

**CDM-EB77**

## Meeting report

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# CDM Executive Board seventy-seventh meeting

Version 01.0

Date of meeting: 17 to 21 February 2014

Place of meeting: Bonn, Germany



**United Nations**  
Framework Convention on  
Climate Change

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**Agenda item 1. Agenda and meeting organization****Agenda item 1.1. Opening**

1. The Secretary of the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) opened the meeting and asserted that the quorum requirement was met before proceeding to conduct the election of Chair and Vice-Chair of the Board covered under agenda item 2.1 “Membership issues”, as referred to in paragraph 5 below.
2. The Board noted that Mr. Daniel Ortega-Pacheco was unable to attend the meeting. The member provided proper justification for his absence.
3. Table 1 below represents the attendance of members and alternate members at the meeting. The names of members and alternate members present at the meeting are in bold print. Where only the name of an alternate member is in bold print, the alternate participated as a member.

**Table 1 . Attendance**

<b>Members</b>	<b>Alternates</b>
<b>Ms. Laksmi Dhewanthi</b> <sup>(a)</sup>	<b>Mr. Hussein Badarin</b> <sup>(a)</sup>
<b>Mr. Martin Enderlin</b> <sup>(a)</sup>	<b>Mr. Olivier Kassi</b> <sup>(a)</sup>
<b>Ms. Natalie Kushko</b> <sup>(b)</sup>	<b>Ms. Diana Harutyunyan</b> <sup>(b)</sup>
<b>Mr. José Miguez</b> <sup>(b)</sup>	<b>Mr. Maosheng Duan</b> <sup>(b)</sup>
<b>Mr. Tosi Mpanu-Mpanu</b> <sup>(a)</sup>	<b>Mr. Kadio Ahossane</b> <sup>(a)</sup>
Mr. Daniel Ortega-Pacheco <sup>(a)</sup>	<b>Mr. Eduardo Calvo</b> <sup>(a)</sup>
<b>Mr. Lambert Schneider</b> <sup>(a)</sup>	<b>Mr. Kazunari Kainou</b> <sup>(a)</sup>
<b>Mr. Hugh Sealy</b> <sup>(b)</sup>	<b>Mr. Amjad Abdulla</b> <sup>(b)</sup>
<b>Mr. Frank Wolke</b> <sup>(b)</sup>	<i>Vacant</i> <sup>(b), 1</sup>
<b>Mr. Washington Zhakata</b> <sup>(b)</sup>	<b>Mr. Qazi K. Ahmad</b> <sup>(b)</sup>

<sup>(a)</sup> Term: Two years (term of service ends immediately before the first meeting in 2015).

<sup>(b)</sup> Term: Two years (term of service ends immediately before the first meeting in 2016).

1. Position remains open until nomination is received.

**Agenda item 1.2. Adoption of the agenda**

4. The Board adopted the agenda of the meeting.

## **Agenda item 2. Governance and management matters**

### **Agenda item 2.1. Membership issues**

5. The Board welcomed new members and alternate members and elected Mr. Hugh Sealy and Mr. Lambert Schneider as Chair and Vice-Chair of the Board, respectively, until the first meeting of the Board in 2015.
6. The Board took note that Mr. Tosi Mpanu Mpanu was nominated by the African group after the resignation of Mr. Victor Kabengele effective immediately prior to the first meeting of the Board in 2014. The Board also took note of the resignation of Mr. Chris Faris and that his seat is vacant until nomination is received. The Board thanked the outgoing members for their work and dedication to the Board during their term.
7. The Board considered information provided by members and alternate members with respect to any potential conflict of interest. The statements on conflict of interest from members and alternate members can be viewed on the UNFCCC CDM website at <<http://cdm.unfccc.int/EB/index.html>>.
8. The Board requested the secretariat to propose means to align the language of the oath of service of the Board, as included in its Rules of procedure, with its code of conduct, for consideration by the Board at a future meeting with a view to the Board making a recommendation to the next session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP).

### **Agenda item 2.2. Strategic planning and direction**

9. The Board took note of decision 3/CMP.9 on issues relating to the CDM and other relevant decisions from the sessions of the Conference of the Parties (COP) and the CMP, which took place in Warsaw, Poland, in November 2013. The Board in particular took note of the requests by the CMP to the Board.
10. The Board also took note of the request of the CMP to the Joint Implementation Supervisory Committee (JISC), under decision 5/CMP.9, to provide elaborated recommendations regarding the accreditation systems of the CDM and joint implementation (JI). It further took note that the JISC is considering relying upon the accreditation system of the CDM for its accreditation decisions under JI.
11. The Board took note of a report on carbon market and policy developments over the past few months. The Board noted the outcomes of the negotiations at the nineteenth session of the COP, the development of carbon pricing instruments in different countries, such as in South Korea, Mexico and South Africa, and the status of the launch of the pilot emissions trading system in China. The Board further noted the status of the European Union emissions trading system, as well as updates on relevant policy developments in Australia, Japan and the United States.
12. The Board took note of the informal interaction between the chairs and vice-chairs of the Board and the JISC, which took place during the UNFCCC sessions in Warsaw with the view to exchanging information and experiences. The Board requested the Chair and the Vice-Chair to continue this informal interaction with the JISC Chair and the Vice-Chair to discuss synergies and ways to cooperate across the two regulatory bodies.

