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Annex 8

GUIDELINES FOR COMPLETING THE PROJECT DESIGN DOCUMENT FORM

(Version 01.0)

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I. Introduction

A. Background

- 1. The Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) adopted at its sixty-fifth meeting the "Clean development mechanism project standard" (hereinafter referred to as the Project standard) along with other regulatory documents as deliverables of objective 3(b) ("Clarification, consolidation and enhancement of the consistencies of all the existing regulatory decisions of the board that relate to validation and verification of project activities") of the "CDM management plan 2011".
- 2. The Project standard contains requirements for project participants to comply with in designing as well as in implementing any type of CDM project activities and programme of activities (PoA) and monitoring greenhouse gas (GHG) emission reductions by sources or GHG removals by sinks.
- 3. The Project standard requires project participants to prepare a project design document (PDD) for the proposed CDM project activity (hereinafter referred to as the project activity) by completing a PDD form (F-CDM-PDD) and providing all necessary information and documentation to demonstrate compliance of the project activity with all applicable CDM rules and requirements.

B. Objectives

- 4. The objectives of the "Guidelines for completing the project design document form" (hereinafter referred to as these guidelines) are to:
 - (a) Assist project participants in completing the F-CDM-PDD for their project activities;
 - (b) Improve the quality and consistency of PDDs prepared by project participants and submitted in the CDM project cycle.

II. Scope and applicability

- 5. These guidelines and the F-CDM-PDD are only applicable to large-scale CDM project activities other than afforestation or reforestation (A/R) project activities. Separate guidelines and forms are applicable to small-scale project activities, A/R project activities, small-scale A/R project activities and PoAs.
- 6. These guidelines contain recommendations for project participants on how to complete the F-CDM-PDD.
- 7. If project participants wish to propose a new baseline and monitoring methodology for a large-scale project activity, they are required to complete the form "Proposed new baseline and monitoring methodologies" in accordance with the applicable guidelines and submit it, together with an F-CDM-PDD with only sections A-C completed, in accordance with the applicable procedure for the submission and consideration of a proposed new baseline and monitoring methodology.

III. Terms and definitions

- 8. In addition to the definitions contained in the "Glossary of CDM terms", the following terms are used in these guidelines:
 - (a) "Should" is used to indicate that among several possibilities, one course of action is recommended as particularly suitable;



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(b) "May" is used to indicate what is permitted.

IV. General guidelines

- 9. When designing a project activity and completing the F-CDM-PDD, and in addition to applying the Project standard and the selected approved baseline and monitoring methodology(ies) (hereinafter referred to as the selected methodology(ies)), project participants should also consult the "Rules and Reference" section of the UNFCCC CDM website < http://cdm.unfccc.int/ >. This section contains all regulatory documents for the CDM, such as standards (including methodologies and tools), procedures, guidelines, clarifications, forms and the "Glossary of CDM terms".
- 10. In cases where the Project standard requires project participants to document in a revised PDD changes occurred to the project activity after its registration, in accordance with applicable provisions related to post registration changes, the changes should be documented in all relevant sections of the F-CDM-PDD in the following manner:
 - (a) In cases where the changes involve corrections of inaccurate project information or parameters, or where the project activity was never implemented in accordance with the description in the registered PDD: the original information may be overwritten with the correct information;
 - (b) In cases where the changes occur after the project activity was implemented in accordance with the description in the registered PDD (including changes that have not yet occurred): the original information should be retained and changes should be documented with additional text to the original information, clearly indicating the changes.
- 11. In addition to the provisions in paragraph 10 above, project participants should provide a summary of the changes, including the reasons for the changes and any additional information relating to the changes, in Appendix 6 of the F-CDM-PDD.
- 12. Where a PDD contains information that the project participants wish to be treated as confidential/proprietary, the project participants are required to submit documentation in two versions:
 - (a) One version where all parts containing confidential/proprietary information are made illegible (e.g. by covering those parts with black ink) so that the version can be made publicly available without displaying confidential/proprietary information;
 - (b) A second version containing all information that is to be treated as strictly confidential/proprietary by all parties handling this documentation (designated operational entities (DOEs) and applicant entities (AEs); Board members and alternate members; panel/committee and working group members; external experts requested to consider such documents in support of work for the Board; the secretariat).
- 13. Information used to: (a) demonstrate additionality; (b) describe the application of the selected methodology(ies); and (c) support the environmental impact assessment; is not considered proprietary or confidential. Any data, values and formulae included in electronic spreadsheets provided must be accessible and verifiable.
- 14. The F-CDM-PDD must be completed in English, and all attached documents must be in English or contain a full translation of relevant sections into English.



