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1. INTRODUCTION

1.1. Background

1. The Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (hereinafter referred to as the CMP), at its first session, established the basis of the regulatory framework for the clean development mechanism (hereinafter referred to as the CDM) to implement Article 12 of the Kyoto Protocol through the following:

- (a) Annex to decision 3/CMP.1: Modalities and procedures for a clean development mechanism (hereinafter referred to as the CDM M&Ps);
- (b) Annexes to decision 4/CMP.1, including annex II: Simplified modalities and procedures for small-scale clean development mechanism project activities (hereinafter referred to as the CDM SSC M&Ps);
- (c) Annex to decision 5/CMP.1: Modalities and procedures for afforestation and reforestation project activities under the clean development mechanism (hereinafter referred to as the CDM A/R M&Ps);
- (d) Annex to decision 6/CMP.1: Simplified modalities and procedures for small-scale afforestation and reforestation project activities under the clean development mechanism (hereinafter referred to as the CDM SSC A/R M&Ps);
- (e) Decision 7/CMP.1.

2. The CMP revised some of the provisions in these decisions through new decisions in subsequent sessions.

3. In its mandate from the CMP to operationalize the CDM, the Executive Board of the clean development mechanism (hereinafter referred to as the Board) has adopted various standards (including methodologies and tools), procedures, guidelines, clarifications and forms.

4. At its fifty-ninth meeting, the Board adopted the “CDM management plan 2011” whose objective 3 b) is: “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”. One deliverable under this objective is to “develop a standard for project participants, i.e. obligations on project participants during validation, operation and verification of project activities”.

1.2. Objectives

5. The objectives of the “Clean development mechanism project standard” (hereinafter referred to as this standard) are to:

- (a) Enhance consistency and clarity of requirements applicable to any type of CDM project activities (hereinafter referred to as project activities) and CDM programmes of activities (hereinafter referred to as PoA), and facilitate and promote a clear and common understanding by all parties involved in the CDM;



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- (b) Improve the quality of project design documents (hereinafter referred to as PDDs) and monitoring reports (hereinafter referred to as MRs) prepared by project participants and submitted in the CDM project cycle;
- (c) Enhance the overall efficiency and integrity in the CDM.

2. SCOPE

2.1. General

6. This standard provides project participants with an initial starting point for those wishing to design and implement a project activity or PoA and seeking issuance of certified emission reductions (CERs). It specifies requirements for project participants to comply with in designing and implementing any type of project activities and PoA and in monitoring greenhouse gas (GHG) emission reductions by sources or GHG removals by sinks.

2.2. Application

7. Requirements in chapters 6, 7 and 12 apply to any type of project activities and PoA, unless stated otherwise. In addition, requirements in chapters 8, 9, 10 and 11 apply to specific types of projects, respectively, small-scale (SSC) project activities, large-scale afforestation and reforestation (A/R) project activities, SSC A/R project activities and PoA.
8. This standard supersedes all documents listed in annex A.
9. The documents listed in annex B will be subsequently revised in accordance with this standard.

3. NORMATIVE REFERENCES

10. The following referenced documents are indispensable for the application of this standard:
- (a) Clean development mechanism project cycle procedure (project cycle procedure);
 - (b) Project design document forms;
 - (c) Monitoring report form;
 - (d) Glossary of CDM terms.

4. TERMS AND DEFINITIONS

11. For terms and definitions related to this standard, refer to the Glossary of CDM terms.
12. In addition to the definitions contained in the Glossary of CDM terms, the following terms apply in this standard:
- (a) “shall” is used for a requirement;
 - (b) “should” is used to for a recommended means for meeting a requirement;
 - (c) “may” is used for what is allowed, but not required.

**DRAFT****5. PRINCIPLES**

13. The following principles¹ guide project design as well as project implementation and monitoring of GHG emission reductions by sources or GHG removals by sinks.

5.1. Relevance

14. Select the GHG sources, GHG sinks, GHG reservoirs, data and methodologies and all other information appropriate to the needs of the intended user.

5.2. Completeness

15. Include all relevant emissions and information to support compliance with all requirements.

5.3. Consistency

16. Enable meaningful comparisons in project-related information.

5.4. Accuracy

17. Reduce bias and uncertainties as far as is practical.

5.5. Transparency

18. Disclose sufficient and appropriate project-related information to allow intended users to make decisions with reasonable confidence.

5.6. Conservativeness

19. Use conservative assumptions, values and procedures to ensure that GHG emission reductions by sources or GHG removals by sinks are not over-estimated.

6. GENERAL REQUIREMENTS**6.1. General**

20. While designing and implementing a project activity, project participants shall consider and use, in addition to this standard, all applicable methodologies, tools and documents adopted by the CMP or the Board².

21. Project participants shall ensure that the proposed project activity complies with all requirements in the CDM M&Ps applicable to the proposed project activity, as presented in paragraph 1 above, all applicable requirements in this standard and all other applicable CDM requirements.

6.2. Identification of project types and selection and use of a methodology

22. Project participants shall determine the type of projects they want to design and implement:

¹ This text is adapted to the CDM and is taken from ISO 14064-2:2006 - Greenhouse gases -- Part 2: Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements is reproduced with the permission of the International Organization for Standardization, ISO. This standard can be obtained from any ISO member and from the Web site of the ISO Central Secretariat at the following address: www.iso.org. Copyright remains with ISO.

² These documents are available on the UNFCCC CDM website.

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- (a) Large-scale project activity;
- (b) Small-scale project activity;
- (c) Afforestation or reforestation project activity;
- (d) Small-scale afforestation or reforestation project activity;
- (e) Programme of activity, either large-scale, small-scale, afforestation/reforestation or small-scale afforestation/reforestation.

23. Project participants shall select and use a baseline and monitoring methodology that has been approved by the Board (selected methodology) and that is applicable to the proposed project activity.

24. In their consideration of methodologies applicable to the proposed project activity, project participants may:

- (a) Submit a request for revision to an approved methodology, through a DOE for large scale project activities or directly to the UNFCCC secretariat for small-scale project activities, in accordance with the applicable procedure;
- (b) Develop and propose a new methodology, in accordance with the applicable guidelines and procedures for proposing and consideration of new baseline and monitoring methodologies.

25. Project participants wishing to seek clarification on the applicability of an approved methodology or a methodological tool shall submit a request for clarification through a DOE, or directly to the UNFCCC secretariat for SSC project activities, in accordance with applicable procedure.

6.3. Prior consideration of the clean development mechanism

26. If the start date of a proposed project activity, as determined in section 7.8 below, is prior to the date of publication of the PDD for the global stakeholder consultation, project participants shall demonstrate that the CDM benefits were considered necessary in the decision to undertake the project as a proposed project activity.

27. For a proposed project activity with a start date on or after 2 August 2008, project participant shall inform the Host Party's DNA and the UNFCCC secretariat in writing of the commencement of the proposed project activity and of their intention to seek CDM status. Such notification shall be made within six months of the proposed project activity's start date and shall contain the precise geographical location and a brief description of the project, using the applicable form. Such notification is not necessary if the PDD has been published for global stakeholder consultation, or if a new methodology is proposed to the Board for the specific project activity before the project activity start date.

28. For a proposed project activity for which the PDD has not been published for global stakeholder consultation, a new methodology is proposed or a request for revision of a methodology is requested, project participants shall inform the UNFCCC secretariat of the progress of the proposed project activity every subsequent two years after the initial notification.

