

**CDM-EB65-A33-PROC**

Procedure

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Submission and consideration of  
microscale renewable energy technologies  
for automatic additionality

Version 04.0



**United Nations**  
Framework Convention on  
Climate Change

<b>TABLE OF CONTENTS</b>	<b>Page</b>
<b>1. INTRODUCTION</b>	<b>3</b>
<b>2. SCOPE, APPLICABILITY AND ENTRY INTO FORCE</b>	<b>3</b>
2.1. Scope and applicability	3
2.2. Entry into force	3
<b>3. DEFINITIONS</b>	<b>3</b>
<b>4. PROCEDURE FOR THE SUBMISSION AND CONSIDERATION OF MICROSCALE RENEWABLE ENERGY TECHNOLOGIES FOR AUTOMATIC ADDITIONALITY</b>	<b>4</b>
4.1. Submission of proposed specific renewable energy technologies/measures	4
4.2. Initial assessment of proposed specific renewable technologies/measures	4
4.3. Preparation of recommendation	5
4.4. Consideration by the Board	7
<b>5. PROCEDURE FOR THE SUBMISSION AND CONSIDERATION OF SPECIAL UNDERDEVELOPED ZONES</b>	<b>8</b>
5.1. Submission of proposed special underdeveloped zones	8
5.2. Initial assessment of proposed special underdeveloped zones	9
5.3. Preparation of recommendation	9
5.4. Consideration by the Board	9

## 1. Introduction

1. In order to operationalize the “Guidelines for demonstrating additionality of microscale project activities” (EB 63 report, annex 23, ver 03.0) the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board), at its sixty-fifth meeting (EB 65), approved version 01.0 of this procedure.
2. The Board, at its sixty-eighth meeting, revised the guidelines to include options to define a special underdeveloped zone (SUZ) in a host country and to clarify the eligibility for project activities generating thermal energy to be qualified for conferring automatic additionality. Version 02.0 of this procedure establishes the process for the Board to consider and approve the SUZs proposed by designated national authorities (DNAs).
3. The Board, at its eighty-third meeting, reclassified the guidelines referred to in paragraph 1 above as a methodological tool “Demonstration of additionality of microscale project activities” (TOOL19), and at its ninety-sixth meeting, revised the tool to broaden criteria for determining SUZs.

## 2. Scope, applicability and entry into force

### 2.1. Scope and applicability

4. This document contains:
  - (a) The process for the submission of proposed specific renewable energy technologies/measures by DNAs and for consideration by the Board to qualify them as conferring automatic additionality on microscale project activities implemented in the corresponding countries in accordance with the methodological tool “Demonstration of additionality of microscale project activities (TOOL19);
  - (b) The process for the submission of proposed SUZs by DNAs from host countries other than least developed countries or the small island developing States<sup>1</sup> and for consideration by the Board to approve them in accordance with the methodological tool “Demonstration of additionality of microscale project activities” (TOOL19).

### 2.2. Entry into force

5. Version 04.0 of this procedure enters into force on 26 April 2018.

## 3. Definitions

6. “Specific renewable energy technologies/measures” means grid-connected renewable energy technologies of installed capacity equal to or smaller than five megawatt (MW).<sup>2</sup> It

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<sup>1</sup> In accordance with the methodological tool “Demonstration of additionality of microscale project activities” (TOOL19), project activities up to five megawatts that employ renewable energy technology are additional if they are located in least developed countries or small island developing States.

<sup>2</sup> For the definition of “MW” in installed capacity, please refer to “CDM project standard for project activities”.

excludes renewable energy technologies that do not generate electricity, such as heating and cooling technologies.

7. “SUZ” is a region in the host country of project activities (zone, municipality or any other designated official administrative unit) identified by its government in an official notification for development assistance, including for planning, management or investment, satisfying any one of the following conditions using most recent available data:
  - (a) The proportion of the population with income less than USD 2 per day, adjusted by purchasing power parity (PPP), in the region is greater than 50 per cent;
  - (b) The gross national income (GNI) per capita of the country is less than USD 3,000 and the population of the region is among the poorest 20 per cent in the poverty ranking of the host country as per the applicable national policies and procedures;
  - (c) The proportion of the population in the region with income less than the national poverty line used by the host country for reporting on the sustainable development goals (SDGs) is greater than 50 per cent.

