

CDM-SSCWG51

Meeting report

Small-Scale Working Group fifty-first meeting

Version 01.0

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Agenda item 1. Agenda and meeting organization

Agenda item 1.1. Opening

1. The chair of the Small Scale Working Group (SSC WG), Mr. Balisi Gopolang, and vice-chair, Ms. Diana Harutyunyan, opened the meeting.
2. Table 1 below represents the attendance of members at the meeting held from 20 to 23 June 2016.

Table 1. Attendance list of the fifty-first meeting of the Small-Scale Working Group

Chair/vice-chair	Members
Mr. Balisi Gopolang (chair)	Mr. Ben Atkinson
Ms. Diana Harutyunyan (vice-chair)	Mr. Daniel Perczyk
	Mr. Felix Babatunde Dayo
	Mr. Gilberto Bandeira De Melo
	Mr. Bamshad Houshyani

Agenda item 1.2. Adoption of the agenda

3. The agenda of the meeting was adopted without amendments.

Agenda item 2. Governance and management matters

Agenda item 2.1. Membership issues

4. The SSC WG considered information provided by members with respect to any potential conflict of interest. Statements on conflicts of interest can be viewed on the UNFCCC clean development mechanism (CDM) website at https://cdm.unfccc.int/Panels/ssc_wg/index.html.

Agenda item 2.2. Performance management

5. The SSC WG took note of an update of the workplan for panels and working groups for 2016.

Agenda item 2.3. Matters related to the SSC WG

6. The SSC WG took note of the outcomes of the eighty-ninth meeting of the Board.
7. The SSC WG took note of the overview of the proposed top-down and bottom-up standardized baselines.
8. The SSC WG took note of the updates on relevant regulatory matters, desk reviews, fast-track clarifications and electronic consultations conducted by the SSC WG in the period since its last meeting held in April 2016 (SSC WG 50), in preparation for the consideration of agenda items for this meeting.

9. The SSC WG took note of the update on on-going consultancies conducted by the SSC WG since the last SSC WG meeting (SSC WG 50).

Agenda item 2.4. Upcoming deadlines of relevance to stakeholders

10. The SSC WG noted that the date for its fifty-second meeting (SSC WG 52) is from 4 to 7 October 2016.
11. Project participants, designated national authorities (DNAs) and other stakeholders may note the following upcoming deadlines:
 - (a) The deadline for the submission of proposed new methodologies to be considered at the SSC WG 52 is 8 August 2016;
 - (b) The deadline for the submission of requests for revision to be considered at the SSC WG 52 is 22 August 2016;
 - (c) The deadline for the submission of requests for clarification to be considered at the SSC WG 52 is 22 August 2016.

Agenda item 3. Regulatory matters

12. During the meeting, the SSC WG took advantage of the parallel meeting of the Methodologies Panel (MP) and worked together with the MP and the secretariat on recommendations to be undertaken jointly, as mandated by the Board. In addition, the SSC WG provided input to the MP whenever requested and sought MP feedback when needed. In this regard, the joint work is captured as follows:
 - (a) Joint recommendations of the SSC WG and the MP are annexed to the MP report and will be identified as joint recommendations;
 - (b) Joint recommendations involving the SSC WG, the MP and the secretariat are annexed to the annotations of the Board for EB90;
 - (c) Input provided by one body to the other is reflected in the relevant paragraph of this report.

Agenda item 3.1. Standards/tools

13. The SSC WG and the MP jointly worked on an analysis to develop a standard with a methodological framework to facilitate the development of standardized baselines for energy-efficient appliances for residential application and agreed to continue working on this matter at the next meetings and/or electronically. The secretariat is to collect public feedback as appropriate. This work was conducted in response to the mandate given by the Board in its eighty-fifth meeting (EB85 report, para. 39).
14. The SSC WG and the MP continued to jointly consider the development of standards with a methodological framework to facilitate the development of standardized baselines for energy efficiency in buildings and agreed to consider this matter at the next meetings of the MP and SSC WG with a view to finalizing a recommendation for the Board's consideration. The work is conducted in response to the mandate given by the Board at its eighty-fifth meeting (EB85 report, para. 39).