**Agenda item 2.3. Performance management**

13. The Board approved the workplan of the Board for 2014, as contained in annex 1 to this report. The document, which is in line with the approved management plan (MAP) for 2014 and takes into account the mandates given by the CMP at its ninth session, provides information on the work planned for each meeting of the Board in 2014. The Board requested the secretariat to provide updates of this workplan at each meeting to reflect any changes and new mandates arising from Board meetings, as well as the status of work of the various products. The workplan includes a number of products which are to be agreed by the secretariat and the Meth Panel before they are proposed to the Board. Where agreement on these proposals is not possible, options reflecting the view of the secretariat and the panel or working group should be agreed for the Board to consider. In this context, the Board requested the secretariat to prepare a proposal, for the Board's adoption, on ways to ensure this agreement.
14. In response to a CMP request to the Board (decision 3/CMP.9, paragraph 20) to collect and make publicly available information on practices conducted for local stakeholder consultations, the Board requested the secretariat to collaborate with the Designated National Authority Forum (DNA Forum) to compile this information and make it available on the UNFCCC CDM website, and report back to the Board as described in the workplan of the Board for 2014.
15. In response to a CMP request to the Board (decision 3/CMP.9, paragraphs 8 and 20), the Board requested the secretariat to inform DNAs, through the DNA Forum, of the possibility of requesting:
  - (a) Guiding tools for monitoring the sustainable development benefits in their territory of CDM project activities and programmes of activities (PoAs);
  - (b) Technical assistance for the development of guidelines for local stakeholder consultation in their countries.

The Board further requested the secretariat to bring such requests to the attention of the Board at the meeting following receipt.

16. The Board adopted the workplans of the CDM Accreditation Panel (CDM-AP), the Methodologies Panel (Meth Panel), the Small-Scale Working Group (SSC WG), the Afforestation and Reforestation Working Group (A/R WG) and the Carbon Dioxide Capture and Storage Working Group (CCS WG) for 2014, as contained in annex 2 to this report.
17. The Board took note of the annual report on the Nairobi Framework Partnership (NFP) for 2013 and NFP workplan for 2014, and recommended ways to enhance the reporting on results in the next annual report. The Board also thanked the partners and cooperating organizations for their work during 2013.

**Agenda item 2.4. Matters related to the Board and its support structure**

18. The Board appointed Mr. Hussein Badarin and Mr. Martin Enderlin to serve as the Chair and Vice-Chair, respectively, of the CDM-AP. The Board expressed deep appreciation to Ms. Natalie Kushko and Mr. Hussein Badarin as the outgoing Chair and Vice-Chair of the CDM-AP for their dedication and excellent support to the panel.

19. The Board appointed Ms. Natalie Kushko and Mr. Eduardo Calvo to serve as Chair and Vice-Chair, respectively, of the Meth Panel. The Board expressed deep appreciation to Mr. Eduardo Calvo and Mr. Lambert Schneider, as the outgoing Chair and Vice-Chair of the Meth Panel for their dedication and excellent support to the panel.
20. The Board appointed Mr. Washington Zhakata and Mr. Frank Wolke to serve as the Chair and the Vice-Chair, respectively, of the SSC WG. The Board expressed deep appreciation to Mr. Martin Cames and Mr. Washington Zhakata as the outgoing Chair and Vice-Chair of the SSC WG for their dedication and excellent support to the group.
21. The Board appointed Ms. Diana Harutyunyan and Mr. Amjad Abdulla to serve as the Chair and the Vice-Chair, respectively, of the A/R WG. The Board expressed deep appreciation to Mr. Amjad Abdulla and Ms. Diana Harutyunyan as the outgoing Chair and Vice-Chair of the A/R WG for their dedication and excellent support to the group.
22. The Board appointed Mr. Kazunari Kainou and Mr. José Miguez to serve as the Chair and the Vice-Chair, respectively, of the CCS WG. The Board expressed deep appreciation to Mr. José Miguez and Mr. Christopher Faris as the outgoing Chair and Vice-Chair of the CCS WG for their dedication and excellent support to the group.
23. The Board appointed Mr. Kazunari Kainou and Mr. Qazi K. Ahmad to serve on its Finance Committee and appointed Mr. José Miguez and Mr. Olivier Kassi as co-chairs. The Board requested the Finance Committee, with the support of the secretariat, to prepare its workplan for 2014 and report back to the Board at its next meeting.
24. The Board adopted the revised “CDM Executive Board decision and documentation framework”, as contained in [annex 3](#) to this report. The Board agreed that this document does not enter into force unless and until all existing relevant CDM documents have been reviewed and re-classified, as applicable. The Board requested the secretariat to undertake this review and to bring all documents that require re-classification to the Board for approval, with the aim of all necessary re-classification being completed by 1 January 2015.
25. The Board agreed on its “Calendar of meetings for 2014”, as contained in [annex 4](#) to this report.
26. The Board agreed to extend the term of office of panel and working group members until immediately before the next meeting of the relevant panel or working group after the selection of members in 2015 and expressed its appreciation to the members for the excellent support rendered so far.

## **Agenda item 2.5. Operation of panels and working groups**

### **(a). CDM Accreditation Panel**

27. The Board took note of the report of the 67<sup>th</sup> meeting of the CDM-AP. The report summarized information relating to the work of the panel, including the status of applications and developments with respect to accreditation assessments and other accreditation-related issues. The CDM-AP meeting considered 44 accreditation cases, of which 38 were submitted for consideration by the Board in accordance with the CDM accreditation procedure.

**(b). Methodologies Panel**

28. The Board took note of the report of the 62<sup>nd</sup> meeting of the Meth Panel. The report summarized information relating to the work of the panel, including submissions of methodologies and recommendations to the Board.

