



### Annex 3

## PROCEDURES FOR THE SUBMISSION AND CONSIDERATION OF A PROPOSED NEW METHODOLOGY

(Version 13)

### I. BACKGROUND

1. This document contains the procedures for the submission and consideration of proposed new methodologies which operationalize the provisions of paragraph 38 of the CDM modalities and procedures.
2. The CDM modalities and procedures<sup>1</sup> stipulate that if a designated operational entity (DOE)<sup>2</sup> determines that a proposed project activity intends to use a new baseline or monitoring methodology, it shall, prior to the submission for registration of this project activity, forward the proposed methodology to the Executive Board for review, i.e., consideration and approval, if appropriate.
3. The Executive Board shall expeditiously, if possible at its next meeting but not later than four months after the date of receipt of the proposed new methodology, review the proposed new methodology in accordance with the CDM modalities and procedures. Once approved by the Executive Board, it shall make the approved methodology publicly available and the designated operational entity may proceed with the validation of the project activity and submit the project design document (CDM-PDD) for registration.
4. At its fourth meeting, in order to operationalize its procedures to review new methodologies, the Executive Board requested the panel to develop recommendations to the Board on guidelines for methodologies for baselines and monitoring plans (Meth Panel), consider proposed new methodologies for baseline and monitoring plans and, based on desk reviews by experts selected from a roster maintained by the secretariat, make recommendations to the Board on proposed new methodologies.

### II. SUBMISSION OF A PROPOSED NEW METHODOLOGY

5. If project participants intend to propose a new baseline or monitoring methodology for consideration and approval by the Executive Board, they shall prepare the current methodologies forms for baseline and monitoring methodologies (CDM-NM) along with a draft project design document (CDM-PDD) and as a minimum, complete sections A to C, including relevant annexes, following its respective current guidelines.
6. A fee of USD 1,000 shall be charged to project participants when submitting a proposed new methodology for regular project activities (not applicable to methodologies for small-scale and

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<sup>1</sup> Paragraph 38 of the CDM modalities and procedures contained in the Annex to decision 3/CMP.1 (please refer to document FCCC/KP/CMP/2005/8/Add.1).

<sup>2</sup> An applicant entity which has a confirmed CDM assessment team may forward a proposed methodology in accordance with these procedures if it produces documentary evidence (procedural report) of work undertaken (see <http://cdm.unfccc.int/DOE/index.html>).



afforestation and reforestation project activities). If a methodology is approved and the project activity for which it was developed is registered, the registration fee shall be lowered by that amount.<sup>3</sup>

7. Having checked that the “CDM: Proposed new methodology form” has been duly filled by the DOE, documentation provided by the DOE is complete and the proof of payment of the stipulated submission fee has been received by the secretariat, the secretariat shall prepare a draft pre-assessment using the latest version of the “CDM: Proposed new methodology assessment form” (F-CDM-NMas)<sup>4</sup> to assess the quality of the submission and forward it along with the documentation submitted by the project participant (CDM-NM & CDM-PDD) to one member of the Meth Panel for consideration. This member is to assess the quality of the submission and grade it as being 1 and 2 in accordance with the criteria for pre-assessment as contained in the current version of the “CDM: Proposed new methodology assessment form” (F-CDM-NMas). If the member grades the documentation as being 2, the documentation is to be sent back to the project participants who may resubmit it as a proposed new methodology, along with a fee of USD 1000 as per paragraph 6, taking into account the comments in the assessment form (F-CDM-NMas). If the grade is 1, the documentation shall be considered as received by the Board and be forwarded by the secretariat for consideration of the Board and the Meth Panel. The Meth Panel shall finalize its recommendation to the Board within two meetings of the panel. The member responsible for pre-assessing a proposed new methodology shall receive a half-day fee as remuneration.

8. A DOE/AE may voluntarily undertake a pre-assessment of a newly proposed methodology before submitting it. If a voluntary pre-assessment has been undertaken, no pre-assessment by the Meth Panel, as referred in paragraph 7 above, is needed. The submitted methodology may be in such case be considered as received once the secretariat has confirmed that the “CDM: Proposed new methodology form” has been duly filled by the DOE, documentation provided by the DOE is complete and the deposit of the stipulated submission fee has been received by the secretariat.

9. At the same time, in accordance with the practice of the Executive Board to invite public input on technical documentation developed by the Executive Board and its panels, the secretariat shall make the proposed new methodology publicly available on the UNFCCC CDM website and invite public inputs for a period of 15 working days. Public inputs on a proposed new methodology shall be made using the current version of the “Proposed new methodology - public comment form”(F-CDM-NMpu)<sup>5</sup>. Comments shall be forwarded to the Meth Panel at the moment of receipt and made available to the public at the end of the 15 working day period.

### **III. ANALYSIS/RECOMMENDATION BY THE METH PANEL AND CONSIDERATION/APPROVAL BY THE BOARD**

10. A proposed new methodology shall be available to the Meth Panel at least ten weeks prior to its next meeting. The secretariat shall make public, through the UNFCCC CDM website, the date of a meeting and the corresponding deadline at least ten weeks prior to the meeting.