29. For a proposed project activity with a start date before 2 August 2008 and prior to the date of publication of the PDD for global stakeholder consultation, project participants shall demonstrate that the CDM was seriously considered in the decision to implement the proposed project activity. Such demonstration requires the following elements to be satisfied:

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- (a) Project participant shall provide evidence of their awareness of the CDM prior to the proposed project activity's start date, and that the benefits of the CDM were a decisive factor in the decision to proceed with the project³;
- (b) Project participant shall provide evidence that continuing and real actions were taken to secure CDM status for the proposed project in parallel with its implementation.⁴

7. PROJECT DESIGN REQUIREMENTS FOR ALL PROJECT TYPES**7.1. Description of project activity**

30. Project participants shall provide a description of the proposed project activity that provides an understanding of the nature of the project and its implementation.
31. When describing the proposed project activity, project participants shall:
- (a) Provide a title for the proposed project activity;
 - (b) Describe the purpose of the proposed project activity;
 - (c) Describe the scenario prior to the implementation of the proposed project activity;
 - (d) Describe the project scenario, including a summary of the scope of activities/measures that are being implemented within the proposed project activity;
 - (e) Explain how the proposed project activity reduces GHG emissions by sources or increases GHG removals by sinks;
 - (f) Explain the contribution of the proposed project activity to sustainable development;
 - (g) Identify the location of the proposed project activity;
 - (h) Describe the technology to be employed by the proposed project activity.
32. Project participants shall identify:
- (a) Parties involved in the proposed project activity; and
 - (b) Project participants of the proposed project activity.
33. Project participants shall provide information on sources of public funding for the proposed project activity. In cases where public funding from Parties included in Annex 1 is involved, project

³ Evidence to support this could include, inter alia, minutes and/or notes related to the consideration of the decision by the Board of Directors, or equivalent, of the project participant, to undertake the project as a CDM project activity.

⁴ Evidence to support this could include, one or more of the following: contracts with consultants for CDM/PDD/methodology services, draft versions of PDDs and underlying documents such as letters of authorization, and if available, letters of intent, emission reduction purchase agreement (ERPA) term sheets, ERPAs, or other documentation related to the sale of the potential CERs (including correspondence with multilateral financial institutions or carbon funds), evidence of agreements or negotiations with a DOE for validation services, submission of a new methodology or requests for clarification or revision of existing methodologies to the Board, publication in newspaper, interviews with DNA, earlier correspondence on the project with the DNA or the UNFCCC secretariat.

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participants shall provide an affirmation obtained from Parties included in Annex 1 that such funding does not result in a diversion of official development assistance, is separate from, and is not counted towards the financial obligations of those Parties.

7.2. Application of the selected baseline and monitoring methodology**7.2.1. General**

34. Project participants shall use the version of the selected methodology that is valid at the time of submission of the project activity for registration, taking into account the grace period of the methodology if it has been revised.

35. Project participants shall apply the selected methodology to the proposed project activity including any tools, standards or guidelines required by the methodology.

7.2.2. Reference of the methodology

36. Project participants shall specify the reference (number, title and version) of the selected methodology applied to the proposed project activity, including any other methodologies or tools that the selected methodology refers to.

7.2.3. Applicability of the methodology

37. Project participants shall demonstrate why the selected methodology is applicable to the project activity by showing that all applicability conditions of the methodology are met.

7.2.4. Project boundary

38. Project participants shall define the boundary of the proposed project activity, including the physical delineation of the project, and which sources and GHGs are included in the project boundary, in accordance with the selected methodology.

7.2.5. Baseline scenario establishment and description

39. Project participants shall establish the baseline scenario for the proposed project activity in accordance with the selected methodology.

40. When establishing the baseline scenario, and where situations of “future anthropogenic emissions by sources are projected to rise above current levels, due to the specific circumstances of the Host Party” have to be addressed, project participants should follow the guidelines on the consideration of suppressed demand in CDM methodologies.

41. When establishing the baseline scenario, project participants shall take into account the following two (2) types of national and/or sectoral policies:

- (a) National and/or sectoral policies or regulations that give comparative advantages to more emissions-intensive technologies or fuels over less emissions-intensive technologies or fuels⁵;
- (b) National and/or sectoral policies or regulations that give comparative advantages to less emissions-intensive technologies over more emissions-intensive technologies (e.g. public

⁵ Such policies, which increase GHG emissions, are called type E+.

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subsidies to promote the diffusion of renewable energy or to finance energy efficiency programs)⁶.

42. Project participants shall address the two (2) types of policies described in paragraph 41 above as follows:

- (a) Only national and/or sectoral policies or regulations described in paragraph 41(a) above that have been implemented before adoption of the Kyoto Protocol by the COP (decision 1/CP.3, 11 December 1997) shall be taken into account when establishing a baseline scenario. If such national and/or sectoral policies were implemented since the adoption of the Kyoto Protocol, the baseline scenario should refer to a hypothetical situation without the national and/or sectoral policies or regulations being in place;
- (b) National and/or sectoral policies or regulations described in paragraph 41(b) above that have been implemented since the adoption by the COP of the CDM M&P (decision 17/CP.7, 11 November 2001) need not be taken into account in establishing a baseline scenario (i.e. the baseline scenario could refer to a hypothetical situation without the national and/or sectoral policies or regulations being in place).

43. Project participants shall describe the established baseline scenario for the proposed project activity, including the technology that would be employed and/or the activities that would take place in the absence of the project activity.

7.2.6. GHG emission reductions

44. Project participants shall calculate baseline GHG emissions, project GHG emissions, leakage and GHG emission reductions of the proposed project activity for each year of the crediting period, in accordance with the selected methodology. Project participants shall describe all steps undertaken for these calculations and provide all results.

45. If the selected methodology includes options and/or different default values, project participants shall justify which ones are applied to the proposed project activity.

46. Project participants shall provide the data and parameters that are not monitored throughout the crediting period but that are determined only once and remain fixed throughout the crediting period. These data and parameters shall be available at the time of validation.

7.3. Demonstration of additionality

47. Project participants shall demonstrate, in accordance with the selected methodology and the requirements relating to prior consideration of the CDM contained in section 6.3 above, that the anthropogenic emissions of GHG by sources are reduced below those that would have occurred in the absence of the proposed project activity.

48. For demonstration of additionality of the proposed project activity, project participants shall follow, if required by the selected methodology and/or the tool referenced in the methodology if any, the following:

- (a) Guidelines on the assessment of investment analysis;
- (b) Guidelines for objective demonstration and assessment of barriers.

⁶ Such policies, which decrease GHG emissions, are called type E-.

**DRAFT****7.4. Monitoring plan**

49. Project participants shall develop a monitoring plan for the proposed project activity in accordance with the selected methodology. The monitoring plan shall also include the following:
- (a) Operational and management structure put in place to implement the monitoring plan shall be described;
 - (b) Data monitored and required for verification and issuance shall be kept for two years after the end of the crediting period or the last issuance of CERs, whichever occurs later;
 - (c) Responsibilities and institutional arrangements for data collection and archiving shall be defined;
 - (d) Quality assurance and quality control (QA/QC) procedures shall be developed and implemented.
50. Where applicable, project participants shall identify in the monitoring plan specific uncertainty levels, methods and associated accuracy level of measurement instruments and calibration procedures to be used for various parameters and variables, along with detailed quality assurance and quality control procedures. Where calibration standards are used, they shall either be national or international standards.
51. Project participants shall provide a description of the monitoring plan.

7.5. Environmental impacts

52. Project participants shall carry out an analysis of the environmental impacts of the proposed project activity, including transboundary impacts. Project participants shall provide a summary of the analysis and the reference to all related documentation.
53. If project participants or the Host Party considers the environmental impacts of the proposed project activity significant, project participants shall carry out an environmental impact assessment in accordance with the Host Party's procedures. Project participants shall provide all conclusions and references to all related documentation.