**(c). Small-Scale Working Group**

29. The Board took note of the report of the 43<sup>rd</sup> meeting of the SSC WG. The report summarized information relating to the work of the SSC WG, including submissions of methodologies and recommendations to the Board.

**Agenda item 3. Rulings (case specific)****Agenda item 3.1. Accreditation**

30. The Board considered recommendations of the CDM-AP and agreed to reaccredit for five years the following entities:
- (a) CDM-E-0002 “JACO CDM., LTD” (JACO) for validation, verification and certification functions in sectoral scopes 1, 3, 13 and 14;
  - (b) CDM-E-0006 “Deloitte Tohmatsu Evaluation and Certification Organization” (Deloitte-TECO) in validation, verification and certification functions in sectoral scopes 1–5, 8, 10, 12, 13 and 15;
  - (c) CDM-E-0021 “Spanish Association for Standardisation and Certification” (AENOR) in validation, verification and certification functions in sectoral scopes 1–15;
  - (d) CDM-E-0024 “Colombian Institute for Technical Standards and Certification” (ICONTEC) in validation, verification and certification functions in sectoral scopes 1–5, 7 and 13–15;
  - (e) CDM-E-0031 “Perry Johnson Registrars Carbon Emissions Services” (PJRCES) in validation, verification and certification functions in sectoral scopes 1–4, 7, 9, 12, 13 and 15.
31. The Board took note of notifications by the CDM-AP on the successful completion of the regular on-site surveillance assessments of the following entities:
- (a) CDM-E-0013 “TÜV Rheinland (China) Ltd.” (TÜV Rheinland), central office (Beijing, China);
  - (b) CDM-E-0022 “TÜV NORD CERT GmbH” (TÜV NORD), non-central office (Mumbai, India);
  - (c) CDM-E-0038 “SIRIM QAS INTERNATIONAL SDN.BHD” (SIRIM), central office (Shah Alam, Malaysia);
  - (d) CDM-E-0049 “Indian Council of Forestry Research and Education” (I.C.F.R.E), central office (Dehradun, India);
  - (e) CDM-E-0056 “Korea Testing & Research Institute” (KTR), central office (Seoul, Republic of Korea).

32. The Board took note of notifications by the CDM-AP on the successful completion of performance assessments of the following entities:
- (a) CDM-E-0002 “JACO CDM., LTD” (JACO);
  - (b) CDM-E-0003 “DNV Climate Change Services AS” (DNV);
  - (c) CDM-E-0005 “TÜV SÜD South Asia Private Limited” (TÜV SÜD);
  - (d) CDM-E-0007 “Japan Consulting Institute” (JCI);
  - (e) CDM-E-0009 “Bureau Veritas Certification Holding SAS” (BVCH);
  - (f) CDM-E-0010 “SGS United Kingdom Limited” (SGS);
  - (g) CDM-E-0016 “ERM Certification and Verification Services Limited” (ERM CVS);
  - (h) CDM-E-0022 “TÜV NORD CERT GmbH” (TÜV NORD);
  - (i) CDM-E-0023 “Lloyd’s Register Quality Assurance Ltd.” (LRQA);
  - (j) CDM-E-0037 “RINA Services S.p.A.” (RINA);
  - (k) CDM-E-0039 “Korean Standards Association” (KSA);
  - (l) CDM-E-0042 “Germanischer Lloyd Certification GmbH” (GLC);
  - (m) CDM-E-0044 “China Quality Certification Center” (CQC);
  - (n) CDM-E-0047 “CEPREI certification body” (CEPREI);
  - (o) CDM-E-0051 “KBS Certification Services Pvt. Ltd” (KBS).
33. The Board took note of a notification by the entity CDM-E-0006 “Deloitte Tohmatsu Evaluation and Certification Organization” (Deloitte-TECO) on the voluntary withdrawal of its accreditation for sectoral scope 6.
34. The Board took note of a notification by the entity CDM-E-0027 “Swiss Association for Quality and Management Systems” (SQS) on the voluntary withdrawal of its accreditation status for all accredited sectoral scopes.
35. The Board considered the recommendation of the CDM-AP on the outcome of a spot-check assessment and agreed to confirm the accreditation of the entity CDM-E-0031 “Perry Johnson Registrars Carbon Emissions Services” (PJRCES).
36. The Board considered the recommendation of the CDM-AP on the outcome of a spot-check assessment and agreed to request the entity CDM-E-0055 “URS Verification Private Limited” (URS) to identify and implement corrective actions to address the identified non-conformities following the procedural steps and timelines for regular on-site surveillance assessment.

### **Agenda item 3.2. Programmes of activities**

37. The Board noted that 244 CDM PoAs have been registered by 21 February 2014 and that under these PoAs 1,613 component project activities (CPAs) have been included. The status of requests for registration of PoAs can be viewed on the UNFCCC CDM website at: <<http://cdm.unfccc.int/ProgrammeOfActivities>>.

38. The Board noted that 140,610 certified emission reductions (CERs) have been issued for PoAs as of 21 February 2014. The status of requests for issuance of CERs for PoAs can be viewed on the UNFCCC CDM website at: [http://cdm.unfccc.int/Issuance/cers\\_iss.html](http://cdm.unfccc.int/Issuance/cers_iss.html).