## **4. Procedure for the submission and consideration of microscale renewable energy technologies for automatic additionality**

### **4.1. Submission of proposed specific renewable energy technologies/measures**

8. The DNA of a Party may propose specific renewable technologies/measures to be approved by the Board as conferring automatic additionality on microscale CDM project activities implemented in that Party country.
9. The DNA submitting the proposed specific renewable technologies/measures shall send via email to [sdm-ssu-methworkflows@unfccc.int](mailto:sdm-ssu-methworkflows@unfccc.int) the following documentation:
  - (a) The duly completed “Proposed specific renewable technologies/measures submission form” (CDM-PRT-FORM);
  - (b) The most recent available data (not older than three years from the date of submission) on the percentage of contributions of specific renewable energy technologies in the total installed grid-connected power generation capacity in the country, clarifying the source of the data;
  - (c) Any additional documentation supporting the submission (e.g. relevant data, documentation, statistics, studies), where applicable.
10. No fee shall be payable to the secretariat for the submission of the proposed specific renewable technologies/measures.

### **4.2. Initial assessment of proposed specific renewable energy technologies/measures**

11. The secretariat shall undertake an initial assessment of the submission within 14 days of receipt of the submission. The secretariat shall assess whether:
  - (a) The form CDM-PRT-FORM has been duly completed;

- (b) The DNA has submitted all the information required for consideration of the proposed specific renewable technologies/measures.
- 12. The secretariat shall inform the DNA of the conclusion of the initial assessment. If the secretariat finds that the required documentation or information is incomplete, it shall notify the DNA. In this case, the DNA should provide the missing documents or information within 28 days of the notification.
- 13. The secretariat shall conclude the initial assessment within 14 days of receipt of the missing documents or information and inform the DNA of the conclusion of the initial assessment. If the DNA fails to provide the missing documents or information within the deadline, the secretariat shall suspend processing the submission any further until it receives the missing documents or information.

#### **4.3. Preparation of recommendation**

- 14. Upon successful conclusion of the initial assessment, the secretariat shall make the submitted documentation publicly available on the UNFCCC CDM website with the exception of the information declared confidential and/or proprietary information by the DNA, and invite the public to provide input on the submission for 14 days.
- 15. Within 14 days of the end of the public-commenting period, the secretariat shall prepare a draft recommendation to the Board on the proposed specific renewable technologies/measures, taking into account the public comments received, as appropriate, using the "Proposed specific renewable technologies/measures recommendation form" (CDM-PRT-REC-FORM).
- 16. The secretariat shall include in its draft recommendation one of the following courses of action:
  - (a) Approve the proposed specific renewable technologies/measures as conferring additionality on microscale CDM project activities implemented in the country for which the DNA submitted the proposal;
  - (b) Request further input (e.g. additional information or modification to the submitted documentation) from the DNA; or
  - (c) Not approve the proposed specific renewable technologies/measures as conferring additionality on microscale CDM project activities implemented in the country for which the DNA submitted the proposal.
- 17. In preparing the draft recommendation, the secretariat may draw upon external expertise, depending on the technical complexity of the proposed specific renewable technologies/measures, such as experts on the roster of experts for desk reviews of baseline and monitoring methodologies or consultants.
- 18. The secretariat shall appoint two members of the Methodologies Panel (MP) and forward its draft recommendation to them, together with public comments received in accordance with paragraph 14 above.
- 19. The two appointed members of the MP shall, within seven days of receipt of the draft recommendation, independently assess the proposed specific renewable technologies/measures and the draft recommendation, and inform the secretariat of the outcome of their assessment.

20. If both of the appointed members of the MP agree to the draft recommendation to approve or not to approve the proposed specific renewable technologies/measures, the secretariat shall forward it as the recommendation to the Board and make it publicly available on the UNFCCC CDM website.
21. If both of the appointed members of the MP agree to the draft recommendation to require further input from the DNA, the secretariat shall notify the DNA accordingly. The DNA should submit the requested input within 28 days of the notification. If the DNA fails to provide the requested input within the deadline, the secretariat shall suspend processing the submission any further until it receives the requested input.
22. The secretariat shall assess the further input submitted by the DNA. If the secretariat finds that it is still not sufficient to recommend to approve or not to approve the proposed specific renewable technologies/measures, the secretariat may initiate a direct communication with the DNA via email or telephone conference to clarify remaining issues.
23. The secretariat shall revise the draft recommendation taking into account the further input and direct communication with the DNA, as applicable, and recommend either to approve or not to approve the proposed specific renewable technologies/measures, forward it as the recommendation to the Board, and make it publicly available on the UNFCCC CDM website. Before sending the recommendation to the Board, depending on the complexity of the case, the secretariat may forward the revised draft recommendation to the two appointed members of the MP for their consideration. In this case, the step in paragraph 18 above, followed by either paragraph 20 above or paragraphs 24–28 below, shall apply.
24. If at least one appointed member of the MP disagrees with the draft recommendation or requests that it be considered by the MP, the secretariat shall forward the draft recommendation to the MP. The MP shall consider the proposed specific renewable technologies/measures and the draft recommendation at its next meeting, provided it is received at least 14 days before the meeting; otherwise it shall be considered at the subsequent meeting.
25. The MP shall finalize its consideration within two meetings, unless it finds that further input from the DNA or guidance from the Board is required. In case further input from the DNA or guidance from the Board is sought, the MP shall finalize its consideration at the meeting immediately following receipt of such input or guidance. In finalizing its consideration, the MP shall conclude by recommending either to approve or not to approve the proposed specific renewable technologies/measures. The secretariat shall forward it as the recommendation to the Board and make it publicly available on the UNFCCC CDM website.
26. If the MP finds that further input from the DNA is required, the secretariat shall notify the DNA. In this case, the DNA should submit the requested input within 28 days of the notification. If the DNA fails to submit the requested input within the deadline, the secretariat shall suspend processing the submission any further until it receives the requested input.
27. The secretariat shall assess the further input submitted by the DNA. If the secretariat finds that the further input is still not sufficient to recommend approving or not approving the proposed specific renewable technologies/measures, the secretariat may initiate a direct