15. The SSC WG and MP continued to jointly consider the analysis related to the requirements in methodologies with regard to the baseline and/or project emissions from refrigerants used in refrigeration and air conditioning equipment with a view to making a recommendation at the next meetings of the MP and SSC WG. The work is conducted in response to the mandate given by the Board in its eighty-fifth meeting (EB85 report, para. 39).

Agenda item 3.1.1. Consideration of new standardized baselines

16. Information on proposed standardized baselines, their status, case history and final recommendations of the SSC WG to the Board are made available on the UNFCCC CDM website at: <http://cdm.unfccc.int/methodologies/standard_base/index.html>.
17. The relevant procedure "Procedure for submission and consideration of standardized baselines" (version 02.0) is available on the UNFCCC CDM website at: <<https://cdm.unfccc.int/Reference/Procedures/index.html#meth>>.
18. The SSC WG considered the proposed standardized baselines, as contained in table 2 below, taking into account the input from the MP as well as external expertise and public input received, where applicable.

Table 2. Status of submissions for a proposed standardized baseline

Reference	Title	Status/ recommend- ation ^(a)	Paragraph
N/A	Top-down-developed standardized baselines applicable to the cookstove sector (in collaboration with designated national authorities in the Islamic Republic of the Gambia, Kenya, Malawi, Mali, Namibia and Togo)	work-in-progress	19

^(a) Recommendations by the Small-Scale Working Group.

19. The SSC WG considered the draft standardized baselines developed top-down applicable to the cookstove sector for the Islamic Republic of the Gambia, Kenya, Malawi, Mali, Namibia and Togo, taking into account the input provided by the MP and the guidance provided by the Board at its eighty-ninth meeting on proposed changes to the underlying cookstove methodologies AMS-I.E and AMS-II.G. The SSC WG agreed to continue to consider this matter at its next meeting with a view to making a recommendation to the Board.

Agenda item 3.1.2. Consideration of new small-scale methodological standards/tools

20. Information on proposed new small-scale methodologies, their status, case history and final recommendations proposed by the SSC WG for consideration by the Board are made available on the UNFCCC CDM website at: <<http://cdm.unfccc.int/methodologies/SSCmethodologies/NewSSCMethodologies/index.html>>. If the Board accepts the recommendations, the final recommendations and

responses are made available on the UNFCCC CDM website at:
<<http://cdm.unfccc.int/methodologies/SSCmethodologies/pnm>>.

21. The relevant procedure “Development, revision and clarification of baseline and monitoring methodologies and methodological tools” (version 01.1) is available on the UNFCCC CDM website at
<<http://cdm.unfccc.int/Reference/Procedures/index.html#meth>>.
22. The SSC WG considered the proposed new methodological standard listed in table 3 below, as well as external expertise and public inputs received, where applicable.

Table 3. Status of consideration by the Small-Scale Working Group of proposed and new top-down methodological standards/tools

Submission/ mandate	Title	Status/ recommendation	Paragraph/ annex
SSC-NM100	Emissions reductions for vehicle fleets through efficiency improvements and carbon dioxide decomposition and reforming retrofits	work-in-progress	23

23. T
The SSC WG continued to work on the proposed new methodology SSC-NM100 “Emissions reductions for vehicle fleets through efficiency improvements and CO₂ decomposition and reforming retrofits”. The SSC WG identified issues (e.g. detailed description of the technology to be applied and evidence that it is an energy-efficient technology, approaches to determine the baseline and project emissions, and the monitoring frequency of some of the parameters) and further communicated the issues to the project participant. The SSC WG agreed to continue considering the case subject to the further clarifications by the project proponents at the next SSC WG meeting.