### **Agenda item 3.3. Registration**

39. The Board noted that 7,436 CDM project activities have been registered as of 21 February 2014. The status of requests for registration of project activities can be viewed on the UNFCCC CDM website at: <http://cdm.unfccc.int/Projects>.
40. In accordance with the applicable regulations, the Board considered seven requests for registration for which assessments of the secretariat and the Registration and Issuance Team (RIT) contained different proposed decisions or for which the proposed decision was the same between the secretariat and the RIT but an objection from a member of the Board had been received.
41. The Board agreed to register the following proposed project activities:
- (a) "Tunjita Diversion Hydroelectric Project" (5025), submitted by the DOE "Colombian Institute for Technical Standards and Certification" (ICONTEC);
  - (b) "Shaanxi Shifeng Cement Waste Heat Recovery Project" (8882), submitted by the DOE "Japan Consulting Institute" (JCI);
  - (c) "Bundled Wind Power Project- EnKing International (CDM.November-10-02)" (9482), submitted by the DOE "TÜV Rheinland (China) Ltd." (TÜV Rheinland);
  - (d) "Hedcor Irisan 3.8 MW Hydroelectric Power Project" (9569), submitted by the DOE "TÜV Rheinland (China) Ltd." (TÜV Rheinland);
  - (e) "Hedcor Tudaya 1&2 Hydroelectric Power Project" (9609), submitted by the DOE "TÜV Rheinland (China) Ltd." (TÜV Rheinland);
  - (f) "Anaerobic digestion and heat generation at Sugar Corporation of Uganda Limited" (9620), submitted by the DOE "TÜV Rheinland (China) Ltd." (TÜV Rheinland).
42. The Board could not register the proposed project activity "Clinker Optimization in cement types production at Derba MIDROC cement Plant" (7632) submitted by the DOE "Carbon Check (Pty) Ltd" (Carbon Check).

### **Agenda item 3.4. Issuance**

43. The Board noted that 1,432,235,477 certified emission reductions (CERs) have been issued for project activities as of 21 February 2014. The status of requests for issuance of CERs can be viewed on the UNFCCC CDM website at: <http://cdm.unfccc.int/Issuance>.
44. In accordance with the applicable regulations, the Board considered three requests for issuance for which assessments of the secretariat and the RIT contained different proposed decisions or for which the proposed decision was the same between the secretariat and the RIT but an objection from a member of the Board had been received.

45. The Board agreed to approve the request for issuance of the project activity “Improving Energy Efficiency in Railways’ Residential Quarters – Northern Region” (3766) submitted by the DOE “DNV Climate Change Services AS” (DNV) for the monitoring period from 10 November 2010 to 9 November 2011.
46. The Board could not approve the requests for issuance of the following project activities:
- (a) “Tianjin Shuangkou Landfill Gas Recovery and Electricity Generation” (1406) submitted by the DOE “China Quality Certification Center” (CQC) for the monitoring period from 1 January 2012 to 31 December 2012;
  - (b) “Nubika Jaya Biogas Extraction for Bio-Hydrogen Production” (2421) submitted by the DOE “Japan Quality Assurance Organisation” (JQA) for the monitoring period from 1 August 2010 to 31 July 2012.
47. In accordance with the relevant regulations, the Board considered one request for permission to resubmit a previously rejected request for issuance, and agreed to permit the resubmission of the request for issuance of project activity “Construction of additional cooling tower cells at AES Lal Pir (Pvt.) Limited. Muzaffar Garh, Pakistan” (2401) submitted by the DOE “TÜV SÜD South Asia Private Limited” (TÜV SÜD) for the monitoring period from 1 May 2009 to 30 April 2011.

## **Agenda item 4. Regulatory matters**

### **Agenda item 4.1. Standards/tools**

#### **(a). Standards for CDM project activities and programmes of activities**

48. The Board considered a concept note on further work on methodologies, tools and standards and requested the secretariat to provide a revised concept note for consideration by the Board at its seventy-eighth meeting. The Board requested that the concept note list a maximum of 20 new methodological products for which there are no existing mandates from the Board for work. The Board agreed that the experience gained by the support structure of the Board, including the secretariat, should be used to conduct work on the methodologies, tools and standards, in a manner that aims to further simplify, enhance objectivity and cost-effectiveness, and increase consistency across large and small-scale methodologies. The Board further requested the secretariat:
- (a) To prioritize the methodologies, tools and standards to work on, based on:
    - (i) An analysis of their usage (e.g. based on the data on CDM pipeline);
    - (ii) Their relevance to underrepresented regions;
    - (iii) Existing requests for change communicated by the CDM stakeholders, including project participants;
  - (b) To list the 20 prioritized methodological products and include the new mandates from the CMP at its ninth session (including the resources estimated for them);
  - (c) To indicate separately the items that are already included in the MAP 2014 and the ones that are currently not reflected in the MAP, providing information on cost implications.

49. The Board adopted the standard on “Determining coverage of data and validity of standardized baselines”, as contained in [annex 5](#) to this report.
50. In relation to the adoption at the Board's seventy-fifth meeting of amendments to regulatory documents to allow the publication of up to two monitoring reports and/or up to two requests for issuance for the same monitoring period of a PoA, the Board took note that the publication of a second monitoring report in a monitoring period, and the possibility to request issuance for the same, will be possible via the UNFCCC CDM website as of **3 March 2014**.
51. The Board considered an issue related to the submission of the standardized baseline PSB-0002 on clinker production in Ethiopia. The Board agreed that, in order to move forward the consideration of the submission, there is a need to develop a new methodology, which should be used in conjunction with the standardized baseline by project participants for their CDM project activities. The Board requested the secretariat and the Meth Panel to develop this methodology using a top-down approach, in consultation with the Ethiopian DNA.