7.6. Local stakeholder consultation

54. Project participants shall invite local stakeholders to provide comments on the proposed project activity and shall demonstrate how due account was taken to engage stakeholders and solicit comments.
55. Project participants shall prepare a summary of the comments provided by local stakeholders.
56. Project participants shall demonstrate how due account was taken to consider in the proposed project activity all comments received.
57. Project participants shall complete the local stakeholder consultation process before submitting the proposed project activity to a DOE for validation.

**DRAFT****7.7. Approval and authorization**

58. Project participants shall obtain a letter of approval⁷ from the designated national authority (DNA) of each Party involved in the proposed project activity confirming that⁸:

- (a) The Party is a Party to the Kyoto Protocol; and
- (b) Participation in the proposed project activity of the project participant is voluntary.

59. In addition to the requirement in paragraph 58 above, for project participants from the Host Party, the letter of approval shall also confirm that the proposed project activity assists the Host Party in achieving sustainable development.

60. Each project participant shall be authorized to participate in the proposed project activity by at least one Party involved in the proposed project activity.

7.8. Duration of the project activity and crediting period

7.8.1. Duration of the project activity

61. Project participants shall determine the start date of the proposed project activity and provide a description of how this start date has been determined.

62. Project participants shall define the expected operational lifetime of the proposed project activity.

7.8.2. Crediting period

63. Project participants shall select a crediting period for the proposed project activity, either renewable or fixed, considering the following, unless prescribed otherwise by the selected methodology:

- (a) Each renewable crediting period shall be at most seven (7) years and may be renewed at most two (2) times;
- (b) A fixed crediting period shall be at most ten (10) years.

64. For a renewable crediting period, project participants shall determine the start date and the length of the first crediting period of the proposed project activity.

65. For a fixed crediting period, project participants shall determine the start date and the length of the crediting period of the proposed project activity.

66. Project participants shall state the start date of the crediting period⁹ in the format dd/mm/yyyy, and shall not use any qualifications to the start date, e.g. “expected”.

⁷ Project activities from Multilateral funds involving many Host parties do not necessarily require letters of approval from the DNA of each Party. However those not providing a letter may be giving up some of their rights and privileges in terms of being a Party involved in the proposed project activity. A letter of approval from a Party may cover more than one proposed project activity, provided that projects are clearly listed in the letter.

⁸ At the time of making the PDD public at the stage of validation, a Party involved may or may not have provided its approval of the project activity, but by the time of requesting registration, approval from all Parties involved shall be obtained.

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67. Project participants shall determine only one start date for the crediting period, even in cases of phased implementation of the proposed project activity.

7.9. Modalities of communications

68. Project participants shall define for the proposed project activity their modalities of communication with the Board and present them in a statement of modalities of communication (MoC statement), with the following content:

- (a) Title of the proposed project activity (and UNFCCC reference number if available);
- (b) Date of submission of the MoC statement (to a DOE for inclusion in the request for registration or to the secretariat for changes after registration);
- (c) Designation of focal point for each scope of authority, contact details and specimen signatures of the authorized signatories of each focal point entity;
- (d) List of all project participants, contact details and specimen signatures of their authorized signatories;
- (e) Signature of an authorized signatory (electronic when available) of all project participants confirming their agreement to the statement of modalities of communication.

69. If there is any change regarding the modalities or information in the MoC statement or its annexes after a request for registration is submitted, project participants shall revise the MoC statement in accordance with the project cycle procedure.

7.10. Validation of project activity

70. Project participants wishing to submit a project activity for validation shall prepare a PDD using the latest version of the PDD form applicable to the project activity, taking into account the grace period of the form if it has been revised.¹⁰

71. When completing a PDD form, project participants shall provide all necessary information and documentation to demonstrate compliance with all applicable requirements in this standard and other CDM requirements.

72. When completing a PDD form, project participants should follow the applicable guidelines for completing PDD forms.

73. Project participants shall consider that information used to demonstrate additionality, describe the application of the selected methodology, and support an environmental impact assessment shall not be considered proprietary or confidential.

74. Project participants shall select a DOE for the validation of the proposed project activity that is accredited for the validation function and sectoral scopes(s) of the project activity. Project participants shall have a contractual arrangement with the DOE for the validation.

⁹ The crediting period may only start after the date of registration of the proposed activity as a project activity. The date provided by project participants is an indicative start date and it will be updated by the UNFCCC secretariat as the date of registration, if the listed date is prior to the date of registration.

¹⁰ All various PDD forms and related guidelines are available on the UNFCCC CDM website.

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75. Project participants shall submit the completed PDD of the proposed project activity, together with supporting documentation, to the selected DOE for validation.

76. If the PDD of a proposed project activity is based on a previous version of a methodology and was published for global stakeholder consultation but was not submitted for registration within the grace period¹¹, project participants shall revise the PDD using the revised version of the methodology.

8. SPECIFIC PROJECT DESIGN REQUIREMENTS FOR SMALL-SCALE PROJECT ACTIVITIES

8.1. General requirements

77. Project participants designing and implementing a SSC project activity following the CDM SSC M&Ps shall only use SSC methodologies. However, project participants may use a large-scale methodology for a project activity that is within the SSC project activity thresholds if the project activity follows the CDM M&Ps.

78. For proposed SSC project activities that utilize sampling for determining one or more parameters, project participants shall develop a sampling plan in accordance with applicable guidelines for sampling and surveys for SSC project activities.

8.2. Project activity eligibility

79. Project participants shall justify the choice of project type for the proposed SSC project activity, and shall demonstrate that the proposed SSC project activity qualifies as one of the following type of SSC project activities:

- (a) Type I: The capacity of the proposed project activity does not exceed 15 MW (or an appropriate equivalent);
- (b) Type II: The annual energy savings on account of efficiency improvements does not exceed 60 GWh (or an appropriate equivalent) in any year of the crediting period;
- (c) Type III: The GHG emission reductions do not exceed 60 ktCO₂e/yr in any year of the crediting period.

80. In relation with paragraph 79 above and the scope of the maximum output capacity of 15 MW, project participants shall consider the following:

- (a) Regarding “maximum output”, “output” is the installed/rated capacity as indicated by the manufacturer of the equipment or plant, disregarding the actual load factor of the plant. The installed/rated capacity for renewable electricity generating units that involve turbine-generator systems shall be based on the installed/rated capacity of generator;
- (b) Regarding “appropriate equivalent” of 15 MW, decision 17/CP.7, paragraph 6 (c) (i), refers to MW, but project participants may refer to MW(p)¹², MW(e) or MW(th). As

¹¹ The grace period for using the previous version of an approved methodology is defined with the adoption of the revised methodology.

¹² For solar photovoltaic applications 15 MW(p) may be defined by manufacturers specifications under testing conditions of 1000 W/m² & 25 deg C or 600 W/m² & 35 deg C.

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MW(e) is the most common denomination, MW is defined as MW(e) and otherwise to apply an appropriate conversion factor;

- (c) For biomass, biofuel and biogas project activities, the maximal limit of 15 MW(e) is equivalent to 45 MW thermal output of the equipment or the plant (e.g. boilers). For thermal applications of biomass, biofuels or biogas (e.g. the cookstoves), the limit of 45 MWth is the installed/rated capacity of the thermal application equipment or device/s (e.g. biogas stoves). For electrical or mechanical applications, the limit of 15 MW installed/rated output shall be used. In case of cofiring renewable and fossil fuels, the rated capacity of the system when using fossil fuel shall apply;
- (d) For thermal applications of solar energy projects¹³, “maximum output” shall be calculated using a conversion factor of 700 Wth/m² of aperture area of glazed flat plate or evacuated tubular collector, i.e. eligibility limit in terms of aperture area is 64000 m² of the collector. Project participants may also use other conversion factors determined as per the requirements in paragraph 90 below, but shall then justify why the chosen conversion factor is more appropriate to the project activity.