11. In case more than ten (10) proposed new methodologies are submitted by the deadline for submissions of proposed new methodologies, the Chair of the Meth Panel shall ascertain how many proposals shall be analyzed at the next meeting of the Meth Panel and decide to postpone the analysis of some submissions to the subsequent meeting of the Meth Panel. Submissions received and confirmed to be completed by the secretariat shall be treated on a “first come first served” basis.

<sup>3</sup> The 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.

<sup>4</sup> The current version of the form (F-CDM-NMas) is available on the UNFCCC CDM web site (section “Forms”).

<sup>5</sup> The current version of the form (F-CDM-NMpu) is available on the UNFCCC CDM web site (section “Forms”).



12. The Board may decide to change a deadline for submissions of proposed new methodologies taking into account the workload of the Meth Panel.
13. Whenever a proposed new methodology is submitted to the Meth Panel in accordance with paragraph 10 and 11 above, it shall analyze it and, if possible at its next meeting, make a recommendation regarding the approval of the proposed new methodology to the Executive Board.
14. Upon receipt of a proposed new methodology, four members of the Meth Panel, one as lead who will be responsible for presenting the case at the meetings, shall be selected on a rotational basis in alphabetical order to independently review the draft recommendation prepared by the secretariat. The secretariat shall be responsible for compiling different inputs, including those from other members of the Panel, public inputs and desk reviewers, and prepare, draft recommendations for consideration by the Meth Panel. The secretariat may seek guidance of the Chair of the panel, as required. The secretariat may request the project participants, copying the selected members and the DOE, to make available additional technical information necessary to further clarify or assist in analysing the proposed new methodology with a deadline for responding. The four selected panel members shall be paid a fee for (one (1) working day for the review of the draft recommendations as prepared by the secretariat.
15. The Chair and the Vice-Chair of the Meth Panel, with the assistance of the secretariat and in consultation with the four selected Meth Panel members, shall, no later than seven working days after the receipt of the proposed new methodology, select two experts from a roster of experts<sup>6</sup> (lead and second reviewers) who are to undertake a desk review to appraise the validity of the proposed new methodology. The lead reviewer is to be paid a three (3) days fee and the second reviewer a two (2) days fee for the first 100 pages of the proposed new methodology (CDM-NM) and for each additional 30 pages, or part thereof, a (1) one day fee. The two reviewers should provide inputs independently.
16. Each desk reviewer shall prepare, under the guidance of the Chair of the Meth Panel and in accordance with the provisions of the CDM modalities and procedures, his/her recommendation to the Meth Panel. He/she shall forward it, wherever possible, within 10 working days after having received a proposed methodology using the respective current version of the forms “CDM: Proposed new methodology – lead expert desk review form”(F-CDM-NMex\_3d) and “CDM: Proposed new methodology – second expert desk review form”(F-CDM-NMex\_2d)<sup>7</sup>.
17. The Meth Panel, taking into consideration public comments and the recommendations by the desk reviewers, shall prepare its preliminary recommendation regarding the approval of the proposed new methodology to the Executive Board using the current versions of the form “CDM: Proposed New Methodology - Panel recommendation summary to the Executive Board” (F-CDM-NMSUMmp)<sup>8</sup> based on the draft prepared by the secretariat and independently reviewed by the four selected members of the Meth Panel. The recommendations used for consultations with project participants shall be documented in the latest version of the “CDM: Proposed New Methodology (CDM-NM)” form.
- (a) Prior to preparing the preliminary recommendation, the secretariat may request on behalf of the Meth Panel, copying the selected members and the DOE, the project participants to make available additional technical information necessary to further clarify or assist in analyzing the proposed new methodology with a deadline for response. Any additional technical information provided by project

<sup>6</sup> The roster of expert is to be maintained by the secretariat.

<sup>7</sup> The current versions of the forms (F-CDM-NMex\_3d and F-CDM-NMex\_2d) are available on the UNFCCC CDM web site (section “Forms”).

<sup>8</sup> The current versions of the form F-CDM-NMSUMmp) is available on the UNFCCC CDM web site (section “Forms”).



participants to the Meth Panel shall be made available to the Executive Board and to the public soon after its receipt by the secretariat.

(b) The Meth Panel shall, through the secretariat, copying the DOE, forward its preliminary recommendation to project participants.

(c) Within a timeframe stipulated by the Chair of the Meth Panel (but not exceeding 4 weeks), after the receipt of the preliminary recommendation of the Meth Panel by the project participants the project participants may submit (copying the DOE), clarifications to the Meth Panel, through the secretariat, on technical issues concerning the proposed new methodology raised in the preliminary recommendation by the Meth Panel. Technical clarifications provided by the project participants shall include the revisions, in the form for baseline and monitoring methodologies (CDM-NM) in a highlighted form. Clarifications provided by the project participants shall be made available to the Executive Board and to the public soon after they have been received by the secretariat;

(d) If project participants provide clarifications related to the preliminary recommendation by the Meth Panel, the Meth Panel shall consider these clarifications at its next meeting and prepare its final recommendation to the Executive Board. The final recommendation shall be forwarded to the Executive Board and made publicly available.