**(b). Methodological standards for large-scale CDM project activities**

***(i). New methodologies and tools (large-scale)***

52. The Board approved the new consolidated methodology “ACM0024: Natural gas substitution by biogenic methane produced from the anaerobic digestion of organic waste”, as contained in [annex 6](#) to this report. The approved consolidated methodology is applicable to project activities where organic waste is treated by anaerobic digestion and biogas is upgraded and used to replace natural gas.
53. The Board took note that the Meth Panel will work on a concept note on positive leakage and consistency among methodologies.
54. Following the recommendation by the Meth Panel, the Board rejected the proposed new methodology “NM0370: Consolidated baseline and monitoring methodology for project activities using alternative raw materials that do not contain carbonates for soda ash production”.

***(ii). Revisions of approved methodologies and tools (large-scale)***

55. Following the recommendation by the Meth Panel, the Board rejected the following requests for revisions:
  - (a) AM\_REV\_0251 on “ACM0012: Consolidated baseline methodology for GHG emission reductions from waste energy recovery projects, Version 04.0.0”;
  - (b) REV\_TOOL\_0003 on the “Tool to calculate the emission factor for an electricity system”.
56. The Board approved the following revised methodologies as major revisions:
  - (a) “AM0091: Energy efficiency technologies and fuel switching in new and existing buildings”, as contained in [annex 7](#) to this report. The revision:
    - (i) Expands the applicability to retrofit buildings;

- (ii) Simplifies sample survey requirements;
  - (iii) Includes and clarifies the application of a modelling approach as an alternative to extensive field data collection;
  - (iv) Addresses issues related to suppressed demand in baseline setting;
  - (v) Changes the title from “Energy efficiency technologies and fuel switching in new buildings” to “Energy efficiency technologies and fuel switching in new and existing buildings”;
- (b) “ACM0008: Abatement of methane from coal mines”, as contained in annex 8 to this report. The revision:
  - (i) Expands the applicability of the methodology to cover abandoned mines;
  - (ii) Simplifies the procedure for leakage;
  - (iii) Streamlines the structure of the methodology;
  - (iv) Changes the title from “Consolidated methodology for coal bed methane, coal mine methane and ventilation air methane capture and use for power (electrical or motive) and heat and/or destruction through flaring or flameless oxidation” to “Abatement of methane from coal mines”;
- (c) “ACM0014: Treatment of wastewater”, as contained in annex 9 to this report. The revision:
  - (i) Improves the provisions for PoAs;
  - (ii) Clarifies that the methodology is applicable for domestic wastewater;
  - (iii) Includes an applicability condition related to dewatering and application to land;
  - (iv) Simplifies and streamlines emission reduction calculations;
  - (v) Adds applicable heat scenarios in the baseline and clarifies the section for “baseline emissions from generation and/or consumption of electricity”;
  - (vi) Introduces a criterion for suppressed demand scenario and the appropriate methane conversion factor.

***(iii). Clarifications (large-scale)***

57. The Board approved the responses to the requests for clarification AM\_CLA\_0252 to AM\_CLA\_0257 and CLA\_TOOL\_0019 to CLA\_TOOL\_0020 referred to in the report of the 62<sup>nd</sup> meeting of the Meth Panel.

**(c). Methodological standards for small-scale CDM project activities**

58. The Board, following the recommendation of the SSC WG, approved the revised default value for the fraction of non-renewable biomass for the host country of Cambodia, as contained in annex 4 to the report of the 43<sup>rd</sup> meeting of the SSC WG. The Board further noted that the secretariat will publish the value on the UNFCCC CDM website under <<http://cdm.unfccc.int/DNA/fNRB/index.html>> and project participants will be able to apply the default value in CDM projects hosted in Cambodia.

**(i). New methodologies and tools (small-scale)**

59. Following the recommendation of the SSC WG, the Board rejected the following proposed new methodology “SSC-NM093: Introduction of electric vehicles in passenger and freight transportation”.
60. The Board took note of the further elaboration by the SSC WG on the proposed scope of work regarding the development of a methodological tool on the use of computer simulation in CDM methodologies. The Board also noted that the SSC WG will consult experts and stakeholders, including project developers, to estimate the demand for the proposed tool and, depending on the outcome, will submit an information note to the Board at a future meeting.

**(ii). Revisions and amendments of approved methodologies and tools (small-scale)**

61. The Board agreed to revise the following approved small-scale methodologies:
- (a) “AMS-III.B: Switching fossil fuels”, as contained in annex 10 to this report. The revision is based on the request by the Board at its seventy-sixth meeting and:
    - (i) Includes all types of fossil fuels as listed under the 2006 Intergovernmental Panel on Climate Change (IPCC) guidelines for greenhouse gas inventories (volume 2, chapter 1, table 1.1) as eligible under this methodology, except for the use of derived gases (from coal and coal products) listed under the IPCC table mentioned above;
    - (ii) Limits the methodology to only fuel switching measures which require capital investments;
  - (b) “AMS-II.G: Energy efficiency measures in thermal applications of non-renewable biomass”, as contained in annex 11 to this report. The revision, among other things, includes simplified approaches to determine the thermal efficiency of project devices and default values for baseline fuel wood consumption.

