

DRAFT
CLEAN DEVELOPMENT MECHANISM
PROJECT DESIGN DOCUMENT FORM (CDM-PDD)
Second Version (Ver02) (in effect as of: XX Month 2003)

Introductory Note

1. This document contains the clean development mechanism project design document (CDM-PDD). The document is in conformity with the relevant modalities and procedures for the Project Design Document for CDM project activities as defined in Appendix B "Project Design Document" to the CDM modalities and procedures (decision 17/CP.7 contained in document FCCC/CP2001/13/Add.2).
2. The CDM-PDD may be obtained electronically from the UNFCCC CDM web site (<http://unfccc.int/cdm>), by e-mail (cdm-info@unfccc.int) or in printed format from the UNFCCC secretariat (Fax: +49-228-8151999).
3. *Explanations* for project participants are in italics.
4. Terms which are underlined with a broken line are explained in the "CDM PDD Glossary of Terms". It is recommended that before or during the completion of the form that project participants consult the most recent version of the "CDM-PDD Glossary of Terms".
5. Project participants should also consult the section "Guidance – clarifications" available on the UNFCCC CDM web site (<http://unfccc.int/cdm>) or from the UNFCCC secretariat by e-mail (cdm-info@unfccc.int) or in print via fax (+49-228-815 1999).
6. The CDM-PDD presents information on the essential technical and organizational aspects of the project activity and is a key input into the validation, registration, and verification of the project as required under the Kyoto Protocol to the UNFCCC. The relevant modalities and procedures are detailed in decision 17/CP.7 contained in document FCCC/CP2001/13/Add.2.
7. The CDM-PDD contains information on the project activity, the approved baseline methodology applied to the project activity, and the approved monitoring methodology applied to the project. It discusses and justifies the choice of baseline methodology and the applied monitoring concept, including monitoring data and calculation methods.
8. Project participants should submit the completed version of the CDM-PDD, together with attachments if necessary, to an accredited designated operational entity for validation. The designated operational entity then examines the adequacy of the information provided in the CDM-PDD, especially whether it satisfies the relevant modalities and procedures concerning CDM project activities. Based on this examination, the designated operational entity makes a decision regarding validation of the project.
9. The Executive Board may revise the format of the Project Design Document (CDM-PDD), if necessary. Revisions shall not affect CDM project activities submitted for registration prior to the date on which a revised version of the CDM-PDD enters into effect. Versions of the CDM-PDD shall be consecutively numbered and dated.

10. In accordance with the CDM M&P, the working language of the Board is English. The CDM PDD shall therefore be submitted in English to the Executive Board. However, the CDM PDD format is available on the UNFCCC CDM web site for consultation in all six official languages of the United Nations.

11. The CDM-PDD should be completed without modifying its format, headings, font or logo.

12. This form is not applicable to afforestation and reforestation CDM project activities. Please consult the UNFCCC CDM web site for obtaining information regarding the CDM-PDD form for afforestation and reforestation CDM project activities.

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A. General description of project activity**A.1 Title of the project activity:**

>>

A.2. Description of the project activity:*(Please include in the description**- the purpose of the project activity**- the view of the project participants of the contribution of the project activity to sustainable development (max. one page).)*

>>

A.3. Project participants:**A.3. Project participants and allocation of expected volumes of CERs (Netherlands' Ministry of Housing, Spatial Planning and the Environment)**

(In accordance with the use of the term project participant in the CDM modalities and procedures, a project participant is either a Party involved or, in accordance with paragraph 33 of the CDM modalities and procedures, a private and/or public entity authorized by a Party to participate, under the Party's responsibility, in CDM project activities. Project participants are Parties or private and/or public entities that take decisions on the allocation of certified emission reductions (CERs) from the project activity under consideration. At registration, a statement signed by all project participants shall be provided clarifying the modalities of communicating with the Executive Board and the secretariat, in particular with regard to instructions regarding allocations of CERs at the point of issuance.