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- 15. The F-CDM-PDD must be completed using the same format without modifying its font, headings or logo, and without any other alteration to the form.
- 16. Tables and their columns in the F-CDM-PDD may not be modified or deleted, but rows may be added, as needed. Additional appendices may be added.
- 17. If a section of the F-CDM-PDD is not applicable, it must be explicitly stated that the section is left blank intentionally.
- 18. The format used for presentation of values in the F-CDM-PDD should be in an internationally recognized format, for example digits grouping should be done in thousands and a decimal point should be marked with a dot (.), not with a comma (,).





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V. Specific guidelines

Indicate the following information on the cover page:

- (a) Title of the project activity;
- (b) Version number of the PDD;
- (c) Completion date of the PDD (DD/MM/YYYY);
- (d) Project participant(s);
- (e) Host Party(ies);
- (f) Sectoral scope and selected methodology(ies);
- (g) Estimated amount of annual average GHG emission reductions.

SECTION A. Description of project activity

A.1. Purpose and general description of project activity

Provide a brief description of the project activity in accordance with applicable provisions related to the description of project activity in the Project standard.

Also provide a brief description of (in a couple of paragraphs):

- (a) The scenario existing prior to the implementation of the project activity including, where applicable, the type of facility where the project activity will take place or replace (e.g. sugar mill, swine farm, iron smelter, etc.);
- (b) The baseline scenario, as identified in section B.4 below.

The full description of the technologies and measures, project boundary and baseline scenario are to be provided in sections A.3, B.3 and B.4 below.

If the baseline scenario is the same as the scenario existing prior to the implementation of the project activity, there is no need to repeat the description of the scenarios, but only to state that both are the same.

Provide the estimate of annual average and total GHG emission reductions for the chosen crediting period.

<u>Note</u>: The UNFCCC CDM website presents all methodologies linked to sectoral scopes. The CDM Methodology Booklet also classifies methodologies by sectoral scope and type of project activities.

Include a brief description of how the project activity contributes to sustainable development (not more than one page).



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- A.2. Location of project activity
- A.2.1. Host Party(ies)
- A.2.2. Region/State/Province etc.
- A.2.3. City/Town/Community etc.

A.2.4. Physical/Geographical location

Provide details of the physical/geographical location of the project activity, including information allowing the unique identification of this project activity and a map. Do not exceed one page for the description of location.

A.3. Technologies and measures

Describe the technologies and measures to be employed and/or implemented by the project activity, including a list of the facilities, systems and equipment that will be installed and/or modified by the project activity. This includes:

- (a) A list and the arrangement of the main manufacturing/production technologies, systems and equipment involved. Include in the description information about the age and average lifetime of the equipment based on manufacturer's specifications and industry standards, and existing and forecast installed capacities, load factors and efficiencies. The monitoring equipments and their location in the systems are of particular importance;
- (b) Energy and mass flows and balances of the systems and equipment included in the project activity;
- (c) The types and levels of services (normally in terms of mass or energy flows) provided by the systems and equipment that are being modified and/or installed under the project activity and their relation, if any, to other manufacturing/production equipment and systems outside the project boundary. The types and levels of services provided by those manufacturing/production systems and equipment outside the project boundary may also constitute important parameters of the description. The description should clearly explain how the same types and levels of services provided by the project activity would have been provided in the baseline scenario.