Agenda item 3.1.3. Consideration of revisions of small-scale methodologies and tools

24. Information on requests for revision, their status, case history and the final recommendation and responses to the Board by the SSC WG are made publicly available on the UNFCCC CDM website at:
<<http://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications/pending>>. If the Board accepts the recommendations, the final recommendations and responses are made available on the UNFCCC CDM website at
<<http://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications>>.
25. The relevant procedure “Development, revision and clarification of baseline and monitoring methodologies and methodological tools” (version 01.1) is available on the UNFCCC CDM website at
<<http://cdm.unfccc.int/Reference/Procedures/index.html#meth>>
26. The SSC WG considered bottom-up and top-down revisions of approved small-scale methodologies (AMS), as listed in table 4, taking into account desk reviews and public input received, where applicable.

Table 4. Status of consideration by the Small-Scale Working Group of revisions to small-scale methodological standards/tools

Issue	Approved small-scale methodology	Mandate	Title of the request	Status/recommendation	Paragraph
SSC_721	AMS-III.AJ	Bottom-up request	SSC_721: Methodology AMS-III.A.J (to cover glass recycling)	approve	27
Revision	AMS-I.E AMS-II.G	EB89 report, para. 46; 2016 workplan, project 223	AMS-I.E “Switch from non-renewable biomass for thermal applications by the user” and AMS-II.G “Energy efficiency measures in thermal applications of non-renewable biomass”	approve	28-35
Revision	AMS-III.BK AMS-III.Y AMS-III.F	EB89 report, para. 34	AMS-III.BK “Strategic feed supplementation in smallholder dairy sector to increase productivity”, AMS-III.Y “Methane avoidance through separation of solids from wastewater or manure treatment systems” and AMS-III.F “Avoidance of methane emissions through composting”	WIP (AMS-III.BK)/call for public input (AMS-III.Y and AMS-III.F)	36

Issue	Approved small-scale methodology	Mandate	Title of the request	Status/recommendation	Paragraph
Revision	TOOL 16	EB87 report, para. 47	"Project and leakage emissions from biomass"	provide input	37
Revision	ACM0017	EB85 report, para. 44; 2016 workplan, project 223	"Production of biodiesel for use as fuel"	provide input	38

27. The SSC WG finalized SSC_721, which requests the revision of the methodology AMS-III.AJ "Recovery and recycling of materials from solid wastes" to broaden the applicability to cover glass recycling. It recommends the Board to approve the proposed revision as contained in annex 1 to this report. The draft revision:
- (a) Covers the recycling of container glass;
 - (b) Adopts a conservative default specific electricity consumption for the production of a tonne of container glass (using virgin materials) up to the pre-melting stages;
 - (c) Covers the container glass manufacturing plants supplied with raw materials originating from the host country or imported from another non-Annex I country.
28. The SSC WG, taking into account the input by the MP, recommended that the Board approve the top-down revisions of the AMS-I.E "Switch from non-renewable biomass for thermal applications by the user" and AMS-II.G "Energy efficiency measures in thermal applications of non-renewable biomass". The work has been conducted in response to the mandate given by the Board at its eighty-ninth meeting (EB89 report, para. 46) to provide a consistent approach in the two cookstove methodologies. The SSC WG took into account the input provided by the MP. In particular, the SSC WG agreed to the following methodologies:
- (a) AMS-I.E: "Switch from non-renewable biomass for thermal applications by the user", as contained in annex 2 to this report. The draft revisions of the methodology:
 - (i) Include default values for baseline fuel wood consumption per person;
 - (ii) Introduce the monitoring table;
 - (iii) Include the procedures to quantify baseline woody biomass consumption for the entire household;
 - (b) AMS-II.G: "Energy efficiency measures in thermal applications of non-renewable biomass", as contained in annex 3 to this report. The draft revisions of the methodology include the procedures to quantify baseline woody biomass consumption for the entire household.