Please list Party(ies) and private and/or public entities and significant intermediaries (World Bank) involved in the project activity and provide contact information in Annex 1.

Please indicate at least one of the above as the main contact for the CDM project activity.)

The main purpose of this chapter should be to specify:

- the project participants
- the expected volume of the CERs to be generated by the project
- the agreement between project participants on the distribution (and hence allocation) of the expected volume of CERs (Netherlands' Ministry of Housing, Spatial Planning and the Environment)

Although the EB is neither supposed to take position in any possible disputes between project participants nor to assume any liability for the contractual arrangements between them, a clear and unambiguous specification of the expected volumes of CERs, including its agreed distribution between project participants, can be extremely helpful in preventing such disputes. The explanatory text of A.3. should support this.

However the explanatory sentence "At registration, a statement signed by all project participants shall be provided clarifying the modalities of communicating with the Executive Board and the Secretariat, in particular with regard to instructions regarding allocations at the point of issuance"

should be more specific, since “instructions regarding allocations at the point of issuance” may be interpreted as if until the moment of issuance the distribution/allocation could be changed, even unilaterally. So this wording has to be made more unambiguous, indicating that the instructions regarding allocations can not be changed without written consent of all project participants involved.

We suggest to add to the explanatory sentence: “Possible changes to such statement require written consent of all project participants involved”

Finally we request the EB to develop and distribute a standardized format for the aforementioned project participants statement. **(Netherlands’ Ministry of Housing, Spatial Planning and the Environment)**

The section should be made more specific with an explicit reference to the distribution of CERs between project participants. The EU would like to ask the Executive Board to clarify the wording contained in the second sentence of the explanatory text of section A.3. on the allocation of CERs between project participants and/or Parties. The EU suggests to use the word *distribution* as opposed to *allocation*. The Executive Board already clarified that at registration, a statement signed by all project participants shall be provided in order to:

- clarify modalities of communication;
- give instructions regarding distribution of the expected amount of CERs at the point of issuance.

The PDD should be clear on these two points in order to ensure that no changes in the distribution of CERs can be accepted by the Executive Board unless all project participants and/or Parties agree to do so in writing. In addition, the Executive Board should check that the definition of project participants included in the glossary is consistent with the Marrakech Accords. **(Italy on behalf of the European Community and its member states)**

A.3. (Project Participants): Explanation should be added for the case of so-called “Carbon Funds”, if the members of the Fund is needed in the participant list or not. **(Climate Experts)**

>>

A.4. Technical description of the project activity:

A.4.1. Location of the project activity:

A.4.1.1 Host Party(ies):

>>

A.4.1.2 Region/State/Province etc.:

>>

A.4.1.3 City/Town/Community etc:

>>

A.4.1.4 Detail of physical location, including information allowing the unique identification of this project activity (*maximum one page*):

>>

A.4.2. Category(ies) of project activity

(Using the list of categories of project activities and of registered CDM project activities by category available on the UNFCCC CDM web site, please specify the category(ies) of project activities into which this project activity falls. If no suitable category(ies) of project activities can be identified, please suggest a new category(ies) descriptor and its definition, being guided by relevant information on the UNFCCC CDM web site.)

>>

Using the list of categories of project activities and of registered CDM project activities by category available on the UNFCCC CDM web site, please specify the category(ies) of project activities into which this project activity falls. If no suitable category(ies) of project activities can be identified, please suggest a new category(ies) descriptor and its definition, being guided by relevant information on the UNFCCC CDM web site. **(World bank)**

The list of categories mentioned in the explanations is not available on the UNFCCC web site, thus further guidance would be useful on this point. It is not clear how the word “project category” should be interpreted and it may confused with the sectoral scopes identified by the Meth Panel for the accreditation of DOEs. **(Italy on behalf of the European Community and its member states)**

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A.4.3. Technology to be employed by the project activity:

*(This section should include a description on how environmentally safe and sound technology and know-how to be used is transferred to the host Party, [if any] **(World Bank.)***