Also provide a list of:

- (a) Facilities, systems and equipment in operation under the existing scenario prior to the implementation of the project activity;
- (b) Facilities, systems and equipment in the baseline scenario, as established in section B.4 below.

If the baseline scenario is a continuation of current practice, thus identical to the scenario existing prior to the implementation of the project activity, there is no need to repeat the description of the scenarios, only state that both are the same.

Do not provide information that is not essential to understanding the purpose of the project activity and how it reduces GHG emissions. Information related to equipment, systems and measures that are auxiliary to the main scope of the project activity and do not affect directly or indirectly GHG emissions and/or mass and energy balances of the processes related to the project activity should not be included.



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Include a description of how the technologies and measures and know-how to be used are transferred to the host Party(ies).

A.4. Party(ies) and project participant(s)

List in the table below Party(ies) and project participant(s) involved in the project activity and provide contact information in Appendix 1: below.

Name of Party involved (host) indicates a host Party	Name of private and/or public entity(ies) project participants (as applicable)	Indicate if the Party involved wishes to be considered as project participant (Yes/No)
Name A (host)	Private entity A Public entity A	
Name B	Private entity B Public entity B	

<u>Note</u>: When the F-CDM-PDD is completed in support of a proposed new methodology, at least the host Party(ies) and any known project participant(s) (e.g. those proposing a new methodology) are to be identified.

A.5. Public funding of project activity

Indicate whether the project activity receives public funding from Parties included in Annex I. If so:

- (a) Provide information on Parties providing public funding;
- (b) Attach in Appendix 2: below the affirmation obtained from such Parties in accordance with applicable provisions related to official development assistance in the Project standard.

<u>Note</u>: When the F-CDM-PDD is completed in support of a proposed new methodology, it is to be indicated whether public funding from Parties included in Annex I is likely to be provided, indicating the Parties to the extent possible.





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SECTION B. Application of selected approved baseline and monitoring methodology

B.1. Reference of methodology

Indicate exact reference (number, title, version) of:

- (a) The selected methodology(ies) (e.g. ACM0001 "Consolidated baseline and monitoring methodology for landfill gas project activities" (Version 11.0);
- (b) Any tools and other methodologies to which the selected methodology(ies) refer (e.g. "Tool for demonstration and assessment of additionality" (Version 05.2.1)).

Refer to the UNFCCC CDM website for the exact reference of approved baseline and monitoring methodologies and tools.

B.2. Applicability of methodology

Justify the choice of the selected methodology(ies) by showing that the project activity meets each applicability condition of the methodology(ies). Explain documentation that has been used and provide the references to it or include the documentation in Appendix 3: below.

B.3. Project boundary

Use the table below to describe emission sources and GHGs included in the project boundary for the purpose of calculating project emissions and baseline emissions.

In addition to the table, present a flow diagram of the project boundary, physically delineating the project activity, based on the description provided in section A.3 above. Include in the flow diagram the equipment, systems and flows of mass and energy described in that section. In particular, indicate in the diagram the emission sources and GHGs included in the project boundary and the data and parameters to be monitored.





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\$	Source	GHGs	Included?	Justification/Explanation
	Source 1	CO_2		
		CH ₄		
.0		N_2O		
Baseline scenario				
es	Source 2	CO_2		
le s		CH ₄		
elir		N ₂ O		
3as				
_				
		•••		
	Source 1	CO ₂		
		CH ₄		
		N ₂ O		
ari		•••		
Project scenario	Source 2	CO_2		
t sc		CH ₄		
jec		N ₂ O		

B.4. Establishment and description of baseline scenario

Explain how the baseline scenario is established in accordance with the selected methodology(ies) and applicable provisions for establishment and description of baseline scenarios in the Project standard. Where the procedure in the selected methodology(ies) involves several steps, describe how each step is applied and transparently document the outcome of each step. Explain and justify key assumptions and rationales. Provide and explain all data used to establish the baseline scenario (variables, parameters, data sources, etc.). Provide all relevant documentation and/or references.

