



FRAMEWORK CONVENTION ON CLIMATE CHANGE - Secretariat  
CONVENTION-CADRE SUR LES CHANGEMENTS CLIMATIQUES - Secrétariat

Date: 20 July 2012  
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EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM  
SIXTY-EIGHTH MEETING  
Report Version 01.1\*

**Date of meeting:** 16–20 July 2012

**Location:** Bonn, Germany

**Attendance:** The names of members and alternate members present at the meeting are in bold print below. Where only the name of an alternate member is in bold print, the alternate participated as a member.

| Members                                       | Alternates                                      |
|---|---|
| <b>Mr. Martin Cames<sup>b</sup></b>           | <b>Ms. Pauline Kennedy<sup>b</sup></b>          |
| <b>Mr. Maosheng Duan<sup>b</sup></b>          | <b>Mr. Qazi Kholiquzzaman Ahmad<sup>b</sup></b> |
| <b>Ms. Diana Harutyunyan<sup>b</sup></b>      | <b>Ms. Natalie Kushko<sup>b</sup></b>           |
| <b>Mr. Martin Hession<sup>a</sup></b>         | <b>Mr. Thomas Bernheim<sup>a</sup></b>          |
| <b>Mr. Antonio Huerta-Goldman<sup>a</sup></b> | <b>Mr. Eduardo Calvo<sup>a</sup></b>            |
| <b>Mr. Victor Kabengele<sup>a</sup></b>       | <b>Ms. Fatou Gaye<sup>a</sup></b>               |
| <b>Mr. Kazunari Kainou<sup>a</sup></b>        | <b>Mr. Peer Stiansen<sup>a</sup></b>            |
| <b>Mr. Shafqat Kakakhel<sup>a</sup></b>       | <b>Mr. Hussein Badarin<sup>a</sup></b>          |
| <b>Mr. José Miguez<sup>b</sup></b>            | <b>Mr. Washington Zhakata<sup>b</sup></b>       |
| <b>Mr. Hugh Sealy<sup>b</sup></b>             | <b>Mr. Amjad Abdulla<sup>b</sup></b>            |

<sup>a</sup> Term: Two years (term of service ends immediately before the first meeting in 2013)

<sup>b</sup> Term: Two years (term of service ends immediately before the first meeting in 2014)

NB: The term of service of a member, or an alternate member, starts at the first meeting of the Executive Board in the calendar year following his/her election and ends immediately before the first meeting of the Executive Board in the calendar year in which the term ends (see Rules of procedure of the Executive Board).

**Quorum** (in parenthesis required numbers): **10** (7) members or alternate members acting as members present of which **4** (3) from Annex I Parties and **6** (4) from non-Annex I Parties.

**WWW broadcasting:** < <http://cdm.unfccc.int/EB/Meetings> >.

\* This revised document (version 01.1) has been issued to make corrective and editorial revisions in paragraphs 61, 74, 94, 96 and 104.

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

1. Mr. Maosheng Duan, Chair 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.

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

2. The Board adopted the agenda of the meeting.

**Agenda item 1.3. External input to matters on the agenda of the meeting**

3. The Board took note of the seven external inputs on the issues included in the annotated agenda of the sixty-eighth meeting of the Board and its annexes received from the call for input in accordance with the “Modalities and procedures for direct communications with stakeholders”. A compilation of these inputs was made available to the Board. The inputs received on specific agenda items were considered by the Board in the relevant agenda items. The Board thanked the stakeholders for their comments.

4. The Board took note of the inputs from the DOE/AIE Coordination Forum as reported by its Chair, Mr. Werner Betzenbichler, who elaborated inputs on items on the agenda of this meeting. He highlighted specific issues related to the annexes to the annotations, including:

- (a) Concept note on the management of the regulatory framework;
- (b) Concept note on possible incentives and actions in relation to DOE compliance in reporting projected submissions;
- (c) Concept note on the possible improvements in the demonstration of additionality;
- (d) Draft guidelines on the application of materiality in verifications;
- (e) Concept note: draft recommendations in relation to draft procedure for addressing significant deficiencies in a past validation, verification and certification reports;
- (f) Concept note on the analysis for strengthening the accreditation system.

5. The Chair of the forum welcomed the initiative to bring more stability in the CDM regulatory framework and suggested that flexibility should rather be focused on enabling short-term corrections. He requested that future changes in requirements be appropriately aligned with any planned training for designated operational entities (DOEs). He assured the Board that DOEs are interested in providing the Board with the best possible forecasts, but given the current slow growth of the market, implementation of the reporting procedure at the end of this year may not add any great value. He suggested that the possibility to allow voluntary cancellation of certified emission reductions (CERs) in the context of the procedure for significant deficiencies should be clarified. Mr. Betzenbichler also noted that some suggestions in the concept note on the demonstration of additionality imply additional assessment activities, which would need training of DOEs. He also suggested that the new assessment steps should not be applied retroactively to past validation activities.

6. Mr. Betzenbichler welcomed the draft guidelines on the application of materiality in verifications, however he mentioned that the materiality guidelines were too narrow and should also be applied in the verification of programme of activities (PoAs) and in data verification at validation. He suggested that impacts should first be analysed in the context of the concept note on uncertainty of measurements in baseline and monitoring methodologies. He raised some concerns on the concept note on significant



deficiencies noting that not all the proposals contained in the annex to the annotations had been discussed at a recent DOE consultation workshop. He requested the Board to consider the implications on transaction costs and informed it that the forum will deliver a draft procedure by the end of July 2012. He mentioned that, in their opinion, an independent third party review is recommended for the voluntary tool for sustainable development benefits. Mr. Betzenbichler also briefed the Board about a complaint letter sent to the secretariat and the Chair of the CDM Accreditation Panel (CDM-AP) regarding activities of some members of the accreditation roster of experts.

7. Mr. Betzenbichler gave positive feedback on the recent series of DOE calibration workshops and informed the Board of the need for a further workshop in Europe. He suggested that future workshops should be focused on the internal trainers and technical reviewers in the DOEs. Mr. Betzenbichler recommended that the Board arrange a workshop with DOEs and the CDM-AP before developing a proposal for further strengthening the CDM accreditation system.

8. After interacting with the DOE/AIE Coordination Forum Chair and asking for clarifications on his inputs, the Board thanked Mr. Betzenbichler for his inputs and encouraged the forum to continue to raise issues related to its guidance and to offer appropriate solutions and recommendations.

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

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

9. 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>>.

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

10. The Board considered an update on the status of the work related to the CDM Policy Dialogue. The Policy Dialogue Panel is now considering outputs from research and consultations in the form of option papers prepared by researchers and advisers. The overall work of the panel is on track with regard to both budget and time schedule.

11. The Board met with representatives of the CDM Policy Dialogue Panel and shared experience on the implementation of the CDM and views on the development and potential future use of the market-based mechanisms.