29. Regarding the values for the fraction of non-renewable biomass (fNRB), the SSC WG noted that:
- (a) Many country-specific values for fNRB had been developed top-down for underrepresented countries in response to a mandate from the Board. Several of them have been endorsed by the DNAs of respective countries (<https://cdm.unfccc.int/DNA/fNRB/index.html>) and have remained valid for over three years;
 - (b) While the validity of standardized baselines is three years as a default as per the “Standard: Determining coverage of data and validity of standardized baselines”, in the case of fNRB values an expiry date and the process for update has not been indicated by the Board;
 - (c) New and comprehensive information on region-specific fNRB values based on long-term studies have now become available (<http://www.nature.com/nclimate/journal/v5/n3/full/nclimate2491.html>).
30. Therefore, the SSC WG agreed to recommend to the Board that:
- (a) The default fNRB values approved by the Board should expire after five years from the date of their approval;
 - (b) The “Procedure: Development, revision, clarification and update of standardized baselines” may be used by the DNAs to propose an update to the above standardized baselines on fNRB values as a preferred option;
 - (c) The Board may wish to consider requesting the SSC WG to initiate top-down work to update the standardized baselines in order to complement the work by the DNAs, taking into account new information mentioned above.
31. The SSC WG also noted that some stakeholders and DNAs have requested development of new/revised methodologies for switching from non-renewable biomass (NRB) cookstoves to liquefied petroleum gas (LPG) cookstoves, and therefore considered expanding the scope of the methodologies to cover the shift from non-renewable biomass to low-carbon intensive fossil fuels such as LPG. The SSC WG noted that approved cookstove methodologies (e.g. AMS-I.E and AMS-II.G) are based on a projected baseline scenario that includes fossil fuels. The Board had approved these methodologies in response to CMP decisions (EB37 report, para 26). Therefore, before embarking on the work to expand the coverage as above, the SSC WG would like to seek policy guidance from the Board on whether the shift from NRB to low-carbon intensive fossil fuels such as LPG would be eligible. In this regard the SSC WG noted that the shift from solid fuel such as NRB to gaseous fuel such as LPG for cooking would lead to improved quality of service and energy efficiency.
32. The SSC WG considered the inclusion of bio-ethanol for cookstoves under AMS-I.E, and agreed to continue analysing the related issues.
33. The SSC WG considered the work on the “Consolidated methodology for supply of domestic thermal energy and safe drinking water” during discussions on the 2016 MAP activity related to the development of new methodologies to broaden the applicability of the CDM. The SSC WG noted that through the simplification of related procedures including improvements to guidance on interactive/cross effects, the Board has made it

easier to combine small-scale and large-scale methodologies in a project or programme of activities. As there are already several approved CDM methodologies for this project category (for example, AMS-I.E: “Switch from non-renewable biomass for thermal applications by the user”, AMS-I.I: “Biogas/biomass thermal applications for households/small users”, AMS-I.J: “Solar water heating systems (SWH)”, AMS-I.K: “Solar cookers for households”, AMS-II.G: “Energy efficiency measures in thermal applications of non-renewable biomass”, AMS-III.AV: “Low greenhouse gas emitting safe drinking water production systems”), this procedure is sufficient.