81. Project participants shall ensure that the proposed SSC project activity, remain, for every year during the crediting period, within the limits of type of project activity defined in paragraph 79 above. In cases where the proposed SSC project activity goes beyond the limit of its type in any year of the crediting period, the GHG emission reductions that can be claimed during this particular year shall be capped by the maximum GHG emission reductions estimated in the PDD by the project participants for that year during the crediting period.

82. Project participants shall consider that:

- (a) The three types of SSC project activities defined in paragraph 79 above are mutually exclusive. In a SSC project activity with more than one component that follows the CDM SSC M&Ps, each component shall meet the threshold criterion of each applicable type;
- (b) The sum of the size of components of a SSC project activity belonging to the same type shall not exceed the limits for SSC project activities.

8.3. Bundling of SSC project activities

83. Project participants shall consider that project activities within a bundle may be arranged in one or more sub-bundles, with each project activity retaining its distinctive characteristics. Project activities within a sub-bundle belong to the same type. The sum of the output capacity of project activities within a sub-bundle shall not exceed the maximum output capacity limit for its type.

84. In bundling project activities, project participants shall follow the guidelines on general principles for bundling.

8.4. Debundling for SSC project activities

85. Project participants shall demonstrate that the proposed SSC project activity is not a debundled component of a large project activity.

¹³ This conversion is not applicable for solar thermal parabolic and trough type collectors used for high grade solar thermal energy applications.

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86. Project participants shall follow the applicable provisions in the guidelines on assessment of debundling for SSC project activities.

8.5. Description of project activity

87. In describing the proposed SSC project activity, project participants shall:

- (a) Provide details of the physical location, including information allowing the unique identification of the project activity;
- (b) Provide the type of the project activity, as describe in paragraph 79 above;
- (c) Describe how environmentally safe and sound technology and know how is being applied by the project activity, interalia technology transfer to the Host Party(ies) for application in the project activity.

8.6. Application of the baseline and monitoring methodology

88. If the proposed SSC project activity involves more than one component, project participants shall provide GHG emission reductions calculations for each of the component separately.

89. Project participants shall provide the results of the ex-ante estimation of GHG emission reductions for all years of the crediting period. If the proposed SSC project activity involves more than one component, project participants shall provide the results of the ex-ante estimation of GHG emission reductions for all years of the crediting period separately for each component.

90. To determine equipment performance used in the proposed SSC project activity, project participants shall use:

- (a) The appropriate value specified in the selected methodology;
- (b) The national standard for the performance of the equipment type (project participants shall identify the standard used) if the value specified in sub-paragraph (a) is not available;
- (c) An international standard for the performance of the equipment type, such as International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC) standards (project participants shall identify the standard used) if the value specified in sub-paragraph (b) is not available; or
- (d) The manufacturer's specifications provided that they are tested and certified by national or international certifiers if a value specified in sub-paragraph (c) is not available.

91. Project participants may also use performance data from test results conducted by an independent entity for equipment installed under the project activity.

92. In the cases where leakage is to be considered, project participants shall consider leakage only within the boundaries of non-Annex I Parties.

93. In case of replacement of existing equipments, project participants shall estimate the point in time where the existing equipments would be replaced in the absence of the proposed SSC project activity in accordance with the latest version of the applicable tool.

94. For household devices/appliances, project participants may disregard the remaining lifetime.

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95. Project participants shall consider that norms, specifications, standards and test procedures cited in the selected methodology refer to the latest version of the documentation available at the time of submission of the PDD to the DOE for validation.

8.7. Demonstration of additionality

96. For demonstration of additionality of a proposed SSC project activity, project participants shall apply or use one of the following options:

- (a) Attachment A of Appendix B of the CDM SSC M&Ps. In such cases, project participants should follow the guidelines relating to non-binding practice examples;
- (b) Any applicable additionality tool; or
- (c) Guidelines for demonstration of additionality of microscale project activities, if the proposed SSC project activity meets one of the following criteria:
 - (i) Type I project activities up to 5 MW that employ renewable energy as their primary technology;
 - (ii) Type II energy efficiency project activities that aim to achieve energy savings at a scale of no more than 20 GWh per year;
 - (iii) Type III project activities that aim to achieve GHG emissions reductions at a scale of no more than 20 ktCO₂e per year.

8.8. Monitoring plan

97. Where parameters are to be measured in accordance with the selected methodology and/or the general guidelines to SSC CDM methodologies, project participants shall specify the measurement methods and procedures including accepted industry standards or national or international standards that will be applied, which measurement equipment is used, how the measurement is undertaken, which calibration procedures are applied, what is the accuracy of the measurement method and what is the measurement interval. The project participants shall specify the responsible person/entity undertaking the measurement and the responsible person/entity performing the calibration.

98. In the development of the monitoring plan for the proposed SSC project activity, project participants shall consider the following:

- (a) All data collected as part of the monitoring shall be archived electronically for a period of two years from the end of the crediting period;
- (b) Data variables that impact the GHG emission reductions continuously (e.g. quantity of the fuel inputs, amount of heat or electricity produced, gas captured) shall be measured continuously and recorded at appropriate intervals. Data elements that are generally constant (e.g. emission factors, calorific value, system efficiencies) shall be measured or calculated at least once a year, unless other specifications are provided in the selected methodology;
- (c) Measuring equipment shall be certified to national or IEC standards. They shall be calibrated according to the national standards and reference points or IEC standards and recalibrated at appropriate intervals according to manufacturer specifications, but at least

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once in three years. The calibration/recalibration shall be carried out by an accredited person or institution;

- (d) The measured data with high levels of uncertainty or without adequate calibration shall be compared with location/national data and commercial data to ensure consistency.

8.9. Environmental impacts

99. Paragraphs 100–101 below supersede paragraphs 52–53 above.

100. If required by the Host Party, project participants shall carry out an analysis of the environmental impacts of the proposed project activity, and provide a summary of the analysis and the reference to all related documentation.

101. If project participants or the Host Party considers the environmental impacts of the proposed project activity significant, project participants shall carry out an environmental impact assessment in accordance with the Host Party's procedures. Project participants shall provide all conclusions and references to all related documentation.

8.10. Validation of project activity

102. If project participants wish to present a SSC project activity with more than one component in the same PDD, project participants shall provide the information regarding the sections covering the type and technology / measure of the SSC project activity and application of the baseline and monitoring methodology separately for each component.

9. SPECIFIC PROJECT DESIGN REQUIREMENTS FOR AFFORESTATION OR REFORESTATION PROJECT ACTIVITIES**9.1. Description of the project activity**

103. When describing the proposed A/R project activity, project participants shall:

- (a) Describe the present environmental conditions of the area planned for the proposed A/R project activity, including the climate, hydrology, soils and ecosystems;
- (b) Describe the presence, if any, of rare and endangered species and their habitats;
- (c) Describe the species and varieties selected for the proposed A/R project activity;
- (d) Describe the technologies and know-how that will be transferred to the Host Party(ies), if applicable; and
- (e) Describe or list the legal title/s to the land, current land tenure and rights enabling determination of the owner of the tCERs/ICERs issued for the proposed A/R project activity.