A general description of the technology to be employed by the project is useful for the Designated Operational Entity in order to accurately assess the CDM activity. The explanation text for project participants is not clear as it focus only on the transfer of technology. Although a CDM project should lead to the transfer of environmentally safe and sound technology, DOE is not supposed to evaluate it as it is not a validation requirement. We suggest that additional guidance should be provided. **(Italy on behalf of the European Community and its member states)**

Provide more information on why this paragraph is inserted. Technology transfer is an objective of the CDM, but not an obligation. **(Netherlands' Ministry of Housing, Spatial Planning and the Environment)**

>>

A.4.4. Brief explanation of how the anthropogenic emissions of anthropogenic greenhouse gas (GHGs) by sources are to be reduced by the proposed CDM project activity, including why the emission reductions would not occur in the absence of the proposed project activity, taking into account national and/or sectoral policies and circumstances:

*(Please explain briefly how anthropogenic greenhouse gas (GHG) emission reductions are to be achieved (detail to be provided in section B) and provide the estimate of anticipated **total** reductions in tonnes of CO₂ equivalent as determined in section E below.*

Max. length one page)

>>

A.4.5. Public funding of the project activity:

(In case public funding from Parties included in Annex I is involved, please provide in Annex 2 [information on sources of public funding for the project activity, including an affirmation that such funding does not result in a diversion of official development assistance and is separate from and is not counted towards the financial obligations of those Parties][information on sources of public funding for the project activity from Parties included in Annex I which shall provide an affirmation that such funding does not result in a diversion of official development assistance and is separate from and is not counted towards the financial obligations of those Parties].)

We have no strong preference for either the first or second option. **(Netherlands' Ministry of Housing, Spatial Planning and the Environment)**

Textual proposal: "In case public funding from Parties included in Annex I is involved, please provide information on sources of public funding for the project activity, including an affirmation that such funding does not result in a diversion of official development assistance and is separate from and is not counted towards the financial obligations of those Parties." **(World Bank)**

There appears to be no reason to include the requested information in a separate Annex 2. A response in A.4.5 should suffice and streamline the document. **(World Bank)**

The question would benefit from an EB decision on how ODA in CDM projects should be handled, in particular a definition of what constitutes a "diversion of ODA", whether ODA can be used for an underlying project within the project boundaries (feasibility study, basic investments etc.), or whether only ODA in the CDM component of a project (e.g. purchase of CERs) is to be considered. To our information, OECD DAC is preparing a decision on the accounting of ODA in CDM projects, which might have to be considered. **(World Bank)**

Textual proposal: "In case public funding from Parties included in Annex I is involved, please provide in annex 2 information on sources of public funding for the project activity from Parties included in Annex I which shall provide an affirmation that such funding does not result in a diversion of official development assistance and is separate from and is not counted towards the financial obligations of those Parties." **(The Government of Japan, Ministry of Foreign Affairs)**

Regarding A. 4.5, we would like to emphasize that the words shown in the 2nd brackets, which are stated below, should remain in the second version of CDM-PDD since it is the responsibility of donor countries, i.e., the Parties included in Annex I that explain the nature of public funding used for implementing CDM project. **(The Government of Japan, Ministry of Foreign Affairs)**

>>

B. Application of a baseline methodology

(Where project participants wish to propose a new baseline methodology, please complete the form for “Proposed New Methodology: Baseline”(F-CDM-PDD-NMB) and subsequently complete the sections A-E of the CDM-PDD to demonstrate the application of the proposed new methodology to the project activity.)

>>

B.1 Title and reference of the approved baseline methodology applied to the project activity:

(Please refer to the UNFCCC CDM web site for the title and reference list as well as the details of approved baseline methodologies. If a new baseline methodology is proposed, please complete the form for “Proposed New Methodology: Baseline”(F-CDM-PDD-NMB). Please note that the table “Baseline data” contained in Annex 3 is to be prepared in parallel to completing the remainder of this section.)