Provide a transparent description of the baseline scenario as established above.

<u>Note</u>: The full description of the technology of the baseline scenario is to be provided in section A.3 above.

Please note that section B.4 above and section B.5 below are complementary. Some of the steps undertaken in one section may overlap with the steps undertaken in the other section depending on the procedures used to establish the baseline scenario and demonstrate additionality. If the "Combined tool to identify the baseline scenario and demonstrate additionality" is used, the same information need not be replicated in both sections. In this case, make a reference to the other section where the description is contained.



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B.5. Demonstration of additionality

Demonstrate that the project activity is additional in accordance with the selected methodology(ies) and applicable provisions for demonstration of additionality in the Project standard. Where the procedure in the selected methodology(ies) and/or tool involves several steps, describe how each step is applied and transparently document the outcome of each step. Indicate clearly the method selected to demonstrate additionality (e.g. investment analysis or barrier analysis). Present in a transparent manner, in the form or in a separate appendix, with all data used (variables, parameters, data sources, etc.), how the additionality of the project activity is demonstrated.

Where investment analysis is used, list all relevant assumptions and parameters used in the analysis. Where benchmark analysis is used, clearly indicate the benchmark. Where cost comparison is used, describe the scenarios compared.

Where the barriers are involved in demonstrating additionality, only select the most relevant barriers. With key facts and/or assumptions and the rationale, justify the credibility of the barriers. Provide relevant documentation or references.

If the start date of the project activity is prior to the date of publication of the PDD for the global stakeholder consultation, provide evidence of the prior consideration of the CDM in accordance with applicable provisions related to the demonstration of prior consideration of the CDM in the Project standard.

B.6. Emission reductions

B.6.1. Explanation of methodological choices

Explain how the methods or methodological steps in the selected methodology(ies), for calculating baseline emissions, project emissions, leakage and emission reductions are applied. Clearly state which equations will be used in calculating emission reductions.

Explain and justify all relevant methodological choices, including:

- (a) Where the methodology(ies) include different scenarios or cases, indicate and justify which scenario or case applies to the project activity (e.g. which scenario in ACM0006 is applicable);
- (b) Where the methodology(ies) provide different options to choose from (e.g. which methodological approach is used to calculate the "operating margin" in ACM0002), indicate and justify which option is chosen for the project activity;
- (c) Where the methodology(ies) allow different default values, indicate and justify which of the default values have been chosen for the project activity.



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B.6.2. Data and parameters fixed ex ante

Include a compilation of information on the data and parameters that are not monitored during the crediting period but are determined before the registration and remain fixed throughout the crediting period. Data that become available only after the registration of the project activity (e.g. measurements after the implementation of the project activity) should not be included here but in the table in section B.7.1 below.

The compilation of information may include data that are measured or sampled, and data that are collected from other sources (e.g. official statistics, expert judgment, proprietary data, IPCC, commercial and scientific literature, etc.). Data that are calculated with equations provided in the selected methodology(ies) or default values specified in the methodology(ies) should not be included in the compilation.

For each piece of data or parameter, complete the table below, following these instructions:

- (a) "Value(s) applied": Provide the value applied. Where a time series of data is used, where several measurements are undertaken or where surveys have been conducted, provide detailed information in Appendix 4: below. To report multiple values referring to the same data and parameter, use one table. If necessary, reference(s) to electronic spreadsheets may be used;
- (b) "Choice of data": Indicate and justify the choice of data source. Provide clear and valid references and, where applicable, additional documentation in Appendix 4: below;
- (c) "Measurement methods and procedures": Where values are based on measurement, include a description of the measurement methods and procedures applied (e.g. which standards have been used), indicate the responsible person/entity that undertook the measurement, the date of the measurement and the measurement results. More detailed information can be provided in Appendix 4: below;
- (d) "Purpose of data": Choose one of the following:
 - (i) Calculation of baseline emissions;
 - (ii) Calculation of project emissions;
 - (iii) Calculation of leakage.