12. The Board considered an update on the recent developments and prospects in the international carbon market, including supply and demand, prices, domestic trading systems and new mechanisms and initiatives within existing and emerging markets in different regions. In particular, the Board discussed information on the demand and supply of offsets in the post-2012 period and other aspects concerning the future of the carbon market. The Board requested the secretariat to continue providing reports and analysis of market and policy developments and raise issues requiring consideration by the Board.

13. The Board took note of an update on secretariat activities relating to enhanced support to the carbon market.

14. The Board considered information on the implementation of a risk-based approach for project submissions.

**Agenda item 2.3. Performance management**

15. The Board considered an update on the status of the work of the Board in 2012, as shown in the Board's work programme contained in annex 1 to the annotated agenda of this meeting. The Board took note of the changes highlighted in the work programme and requested the secretariat to pay added attention to adhering to the schedule set.

16. The Board took note of the DOE performance reports for the monitoring periods from 1 July to 31 December 2011 containing data finalized as of 31 March 2012. The Board noted that the CDM-AP, at its next meeting, will be provided with a report on the performance of those DOEs that are eligible for monitoring. The Board also took note that a public report of DOE performance monitoring was made available on the UNFCCC CDM website at <<http://cdm.unfccc.int/Reference/Notes/index.html#accr>>. The Board further noted that no root-cause analysis or spot-check was initiated as a result of this performance monitoring report since the thresholds for taking corrective action with regard to registration or issuance were not reached by any of the DOEs.

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

17. The Board held an initial discussion on its annual report to the CMP and agreed on the key messages to be included. The Board also requested the secretariat to draft the report for consideration by the Board at its sixty-ninth meeting.

18. The Board considered an update on the workplans of its panels and working groups and took note that there was no change in priorities for the workplans of panels and working groups.

19. The Board held an initial discussion on the Board's strategy planning session and agreed to focus on strategic direction and how to respond to challenges currently facing the CDM. The Board further agreed that input to the strategy planning session may come from other sources in addition to the CDM Policy Dialogue recommendations that relate to the supervision of the CDM.

20. The Board considered a concept note on the management of the regulatory framework and requested the secretariat to prepare a draft procedure on the framework, taking into account the discussion of the Board, for consideration by the Board at a future meeting. In this context, the Board requested the secretariat to elaborate on the broader context of the proposal and provide an analysis of the expected impact on existing regulatory documents.

21. In accordance with the mandate from the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) at its seventh session, the Board agreed to continue discussing issues relating to the code of conduct.

22. The Board adopted its communication and outreach strategy, including an elaborated approach to media engagement.

23. The Board considered a concept note on possible incentives and actions in relation to DOE compliance in reporting projected submissions and agreed to acknowledge DOEs that have regularly and accurately reported their forecast submissions on the UNFCCC CDM website, and that:

- (a) When a DOE is observed as not submitting its forecasted submissions, the secretariat shall notify and request the DOE to undertake a root-cause analysis, and the notification shall be treated by the DOE as a non-conformity originating from stakeholder feedback, and shall be followed up by the DOE in accordance with relevant sections in the CDM accreditation standard;
- (b) The secretariat shall assess the effectiveness of the follow-up actions by the DOE by incorporating the assessment of these follow-up actions in the workplan of regular assessment of

the entity;

- (c) The secretariat shall conduct a focused assessment of the DOE in the event that a DOE is repeatedly (in at least two consecutive reporting cycles) failing to comply with the reporting requirement.

The Board further agreed to review this reporting requirement, as necessary, at a later stage.

24. The Board considered a concept note and agreed, following the request of the CMP at its seventh session, to establish accounts in the CDM registry for the voluntary cancellation of CERs by project participants and for the cancellation of CERs for administrative purposes. The Board requested the secretariat to prepare procedures for implementing these accounts for the consideration of the Board at a future meeting.

25. The Board considered the shortlist of experts for the Carbon Capture and Storage Working Group (CCS WG) received in response to the call for experts and appointed Mr. Gregory Leamon, Mr. Paul Zakkour, Mr. Lambert Schneider, Ms. Shujuan Wang, Mr. Luis de La Torre, and Mr. Jeremiah Muia as members of the CCS WG. The term of service shall be for the period of one year, commencing at the first meeting of the working group and ending immediately before the first meeting of the working group after the selection of new members by the Board.

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

##### ***CDM Accreditation Panel***

26. The Board took note of the report of the 60<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.

27. The Board took note that the CDM-AP at its 60<sup>th</sup> meeting considered a total of 46 accreditation cases, of which eight remain under consideration in accordance with the CDM accreditation procedure.

28. The Board took note of the ongoing work by the CDM-AP on other assessment matters, policy, assessment resources and other matters, including the work on the compendium of CDM-AP decision-making practices, the interaction with CDM assessment team leaders, and the work on the document for selection and use of the experts on the accreditation roster of experts.

##### ***Methodologies Panel***

29. The Board took note of the report of the 56<sup>th</sup> meeting of the Methodologies Panel (Meth Panel). The report summarized information relating to the work of the panel, including submissions of methodologies and recommendations to the Board.

30. The Board took note that, in response to the task of developing top-down methodologies and tools, as contained in the 2012 workplan of the Meth Panel, the Meth Panel could not conclude its consideration of the methodological tool “Upstream leakage emissions associated with fossil fuel use”.

31. The Board took note of the responses provided by the Meth Panel to the requests for clarification AM\_CLA\_0228, AM\_CLA\_0229, AM\_CLA\_0230, AM\_CLA\_0231, AM\_CLA\_0232, AM\_CLA\_0233, CLA\_TOOL\_0015, and CLA\_TOOL\_0016, referred to in paragraph 27 of the report of the 56<sup>th</sup> meeting of the Meth Panel.

32. The Board took note that, in response to the request contained in paragraph 92 of the report of the sixty-sixth meeting of the Board, the Meth Panel could not conclude its recommendation for this request concerning methodologies AM0028 “Catalytic N<sub>2</sub>O destruction in the tail gas of Nitric Acid or



Caprolactam Production Plants” and AM0034 “Catalytic reduction of N<sub>2</sub>O inside the ammonia burner of nitric acid plants”, and will continue considering this issue at its next meeting.

33. The Board took note that, in response to the task of improving approved methodologies and tools and the task of implementing PoA standards and procedures, as contained in the 2012 workplan of the Meth Panel, the panel will continue its consideration of the methodology AM0031 “Baseline methodology for bus rapid transit projects” at its next meeting.

34. The Board took note that the Meth Panel could not conclude its consideration of the request for revision AM\_REV\_0235 concerning methodology AM0035 “SF<sub>6</sub> Emission Reductions in Electrical Grids” and will continue the consideration of this request at its next meeting.