**(iii). Guidelines (small-scale)**

62. The Board considered the proposal from the SSC WG to initiate the revision of type I methodologies to further clarify and align the baseline scenario for greenfield/capacity expansion projects in respective methodologies with the current procedure provided in the “General guidelines for SSC CDM methodologies” for determining baseline scenarios. The Board agreed with the proposals from the SSC WG to work on the issue and make recommendations to the Board at a future meeting that enhance consistency, either by revising the methodologies and/or the “General guidelines for SSC CDM methodologies”.

63. The Board considered an information note on the expansion of the positive list of technologies, including proposals for graduation criteria, as recommended by the SSC WG at its 43<sup>rd</sup> meeting, and agreed to the following:
- (a) The current positive list of technologies shall be retained until reassessment by early 2015, except for the technologies indicated in sub-paragraph (c) below. The SSC WG shall continue working on a guideline to assess the graduation of technologies, including concrete criteria (e.g. penetration rates, costs, end-user segment, cumulative installed capacity, number of projects for graduation of technologies), and make a recommendation to the Board at a future meeting;
  - (b) The SSC WG shall reassess the positive list every three years and recommend modifications to the Board where necessary;
  - (c) Compact fluorescent lamps (CFLs) shall be removed from the global positive list and consistent procedures shall be applied in large-scale and small-scale methodologies to determine the additionality of projects implementing CFLs;
  - (d) The SSC WG and secretariat shall propose guidelines and procedures for the submission and consideration of country-specific positive lists of technologies proposed by DNAs;
  - (e) The SSC WG shall make recommendations to the above issues, including draft revised “Guidelines on the demonstration of additionality of small-scale project activities” and “Guidelines on demonstrating additionality of micro-scale project activities”.

**(iv). Clarifications (small-scale)**

64. The Board approved the responses to the requests for clarification SSC\_696–SSC\_699 referred to in paragraphs 27 to 30 of the report of the 43<sup>rd</sup> meeting of the SSC WG.
65. The Board considered the request for guidance from the SSC WG on whether it can propose the simplification of debundling criteria for application to the brick sector through a provision in “AMS III.Z: Fuel Switch, process improvement and energy efficiency in brick manufacture”, exempting projects that are an aggregation of brick production units not larger than 5 per cent of the type III small-scale CDM project activity thresholds. The Board agreed that the SSC WG may propose such modifications in a revision of AMS.III.Z, if necessary including additional options to define the thresholds for the units (e.g. cumulative emission reduction of each of the units in a period of three years shall not exceed the small-scale CDM project activity thresholds).

**Agenda item 4.2. Procedures**

66. The Board considered a request for the reimbursement of fees for the registration of projects in least developed countries that were registered before the CMP exempted these countries from payment. The Board rejected this request as decisions cannot be applied retroactively. The Board requested the secretariat to inform the project participants accordingly.

**Agenda item 4.3. Policy issues**

67. The Board considered the issue of the effective registration date of CDM project activities and PoAs, following the resubmission of project documentation, and requested the secretariat to provide options to address the issue, including any necessary revisions to relevant regulatory documents, taking into account the inputs provided by the Board.
68. The Board, addressing a concern raised by the DOE/AIE Forum referred to in paragraph 73 below, considered the issue of whether the same DOE may perform a validation of post-registration changes and a verification for the same project activity or PoA. The Board agreed to clarify that, for the two cases referred to in paragraph 134 of the CDM project cycle procedure (PCP), the same DOE may perform a validation of post-registration changes and a verification for the same project activity or PoA. The Board issued a clarification as contained in annex 12 to this report.
69. The Board agreed to the recommendations of the CDM-AP to amend section 7.6 of the CDM accreditation procedure, with a view to streamlining the work of the CDM-AP when considering the results of performance assessments, and to clarify or revise paragraph 47 of the CDM accreditation standard in relation to DOE contract conditions and potential linking of payments to final outcomes of validation or verification/certification activities. The Board requested the secretariat to incorporate these recommendations at its next revision of these documents.

**Agenda item 5. Relations with forums and other stakeholders****Agenda item 5.1. Designated national authorities****(a). Information on communications and activities related to DNAs**

70. The Board took note that the Global DNA Forum was held on 9 and 10 November 2013 in conjunction with the sessions in Warsaw.
71. The Board considered a confidential letter from a DNA (2013-336-DNA) and agreed to respond to the submitter in accordance with the “Modalities and procedures for direct communication with stakeholders”.

**Agenda item 5.2. Designated operational entities****(a). Interaction with the DOE/AIE Coordination Forum Chair**

72. The Board held an interaction with the DOE/AIE Coordination Forum Chair, Mr. Werner Betzenbichler, and took note of the inputs from the Forum, as reported by its Chair.
73. Mr. Betzenbichler commented on the following issues:
- (a) DOE Forum action plan 2014: he informed the Board about the financial difficulties of the DOE/AIE Forum and its focus for 2014 being on policy issues. He informed the Board that the secretariat had agreed to take on a number of administrative and organizational issues relating to its work and that the forum had agreed to have one chair for both the DOE and AIE Forum;
  - (b) Recent market situation: he underlined that currently the demand for validation services is approaching its lowest levels ever and the verification demand is at a

low level;