(Copy this table for each piece of data and parameter.)

Data / Parameter	
Unit	
Description	
Source of data	
Value(s) applied	
Choice of data	
or	
Measurement methods	
and procedures	
Purpose of data	
Additional comment	



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B.6.3. Ex ante calculations of emission reductions

Provide a transparent ex ante calculation of baseline emissions, project emissions (or, where applicable, direct calculation of emission reductions) and leakage expected during the crediting period, applying all relevant equations provided in the selected methodology(ies). For data or parameters available before registration, use values contained in the table in section B.6.2 above.

For data/parameters not available before registration and monitored during the crediting period, use estimates contained in the table in section B.7.1 below. If any of these estimates has been determined by a sampling approach, provide a description of the sampling efforts undertaken in accordance with the "Standard for sampling and surveys for CDM project activities and programme of activities".

Document how each equation is applied, in a manner that enables the reader to reproduce the calculation. Where relevant, provide additional background information and/or data in Appendix 4: below, including relevant electronic spreadsheets.

Provide a sample calculation for each equation used, substituting the values used in the equations.

B.6.4. Summary of the ex ante estimates of emission reductions

Summarize the results of the ex ante calculation of emission reductions for all years of the crediting period, using the table below.

Year	Baseline emissions (t CO ₂ e)	Project emissions (t CO ₂ e)	Leakage (t CO ₂ e)	Emission reductions (t CO ₂ e)
Year A				
Year B				
Year C				
Year				
Total				
Total number of crediting years				
Annual				
average over the crediting period				

B.7. Monitoring plan

Through sections B.7.1, B.7.2 and B.7.3 below, provide a detailed description of the monitoring plan of the project activity developed in accordance with the monitoring requirements of the selected methodology(ies) and the applicable provisions in the Project standard.



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B.7.1. Data and parameters to be monitored

Include specific information on how the data and parameters that need to be monitored would actually be collected during monitoring. Include here data that are determined only once for the crediting period but that will become available only after registration of the project activity (e.g. measurements after the implementation of the project activity).

For each piece of data or parameter, complete the table below, following these instructions:

- (a) "Source of data": Indicate the source(s) of data that will be used for the project activity (e.g. which exact national statistics). Where several sources may be used, justify which data sources should be preferred;
- (b) "Value(s) applied": The value applied is an estimate of the data/parameter that will be monitored during the crediting period, but is used for the purpose of calculating estimated emission reductions in section B.6 above. To report multiple values referring to the same data and parameter, use one table. If necessary, reference(s) to electronic spreadsheets may be used;
- (c) "Measurement methods and procedures": Where data or parameters are to be monitored, specify the measurement methods and procedures, standards to be applied, accuracy of the measurements, person/entity responsible for the measurements, and, in case of periodic measurements, the measurement intervals;
- (d) "QA/QC procedures": Describe the Quality Assurance (QA)/Quality Control (QC) procedures to be applied, including the calibration procedures, where applicable;
 - (i) "Purpose of data": Choose one of the following:
 - (ii) Calculation of baseline emissions;
 - (iii) Calculation of project emissions;
 - (iv) Calculation of leakage.

Provide any relevant further background documentation in Appendix 5: below.

(Copy this table for each piece of data and parameter.)

Data / Parameter	
Unit	
Description	
Source of data	
Value(s) applied	
Measurement methods	
and procedures	
Monitoring frequency	
QA/QC procedures	
Purpose of data	
Additional comment	



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B.7.2. Sampling plan

If data and parameters monitored in section B.7.1 above are to be determined by a sampling approach, provide a description of the sampling plan in accordance with the recommended outline for a sampling plan in the "Standard for sampling and surveys for CDM project activities and programme of activities".