35. The Board took note that, in response to the task of using standardized approaches as contained in the 2012 workplan of the Meth Panel, the panel considered possible standardized approaches to be introduced to the methodology AM0091 “Energy efficiency technologies and fuel switching in new buildings” that will be further explored in the course of the work.

36. The Board took note that, in response to the request contained in paragraph 107 of the report of the sixty-seventh meeting of the Board, the Meth Panel assessed the issue of selection of a single crediting period in certain methodologies and agreed to initiate the revision of existing methodologies that allow the selection of only one crediting period and to assess whether changes are required to the methodological tool “Assessment of the validity of the original/current baseline and update of the baseline at the renewal of the crediting period”.

37. The Board took note that, in response to the request of implementing PoA standards and procedures, the Meth Panel recommended specific requirements, which have been incorporated in the draft revisions recommended to the Board for approval at this meeting, on the use of large-scale methodologies under a PoA for the following methodologies:

- (a) AM0009 “Recovery and utilization of gas from oil wells that would otherwise be flared or vented”;
- (b) AM0025 “Avoided emissions from organic waste through alternative waste treatment processes”;
- (c) AM0050 “Feed switch in integrated Ammonia-urea manufacturing industry”;
- (d) ACM0010 “Consolidated baseline methodology for GHG emission reductions from manure management systems”;
- (e) ACM0013 “Consolidated baseline and monitoring methodology for new grid connected fossil fuel fired power plants using a less GHG intensive technology”;
- (f) ACM0014 “Mitigation of greenhouse gas emissions from treatment of industrial wastewater”.

38. The Board took note that the Meth Panel will initiate revisions to the following methodologies to address the issue of suppressed demand:

- (a) AM0025 “Avoided emissions from organic waste through alternative waste treatment processes”;
- (b) ACM0014 “Mitigation of greenhouse gas emissions from treatment of industrial wastewater”.



39. The Board took note that, in response to the task of improving the suppressed demand guidelines, as contained in the 2012 workplan of the Meth Panel, the panel considered a draft revision of the “Guidelines on the consideration of suppressed demand in CDM methodologies” and provided feedback to the secretariat.

40. The Board took note that, in response to the task of improving the demonstration of additionality, as contained in the 2012 workplan of the Meth Panel, the panel considered options to improve the demonstration of additionality and provided feedback to the secretariat.

41. The Board took note that, in response to the task of accounting for uncertainties in methodologies, as contained in the 2012 workplan of the Meth Panel, the panel considered a concept note on the uncertainty of measurements in baseline and monitoring methodologies and provided feedback to the secretariat.

42. The Board took note that, in response to the task of preparing draft guidelines on standardized approaches for determining baselines, as contained in the 2012 workplan of the Meth Panel, the panel considered the draft guidelines and provided feedback to the secretariat.

43. The Board took note that, in response to the task of preparing an annex to the guidelines on the establishment of sector-specific standardized baselines defining options for the setting and approval of values of the relevant thresholds, as contained in the 2012 workplan of the Meth Panel, the panel considered a presentation defining options for the setting and approval of values of the relevant thresholds and provided feedback to the secretariat.

44. The Board took note that, in response to the task of managing data on cost and efficiency of technologies for selected sectors, as contained in the 2012 workplan of the Meth Panel, the panel considered a concept note on the issue and provided feedback to the secretariat.

### ***Small-Scale Working Group***

45. The Board took note of the report of the 37<sup>th</sup> meeting of the Small-Scale Working Group (SSC WG). The report summarized information relating to the work of the SSC WG, including submissions of methodologies and recommendations to the Board.

46. The Board took note that the SSC WG could not conclude its consideration of the following proposed new methodologies and will continue considering these cases at its future meetings:

- (a) SSC-NM079 “Avoidance of methane and nitrous oxide emissions through mulching”;
- (b) SSC-NM081 “Emissions reductions from displacement of production of traditional building material by manufacture and installation of gypcrete wall panels”;
- (c) SSC-NM082 “Reduction of N<sub>2</sub>O emissions from use of Nitrogen Use Efficient (NUE) seeds that require less fertilizer application”.

47. The Board took note of the responses to the requests for clarifications SSC\_624 and SSC\_626–SSC\_637, as provided by the SSC WG and referred to in the report of the 37<sup>th</sup> meeting of the SSC WG.

48. The Board took note that the SSC WG initiated work on the revisions of the methodology AMS-III.AE “Energy efficiency and renewable energy measures in new residential buildings”, as indicated in the SSC WG 2012 workplan, and will continue working on recommending changes to AMS-III.AE and seeking further input from practitioners for expansion of the usability of the methodology.





49. The Board took note of the information note on approaches for standardized baselines in the transport sector, as contained in annex 21 to the report of the 37<sup>th</sup> meeting of the SSC WG and that the SSC WG launched a call for public input on this concept note as agreed by the Board in its work programme.

50. The Board took note that the SSC WG will continue to work on the regional default values for fuel wood consumption in the development of standardized approaches in the sector of rural energy, in line with the SSC WG 2012 workplan.

51. The Board took note that the SSC WG, in response to the task of improving the guidelines on suppressed demand included in the SSC WG workplan for 2012, provided feedback to the secretariat on ways to improve the guidelines on suppressed demand.

52. The Board took note that the SSC WG, in response to the task of making recommendations on draft revised methodologies to address suppressed demand, as included in the SSC WG workplan for 2012, commenced work on the revisions of AMS-I.E and AMS-I.A.

53. The Board took note that the SSC WG, in line with the SSC WG 2012 workplan, provided feedback to the secretariat on the guidelines for the establishment of sector-specific standardized baseline defining options for the setting and approval of the relevant thresholds and analysis of implications of these options for the sectors covered.

54. The Board took note that the SSC WG continued its consideration of the inputs received via the commenting system on the appropriateness of the default values for transmission and distribution losses indicated in the small-scale (SSC) methodologies and that the SSC WG concluded that the proposed values and methods indicated in the SSC methodologies are appropriate simplifications in lieu of superior local data.

55. The Board took note that the SSC WG, in response to the guidance from the Board at its sixty-seventh meeting on the consolidation of methodologies covering recycling of materials, considered options to combine the methodology AMS-III.BA with the methodology AMS-III.AJ and that it agreed to further analyse the issue at the next meeting.

56. The Board took note that the SSC WG, in line with the objectives of the work programme of the Board for 2012, provided feedback on the draft “Guidelines for the consideration of interactive effects for the application of multiple CDM methodologies for a programme of activities” to the secretariat.

57. The Board took note that the SSC WG, in response to requests from the Board, provided feedback to the secretariat on the proposed broadening of the applicability of small-scale and microscale additionality guidelines, specifically on the following issues:

- (a) Appropriateness of current Type I to Type III thresholds indicated in the microscale additionality guidelines;
- (b) Expansion of the positive list to off-grid/distributed generation and other isolated units/technologies of very small size;
- (c) Additionality demonstration for rural electrification project activities;
- (d) Additionality demonstration for manure management methodologies.