- (c) Draft workplan for panels and working groups (annex 2 to the annotated agenda of this meeting): he informed the Board that the timelines for the deliverable for the 68<sup>th</sup> meeting of the CDM-AP on “Practical means for DOEs to conduct the examinations – as per version 5.1 of Accreditation Standard” is too tight, considering the approved schedule for the implementation of transitional measures. He also suggested that guidance on “criteria for examinations” should be developed;
  - (d) Validation of post-registration changes: he highlighted concerns on the requirements with respect of post-registration changes (PRCs) and asked the Board for guidance on whether the same DOE can take up services for assessment of PRCs and verification of the same project or PoA. He also suggested providing DOEs with a clear matrix for all activities, including PRCs, renewal of crediting period, CPA inclusion, etc;
  - (e) Implementation of accreditation standard (version 05.1): he pointed out some confusion in the application of paragraph 100 and asked the Board for clarification on the interpretation of this paragraph, in particular on whether exams are required in addition to real or mock audits. He stressed that DOEs have wider concerns on the implementation of this version of the accreditation standard, as exams for all staff across all technical areas will be costly and that there is insufficient time to adapt to the new standard. He also informed the Board that the difficulties will be even greater for smaller entities and for “niche” technical areas to complete five assessments.
74. The Board thanked Mr. Betzenbichler for his inputs and encouraged the forum to continue raising issues related to the Board's guidance and offering appropriate solutions and recommendations.
75. The Board took note of the status of the work arising from its request to the secretariat at its seventy-sixth meeting to consult with DOEs and the CDM-AP to identify practical means for DOEs to conduct the examination to qualify DOE personnel, as required by the CDM accreditation standard (version 05.1), which includes the establishment of a task force with representatives of the DOE/AIE Forum and the secretariat. In connection with paragraph 73 (e) above, the Board clarified that, in accordance with paragraph 100 of the CDM accreditation standard (version 05.1), exams shall consist of real or mock validations and/or verifications/certifications and any other exam necessary.
- (b). Information on communications and activities related to AEs/DOEs**
76. The Board took note that the secretariat organized a DOE teleconference on 11 December 2013.
77. The Board considered a confidential letter from a DOE (2013-330-DOE) and agreed to respond to the submitter in accordance with the “Modalities and procedures for direct communication with stakeholders”.

**Agenda item 5.3. Communication and activities with stakeholders****(a). External input to items on the agenda of the meeting**

78. The Board took note of the external input on the issues included on the annotated agenda of the seventy-seventh meeting of the Board and its annexes, as received in response to the call for input in accordance with the “Modalities and procedures for direct communications with stakeholders”. The input received on specific agenda items was considered by the Board under the relevant agenda items. The Board thanked stakeholders for the comments.

**(b). Information on communications and activities related to stakeholders**

79. The Board took note that no events with stakeholders took place since the last meeting of the Board.
80. The Board considered a letter from a stakeholder (2013-328-S) asking the Board to clarify the implications of a failure to comply with the requirement in paragraph 182 of the PCP regarding the reporting by the project participants or coordinating/managing entity on the status of the implementation of the registered project activity or PoA, and also to clarify whether this requirement applies to project activities or PoAs even if their implementation has not yet started. The Board noted that there is no validation or verification requirement for DOEs in the CDM validation and verification standard related to the requirements in paragraphs 182 and 183 of the PCP, and therefore agreed to clarify that the failure to comply with the requirement in paragraphs 182 and 183 of the PCP does not have impact on the outcome of the verification. The Board also clarified that the requirement in paragraph 182 of the PCP is applicable to all registered project activities and PoAs irrespective of their implementation status. The Board issued this clarification, as contained in annex 13 to this report. The Board also requested the secretariat to provide statistics at a future meeting on the number of projects that are not active.
81. The Board considered a confidential letter from a stakeholder (2013-315-S) and agreed to respond to the submitter in accordance with the “Modalities and procedures for direct communication with stakeholders”.
82. The Board considered a letter from a stakeholder (2013-322-S) requesting from the Board an exemption from the 180-day deadline for giving notice of prior consideration of the CDM to the secretariat and the host country DNA. The Board rejected the request from the submitter, noting that the current requirement as found in section 4.1 of the PCP (version 0.5) applies and further noted that no exemption can be granted. Further, the Board agreed to respond to the submitter in accordance with the “Modalities and procedures for direct communication with stakeholders”.
83. The Board considered confidential letters from two stakeholders (2013-329-S and 2013-331-S) and agreed to respond to the submitters in accordance with the “Modalities and procedures for direct communication with stakeholders”.

**Agenda item 5.4. Interaction with registered observers**

84. The Board met with the registered observers for an informal interaction. The observers suggested to the Board to improve the reporting of the NFP, focusing more on the goals, achievements and outcomes, in particular focusing on cooperation with the Asian region, clarifying the relationship between the NFP and the Regional Collaboration Centres. Furthermore, the observers informed the Board of their concerns with regard to the low price of CERs and the lack of demand of CERs. The observers further inquired whether the Board would take action on the supply of CERs and acknowledged the efforts of the Board on voluntary cancellation.
85. The Board thanked the observers for their comments and encouraged them to continue their interaction with the Board. The Board also clarified that it has requested secretariat to improve the reporting on the NFP, with a focus on reporting the achievements and outcomes. The Board clarified that it does not have any role in controlling the price of CERs.
86. The Board further agreed to continue its practice to meet with registered observers at the end of the meeting and to reconsider this arrangement when necessary. Observers to the seventy-eighth meeting of the Board shall have registered with the secretariat by **10 March 2014**.

**Agenda item 6. Other matters**

87. The Board agreed to the provisional agenda for its seventy-eighth meeting, to be held in Bonn, Germany, from 31 March to 4 April 2014, as contained in annex 14 to this report.

