigned recommendation.

21. The Committee may decide at its discretion to undertake further interaction with the DOE and project participants through written correspondence, teleconferences, or in-person discussions as appropriate. The Committee may also direct the secretariat to undertake such interactions.

22. The Committee may request input from members of the registration and issuance team in accordance with the “Terms of reference for the registration and issuance team”. If more extensive consultancy advice is required on a particular matter the Committee shall seek the approval of the Chair of the Board prior to undertaking any such expenditure.

23. The Committee shall endeavour to conduct its work via consensus. If the Chair deems that consensus cannot be achieved for a project under consideration the ruling shall be made by means of simple majority voting.

24. In cases where the Committee cannot decide on a ruling at a meeting due to the need to seek additional information or undertake additional analysis and where the dates of the next meeting would not allow for reconsideration prior to the deadline for submission of a ruling to the Executive Board the Chair of the Committee shall finalize the ruling by means of electronic decision making and may reconvene the meeting of the Committee by teleconference.

25. In cases where the Committee is requested by the Executive Board to reconsider a ruling and where the dates of the next meeting would not allow for reconsideration prior to the deadline for submission the outcome of the reconsideration to the Executive Board the Chair of the Committee shall finalize the ruling by means of electronic decision making and may reconvene the meeting of the Committee by teleconference.

26. The secretariat shall communicate the rulings of the Committee to the Executive Board in accordance with the Procedures for review of requests for registration and Procedures for review of requests for issuance.

27. The Executive Board may invite the Chair of the CDM-PAC to attend meetings of the Executive Board as appropriate.

- - - - -