**Afforestation and Reforestation Working Group**

58. The Board took note of the report of the 36<sup>th</sup> meeting of the Afforestation and Reforestation Working Group (A/R WG). The report summarized information relating to the work of the A/R WG, submissions of methodologies and recommendations to the Board.

59. The Board took note of the responses to the requests for clarification AR\_AM\_CLA\_0017 and AR\_AM\_CLA\_0018 as provided by the A/R WG and referred to in paragraphs 14 and 15 of the report of the 36<sup>th</sup> meeting of the A/R WG.

60. The Board took note that the A/R WG will continue to consider the amendment of AR-AM0005 “Afforestation and reforestation project activities implemented for industrial and/or commercial uses”.

61. The Board took note of the response to the Meth Panel regarding the revision request AM\_REV\_0229 “Revision of AM0036 to include fuel switch to biomass from dedicated plantations”, as provided by the A/R WG and contained in annex 6 of the report of the A/R WG.

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

62. The Board agreed to a recommendation of the CDM-AP to extend the accreditation for six months for the entity CDM-E-0002 “JACO CDM, LTD” (JACO). The Board also agreed, on a separate recommendation of the CDM-AP, to suspend the entity CDM-E-0002 “JACO CDM, LTD” (JACO) for sectoral scopes 5–12 and 15. The modalities of the suspension are contained in annex 1 to this report.

63. The Board considered the recommendations of the CDM-AP and agreed to re-accredit for three years the following entities:

- (a) CDM-E-0001 “Japan Quality Assurance Organisation” (JQA) for validation, verification and certification functions in sectoral scopes 1, 3–5, 11, 13 and 14;
- (b) CDM-E-0003 “DNV Climate Change Services AS” (DNV) for validation, verification and certification functions in sectoral scopes 1–15;
- (c) CDM-E-0010 “SGS United Kingdom Limited” (SGS) for validation, verification and certification functions in sectoral scopes 1–13 and 15;
- (d) CDM-E-0016 “ERM Certification and Verification Services Limited” (ERM CVS) for validation, verification and certification functions in sectoral scopes 1–5, 8–10, 13 and 15;
- (e) CDM-E-0025 “Korean Foundation for Quality” (KFQ) for validation, verification and certification functions in sectoral scopes 1–5, 11 and 13;
- (f) CDM-E-0037 “RINA Services S.p.A.” (RINA) for validation, verification and certification functions in sectoral scopes 1–8, 10, 11 and 13–15;
- (g) CDM-E-0039 “Korean Standards Association” (KSA) for validation, verification and certification functions in sectoral scopes 1–5 and 13;
- (h) CDM-E-0040 “Korea Environment Corporation” (KECO) for validation, verification and certification functions in sectoral scopes 1–7 and 13–15;
- (i) CDM-E-0041 “Japan Management Association” (JMA) for validation, verification and certification functions in sectoral scopes 1–4, 6, 8, 9 and 14;



- (j) CDM-E-0042 “Germanischer Lloyd Certification GmbH” (GLC) for validation, verification and certification functions in sectoral scopes 1–5, 7, 8, 10, 13 and 15;
  - (k) CDM-E-0044 “China Quality Certification Center” (CQC) for validation, verification and certification functions in sectoral scopes 1–15.
64. The Board took note of notifications by the CDM-AP of positive regular on-site surveillances of the following entities:
- (a) CDM-E-0009 “Bureau Veritas Certification Holding SAS” (BVCH), non-central site (Mumbai, India);
  - (b) CDM-E-0010 “SGS United Kingdom Limited” (SGS), non-central site (Santiago, Chile);
  - (c) CDM-E-0022 “TÜV NORD CERT GmbH” (TÜV NORD), non-central site (Subang Jaya, Malaysia);
  - (d) CDM-E-0031 “Perry Johnson Registrars Carbon Emissions Services” (PJRCES), non-central site (Bangalore, India);
  - (e) CDM-E-0037 “RINA Services S.p.A.” (RINA), non-central site (São Paulo, Brazil);
  - (f) CDM-E-0037 “RINA Services S.p.A.” (RINA), non-central site (Shanghai, China).
65. The Board took note of notifications by the CDM-AP of the positive outcome of performance assessments of the following entities:
- (a) CDM-E-0001 “Japan Quality Assurance Organisation” (JQA);
  - (b) CDM-E-0006 “Deloitte Tohmatsu Evaluation and Certification Organization” (Deloitte-TECO);
  - (c) CDM-E-0007 “Japan Consulting Institute” (JCI);
  - (d) CDM-E-0009 “Bureau Veritas Certification Holding SAS” (BVCH);
  - (e) CDM-E-0040 “Korea Environment Corporation” (KECO).
66. The Board took note of notifications by the CDM-AP on the negative outcome of performance assessments of the following DOEs:
- (a) CDM-E-0038 “SIRIM QAS INTERNATIONAL SDN.BHD” (SIRIM);
  - (b) CDM-E-0051 “KBS Certification Services Pvt. Ltd” (KBS).
67. The Board took note of a notification by the CDM-AP on the positive outcome of the additional focused desk review assessment of CDM-E-0049 “Indian Council of Forestry Research and Education” (ICFRE).
68. The Board agreed to conduct a spot-check of the entity “TÜV Rheinland (China) Ltd.” (TÜV Rheinland) in accordance with paragraph 117 of the CDM accreditation procedure. The Board agreed on the scope of the spot-check and requested the CDM-AP to complete the process in an expedited manner and submit its recommendation for consideration by the Board.

**Agenda sub-item 3.2. Programme of activities**

69. The Board noted that 23 CDM programmes of activities have been registered by 20 July 2012. The status of requests for registration of programmes of activities can be viewed on the UNFCCC CDM website at <<http://cdm.unfccc.int/ProgrammeOfActivities/>>.

**Agenda sub-item 3.3. Registration**

70. The Board noted that 4,366 CDM project activities have been registered by 20 July 2012. The status of requests for registration of project activities can be viewed on the UNFCCC CDM website at <<http://cdm.unfccc.int/Projects/>>.

71. In accordance with the “Procedures for review of requests for registration” adopted by the Board at its fifty-fifth meeting, the Board considered two requests for registration for which assessments of the secretariat and the Registration and Issuance Team (RIT) contained different proposed decisions or the same proposed decision which received an objection from a member of the Board.

72. The Board agreed to register the following project activities:

- (a) “Zhangjiakou Qiaodong District Heating Project” (4944), submitted by the DOE (SGS);
- (b) “El General Hydroelectric Project” (4988), submitted by the DOE (TÜV NORD).