**DRAFT****9.2. Project boundary**

104. Project participants shall define the project boundary that geographically delineates the proposed A/R project activity under the control of the project participants, including information allowing the unique identification(s) of the proposed A/R project activity, in accordance with the selected methodology. If the proposed A/R project activity contains more than one discrete area of land, each discrete area of land shall have a unique geographical identification.

105. Project participants shall have, as a minimum, the exclusive right, defined in a way acceptable under the legal system of the Host country, to perform the proposed A/R project activity with the aim of achieving net anthropogenic GHG removals by sinks.

106. Project participants shall demonstrate that, for all areas of land planned for the proposed A/R project activity, the control over afforestation or reforestation as required by modalities and procedures for the A/R CDM activity is already established or is expected to be established.

107. When submitting the PDD for validation, project participants shall have established the control over afforestation or reforestation for at least 2/3 of the total area of land planned for proposed A/R project activity.

108. When submitting the PDD for validation, project participants shall demonstrate that all areas of land planned for the proposed A/R project activity comply with all requirements, except those related to the control.

109. If the control over afforestation or reforestation is not established for all areas of land planned for the proposed A/R project activities when submitting the PDD for validation, project participants shall:

- (a) Demonstrate additionality separately for:
 - (i) The area of land for which control over the proposed A/R project activities is already established by the project participants;
 - (ii) The entire area of land.
- (b) Estimate the baseline net GHG removals by sinks separately:
 - (i) The area of land for which control over the proposed A/R project activities is already established by the project participants;
 - (ii) The entire area of land.

110. Project participants shall express each of the estimates of baseline net GHG removals by sinks on a per hectare basis. The larger of these estimates shall be used to determine the baseline net GHG removals by sinks for the proposed A/R project activity.

9.3. Eligibility of land

111. Project participants shall demonstrate that each discrete area of land to be included in the project boundary is eligible for an A/R project activity, in accordance with the selected methodology and the procedure for demonstrating eligibility of land for A/R project activities.

**DRAFT****9.4. Addressing non-permanence**

112. Project participants shall specify which of the following approaches to address non-permanence has been selected for the proposed A/R project activity, considering that this approach shall remain fixed for the crediting period including any renewals:

- (a) Issuance of tCERs;
- (b) Issuance of ICERs.

9.5. Duration of the project activity and crediting period

113. Paragraph 62 above does not apply to A/R project activities.

114. The following supersedes paragraph 63 above: Project participants shall select a crediting period for the proposed A/R project activity, either renewable or fixed, considering that:

- (a) Each renewable crediting period shall be a maximum of 20 years and may be renewed at most two (2) times;
- (b) A fixed crediting period shall be at most 30 years;
- (c) Provisions of paragraphs 12 and 13 of decision 17/CP.7 do not apply to A/R project activities. An A/R project activity starting after 1 January 2000 can also be validated and registered after 31 December 2005 as long as the first verification of the project activity occurs after the date of registration of this project activity. Given that the crediting period starts at the same date as the starting date of the project activity, the projects starting 2000 onwards can accrue tCERs/ICERs as of the starting date.

9.6. Application of the selected baseline and monitoring methodology

115. Project participants shall select the carbon pools and GHG to account for the proposed A/R project activity in accordance with the selected methodology.

116. If the selected methodology allows exclusion of certain carbon pools and project participants do so, they shall justify the exclusion.

117. Project participants shall ensure that application of default data in estimation of the net anthropogenic GHG removals by sinks for the proposed A/R project activity results in conservative estimates.

118. The following supersedes paragraphs 41–42 above: In establishing a baseline scenario, project participants shall take into account relevant national and/or sectoral policies and circumstances, such as historical land use practices, without creating perverse incentives that may impact Host Parties' contributions to the ultimate objective of the Convention, in the following manner:

- (a) National and/or sectoral land-use policies or regulations, which give comparative advantages to afforestation/reforestation activities and that have been implemented since the adoption by the COP of the CDM M&P (decision 17/CP.7, 11 November 2001), need not be taken into account in developing a baseline scenario (i.e. the baseline scenario could refer to a hypothetical situation without the national and/or sectoral policies or regulations being in place).

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119. Project participants shall establish the baseline scenario separately for each stratum of the proposed A/R project activity in accordance with the selected methodology.

120. The following supersedes paragraph 43 above: Project participants shall describe the baseline scenario established for each stratum of the proposed A/R project activity, including the land-use that would occur in the absence of the project activity.

121. The following supersedes paragraph 44 above: Project participants shall calculate and provide an estimation of the ex ante baseline net GHG removals by sinks, ex ante actual net GHG removals by sinks, leakage, and net anthropogenic GHG removals by sinks for the proposed A/R project activity for each year of the crediting period, in accordance with the selected methodology.

9.7. Demonstration of additionality

122. The following supersedes paragraph 47 above: Project participants shall demonstrate, in accordance with the selected methodology and the requirements relating to prior consideration of the CDM contained in section 6.3 above, that the actual net GHG removals by sinks are increased above the sum of the changes in carbon stocks in the carbon pools within the project boundary that would have occurred in the absence of the proposed A/R project activity.

9.8. Monitoring

123. Project participants shall plan management activities, including harvesting cycles, and verifications such that a systematic coincidence of verification and peaks in carbon stocks would be avoided.

124. Project participants shall monitor forest establishment and management, if required for the compliance with the applicability conditions of the selected methodology.

125. Project participants shall describe how the geographic coordinates of the project boundary, including boundaries of strata if any, are determined and recorded.

126. Project participants describe, or provide reference to, SOPs and quality control (QC) and quality assurance (QA) procedures implemented data monitored, as required by the selected methodology.

127. Project participants shall identify measures to minimize potential leakage and describe how these will be implemented.

128. Project participants shall specify the procedures for the periodic review of implementation of activities and measures to minimize leakage, if required by the selected methodology.

9.9. Environmental impacts

129. Paragraphs 130–132 below supersede paragraphs 52–53 above.

130. Project participants shall carry out an analysis of the environmental impacts of the proposed A/R project activity, including impacts on biodiversity and natural ecosystems and impacts outside the project boundary. Project participants shall provide a summary of the analysis and the reference to all related documentation.

131. If project participants or the Host Party considers the environmental impacts of the proposed A/R project activity significant, project participants shall carry out an environmental impact assessment in

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accordance with the Host Party's procedures. Project participants shall provide all conclusions and references to all related documentation.

132. If the environmental impacts of the proposed A/R project activity are considered significant, project participants shall provide a description of the planned monitoring and remedial measures to address these significant impacts.

9.10. Socio-economic impacts

133. Project participants shall carry out an analysis of the major socio-economic impacts of the proposed A/R project activity, including impacts outside the project boundary. Project participants shall provide a summary of the analysis and the reference to all related documentation.

134. If project participants or the Host Party considers any negative impact as significant, project participants shall carry out a socio-economic impact assessment, in accordance with the Host Party's procedures. Project participants shall provide all conclusions and references to all related documentation.

135. If the socio-economic impacts of the proposed A/R project activity are considered significant, project participants shall provide a description of the planned monitoring and remedial measures to address these significant impacts.

**10. SPECIFIC PROJECT DESIGN REQUIREMENTS FOR SMALL-SCALE
AFFORESTATION OR REFORESTATION PROJECT ACTIVITIES**

136. Project participants shall demonstrate that the proposed SSC A/R project activity:

- (a) Complies with the thresholds for the small-scale A/R CDM project activities;
- (b) Complies with one of the types of small-scale A/R project activities defined in appendix B of the annex to decision 6/CMP.1 and qualifies to apply one of the simplified baseline and monitoring methodology for small-scale afforestation and reforestation project activities;
- (c) Is not a part of a debundled large-scale A/R project activity, in accordance with the rules defined in appendix C of the annex to decision 6/CMP.1.