(e) If project participants do not provide clarification related to preliminary recommendation by the Meth Panel within the timeframe of three (3) months, the case will be considered as withdrawn.

18. The Executive Board shall consider a proposed new methodology at the next meeting following the receipt of the final recommendation regarding the approval (“A” case) or non-approval (“C” case) of the proposed new methodology by the Meth Panel.



## Appendix 1

### Provisions and criteria for including experts in the “UNFCCC roster of experts – CDM methodologies”

1. An expert who is to undertake a desk review of a proposed new baseline and/or monitoring methodology shall:
  - (a) Be familiar with the CDM modalities and procedures and relevant decisions of the COP (or COP/MOP);
  - (b) Have demonstrated relevant working experience related to project activities;
  - (c) Have demonstrated technical/scientific experience related to baseline and/or monitoring methodologies, *inter alia*, through publications;
  - (d) Good analytical and drafting skills;
  - (e) Have an advanced university degree in economics, energy, social, environmental studies, natural sciences, engineering, development studies, or any related discipline;
  - (f) Good working knowledge in English. Working knowledge of other UN languages desirable;
  - (g) Be free from any interest that might cause him/her to act in other than an impartial and non-discriminatory manner.
2. An expert applying for the roster of experts to undertake desk reviews of proposed new methodologies shall complete, in addition to the P11, a table on detailed working and/or scientific and technical experience.
3. An expert selected to undertake a desk review and appraise the validity of a proposed new methodology shall be compensated in accordance with the rules and regulations of the UNFCCC.

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## History of the document

Version	Date	Nature of revision(s)
13	EB 37, Annex 3 1 February 2008	<ul style="list-style-type: none"><li>• PNMs will be considered as withdrawn if PPs do not provide clarifications related to preliminary recommendations by the Meth Panel within the timeframe of 3 months.</li></ul>
12	EB 32, Annex 13 22 June 2007	<ul style="list-style-type: none"><li>• The secretariat to prepare a draft pre-assessment and draft recommendations;</li><li>• The Meth Panel to finalize its recommendation to the Board within two meetings of the panel;</li><li>• Final recommendation can be either A or C;</li><li>• Four members of the Meth Panel will be appointed for a PNM;</li><li>• The secretariat may request additional technical information from the PPs</li></ul>
11	EB 25, Annex 17 28 July 2006	<ul style="list-style-type: none"><li>• Changes to required completion of CDM-PDD;</li><li>• When resubmitting a PNM previously graded “2” in the pre-assessment, the submission fee has to be paid again;</li><li>• Amendment to fees paid to desk reviewers for methodologies longer than 100 pages</li></ul>
10	EB 23, Annex 2 24 February 2006	<ul style="list-style-type: none"><li>• Extended timeframe for PPs to provide clarifications to preliminary recommendations of the Meth Panel from 10 working days to 4 weeks.</li></ul>
09	EB 22, Annex 1 25 November 2005	<ul style="list-style-type: none"><li>• Clarification that proof of payment is received before documentation sent to member for pre-assessment</li></ul>
08	EB 21, Annex 2 30 September 2005	Improvements on the following issues: <ul style="list-style-type: none"><li>• Resubmitted methodologies (B cases);</li><li>• Fee to submit a methodology;</li><li>• Pre-assessments</li></ul>
07	EB 20, Annex 2 8 July 2005	<ul style="list-style-type: none"><li>• Proposed new methodologies (PNMs ) shall be available to the Meth Panel at least ten weeks prior to its next meeting;</li><li>• The desk review will be undertaken by two desk reviewers (lead reviewer and second reviewer).</li></ul>
06	EB 15, Para 13 3 September 2004	<ul style="list-style-type: none"><li>• Amendment of the procedures regarding pre-assessment.</li></ul>
05	EB 14, Para 18 14 June 2004	<ul style="list-style-type: none"><li>• Introduction of pre-assessment.</li></ul>
04	EB 11, Annex 3 17 October 2003	<ul style="list-style-type: none"><li>• The Chair to decide on the number of cases to be considered at the Meth Panel meeting;</li><li>• The Board to change a deadline for submissions of proposed new methodologies regarding workload of the Meth Panel;</li><li>• PPs to submit clarifications after receiving a preliminary recommendation within 10 days instead of 7 days.</li></ul>
03	EB 10, Annex 5 29 July 2003	<ul style="list-style-type: none"><li>• Procedures for communication between the Meth Panel and project participants (PPs)</li></ul>
02	EB 09, Annex 4 8 June 2003	<ul style="list-style-type: none"><li>• Deadline for submission extended from five to seven weeks;</li><li>• Two selected Meth Panel members paid a one day fee for preparation of draft recommendations;</li><li>• Period for selecting a desk reviewer extended from five to seven days.</li></ul>
01	EB 08, Annex 2 20 March 2003	Initial adoption