**Agenda sub-item 3.4. Issuance**

73. The Board noted that 971,355,232 certified emission reductions (CERs) have been issued as at 20 July 2012 and that the secretariat, in its capacity as the CDM registry administrator, continues to process requests for opening of holding accounts and for forwarding of CERs. The status of requests for issuance of CERs can be viewed on the UNFCCC CDM website at <<http://cdm.unfccc.int/Issuance/>>.

74. In accordance with the “Procedures for review of requests for issuance”, adopted by the Board at its sixty-fourth meeting, the Board considered two requests for issuance for which assessments of the secretariat and the RIT contained different proposed decisions or the same proposed decision which received an objection from a member of the Board.

75. The Board agreed to approve the request for issuance of the following project activity: “AWMS GHG Mitigation Project BR05-B-12, Mato Grosso, Mato Grosso do Sul, Minas Gerais, and Sao Paulo, Brazil” (0472), submitted by the DOE (DNV), for the monitoring period 1 April–30 September 2010.

76. The Board could not approve the request for issuance of project activity “Ningxia Federal Solar Cooker Project” (2924), submitted by the DOE (TÜV Rheinland), for the monitoring period 12 February–31 October 2010.

77. In accordance with paragraph 9 (c) of annex 33 to the report of the fifty-fourth meeting of the Board, the Board considered five requests for permission to resubmit previously withdrawn requests for issuance.

78. The Board agreed to permit the resubmission of the following requests for issuance:

- (a) “ESTRE’s Paulínia Landfill Gas Project (EPLGP)” (0165), submitted by the DOE (TÜV SÜD), for the monitoring period 1 August–31 October 2010;
- (b) “ESTRE’s Paulínia Landfill Gas Project (EPLGP)” (0165), submitted by the DOE (TÜV SÜD), for the monitoring period 26 February–31 July 2010;



- (c) “ESTRE’s Paulínia Landfill Gas Project (EPLGP)” (0165), submitted by the DOE (TÜV SÜD), for the monitoring period 1 November 2010–31 January 2011;
  - (d) “Methane recovery and effective use of power generation project Norte III-B Landfill” (0928), submitted by the DOE (SGS), for the monitoring period 1 June 2010–31 January 2011;
  - (e) “Fuel switchover from higher carbon intensive fuels to Natural Gas (NG) at Indian Farmers Fertiliser Cooperative Ltd (IFFCO) in Phulpur Village, Allahabad, Uttar Pradesh by M/s Indian Farmers Fertiliser Cooperative Ltd (IFFCO)” (1289), submitted by the DOE (SGS), for the monitoring period 1 April 2009–31 March 2010.
79. In accordance with paragraph 96 of the report of the twenty-eighth meeting of the Board, the Board considered six requests for permission to resubmit previously rejected requests for issuance.
80. The Board agreed to permit the resubmission of the following requests for issuance:
- (a) “Xiaogushan Hydropower Project in People’s Republic of China” (0378), submitted by the DOE (JACO), for the monitoring period 1 January–31 December 2010;
  - (b) “Power capacity expansion project at Dwarikesh Puram” (1257), submitted by the DOE (SGS), for the monitoring period 30 November 2007–2 April 2008;
  - (c) “Power capacity expansion project at Dwarikesh Puram” (1257), submitted by the DOE (SGS), for the monitoring period 3 April 2008–7 March 2009;
  - (d) “Power capacity expansion project at Dwarikesh Puram” (1257), submitted by the DOE (SGS), for the monitoring period 8 March 2009–19 April 2010;
  - (e) “Alto-Tietê landfill gas capture project” (1636), submitted by the DOE (SGS), for the monitoring period 25 September 2008–4 March 2009;
  - (f) “Alto-Tietê landfill gas capture project” (1636), submitted by the DOE (SGS), for the monitoring period 5 March 2009–31 May 2010.
81. In accordance with the “Procedures for notifying and requesting approval of changes from the project activity as described in the registered PDD” adopted by the Board at its forty-eighth meeting, the Board considered one submission by a DOE with regard to notification of changes from the registered project design document (PDD).
82. The Board agreed to accept the changes and allow subsequent requests for issuance for project activity “Thanh Thuy Hydropower Project” (4338), submitted by the DOE (KEMCO).

**Agenda item 4. Regulatory matters****Agenda item 4.1. Standards/tools***(a) Standards for CDM project activities and programme of activities*

83. The Board considered a concept note on a database on the cost and efficiency of technologies to facilitate the development of standardized baselines and requested the secretariat to initiate work with the collection of data for a sector appropriate for road testing (e.g. the cement sector) and a sector relevant to countries under-represented in the CDM (e.g. cook stoves). The Board further requested the secretariat to prepare a workplan for the development of the database with the substantive work to be conducted in 2013. The Board requested the secretariat to launch a call for public inputs, in particular from the experts of two sectors, on the workplan for the development of the database with a view to improving it and reporting back to the Board for further guidance at a future meeting. The call for public inputs will be open from **6 August 2012** to **19 August 2012**.

84. The Board agreed to revise the “Guidelines on the consideration of suppressed demand in CDM methodologies”, as contained in [annex 2](#) to this report.

85. The Board considered a concept note on improvements in the demonstration of additionality and requested the secretariat to prepare a work programme for improving the demonstration of additionality, taking into account the guidance provided by the Board for consideration at a future meeting. The Board agreed to prioritize the three issues identified in paragraph 94 (a), (b) and (c) of this report for consideration at its sixty-ninth meeting.

86. The Board considered the draft guidelines on the application of materiality in verifications and agreed to launch a call for public input on the draft, which will be open from **23 July 2012** to **10 August 2012**.

87. The Board adopted the “Guidelines for the consideration of interactive effects for the application of multiple CDM methodologies for a programme of activities”, as contained in [annex 3](#) to this report.

*(b) Methodological standards for large-scale CDM project activities**New methodologies and tools*

88. The Board approved the following new methodologies:

(a) AM0105 “Energy efficiency in data centres through dynamic power management”, based on the proposed new methodology NM0350 “Improving energy efficiency in data centers through dynamic power management”. The approved methodology is contained in [annex 4](#) to this report;

(b) AM0106 “Energy efficiency improvements of a lime production facility through installation of new kilns”, based on the proposed new methodology NM0354 “Energy efficiency improvements of a lime production facility through installation of new kilns”. The approved methodology is contained in [annex 5](#) to this report;

(c) AM0107 “New natural gas based cogeneration plant”, based on the proposed new methodology NM0356 “New natural gas based combined heat and power plant”. The approved methodology is contained in [annex 6](#) to this report.

89. The Board considered the recommendation from the Meth Panel to withdraw the approved methodology AM0039 “Methane emissions reduction from organic waste water and bioorganic solid waste using co-composting”, and requested the Meth Panel to provide an analysis on whether the applicability of AM0039 is fully incorporated in the revised methodology AM0025 “Alternative waste



treatment processes’.