34. In addition, beyond the changes indicated above, the SSC WG did not identify demand from stakeholders to develop new methodologies for this project category at present. Therefore the SSC WG recommended to the Board not to undertake further work except for the items indicated above.
35. However, the SSC WG will closely follow the development of other mitigation technologies/measures at the household level, and will recommend initiation of work for revisions to existing CDM methodologies or new top-down methodologies for the consideration of the Board in the future when such demand arises.
36. The SSC WG, in consultation with the MP, requested the secretariat to start a global stakeholder consultation on the issues identified during the work on the draft revision of approved methodologies: AMS-III.Y “Methane avoidance through separation of solids from wastewater or manure treatment systems” and AMS-III.F “Avoidance of methane emissions through composting”, as contained in annex 4 and annex 5, respectively, to this report. The inputs from stakeholders will be taken into account when preparing the draft revision of the methodologies to be recommended to the Board at a future meeting. The SSC WG, in consultation with the MP, will continue to consider the draft revision to AMS-III.BK “Strategic feed supplementation in smallholder dairy sector to increase productivity”. The work is conducted in response to the mandate received from the Board at its eighty-ninth meeting (EB89 report, para. 34) requesting the SSC WG, in consultation with the MP, and the secretariat, to initiate the work on the proposed revisions of approved methodologies.
37. The SSC WG provided input to the MP on the draft revised methodological tool: “Project and leakage emissions from biomass” (TOOL 16) in response to the mandate from the Board at its eighty-seventh meeting (EB 87 report, para. 47) to revise the tool by broadening its applicability to cover biomass cultivated in forests on land where there was a cultivated forest at the end of its last rotation, as it is currently allowed in methodology “AM0082: Use of charcoal from planted renewable biomass in the iron ore reduction process through the establishment of a new iron ore reduction system”.
38. The SSC WG provided input to the MP on the revision of the methodologies so that they refer to the revised methodological tool “Project and leakage emissions for biomass” (TOOL 16), in response to the mandate from the Board at its eighty-third meeting (EB83 report, para. 44) to the MP to revise relevant approved methodologies after revision of the tool and to recommend the revised methodologies (AMS-I.C and AMS-I.D) to the Board for its consideration at a future meeting.
39. The SSC WG provided input to the MP on the revision of the large-scale methodology ACM0017: “Production of biodiesel for use as fuel”, in response to the mandate from the Board at its eighty-fifth meeting (EB85 report, para 44).

40. The SSC WG provided input to the MP on the ACM0014: "Treatment of wastewater" on the inclusion of a simplified provision of additionality for existing wastewater treatment plants, in particular on the inclusion of the opportunity cost of the land in the investment analysis where project activities are implemented in existing wastewater treatment facility and the existing open lagoon is shut down due to the project activity.
41. The SSC WG and the MP jointly considered the mandate received from the Board at its eighty-ninth meeting (EB89 report, para. 35) on replacing the term "indirect emissions" with "leakage" in the existing methodologies and to identify priority methodologies. The two bodies recommend that no priority methodologies be identified for revision at the moment and would follow the guidance of the Board to revise the methodology as and when they are revised for other reasons.

Agenda item 3.1.4. Consideration of requests for clarification on small-scale methodologies and tools

42. Information on requests for clarification, their status, case history and the final recommendations and responses to the Board by the SSC WG are made available on the UNFCCC CDM website at
<<http://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications/pending>>. If the Board accepts the recommendations, the final recommendations and responses are made available on the UNFCCC CDM website at
<<http://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications>>.
43. The relevant procedure "Development, revision and clarification of baseline and monitoring methodologies and methodological tools" (version 01.1) is available on the UNFCCC CDM website at
<<http://cdm.unfccc.int/Reference/Procedures/index.html#meth>>.
44. The SSC WG agreed on the response to the request for clarification of the approved methodology as available on the UNFCCC CDM website for the case specified as "clarified" in table 5 below.

Table 5. Requests for clarification by the Small-Scale Working Group

Submission number	Approved Methodology/ Tool	Title of the request	Status
SSC_722	AMS-I.D	Clarification on the accounting of emission reductions for projects involving capacity additions	Clarified (fast track)

Agenda item 3.1.5. Consultation on issues related to methodological standards/concept notes

45. The SSC WG requested the secretariat to start a global stakeholder consultation on the draft information note "Considerations on small-scale and micro-scale additionality provisions" (see annex 6) regarding the revision of tools to demonstrate small-scale and microscale additionality covering various aspects, including (i) replacement of the criteria based on unit size with a different criteria for the positive list; (ii) feasibility of merging small-scale and microscale additionality tools; and (iii) the expansion of the positive list

to include new technologies. The work was conducted in response to the mandates provided by the Board at its eighty-fifth and eighty-seventh meetings (EB85 report, para. 42 and EB87 report, para. 49). The secretariat will launch a call for public input.