137. Project participants shall provide a written declaration that the proposed SSC A/R project activity is developed or implemented by low-income communities and individuals as determined by the Host Party.

**11. SPECIFIC PROJECT DESIGN REQUIREMENTS FOR PROGRAMME OF
ACTIVITIES****11.1. General requirements - Programme of Activities**

138. The coordinating/managing entity shall complete a PoA Design Document (CDM-POA-DD).

139. The coordinating/managing entity shall obtain:



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- (a) Letters of approval from each host Party and Annex I Party which wishes to be involved in the PoA. Letters of approval shall be issued in accordance with the guidance provided by the Board (EB 16 report, Annex 6);
 - (b) Letters of authorization of its coordination of the PoA from each host Party.
140. The coordinating/managing entity shall:
- (a) Define the boundary for the PoA in terms of a geographical area (e.g., municipality, region within a country, country or several countries) within which all CPAs included in the PoA will be implemented;
 - (b) Consider all applicable national and/or sectoral policies and regulations within the chosen boundary in the determination of the baseline;
 - (c) Calculate baseline emissions and estimated emission reductions by sources or removal by sinks of GHG;
 - (d) Describe the policy/measure or stated goal that the PoA seeks to promote;
 - (e) Describe a typical CPA that will be included in the PoA covering the technology or measures to be used, justify the choice of an approved baseline and monitoring methodology (or combination of approved methodologies), and apply an approved baseline and monitoring methodology;
 - (f) Confirm that the proposed PoA is a voluntary action by the coordinating/managing entity;
 - (g) Define the start date and length of the PoA¹⁴;
 - (h) Establish and describe the operational and management arrangements for the implementation of the PoA¹⁵, including a record keeping system for each CPA under the PoA, a system/procedure to avoid double accounting e.g. to avoid the case of including a new CPA that has been already registered either as CDM project activity or as a CPA of another PoA, the provisions to ensure that those operating the CPA are aware and have agreed that their activity is being subscribed to the PoA;
 - (i) Describe the monitoring plan for a CPA and identify the monitoring provisions and data parameters a CPA has to apply/monitor in accordance with the approved monitoring methodology;
 - (j) Conduct an environmental impact analysis;¹⁶
 - (k) Conduct local stakeholder consultations in accordance with section 7.6 above;¹⁷
 - (l) Confirm that official development assistance is not being diverted to the implementation of the PoA if public funding is used.

¹⁴ Not to exceed 28 years (60 years for A/R).

¹⁵ The operators of individual CPAs are not required to be project participants. CDM programme participation is only recorded at the PoA level.

¹⁶ The analysis may be undertaken for the whole PoA.

¹⁷ Comments may be sought for the whole PoA.

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141. The Board clarified that the boundary of the programme can be amended post-registration to include an additional Host Party provided the following three conditions are met:

- (a) The existing registered POA-DD is revised to reflect the changes, in particular, the eligibility criteria for inclusion of CPAs;
- (b) A DOE confirms that the baseline established in the POA-DD is applicable to the extended programme boundary; and
- (c) The DNA of the new Host Party issues a letter of approval for the programme and a letter of authorization for the co-ordinating and managing entity.

11.2. General requirements - CDM Programme Activities (CPA)

142. The coordinating/managing entity shall complete the CDM Programme Activity Design Document (CDM-CPA-DD) using the provisions of the proposed PoA.

143. The coordinating/managing entity shall provide the geographic reference or a means of identifying the CPA.

144. The coordinating/managing entity shall identify:

- (a) The entity/individual responsible for the operation of the CPA;
- (b) The host Party; and
- (c) The start date, type (fixed or renewable) and duration of the crediting period of the CPA taking into account that the starting date of a crediting period of the CPA shall be the date of its inclusion in the registered PoA or any date thereafter and that the duration of the crediting period shall not exceed the end date of the PoA.

145. The coordinating/managing entity shall:

- (a) Confirm that the start date of any CPA is not, or will not be, prior to the commencement of validation of the programme of activities, i.e. the date on which the CDM-POA-DD is first published for global stakeholder consultation;
- (b) Calculate baseline emissions and estimated emission reductions by sources or removal by sinks of GHG;
- (c) Confirm that the CPA is neither registered as a CDM project activity nor included in another registered PoA.

11.3. Additionality

146. The coordinating/managing entity shall demonstrate:

- (a) [That in the absence of the CDM either:
 - (i) The proposed voluntary measure would not be implemented, or
 - (ii) The mandatory policy/regulation would be systematically not enforced and that non-compliance with those requirements is widespread in the country/region, or

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- (b) That the PoA will lead to a greater level of enforcement of the existing mandatory policy /regulation;]

OR

- (a) [Additionality in accordance with the Standard for the Demonstration of Additionality for a PoA.]

147. The coordinating/managing entity shall consider that a full additionality assessment is not required in the context of CPA, rather the confirmation of additionality for CPAs should be conducted by means of the eligibility criteria.

11.4. Eligibility criteria

148. The coordinating/managing entity shall define the eligibility criteria for inclusion of a project activity as a CPA under the PoA in accordance with the Standard for the Development of Eligibility Criteria for Inclusion of a Project Activity as a CPA under the PoA.

11.5. Multiple methodologies

149. Coordinating/managing entities applying different combinations of technologies / measures and / or approved CDM methodologies among CPAs of a PoA shall apply the combinations in accordance with the Standard for the Application of Multiple CDM Methodologies for a Programme of Activities.

11.6. Application of methodologies

150. The coordinating/managing entity shall consider that methodologies are approved for application to both CDM project activity and to CPA under a PoA. Proposed new methodologies submitted for consideration by the Board should clearly define the activity to which the proposed methodology is applicable.

11.7. Debundling of SSC PoAs

151. The coordinating/managing entity should apply the guidelines on assessment of debundling for SSC project activities.

11.8. Sampling

152. The coordinating/managing entity shall propose a statistically sound sampling method/procedure to be used by DOEs for verification of the amount of reductions of anthropogenic emissions by sources or removals by sinks of greenhouse gases achieved by CPAs under the PoA if the coordinating /managing entity does not wish to have all CPAs verified.

153. The coordinating/managing entity shall develop a statistically sound sampling method/procedure in accordance with the Standard for Sampling and Surveys for CDM Project Activities and Programme of Activities.

11.9. Validation of the PoA

154. The coordinating/managing entity shall submit to a DOE the following documentation:

- (a) A completed CDM-POA-DD;

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- (b) A PoA generic CDM-CPA-DD, which specifies the generic information relevant to all CPAs that may be included in the PoA;
- (c) A completed CDM-CPA-DD which is to be based on the application of the PoA to one real case.

155. A coordinating/managing entity wishing to include an additional CPA in a registered PoA shall forward the completed specific CDM-CPA-DD form to any DOE, after having ensured that the CPA and the specific CDM-CPA-DD meets the requirements determined in the POA and its generic CDM-CPA-DD¹⁸.

12. REQUIREMENTS FOR PROJECT IMPLEMENTATION AND MONITORING FOR ALL PROJECT TYPES

12.1. General requirements

156. Project participants shall implement the project activity in accordance with the description in the registered PDD including all physical features.

157. Project participants shall operate the registered project activity in accordance with the description in the registered PDD.