***Revisions and amendments of approved methodologies and tools***

90. The Board agreed on the responses prepared by the Meth Panel to the requests for revision as follows:

- (a) To accept request AM\_REV\_0226 concerning the approved methodology AM0025 “Avoided emissions from organic waste through alternative waste treatment processes”;
- (b) Not to accept request AM\_REV\_0232 concerning the approved methodology ACM0009 “Consolidated baseline and monitoring methodology for fuel switching from coal or petroleum fuel to natural gas”;
- (c) To accept request AM\_REV\_0233 concerning the approved methodology AM0048 “New cogeneration facilities supplying electricity and/or steam to multiple customers and displacing grid/off-grid steam and electricity generation with more carbon-intensive fuels”;
- (d) To accept request AM\_REV\_0234 concerning the approved methodology ACM0007 “Conversion from single cycle to combined cycle power generation”;
- (e) To accept request AM\_REV\_0236 concerning the approved methodology AM0050 “Feed switch in integrated Ammonia-urea manufacturing industry”.

91. The Board approved the following revised/amended approved methodologies and tools:

- (a) AM0009 “Recovery and utilization of gas from oil wells that would otherwise be flared or vented”, as contained in annex 7 to this report. The revision, prepared in response to the request for clarification AM\_CLA\_0232 and the task of implementing PoA standards and procedures, as contained in the 2012 workplan of the Meth Panel:
  - (i) Clarifies that the leakage emissions shall only be accounted for project activities where the recovered gas is transported to a processing plant where it is processed into hydrocarbon products (e.g. dry gas, liquefied petroleum gas (LPG) and condensates) and where the dry gas is compressed to compressed natural gas (CNG), transported by trailers/trucks/carriers, and subsequently decompressed and re-gasified, before it finally enters the gas pipeline;
  - (ii) Introduces provisions for the use of this methodology in a project activity under a PoA;
- (b) AM0025 “Alternative waste treatment processes’, as contained in annex 8 to this report. The revision, prepared in response to the task of improving approved methodologies and tools, as contained in the 2012 workplan of the Meth Panel, the request for revision AM\_REV\_0226 and the task of implementing PoA standards and procedures, as contained in the 2012 workplan of the Meth Panel, inter alia:
  - (i) Broadens the applicability of the methodology by allowing the treatment of wastewater in combination with solid waste, by co-composting or in an anaerobic digester;
  - (ii) Neglects transport emissions, emissions associated with combustion of biogas and emissions associated with the management of by-products of combustion (e.g. ash);



- (iii) Accounts for emission reductions from sending upgraded biogas to a natural gas distribution system;
  - (iv) Introduces provisions for the use of this methodology in a project activity under a PoA;
  - (v) Changes the title from 'Avoided emissions from organic waste through alternative waste treatment processes';
- (c) AM0048 'New cogeneration project activities supplying electricity and heat to multiple costumers', as contained in [annex 9](#) to this report. The amendment, prepared in response to the request for revision AM\_REV\_0233:
- (i) Broadens the applicability of the methodology, by including calculations for the baseline emissions for projects that generate hot water;
  - (ii) Implements several editorial corrections;
  - (iii) Changes the title from 'New cogeneration facilities supplying electricity and/or steam to multiple customers and displacing grid/off-grid steam and electricity generation with more carbon-intensive fuels';
- (d) AM0050 'Feed switch in integrated ammonia-urea manufacturing industry', as contained in [annex 10](#) to this report. The revision, prepared in response to the request for revision AM\_REV\_0236 inter alia:
- (i) Expands the applicability of the methodology allowing the use of any type of hydrocarbon feedstock and allowing a 10 per cent increase in the capacity of the project activity;
  - (ii) Introduces leakage emissions from upstream emissions due to CO<sub>2</sub> removal from the raw natural gas stream;
- (e) ACM0007 'Conversion from single cycle to combined cycle power generation', as contained in [annex 11](#) to this report. The amendment, prepared in response to the request for revision AM\_REV\_0234:
- (i) Introduces a definition for a grid electricity system;
  - (ii) Allows regional or national default values (net calorific values and emission factors) not only for liquid fuels, but also for other types of fossil fuels, in cases where it can be demonstrated that values provided by the fuel suppliers are unavailable;
- (f) ACM0009 'Consolidated baseline and monitoring methodology for fuel switching from coal or petroleum fuel to natural gas', as contained in [annex 12](#) to this report. The revision, prepared in response to the request for clarification AM\_CLA\_0231, corrects errors with regard to the use of IPCC default values;
- (g) ACM0010 'Consolidated baseline methodology for GHG emission reductions from manure management systems', as contained in [annex 13](#) to this report. The revision, prepared in response to the task of improving approved methodologies and tools and the task of implementing PoA standards and procedures, as contained in the 2012 workplan of the Meth Panel:
- (i) Adds reference to methodological tools;





- (ii) Improves the clarity of the language and provides an additional option to estimate project N<sub>2</sub>O emissions;
  - (iii) Introduces provisions for the use of this methodology in a project activity under a PoA;
- (h) ACM0014 ‘Treatment of wastewater’, as contained in [annex 14](#) to this report. The revision, prepared in response to the request contained in paragraph 92 of the report of the sixty-fifth meeting of the Board, the task of improving approved methodologies and tools, as contained in the 2012 workplan and the task of implementing PoA standards and procedures, as contained in the 2012 workplan of the Meth Panel, inter alia:
- (i) Broadens the applicability of the methodology to the treatment of any type of wastewater;
  - (ii) Introduces provisions for the use of this methodology in a project activity under a PoA;
  - (iii) Changes the title from ‘Mitigation of greenhouse gas emissions from treatment of industrial wastewater’;
- (i) Methodological tool ‘Project emissions from flaring’, as contained in [annex 15](#) to this report. The revision, prepared in response to the task of improving approved methodologies and tools, as contained in the 2012 workplan of the Meth Panel, inter alia:
- (i) Provides an additional option for determining the methane destruction efficiency of an enclosed flare, using biannual measurements of the efficiency of the flare;
  - (ii) Defines low height flares and specifies how the methane destruction efficiency shall be determined for this type of flare;
  - (iii) Changes the title from ‘Tool to determine project emissions from flaring gases containing methane’.

92. For all revised methodologies and tools that were approved by the Board at this meeting, the DOEs may upload not later than 20 March 2013 (24:00 GMT) for registration the PDDs of project activities in which the previous version of an approved methodology or an approved tool has been applied, in accordance with paragraph 36 of the “Procedure for the submission and consideration of requests for revision of approved baseline and monitoring methodologies and tools for large-scale CDM project activities”.

93. Project participants may note that the amendment of an approved methodology or an approved tool has no effect on the global stakeholder consultations of PDDs and registration of project activities applying the previous version of the amended methodology or tool, in accordance with paragraph 35 of the “Procedure for the submission and consideration of requests for revision of approved baseline and monitoring methodologies and tools for large-scale CDM project activities”.