46. The SSC WG and the MP jointly provided feedback to the secretariat on the concept note “Further development of the CDM in urban sectors” (previous title: “Methodology for integrated mitigation action at the city level”), for consideration by the Board. The work is conducted in response to the mandate from the Board at its eighty-sixth meeting (EB86 report, para. 38), requesting joint proposals on whether to develop specific new methodologies or to further improve or broaden the applicability of the current methodologies, including resource estimates and taking into account the feedback provided by the Board. The final concept note will be annexed to the annotated agenda of the Board for EB90.
47. The SSC WG, the MP and the secretariat jointly, initiated work on the concept note: “Prioritizing areas for new methodological developments in agriculture CDM”. The SSC WG agreed to continue to consider this matter at its next meeting. The work was carried out in response to the mandate received from the Board at its eighty-ninth meeting (EB89 report, para. 34), which requested the MP, the SSC WG and the secretariat to jointly prepare a proposal for the development of new and the revision of existing specific methodologies, taking into account guidance provided by the Board at its eighty-seventh meeting, as well as public comments.
48. The SSC WG provided input to the MP on the concept note related to the “Proposal on top-down methodological work for the transport sector”. The work is conducted in response to a mandate from the Board at its eighty-ninth meeting (EB89 report, para. 33). The SSC WG and the MP will continue to deliberate this matter at the next meeting.
49. The SSC WG and the MP agreed to the joint concept note “Cost-effective approaches for monitoring – Revision to methodologies, tools and regulations”, as contained in annex 19 to report of the MP 70 (MP 70, para. 43). This work is based on the mandate from the CMP at its eleventh meeting (decision 6/CMP.11, para. 15) and is in line with the approved workplans of the SSC WG and the MP.
50. The SSC WG provided input to the MP on the concept note related to the new work on the development of standards with a methodological framework for specific project types. This work is in response to the mandate by the Board to the MP to, in consultation with the SSC WG, identify potential project types and sectors for further work and draw on the experience and lessons learned with the “Guidelines for the establishment of sector - specific standardized baselines” and to consider using elements of these guidelines and the work undertaken in this regard (EB88, para 47).

Agenda item 3.1.6. Post-registration changes

51. The SSC WG did not consider any request for input to post-registration changes on small-scale methodologies and tools at this meeting.

Agenda item 3.2. Other issues

52. The SSC WG and the MP jointly provided feedback to the secretariat on the concept note “Further work on additionality, including probabilistic approaches for additionality and criteria for negative lists”. The work is conducted in response to the mandate from

the Board at its eighty-fifth meeting (EB85 report, paragraphs 37 and 38). The final concept note will be annexed to the annotated agenda of the Board for EB90.

Agenda item 4. Conclusion of the meeting

53. The chair of the SSC WG closed the meeting.

Annexes to the report

Annexes to the external report of the fifty-first meeting of the Small-Scale Working Group

- Annex 1 - Draft small-scale Methodology AMS-III.A.J “Recovery and recycling of materials from solid wastes” (SSC_721)
- Annex 2 - Draft revision of AMS-I.E “Switch from non-renewable biomass for thermal applications by the user”
- Annex 3 - Draft revision of AMS-II.G “Energy efficiency measures in thermal applications of non-renewable biomass”
- Annex 4 - Draft revision of AMS-III.Y “Methane avoidance through separation of solids from wastewater or manure treatment systems” (joint recommendation)
- Annex 5 - Draft revision of AMS-III.F “Avoidance of methane emissions through composting” (joint recommendation)
- Annex 6 - Draft information note “Considerations on small and micro scale additionality provisions”

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Document information

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