158. Project participants shall monitor the project activity in accordance with the monitoring plan included in the registered PDD.

159. In the event that project participants wish to implement, operate or monitor or has implemented, operated or monitored the project activity in a manner other than that described in the registered PDD, they shall document the proposed or actual modifications in a revised PDD in accordance with section 12.6 below.

160. In the event that project participants wish to correct any information or parameters determined at validation, they shall document the proposed corrections in a revised PDD in accordance with section 12.6 below.

161. Project participants shall indicate in the monitoring report whether any request of approval of modifications to the registered PDD has been submitted and, if applicable, include the date of approval.

12.2. Description of the implemented project activity

162. Project participants shall provide the following information:

- (a) Status of the implementation of the project activity;
- (b) Actual operation of the project activity;
- (c) Approved monitoring plan applied to the project activity;
- (d) Monitoring procedures;
- (e) Baseline GHG emissions;

¹⁸ A CPA can be included in a registered PoA at any time during the duration of the PoA and the coordinating/managing entity may forward more than one specific CDM-CPA-DD at one [or a] time.

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- (f) Project GHG emissions;
- (g) Leakage GHG emissions; and
- (h) GHG emission reductions achieved during the monitoring period (including monitored parameters and calculation methods).

163. Project participants shall provide the title, reference and version of the methodology applied to the project activity.

164. Project participants shall:

- (a) Explain the purpose of the project activity and the measures taken to reduce GHG emissions;
- (b) Describe the installed technology and equipments;
- (c) Provide relevant dates for the project activity (e.g. construction, commissioning, continued operation periods, etc.);
- (d) Provide total GHG emission reductions achieved in this monitoring period.
- (e) Specify the location of the project activity (town, city, country and GPS coordinates);
- (f) Describe the technology applied in the project activity and technical processes, including diagrams;
- (g) Indicate the crediting period of the project activity and related information (start date and choice of crediting period). When applicable, any changes to the start date of the crediting period post-registration that have been accepted by the Board shall be included. For project activities that consist of more than one site, project participants shall describe the status of implementation and start date of operation for each site. For project activities with phased implementation, project participants shall indicate the progress of the project activity achieved in each phase.
- (h) Describe:
 - (i) The events or situations that occurred during the monitoring period that may impact the applicability of the methodology; and
 - (ii) How the issues resulting from these events or situations are being addressed.

12.3. Description of the monitoring system

165. Project participants shall describe the monitoring system and:

- (a) Include line diagrams (graphical schemes) showing all relevant monitoring points;
- (b) Identify parameters used to calculate baseline, project, and leakage GHG emissions as well as other relevant parameters required by the methodology and the monitoring plan;
- (c) Indicate how data and parameters have been monitored during the monitoring period;

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- (d) Indicate the value of monitored parameter in the period for the purpose of calculating GHG emission reductions. For default value (such as an IPCC value), where it is ex-post confirmed, the most recent value shall be applied;
- (e) Describe the equipment used to monitor each parameter, including details on accuracy class, and calibration information (frequency, date of calibration and validity), if applicable as per monitoring plan;
- (f) Describe how the parameters are measured/calculated and the measurement and recording frequency;
- (g) Provide and/or identify the source of data (e.g., logbooks, daily records, surveys, etc);
- (h) Provide the calculation method of the parameter, where relevant;
- (i) Describe the QA/QC procedures applied (if applicable per monitoring plan);
- (j) Provide information about [appropriate] emission factors, IPCC default values and any other reference values that have been used in the calculation of GHG emission reductions.

12.4. Data and calculation of GHG emission reductions

166. Project participants shall provide the values of monitored data for all parameters as specified in the monitoring plan in a tabular form indicating the date and the value of the monitored data. Where data are measured continuously, they shall be presented using a specified time interval (e.g. monthly for the monitoring period six months or more, weekly if the monitoring period is less than six months and daily if the monitoring period is one month or less).

167. Project participants shall identify the formulae used and provide the calculations of the GHG emissions and emission reductions achieved during the monitoring period for the following:

- (a) Baseline GHG emissions
- (b) Project GHG emissions;
- (c) Leakage;
- (d) GHG emission reductions.

168. Project participants shall provide a comparison of actual GHG emission reductions of the project activity with estimates in the registered PDD.

169. Project participants shall explain the cause of any increase in the actual GHG emission reductions achieved during the current monitoring period (e.g. higher water availability, higher load plant factor, etc), including all information (i.e. data and/or parameters) that is different from that stated in the registered PDD.

12.5. Verification of implemented project activity and GHG emission reductions

170. Project participants wishing to report, for verification, on the GHG emission reductions of the implemented project activity shall prepare a monitoring report (MR) for the relevant monitoring period using the latest version of the MR form applicable to the project activity, taking into account the grace period of the form if it has been revised.

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171. When completing a MR form, project participants shall provide all necessary information and documentation to demonstrate compliance with all applicable requirements in this standard and other applicable CDM requirements.
172. When completing a MR form, project participants should follow the applicable guidelines for completing MR forms.
173. Project participants shall select a DOE for the verification of the implemented project activity and monitored GHG emission reductions for the relevant monitoring period that is accredited for the verification function and sectoral scopes(s) of the project activity. Project participants shall have a contractual arrangement with the DOE for the verification.
174. Project participants shall submit the completed MR of the implemented project activity for the relevant monitoring period, together with supporting documentation, to the selected DOE for verification.
175. During verification, project participants shall address concerns related to the compliance of the actual project activity and its operation with the registered PDD and supply relevant additional information to the DOE.
176. If the verification of the implemented project activity's monitoring report has been selected as a performance assessment under the applicable accreditation procedure, project participants shall facilitate the access of the CDM assessment team to the project site.

12.6. Post registration changes**12.6.1. Changes to the start date of the crediting period**

177. Project participants wishing to change the start date of the crediting period of a project activity for which this start date is after the date of registration of the project activity shall notify the UNFCCC secretariat of their intention in accordance with the project cycle procedure.
178. Where the change of the start date of the crediting period is more than one year but no more than two years (more than two years but no more than four years for project activities hosted by a Least Developed Country), project participant shall:

- (a) Demonstrate that no changes have occurred to the project activity which would result in a less conservative baseline and that substantive progress has been made by the project participants to start the project activity;
- (b) Submit this demonstration to a DOE for confirmation prior to making a request to the UNFCCC secretariat in accordance with the project cycle procedure.

12.6.2. Modifications to the registered PDD

179. In situations referred to in paragraph 159 above, project participants shall prepare a revised PDD which describes the nature and extent of the proposed or actual modifications, including:
- (a) Changes in the effective output capacity due to increased installed capacity or increased number of units, or installation of units with lower capacity or units with a technology which is less advanced than that described in the PDD;
 - (b) Addition of component or extension of technology;



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- (c) Removal or addition of one (or more) site of a project activity registered with multiple-sites;
- (d) Actual operational parameters which are within the control of project participant differing from the expected parameters;
- (e) Revisions to the monitoring parameters and procedures in the monitoring plan contained in the registered PDD.

180. Project participants shall further describe in the revised PDD any consequential changes to the baseline methodology, including changing to or adding another baseline methodology or applying a baseline scenario a more appropriate that are a result of the proposed or actual modifications to the project activity as outlined in paragraph 179(a)–(d) above.

181. Project participants shall describe in a revised PDD any corrections that are required to information or parameters determined at validation.

182. Project participants shall demonstrate that the proposed or actual modifications to the registered PDD do not adversely impact any of the following:

- (a) The additionality of the project activity;
- (b) The scale of project activity.