B.7.3. Other elements of monitoring plan

Describe the operational and management structure that the project operator will implement in order to monitor emission reductions and any leakage generated by the project activity. Clearly indicate the responsibilities and institutional arrangements for data collection and archiving. Provide any relevant further background information in Appendix 5: below.

SECTION C. Duration and crediting period

C.1. Duration of project activity

C.1.1. Start date of project activity

State the start date of the project activity, in the format of DD/MM/YYYY, describe how this date has been determined, and provide evidence to support this date.

C.1.2. Expected operational lifetime of project activity

State the expected operational lifetime of the project activity in years and months.

C.2. Crediting period of project activity

C.2.1. Type of crediting period

State the type of crediting period chosen for the project activity (renewable or fixed). For a renewable crediting period, indicate whether it is the first, second or third.

C.2.2. Start date of crediting period

State the start date of crediting period of the project activity in the format of DD/MM/YYYY.

C.2.3. Length of crediting period

State the length of the crediting period of the project activity in years and months.

SECTION D. Environmental impacts

D.1. Analysis of the environmental impacts

Provide a summary of the analysis of the environmental impacts of the project activity and references to all related documentation.



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D.2. Environmental impact assessment

If an environmental impact assessment is required, provide conclusions and references to all related documentation.

SECTION E. Local stakeholder consultation

E.1. Solicitation of comments from local stakeholders

Describe the process by which comments from local stakeholders have been invited for the project activity.

E.2. Summary of comments received

Identify stakeholders that have made comments and provide a summary of these comments.

E.3. Report on consideration of comments received

Provide information demonstrating that all comments received have been considered.

SECTION F. Approval and authorization

Indicate whether the letter(s) of approval from Party(ies) for the project activity is available at the time of submitting the PDD to the validating DOE.

If so, provide the letter(s) of approval along with the PDD.





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Appendix 1: Contact information of project participants

For each organisation listed in section A.4 above, complete the table below, with the following mandatory fields: Organization, Street/P.O. Box, City, Postcode, Country, Telephone, Fax, e-mail and Name of contact person. Copy and paste the table as needed.

Organization name	
Street/P.O. Box	
Building	
City	
State/Region	
Postcode	
Country	
Telephone	
Fax	
E-mail	
Website	
Contact person	
Title	
Salutation	
Last name	
Middle name	
First name	
Department	
Mobile	
Direct fax	
Direct tel.	
Personal e-mail	

Appendix 2: Affirmation regarding public funding

If applicable, attach the affirmation obtained from Parties providing public funding to the project activity.

Appendix 3: Applicability of the selected methodology(ies)

Provide any further background information on the applicability of the selected methodology(ies).





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Appendix 4: Further background information on ex ante calculation of emission reductions

Provide any further background information on the ex ante calculation of emission reductions. This may include data, measurement results, data sources, etc.

Appendix 5: Further background information on monitoring plan

Provide any further background information used in the development of the monitoring plan. This may include tables with time series data, additional documentation of measurement equipment, procedures, etc.

Appendix 6: Summary of post registration changes

Provide a summary of the post registration changes.

History of the document

Version	Date	Nature of revision(s)
01.0	EB 66, Annex 8 2 March 2012	Initial adoption. These guidelines, along with the <u>Guidelines for completing</u> the proposed new baseline and monitoring methodology form (version 01.0, EB 66, Annex 25), replace the <u>Guidelines for completing project design</u> document (CDM-PDD) and the proposed new baseline and monitoring methodologies (CDM-NM) (version 07, EB 41, Annex 12). The revision includes removing requirements that have been incorporated into the CDM Project Standard as referenced in Appendix 1, Implementation plan for the CDM Project Standard, Validation and Verification Standard and Project Cycle Procedure (EB 65 report, annex 6, appendix 1).
Decision C	lass: Regulatory	

Document Type: Guideline

Business Function: Registration