

CDM-EB92-A02

Clarification

New project activity in the same physical or geographical location at which a project activity whose crediting period has expired existed

Version 02.0

* Due to the significant changes in the document, revisions have not been highlighted.



United Nations
Framework Convention on
Climate Change

1. Introduction

1. The issue of the establishment of a new clean development mechanism (CDM) project activity (PA) in the same physical or geographical location at which a CDM PA, whose crediting period has expired, previously existed was initially raised through a request for clarification by a project participant (PP), AM_CLA_0249: “Suitability of “ACM0001: Flaring or use of landfill gas” (version 13) for an unplanned expansion of a CDM project activity”, i.e. where a “new landfill” is constructed on top of a closed landfill registered as a CDM PA with a fixed crediting period that expired in December 2012 (project 0027).
2. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), through decision 3/CMP.9, paragraphs 15–17, decided on this subject as follows:
 - “15. Confirms that, after the expiry of its crediting period, a project activity or programme of activities that has been registered as a clean development mechanism project activity or programme of activities may not be re-registered as a new clean development mechanism project activity or programme of activities;
 - “16. Recognizes that a new project activity or component project activity could be registered at the same physical or geographical location at which a project activity or component project activity whose crediting period has expired existed, if the new project activity or component project activity is not a continuation or modification of the old project activity or component project activity;
 - “17. Requests the Executive Board to report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its tenth session on the implementation of paragraph 16 above, including on criteria established to determine whether a project activity or component project activity is a continuation or modification of another project activity or component project activity, and, if necessary, to also make recommendations on possible changes to the modalities and procedures for the clean development mechanism”.

2. Definition

3. For the purpose of this clarification, the following definitions apply:
 - (a) Measure:¹ Measures are: fuel/feedstock switch, technology switch, methane destruction and methane avoidance;
 - (b) Technology: Equipment or conversion process used for the production of goods or provision of services. Two different PAs/CPAs are considered to be using the same technology if they:
 - (i) Provide the same kind of output and use the same kind of equipment and conversion process; or

¹ “Guidelines for determining baselines for measure(s)” EB69 annex 21, <http://cdm.unfccc.int/Reference/Guidclarif/meth/meth_guid50.pdf>.

- (ii) Undertake the same course of action which results in the same kind of effect (e.g. two projects using the same management practice such as fuel switching);
- (c) Assets: An asset is a resource with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit; the assets could be physical, such as project equipment, or non-corporeal such as permits and exclusive position in legislation. The definition of asset in the context of this clarification excludes land;
- (d) Output: The amount of goods or services produced by a technology;
- (e) Resource: A source of supply or support needed for the production of an output. It may include categories of goods, energy and energy carriers which are supplied into the project location and are required for the implementation of the PA/CPA, such as fossil fuels, by-products of a process, biomass, water, solar, wind or geothermal heat;

3. Clarification

4. A project activity or programme of activities that has been registered as a clean development mechanism project activity or programme of activities may not be re-registered after the expiry of its crediting period.
5. The PP, coordinating and managing entity (CME) or designated operational entity (DOE) shall declare in the PDD whether a registered CDM PA or component project activity (CPA) under a registered CDM programme of activities (PoA) whose crediting period has or has not expired (former project) is existing or has existed in the same geographical location² as the proposed new PA/CPA.
6. If a registered CDM PA or CPA exists or has existed in the same geographical location as the proposed new PA/CPA, the proposed new PA/CPA shall not lead to the (i) discontinuation or modification of the abatement of the existing PA or CPA and (ii) not decrease the expected emission reductions or removals of the former PA or CPA.
7. A proposed new PA or CPA can be deemed to comply with the requirement in paragraph 6 above if the following conditions are satisfied:
 - (i) It utilizes both a different measure and a different technology than the existing project; and
 - (ii) It does not share or utilize any of the assets of the existing project; and
 - (iii) It utilizes a different resource type compared to the existing project; and
 - (iv) It does not decrease the expected emission reduction or removals of the former PA or CPA.

² The geographical location includes the project boundary excluding the location of non-project-specific equipment such as electricity grid and district heating. It does not apply to distributed unit projects in which the project boundary consists of a region.

8. If the conditions in paragraph 7 above are satisfied for the new PA or CPA, the DOE shall validate and confirm in its validation opinion that these conditions are met in its validation report.
9. If the proposed new PA or CPA involves the implementation of distributed units in households or communities or small and medium enterprises and the conditions in paragraph 7 above are not satisfied, the DOE shall validate and confirm by other means that the requirement in paragraph 6 is met and justify its assessment in its validation report. The DOE shall use its local and sectoral expertise to confirm that there is no overlap of different measures and where applicable, apply the “Guidelines for the consideration of interactive effects for the application of multiple CDM methodologies for a programme of activities” to address cross-effects.
10. In all other cases the PP of the proposed new PA or CPA shall submit a communication to the Board in accordance with the “Procedure: Direct communication with stakeholders”, prior to submitting a request for registration in accordance with the “CDM project cycle procedure.
11. The PP, CME or DOE, while submitting a communication to the Board in accordance with paragraph 6, shall explain that the new PA/CPA would not lead to the (i) discontinuation or modification of the abatement of the former PA or CPA and (ii) not decrease the emission reductions or removals of the existing PA or CPA, and include at least information on whether the proposed PA/CPA of a PoA uses the same measure, technology, assets, output, resource and any additional information pertaining to the establishment of baseline, additionality and leakage. The secretariat shall consult the communication with the relevant methodological panel and working group and present the outcome of the consultation to the Board for its consideration.
12. The Board shall respond to the communication indicating whether it deems that the requirement in paragraph 6 is adequately met. If the requirement is met, the DOE as part of its regular validation, shall assess and confirm in the validation report the authenticity of the information provided by the PP or CME and confirm that the requirements in paragraph 6 are met.

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Document information

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02.0	04 November 2016	EB 92, Annex 2 Extension of the criteria to cover former projects whose crediting period was not expired. Exemption of distributed activity types from communication process
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