94. The Board considered the revision of the methodology ACM0013 “Consolidated baseline and monitoring methodology for new grid connected fossil fuel fired power plants using a less GHG intensive technology” and took note of an information note prepared by the Meth Panel explaining the rationale for the revision and how the comments it received were taken into account. The Board requested the Meth Panel to prepare a new revision to the methodology containing, if possible, alternative approaches that ensure environmental integrity of the methodology, but not based on the following policy issues that are currently under its consideration:

- (a) The forecast of fuel price for the demonstration of additionality;
- (b) The consideration of CER revenues in the demonstration of additionality;
- (c) The inclusion of projects requesting registration or under validation to determine the baseline technology.

If the Meth Panel cannot ensure the environmental integrity of the methodology without using these requirements, the Meth Panel is requested to prepare an information note explaining the underlying rationale. The above policy issues will be discussed at Board's sixty-ninth meeting with a view to reaching an agreement. The Board requested the secretariat to prepare an information note on the implications of the three issues listed above to facilitate the discussions.

95. The Board agreed to launch a call for public inputs on an information note with a view to seeking inputs on potential options to use standardized approaches for the off-grid component of the “Tool to calculate the emission factor for an electricity system”, as contained in annex 16 of the report of the 56<sup>th</sup> meeting of the Meth Panel. The call for public inputs will be open from **23 July 2012** to **1 August 2012**.

96. The Board considered the use of information available from reputable organizations (e.g. government departments, industry associations, international associations) to demonstrate the requirements set out in paragraph 47 of the “Tool for the demonstration and assessment of additionality” and requested the Meth Panel to propose a revision to make operational the requirements in paragraph 47 of the tool.

97. The Board considered an information note concerning a policy issue identified while incorporating guidance on the use of large-scale methodologies under a PoA. The Board reiterated that approved methodologies are eligible for application in a PoA irrespective of whether it includes guidance on how to translate the relevant requirements into eligibility criteria. The Board requested the Meth Panel to continue, where possible, the top-down work on providing specific guidance on the use of large-scale methodologies under a PoA. In cases where such top-down specific guidance have not been specified in a methodology, the guidance in paragraph 16 of the “Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities” stating that “the validating DOE shall determine whether the eligibility criteria are sufficiently objective and comprehensive to permit the assessment of the inclusion of CPAs in the PoA” should be followed.

### ***Guidelines***

98. The Board considered a concept note on addressing uncertainties in measurements in baseline and monitoring methodologies and requested the secretariat to provide an analysis on the impact of the incorporation of the guidelines on the existing methodologies. The Board also requested the secretariat to work further on best practice guidance to address the practical implementation issues/difficulties faced by project participants (e.g. those related to frequency of calibration, rigorous monitoring requirements). This analysis should also include options to adapt the measurement frequency based on the variability of the parameter being measured.



99. The Board considered the draft guidelines on standardized approaches for determining baselines for measure(s) and requested the secretariat to launch a call for public inputs from **23 July 2012 to 6 August 2012** on the draft document that is revised based on the inputs provided during the meeting, and to report back to the Board at its sixty-ninth meeting.

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

*New methodologies*

100. The Board approved the following new small-scale methodologies:

- (a) AMS-III.BC “Emission reductions through improved efficiency of vehicle fleets”, as contained in [annex 16](#) to this report;
- (b) AMS-III.BD “GHG emissions reduction due to supply of molten metal instead of ingots for aluminium castings”, as contained in [annex 17](#) to this report;
- (c) AMS-II.P “Energy efficient pump-set for agriculture use”, as contained in [annex 18](#) to this report.

101. The Board approved the new small-scale methodology AMS-II.Q “Energy efficiency and/or energy supply projects in commercial buildings” developed top down, as contained in [annex 19](#) to this report.

102. The Board took note that the proposed new small-scale methodology SSC-NM083 “Urea yield boosting of conventional ammonia-urea production facilities” was deemed not suitable for recommendation to the Board by the SSC WG.

*Revisions to approved methodologies*

103. The Board agreed to revise the following approved small-scale methodologies:

- (a) AMS-III.AR “Substituting fossil fuel based lighting with LED/CFL lighting systems”, as contained in [annex 20](#) to this report. The revision, prepared in response to the submission SSC\_623, excludes the battery certification requirement for systems charged by renewable energy sources. The revision also takes into consideration the response to the submission SSC\_609, requesting clarification regarding the use of sampling to estimate the date of distribution of project lamps, provisions to account for suppressed demand in accordance with the suppressed demand guidelines and considerations from the submission SSC\_620. An information note on the rationale for the default factor which accounts for suppressed demand is contained in annex 7 to the report of the 37<sup>th</sup> meeting of the SSC WG;
- (b) AMS-II.C “Demand-side energy efficiency activities for specific technologies”, as contained in [annex 21](#) to this report. The revision was a result of top-down work as included in the 2012 workplan for the SSC WG. The revision expands the methodology to cover replacement of multiple chillers with a high efficiency centralized system and clarified methods to estimate energy savings for equipment having constant load and variable loads. Expert and public inputs as well as the submissions SSC\_510, SSC\_539, SSC\_540 and SSC\_546 were considered;
- (c) AMS-I.E “Switch from non-renewable biomass for thermal applications by the user”, as contained in [annex 22](#) to this report. The revision was a result of the top-down work to develop standardized approaches for rural energy supply (biomass and biogas) as included in the 2012 workplan for the SSC WG. The revision includes a reference to the available country-specific default values for the fraction of non-renewable biomass (fNRB) and takes into account the

feedback from the call for public input on the information note on the “Top-down development of standardized approaches for rural energy supply (biogas)”;

(d) AMS-II.G “Energy efficiency measures in thermal applications of non-renewable biomass”, as contained in [annex 23](#) to this report. The revision was a result of the top-down work to develop standardized approaches for rural energy supply (biomass) as included in the 2012 workplan for the SSC WG. The revision is prepared to include a reference to the available country-specific default values for the fNRB;

(e) AMS-III.AU “Methane emission reduction by adjusted water management practice in rice cultivation”, as contained in [annex 24](#) to this report. The revision was a result of the top-down development of standardized approaches for agricultural sector activities as included in the 2012 workplan for the SSC WG. Feedback from the call for public input on the information note on the “Top-down development of standardized approaches for determining methane emissions in rice field under AMS-III.AU” has been taken into account in the revision of the methodology;

(f) AMS I.I “Biogas/biomass thermal applications for households/small users”, as contained in [annex 25](#) to this report. The revision was a result of the top-down work to develop standardized approaches for rural energy supply (biogas) as included in the 2012 workplan for the SSC WG. Feedback from the call for public input on the information note on the “Top-down development of standardized approaches for rural energy supply (biogas)” has been taken into account in the revision of the methodology.