communication with the DNA via email or telephone conference to clarify remaining issues.

28. The secretariat shall revise the draft recommendation taking into account the further input and direct communication with the DNA, as applicable, to recommend either to approve or not to approve the proposed specific renewable technologies/measures, and forward it as the recommendation to the Board and make it publicly available on the UNFCCC CDM website. Before sending the recommendation to the Board, depending on the complexity of the case, the secretariat may forward the revised draft recommendation to the MP for its final consideration. In this case, the MP shall conclude by recommending either to approve or not to approve the proposed specific renewable technologies/measures. The secretariat shall forward the conclusion as the recommendation to the Board and make it publicly available on the UNFCCC CDM website.

#### **4.4. Consideration by the Board**

29. If no member of the Board objects to the recommendation received in accordance with paragraphs 20, 23, 25 or 28 above within 14 days of receipt of the recommendation, the recommended course of action shall be deemed to be the decision adopted by the Board.
30. Any objection by a member of the Board shall be made by notifying the Chair of the Board through the secretariat, giving reasons in writing. The secretariat shall acknowledge receipt of the objection and make it available to the Board.
31. If a member of the Board objects to the recommendation more than two weeks prior to the next Board meeting, the case shall be placed on the agenda of the next Board meeting; otherwise it shall be placed on the agenda of the subsequent Board meeting.
32. If the Board considers the case at its meeting, it shall decide on the course of action at the meeting.
33. The course of action referred to in paragraph 32 above shall be:
  - (a) To approve the proposed specific renewable technologies/measures as conferring automatic additionality on microscale CDM project activities implemented in the country for which the DNA submitted the proposal; or
  - (b) Not to approve the proposed specific renewable technologies/measures as conferring automatic additionality on microscale CDM project activities implemented in the country for which the DNA submitted the proposal; or
  - (c) To continue its consideration of the proposed specific renewable technologies/measures at the next Board meeting; or
  - (d) To request the MP to review the recommendation and provide guidance on the modalities of the review.
34. Once a decision has been made by the Board, the secretariat shall inform the DNA of the decision and any guidance provided by the Board as applicable, and make the decision and guidance publicly available on the UNFCCC CDM website.
35. If the proposed specific renewable technologies/measures are not approved, the DNA may at any time re-submit proposed specific renewable technologies/measures with revised documentation. Upon the DNA's submission of the revised documentation, the

submission shall be treated as a new submission of proposed specific renewable technologies/-measures.

36. The approved specific renewable technologies/measures are applicable as conferring automatic additionality only on the microscale CDM project activities implemented in the country for which the DNA submitted the proposal, and are valid for three years from the date of approval by the Board.
37. If the DNA wishes to renew the validity of the approved specific renewable technologies/measures after their expiry date, it shall submit the same set of documentation to the secretariat listed in, and in accordance with, paragraph 9 above.<sup>3</sup> In this case, all provisions in paragraph 10 above and sections 4.2 to 4.4 shall apply for processing the proposal.