>>

B.2. Justification of the choice of the methodology and why it is applicable to the project activity:

>>

B.3. Description of how the methodology is applied in the context of the project activity:

>>

B.4. Description of how the anthropogenic emissions of GHG by sources are reduced below those that would have occurred in the absence of the registered CDM project activity (i.e. explanation of how and why this project is additional and therefore not the baseline scenario in accordance with the selected baseline methodology)

>>

B.5. Description of how the definition of the project boundary related to the baseline methodology selected is applied to the project activity:

>>

B.6. Details of baseline development

B.6.1 Date of completing the final draft of the baseline study (DD/MM/YYYY):

>>

B.6.2 Name of person (s)/entity (ies) determining the baseline:

(Please provide contact information and indicate if the person/entity is also a project participant listed in Annex 1.)

>>

C. Duration of the project activity / Crediting period**C.1 Duration of the project activity:****C.1.1. Starting date of the project activity:**

*(The starting date of a CDM project activity is the date on which the implementation or construction or real action of a project activity begins. Project activities starting as of the year 2000 (1 January 2000) and prior to **and the date of the first registration of a clean development mechanism project activity** have to provide documentation, at the time of registration, showing that the starting date fell within this period.)*

>>

C.1.2. Expected operational lifetime of the project activity: *(in years and months, for example two years and four months would be shown as: 2y-4m)*

>>

C.2 Choice of the crediting period and related information: *(Please underline the appropriate option (C.2.1 or C.2.2.) and complete accordingly)*

*(Note that the crediting period may only start after the date of registration of the proposed activity as a CDM project activity. In exceptional cases, the starting date of the crediting period may be prior to the date of registration of the project activity as provided for in paras. 12 and 13 of decision 17/CP.7, **preamble 5 of decision ##/CP.9** and through any guidance by the Executive Board, available on the UNFCCC CDM web site)*

>>

C.2.1. Renewable crediting period (at most seven (7) years per period)

C.2.1.1. Starting date of the first crediting period (DD/MM/YYYY):

>>

C.2.1.2. Length of the first crediting period *(in years and months, for example two years and four months would be shown as: 2y-4m):*

>>

C.2.2. Fixed crediting period (at most ten (10) years):

C.2.2.1. Starting date (DD/MM/YYYY):

>>

C.2.2.2. Length (max 10 years): *(in years and months, for example: two years and four months would be shown as: 2y-4m)*

>>

D. Application of a monitoring methodology and plan

(Where project participants wish to propose a new monitoring methodology, please complete form “Proposed New Methodology: Monitoring” (F-CDM-PDD-NMM) and subsequently complete sections A-E of the CDM-PDDD 1, to demonstrate the application of the proposed new methodology to the project activity.

(The monitoring plan needs to provide detailed information related to the collection and archiving of all relevant data needed to

- estimate or measure emissions occurring within the project boundary,*
- determine the baseline, and*
- identify increased emissions outside the project boundary.*

The monitoring plan should reflect good monitoring practice appropriate to the type of project activity. Project participants shall implement the registered monitoring plan and provide data, in accordance with the plan, through their monitoring report.

Designated operational entities will verify that the monitoring methodology and plan have been implemented correctly and check the information in accordance with the provisions on verification. This section shall provide a detailed description of the monitoring plan, including an identification of the data and its quality with regard to accuracy, comparability, completeness and validity, taking into consideration any guidance contained in the methodology.

Please note that data monitored and required for verification and issuance are to be kept for two years after the end of the crediting period or the last issuance of CERs for this project activity, whatever occurs later.)

>>

D.1. Name and reference of approved monitoring methodology applied to the project activity:

(Please refer to the UNFCCC CDM web site for the name and reference as well as details of approved methodologies. Where project participants wish to propose a new monitoring methodology, please complete the form for “Proposed New Methodology: Monitoring” (F-CDM-PDD-NMM) and subsequently complete , sections A-E of the CDM-PDD to demonstrate the application of the proposed new methodology to the project activity.