183. The demonstration required in paragraph 182(a) above shall be based on all original input data. In the case of investment analysis, project participants shall only modify the key parameters in the original spreadsheet calculations affected by the proposed or actual modifications to the project activity. In cases where only barriers have been claimed to demonstrate additionality, project participants shall demonstrate that the barriers are still valid under new circumstances¹⁹.

184. Project participants shall assess and describe in the revised PDD whether the proposed or actual modifications to the project activity adversely impact any of the following:

- (a) The applicability and application of the applied methodology under which the project activity has been registered;
- (b) Compliance of the monitoring plan with the applied methodology;
- (c) The level of accuracy and completeness in the monitoring of the project activity.

185. In such cases, project participants shall demonstrate that the proposed or actual modifications to the registered PDD either:

- (a) Comply with the requirements of the applied methodology under which the project activity has been registered; or
- (b) Where compliance with (a) above is not possible, apply a later version of the methodology or a new methodology and comply with the requirements of that alternative methodology.

¹⁹ If a proposed or actual modification adversely impacts the additionality of the project activity, subsequent requests for issuance based on such modifications will be rejected.



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186. Following preparation of a revised PDD which describes the nature and extent of the proposed or actual modifications, project participants shall either:

- (a) Submit the revised PDD, together with bundle of original MR submitted for verification, to the DOE contracted to perform a verification for a monitoring period of the relevant project activity; or
- (b) Request any DOE at any time prior to the commencement of verification of a monitoring period to validate the revised PDD.

12.6.3. Deviation from the registered monitoring plan or monitoring methodology

187. The provisions of sub-section 12.6.4 below shall be applied as alternative means of compliance. These alternative means of compliance require prior assessment by a DOE.

188. If project participants are temporarily unable to monitor the project activity in accordance with the monitoring plan contained in the registered PDD or the applied methodology, project participants shall describe the nature, extent and duration of the non-conforming monitoring and the proposed alternative monitoring of the project activity in the monitoring report and shall either:

- (a) Inform the DOE contracted to perform a verification for the monitoring period during which they were unable to monitor the project activity in accordance with the monitoring plan contained in the registered PDD or the applied methodology; or
- (b) Request any DOE at any time prior to the commencement of verification of a monitoring period to assess the proposed alternative monitoring of the project activity.

189. If project participants are unable to implement the monitoring plan contained in the registered PDD and it will not be possible to monitor the project activity in accordance with a monitoring plan that would comply with the applied methodology and any applicable tools, project participants shall describe of the nature and extent of the non-conforming monitoring in a revised PDD and the proposed alternative monitoring of the project activity (unless the registered PDD already contains this description) and shall either:

- (a) Inform the DOE contracted to perform a verification for the monitoring period during which it was identified that the project participants are unable to implement the monitoring plan contained in the registered PDD and it will not be possible to monitor the project activity in accordance with a monitoring plan that would comply with the applied methodology; or
- (b) Request any DOE at any time prior to the commencement of verification of a monitoring period to assess the proposed alternative monitoring of the project activity.

190. Project participants shall ensure that any DOE referred to in paragraphs 188–189 above is accredited for the validation function and sectoral scope(s) of the proposed project activity.

12.6.4. Prescribed responses to non-conformance with the monitoring plan

191. If project participants have not monitored parameters related to baseline GHG emissions or is unable to produce evidence related to such monitoring, project participants shall report these parameters as zero.

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192. If project participants have not monitored parameters related to project GHG emissions or is unable to produce evidence related to such monitoring, project participants shall estimate the parameters assuming that the source of the GHG emissions operated at maximum capacity for the full period of the missing data. In the case of project GHG emissions related to the consumption of electricity project participants shall add 10% to the estimation to account of transmission and distribution losses.

193. If the monitoring equipment actually installed has a lower accuracy level than the one stipulated in the applied methodology and/or in the registered monitoring plan and the monitoring equipment is under the control of the project participants, project participants shall adjust the value measured with the equipment as follows:

- (a) If the parameter is used for calculating baseline GHG emissions, the difference between the accuracy level of the installed monitoring equipment and the accuracy prescribed by the applied methodology and/or the registered monitoring plan shall be deducted from the measured value²⁰;
- (b) If the parameter is used for calculating project GHG emissions, the difference between the accuracy level of the installed monitoring equipment and the accuracy prescribed by the applied methodology and/or the registered monitoring plan shall be added to the measured value²¹.

194. Where project participants have made modifications to the monitoring of the project activity of a type listed below, project participants shall describe these changes in a revised PDD and submit it to the DOE contracted to perform a verification at the commencement of verification:

- (a) Change of calibration frequency or practice for monitoring equipment not within the control of project participants;
- (b) Change of meter(s) accuracy/ type/model as per a power purchase agreement (PPA); or
- (c) Change of meter(s) location as per a power purchase agreement (PPA).

12.7. Renewal of crediting period

195. Project participants wishing to renew the crediting period of a registered project activity shall notify the UNFCCC secretariat of their intention in accordance with the project cycle procedure.

196. To support a request of renewal of the crediting period of a registered project activity, project participants shall update sections of the PDD of the registered project activity relating to the baseline, estimated GHG emission reductions and the monitoring plan using a baseline and monitoring methodology as follows:

- (a) Project participants shall use the latest approved version of the methodology applied in the original PDD, i.e. the version that is valid at the time of submission of the revised PDD for the renewal of the crediting period;

²⁰ For example, if the accuracy level required by the monitoring plan is 0.2s and the accuracy level of the installed equipment is 0.5s, the measured value shall be adjusted as follows: adjusted value = measured value - measured value * 0.3.

²¹ For example, if the accuracy level required by the monitoring plan is 0.2s and the accuracy level of the installed equipment is 0.5s, the measured value shall be adjusted as follows: adjusted value = measured value + measured value * 0.3.



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- (b) If the methodology applied in the original PDD was withdrawn after the registration of the project activity and replaced by a consolidated methodology, project participants shall use the latest approved version of the respective consolidated methodology, i.e. the version that is valid at the time of submission of the revised PDD for the renewal of the crediting period;
- (c) If the registered project activity does not meet the applicability criteria of the options provided for in sub-paragraphs a) or b) above, due to their revision or due to the update of the baseline, project participants shall either select another applicable methodology or request, through the DOE, a deviation from a methodology for the purpose of renewal of the crediting period.

197. Project participants shall consider that the demonstration of the validity of the original baseline or its update does not require a reassessment of the baseline scenario, but rather an assessment of the GHG emissions which would have resulted from that scenario.

198. For updating the baseline at the start of the second and third crediting period, there shall be no change in the methodology for determining the baseline GHG emissions. However, new data available will be used to revise the baseline GHG emissions. For example, if the “average of 3 most recent years data” was used to determine the baseline GHG emissions for the first crediting period, the baseline shall be updated using the average for the 3 most recent years prior to the start of the subsequent crediting period.

199. In the case of baselines where GHG emission factors are determined ex ante (and not updated during a crediting period), the baseline GHG emissions factor shall be updated for the subsequent crediting period. This shall not be necessary for baselines which are constantly updated. In both cases, the project activities are not included in the revised estimation of the baseline GHG emissions.

200. Project participants shall assess and incorporate the impact of new regulations when updating baseline GHG emissions.

201. Project participants shall engage a DOE to undertake a validation of the updated PDD of the registered project activity.



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ANNEX A: Documents superseded by the “Clean development mechanism project standard”



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1 **ANNEX B: Documents that will be subsequently revised in accordance with the “Clean**
2 **development mechanism project standard”**

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