## **5. Procedure for the submission and consideration of special underdeveloped zones**

### **5.1. Submission of proposed special underdeveloped zones**

38. The DNA of a Party may propose SUZs in its own country to the Board for approval.
39. The DNA submitting the proposed SUZs shall send via email to [sdm-ssu-methworkflows@unfccc.int](mailto:sdm-ssu-methworkflows@unfccc.int) the following documentation:
  - (a) The duly completed “Proposed special underdeveloped zone submission form” (CDM-SUZ-FORM);
  - (b) The most recent publicly available data from the date of submission, indicating the source of the data, on:
    - (i) The proportion (percentage) of the population with income less than USD 2 per day (adjusted by PPP) in the region;
    - (ii) The GNI per capita<sup>4</sup> in the country;
    - (iii) The demonstration that the population of the region is among the poorest 20 per cent in the poverty ranking of the country as per applicable national policies and procedures;
    - (iv) The proportion of the population in the region with income less than the national poverty line used by the host country for reporting on the Sustainable Development Goals;
  - (c) Any additional documentation supporting the submission (e.g. relevant data, documentation, statistics, studies), where applicable.

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<sup>3</sup> If the DNA wishes to avoid a gap in validity, it is recommended that the DNA submit the documentation no later than 180 days prior to the expiry date of the validity.

<sup>4</sup> Information on per capita income or other economic indicators used for the ranking purposes shall be provided in USD.



## **5.2. Initial assessment of proposed special underdeveloped zones**

40. The secretariat shall undertake an initial assessment of the submission within 14 days of receipt of the submission. The secretariat shall assess whether:
  - (a) The form CDM-SUZ-FORM has been duly completed;
  - (b) The DNA has submitted all the information required for consideration of the proposed SUZs.
41. The secretariat shall inform the DNA of the conclusion of the initial assessment. If the secretariat finds that the required documentation or information is incomplete, it shall notify the DNA. In this case, the DNA should provide the missing documents or information within 28 days of the notification.
42. The secretariat shall conclude the initial assessment within 14 days of receipt of missing documents or information and inform the DNA of the conclusion of the initial assessment. If the DNA fails to provide the missing documents or information within the deadline, the secretariat shall suspend processing the submission any further until it receives the missing documents or information.

## **5.3. Preparation of recommendation**

43. Within 14 days of the successful conclusion of the initial assessment, the secretariat shall determine whether the proposed SUZs meet the criteria for being classified as SUZs in accordance with paragraph 7 above, and shall prepare a recommendation on the proposed SUZs, using the "Proposed special underdeveloped zone recommendation form" (CDM-SUZR-FORM).
44. The secretariat shall include in its recommendation one of the following courses of actions:
  - (a) To approve the proposed SUZs; or
  - (b) Not to approve the proposed SUZs.
45. The secretariat shall forward the recommendation to the Board and make it publicly available on the UNFCCC CDM website.

## **5.4. Consideration by the Board**

46. If no member of the Board objects to the recommendation received in accordance with paragraph 45 above within 14 days of receipt of the recommendation, the recommended course of action shall be deemed to be the decision adopted by the Board.
47. Any objection by a member of the Board shall be made by notifying the Chair of the Board through the secretariat, giving reasons in writing. The secretariat shall acknowledge receipt of the objection and make it available to the Board.
48. If a member of the Board objects to the recommendation more than two weeks prior to the next Board meeting, the case shall be placed on the agenda of the next Board meeting; otherwise it shall be placed on the agenda of the subsequent Board meeting.
49. If the Board considers the case at its meeting, it shall decide on the course of action at the meeting.

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50. The course of action referred to in paragraph 49 above shall be:
- (a) To approve the proposed SUZs; or
  - (b) Not to approve the proposed SUZs.
51. Once a decision has been made by the Board, the secretariat shall inform the DNA of the decision and any guidance provided by the Board as applicable, and make the decision publicly available on the UNFCCC CDM website. If the Board's decision is to approve the proposed SUZs, the secretariat shall include them in the list of approved SUZs.
52. If the proposed SUZs are not approved, the DNA may at any time re-submit proposed SUZs with revised documentation. Upon the DNA's submission of the revised documentation, the submission shall be treated as a new submission of proposed SUZs.
53. DNAs shall communicate to the secretariat any change in the conditions of an SUZ that imply that the zone no longer qualifies as an SUZ. The secretariat shall inform the Board of any changes to the list of SUZs. Changes to the list will be effective on the day after the Board meeting at which the Board takes note of such changes.

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### Document information

<i>Version</i>	<i>Date</i>	<i>Description</i>
04.0	26 April 2018	EB 99, Annex 4 Revision to update the definition of special underdeveloped zones (SUZ), correct references and make editorial improvement.
03.0	22 September 2017	EB 96, Annex 13 Revision to introduce flexibility regarding data vintage and consistency with the provisions contained in "TOOL19: Demonstration of additionality of microscale project activities".
02.1	1 September 2017	Revision to remove reference to small-scale working group.
02.0	23 November 2012	EB 70, Annex 37 Inclusion of the procedure for the submission and consideration of SUZs.
01.0	25 November 2011	EB 65, Annex 33 Initial adoption.

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