**Agenda item 7. Conclusion of the meeting**

88. The Chair summarized the main conclusions and closed the meeting.
89. Any decisions taken by the Board shall be made publicly available in accordance with paragraph 17 of the CDM modalities and procedures and with rule 31 of the Rules of procedure of the Board. The proceedings of the open sessions of the meeting can be accessed via webcast under <http://cdm.unfccc.int/EB/Meetings>.

## **Annexes to the report**

### ***Performance management***

Annex 1 - CDM Executive Board workplan 2014 (version 01.0)

Annex 2 - Workplan of panels and working groups for 2014 (version 01.0)

### ***Matters related to the Board and its support structure***

Annex 3 - CDM Executive Board decision and documentation framework (version 05.0)

Annex 4 - Calendar of meetings for 2014 (version 01.0)

### ***Standards for CDM project activities and programmes of activities***

Annex 5 - Standard: Determining coverage of data and validity of standardized baselines (version 01.0)

### ***Methodological standards for large-scale CDM project activities***

Annex 6 - ACM0024: Natural gas substitution by biogenic methane produced from the anaerobic digestion of organic waste (version 01.0)

Annex 7 - AM0091: Energy efficiency technologies and fuel switching in new and existing buildings (version 02.0)

Annex 8 - ACM0008: Abatement of methane from coal mines (version 08.0)

Annex 9 - ACM0014: Treatment of wastewater (version 06.0)

### ***Methodological standards for small-scale CDM project activities***

Annex 10 - AMS-III.B: Switching fossil fuels (version 17.0)

Annex 11 - AMS-II.G: Energy efficiency measures in thermal applications of non-renewable biomass (version 06.0)

### ***Policy issues***

Annex 12 - Clarification: Validation of post-registration changes and verification by the same DOE for the same project activity or programme of activities (version 01.0)

### ***Relations with forums and other stakeholders***

Annex 13 - Clarification: Verification of reporting of the status of registered project activity or programme of activities (version 01.0)

### ***Other matters***

Annex 14 - Provisional agenda: CDM Executive Board seventy-eighth meeting (version 01.0)

***List of documents undergone editorial changes or issued since the last meeting***

***Regulatory Documents***

- Standard: Sampling and surveys for CDM project activities and programme of activities (version 04.1)
- Synthesis report of the annual activity reports submitted by DOES 2012–2013 (version 01.1)
- DOE performance analysis reports: 5<sup>th</sup> Analysis report to the Board of the DOE performance monitoring (version 01.0)
- DOE performance monitoring: Report to the public on the 7<sup>th</sup> monitoring period (version 02.0)
- DOE performance monitoring: Report to the public on the 8<sup>th</sup> monitoring period (version 01.0)
- Quarterly reports to the CDM EB for the fourth quarter of 2013: Progress against the CDM management plan (version 01.0)
- Quarterly reports to the CDM EB for the fourth quarter of 2013: Compliance with process-related timelines (version 01.0)
- Quarterly reports to the CDM EB for the fourth quarter of 2013: Financial resources (version 01.0)
- Quarterly reports to the CDM EB for the fourth quarter of 2013: Regional calibration workshops for DOE/AEs (version 01.0)
- Quarterly reports to the CDM EB for the fourth quarter of 2013: DNA Forum 15 (version 01.0)

***Rulings***

- Project 0378 - Ruling note: Rationale for the rejection of PRC-0378-001 (version 01.0)
- Project 1066 - Ruling note: Rationale for the rejection of PRC-1066-001 (version 01.0)
- Project 2637 - Ruling note: Rationale for the rejection of PRC-2637-001 (version 01.0)
- Project 9493 - Ruling note: Request for registration for “San Carlos 18 MW Biopower Power Plant” (version 01.0)
- Project 7822 - Ruling note: Request for registration for “Bonyic Hydroelectric Project” (version 01.0)
- Project 9377 - Ruling note: Request for registration for “OCANA Hydropower Project” (version 01.0)
- Project 9438 - Ruling note: Request for registration for “Golden sugar 30MW high energy efficient combined heat and power (CHP) system in Apapa, Lagos,

Nigeria" (version 01.0)

### **Forms**

- CDM-PSB-FORM - Proposed standardized baseline submission form (version 02.0)
- CDM-PSBA-FORM - Proposed standardized baseline initial assessment form (version 02.0)
- CDM-PSBR-FORM - Proposed standardized baseline recommendation submission form (version 02.0)
- CDM-DSBA-FORM - Draft standardized baseline development agreement form (version 01.0)
- CDM-DSBP-FORM - Draft standardized baseline development plan form (version 01.0)
- CDM-RF-FORM - Request for funding for assessment report form (version 02.0)
- CDM-ASR-FORM - Approved standardized baseline revision request form (version 01.0)
- CDM-ASIA-FORM - Approved standardized baseline revision request initial assessment form (version 01.0)
- CDM-ASRR-FORM - Approved standardized baseline revision recommendation form (version 01.0)
- CDM-ASRA-FORM - Approved standardized baseline revision agreement form (version 01.0)
- CDM-ASRD-FORM - Approved standardized baseline revision form (version 01.0)
- CDM-ASC-FORM - Approved standardized baseline clarification request form (version 01.0)
- CDM-ASCA-FORM - Approved standardized baseline clarification request initial assessment form (version 01.0)
- CDM-ASCR-FORM - Approved standardized baseline clarification response form (version 01.0)

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**Document information**

<b>Version</b>	<b>Date</b>	<b>Description</b>
01.0	21 February 2014	CDM EB 77 meeting report.
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