If a national or international monitoring standard has to be applied to monitor certain aspects of the project activity, please identify this standard and provide a reference to the source where a detailed description of the standard can be found.

Please fill sections D.2.2 or D.2.3 below in accordance with the approved monitoring methodology selected)

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D.2. Justification of the choice of the methodology and why it is applicable to the project activity:

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D.2. 1. Option 1: Monitoring of the emissions in the project scenario and the baseline scenario

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D. 2.1.1. Data to be collected or used in order to monitor emissions from the project activity, and how this data will be archived:
(Monitored data shall be archived for 2 years following the end of the crediting period.*
Please add rows to the table below, as needed.)

ID number <i>(Please use numbers to ease cross-referencing to table 5)</i>	Data variable	Source of data	Data unit	Measured (m), calculated (c) or estimated (e)	Recording frequency	Proportion of data to be monitored	How will the data be archived? (electronic/paper)	For how long is archived data kept?*	Comment

D.2.1.2. Description of formulae used to estimate project emissions (for each gas, source, formulae/algorithm, emissions units of CO2 equ.)
(Formulae should be consistent with the formulae outlined in the description of the baseline methodology)

>>

D.2.1.3. Relevant data necessary for determining the baseline of anthropogenic emissions by sources of GHGs within the project boundary and how such data will be collected and archived :
(Monitored data shall be archived for 2 years following the end of the crediting period.*
Please add rows to the table below, as needed.)

ID number <i>(Please use numbers to ease cross-referencing to table D.6)</i>	Data variable	Source of data	Data unit	Measured (m), calculated (c), estimated (e)	Recording frequency	Proportion of data to be monitored	How will the data be archived? (electronic/paper)	For how long is archived data kept?*	Comment

D.2.1.4. Description of formulae used to estimate baseline emissions (for each gas, source, formulae/algorithm, emissions units of CO2 equ.)
(Formulae should be consistent with the formulae outlined in the description of the baseline methodology)

>>

D. 2. 2. Option 2: Direct monitoring of emission reductions from the project activity (values should be consistent with those in section E).

>>

D.2.2.1. Data to be collected or used in order to monitor emissions from the project activity, and how this data will be archived:
(Monitored data shall be archived for 2 years following the end of the crediting period.
 Please add rows to the table below, as needed.)*

ID number <i>(Please use numbers to ease cross-referencing to table D.6)</i>	Data variable	Source of data	Data unit	Measured (m), calculated (c), estimated (e).	Recording frequency	Proportion of data to be monitored	How will the data be archived? (electronic/paper)	For how long is archived data kept? *	Comment

D.2.4. Treatment of leakage in the monitoring plan									
D.2.4.1. If applicable, please describe the data and information that will be collected in order to monitor leakage effects of the project activity									
<i>(Monitored data shall be archived for 2 years following the end of the crediting period*</i>									
<i>(Please add rows to the table below, as needed.)</i>									
ID number <i>(Please use numbers to ease cross-referencing to table 5)</i>	Data variable	Source of data	Data unit	Measured (m), calculated (c) or estimated (e)	Recording frequency	Proportion of data to be monitored	How will the data be archived? (electronic/paper)	For how long is archived data kept?*	Comment

D.2.4.2 Description of formulae used to estimate leakage (for each gas, source, formulae/algorithm, emissions units of CO2 equ.)

(Formulae should be consistent with the formulae outlined in the description of the baseline methodology)

>>

D.2.5. Description of formulae used to estimate emission reductions for the project activity (for each gas, source, formulae/algorithm, emissions units of CO2 equ.)

(Formulae should be consistent with the formulae outlined in the description of the baseline methodology)

>>

D.3. Quality control (QC) and quality assurance (QA) procedures are being undertaken for data monitored <i>(data items in tables contained in section sections D.2.2 or D.2.3 above, as applicable)</i>		
Data <i>(Indicate table and ID number e.g. 3.-1; 3.-2.)</i>	Uncertainty level of data (High/Medium/Low)	Explain QA/QC procedures planned for these data, or why such procedures are not necessary.

D.4 Please describe the operational and management structure that the project operator will implement in order to monitor emission reductions, and the leakage effects if applicable, generated by the project activity

>>

D.5 Name of person/entity determining the monitoring methodology:

(Please provide contact information and indicate if the person/entity is also a project participant listed in Annex 1 of this document.)

>>

E. Calculation of GHG emissions by sources

(Please fill this section following the selected baseline and monitoring methodologies)

E.1 Description of formulae used to estimate anthropogenic emissions by sources of greenhouse gases of the project activity within the project boundary: *(for each gas, source, formulae/algorithm, emissions in units of CO₂ equivalent)*

>>

E.2 Description of formulae used to estimate leakage, defined as: the net change of anthropogenic emissions by sources of greenhouse gases which occurs outside the project boundary, and that is measurable and attributable to the project activity: *(for each gas, source, formulae/algorithm, emissions in units of CO₂ equivalent)*

>>

E.3 The sum of E.1 and E.2 representing the project activity emissions:

>>

E.4 Description of formulae used to estimate the anthropogenic emissions by sources of greenhouse gases of the baseline: *(for each gas, source, formulae/algorithm, emissions in units of CO₂ equivalent)*

>>

E.5 Difference between E.4 and E.3 representing the emission reductions of the project activity:

>>

E.6 Table providing values obtained when applying formulae above:

(“The ex post calculation of baseline emission rates may only be used if proper justification is provided. Notwithstanding, the baseline emission rates shall also be calculated ex-ante and reported in the CDM-PDD.”)

>>

F. Environmental impacts

F.1. Documentation on the analysis of the environmental impacts, including transboundary impacts:
(Please attach the documentation to the CDM-PDD.)

>>

F.2. If impacts are considered significant by the project participants or the host Party: *please provide conclusions and all references to support documentation of an environmental impact assessment that has been undertaken in accordance with the procedures as required by the host Party.*

>>

G. Stakeholders' comments

In the explanatory text it should be specified to identify the stakeholders consulted with due consideration of confidentiality. **(Italy on behalf of the European Community and its member states)**

I believe that the project participants should respond to the "public comments" and "accredited NGOs" comments as well as the local stakeholders' comments. Otherwise, inviting such comments is meaningless. **(Climate Experts)**

G.1. Brief description of the process on how comments by local stakeholders have been invited and compiled:

We assume that the local stakeholder consultation would focus on the project as planned and its local impacts and not on the CDM M&P (which are subject to stakeholder comments during validation). If so, this should be clarified. **(World Bank)**

(An invitation for comments by local stakeholders shall be made in an open and transparent manner, in a way that facilitates comments to be received from local stakeholders and allows for a reasonable time for comments to be submitted. In this regard, project participants shall describe a project activity in a manner which allows the local stakeholders to understand the project activity, taking into account confidentiality provisions of the CDM modalities and procedures.)

>>

G.2. Summary of the comments received:

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G.3. Report on how due account was taken of any comments received:

>>

Annex 1

CONTACT INFORMATION ON PARTICIPANTS IN THE PROJECT ACTIVITY

(Please copy and paste table as needed)

Organization:	
Street/P.O.Box:	
Building:	
City:	
State/Region:	
Postfix/ZIP:	
Country:	
Telephone:	
FAX:	
E-Mail:	
URL:	
Represented by:	
Title:	
Salutation:	
Last Name:	
Middle Name:	
First Name:	
Department:	
Mobile:	
Direct FAX:	
Direct tel:	
Personal E-Mail:	

Annex 2

INFORMATION REGARDING PUBLIC FUNDING

Annex 2 & 3: Integrate in main part of PDD. (World Bank)

Annex 3

TABLE: BASELINE DATA

(Please provide a table containing the key elements used to determine the baseline for the project activity including elements such as variables, parameters and data sources. For approved methodologies you may find a draft table on the UNFCCC CDM web site.)