104. The revised versions of the SSC methodologies referred to in the paragraph above will come into effect on 3 August 2012 (24:00 GMT) in accordance with the “Procedure for the revision of approved SSC methodologies”.

105. The Board agreed to launch two calls for public inputs, which will be open from **23 July 2012** until **22 August 2012**, on:

(a) The draft revision of the methodology AMS-II.E “Energy efficiency and fuel switching measures for buildings”, as contained in annex 10 of the report of the 37<sup>th</sup> meeting of the SSC WG. The top-down revision of AMS-II.E is included in the SSC WG 2012 workplan and comprises the inclusion of thermal applications and other technologies and measures currently not covered and takes into account the submissions SSC\_418, SSC\_434 and SSC\_495;

(b) The draft new methodology SSC-III.BE “Substitution of virgin raw materials and fuels by secondary materials recovered from scrap tyres”, as contained in annex 23 to the report of the 37<sup>th</sup> meeting of the SSC WG. This top-down draft new methodology is to cover project activities for the recovery and mechanical processing of scrap tyres to produce secondary materials thereby saving energy and reducing greenhouse gas emissions.

The Board requested the SSC WG to take into account the inputs received from these calls when preparing the final draft methodologies to be recommended to the Board at a future meeting.

106. The Board approved default country-specific values for the fNRB for Parties with 10 or fewer registered CDM project activities as of 31 December 2010, as contained in annex 14 to the report of the 37<sup>th</sup> meeting of the SSC WG.



### ***Guidelines***

107. The Board considered the draft revised guidelines on demonstration of additionality of micro-scale project activities and the summary of the public inputs received on the issue as contained in annex 13 of the report of the 37<sup>th</sup> meeting of the SSC WG. The Board agreed to revise the “Guidelines for demonstrating additionality of microscale project activities”, as contained in annex 26 to this report. The revision contains a definition of the special underdeveloped zone in a host country.

108. The Board considered the draft revised guidelines for demonstrating additionality of small-scale project activities and an information note on extension of simplified modalities for additionality of small-scale CDM project activities. The Board agreed to revise Attachment A of Appendix B and to change the name of the document to “Guidelines on the demonstration of additionality of small-scale project activities”, as contained in annex 27 to this report. The revision expands the positive list of technologies, particularly for dispersed activities for domestic applications. The Board requested the SSC WG to analyse options to determine when the technologies included in the positive list will graduate (e.g. penetration rates, time horizons) to become mature technologies warranting a revision of the positive list and to make a recommendation for consideration by the Board at a future meeting.

109. The Board adopted a clarification regarding the applicability of the “Guidelines on additionality of first-of-its-kind project activities” based on a recommendation by the SSC WG as contained in annex 28 to this report.

### ***(d) Methodological standards for afforestation and reforestation CDM project activities***

#### ***Revisions to approved methodologies and tools***

110. The Board approved the following revised small-scale afforestation/reforestation methodologies:

(a) AR-AMS0007 “Simplified baseline and monitoring methodology for small-scale CDM afforestation and reforestation project activities implemented on lands other than wetlands”, as contained in annex 29 to this report. The revision, inter alia:

- (i) Incorporates the use of approved A/R methodological tools to allow project participants the full range of options to account for carbon stock changes in all the five carbon pools;
- (ii) Consolidates five other small-scale A/R methodologies into this methodology and makes the methodology modular in its structure, thus enhancing its usability;
- (iii) Changes the title from “Simplified baseline and monitoring methodology for small-scale A/R CDM project activities implemented on grasslands or croplands” in order to reflect the expanded scope of its applicability;

(b) AR-AMS0003 “Simplified baseline and monitoring methodology for small-scale CDM afforestation and reforestation project activities implemented on wetlands”, as contained in annex 30 to this report. The revision:

- (i) Incorporates the use of approved A/R methodological tools to allow project participants the full range of options to account for carbon stock changes in all the five carbon pools;
- (ii) Makes the methodology modular in its structure, thus enhancing its usability.



111. The Board agreed to withdraw the following small-scale afforestation/reforestation methodologies which have been incorporated into the revised methodology AMS0007 “Simplified baseline and monitoring methodology for small-scale CDM afforestation and reforestation project activities implemented on lands other than wetlands”;

- (a) AR-AMS0001 “Simplified baseline and monitoring methodologies for small-scale A/R CDM project activities implemented on grasslands or croplands with limited displacement of pre-project activities”;
- (b) AR-AMS0002 “Simplified baseline and monitoring methodologies for small-scale afforestation and reforestation project activities under the CDM implemented on settlements”;
- (c) AR-AMS0004 “Approved simplified baseline and monitoring methodology for small-scale agroforestry - afforestation and reforestation project activities under the clean development mechanism”;
- (d) AR-AMS0005 “Approved simplified baseline and monitoring methodology for small-scale afforestation and reforestation project activities under the clean development mechanism implemented on lands having low inherent potential to support living biomass”;
- (e) AR-AMS0006 “Approved simplified baseline and monitoring methodology for small-scale silvopastoral - afforestation and reforestation project activities under the clean development mechanism”.

112. The Board agreed to withdraw the methodological “Tool for testing significance of GHG emissions in A/R CDM project activities” as this is no longer required in light of recent improvements to A/R standards.

113. The Board agreed to launch a call for public input on the draft revised A/R methodological tool “Estimation of carbon stocks and change in carbon stocks of trees and shrubs in A/R CDM project activities”, as contained in annex 3 of the 36<sup>th</sup> meeting report of the A/R WG, addressing the questions outlined in annex 4 of the same report of the A/R WG. The call will be open from **23 July 2012** to **22 August 2012**.

### ***Guidelines***

114. The Board agreed to amend the “Guidelines on application of specified versions of A/R CDM methodologies in verification of registered A/R CDM project activities”, as contained in annex 31 to this report. The amendment was undertaken to reflect the response provided to the request for clarification AR\_AM\_CLA\_0018 and extends the applicability of the guidelines to all project activities that use the older versions of A/R methodologies.

115. The Board considered the draft guidelines on the establishment of sector-specific standardized baselines with expanded applicability to afforestation and reforestation projects and requested the secretariat to revise the draft in accordance with the comments provided for consideration by the Board at its seventieth meeting.

**Agenda item 4.2. Procedures**

116. The Board considered a concept note for the development of a consolidated procedure for the methodology development, revision and clarification processes and requested the secretariat to draft the procedure taking into account the inputs given by the Board for its consideration at its sixty-ninth meeting. The Board also agreed to conduct a consultation on the concept note with stakeholders at the CDM round table on 10 August 2012, and to launch a call for public inputs on the draft procedure after the sixty-ninth meeting.

117. The Board considered a concept note on the revision of the CDM project standard (PS), the CDM validation and verification standard (VVS), and proposed new methodology guidelines as a result of standardized baselines and requested the secretariat to prepare a draft for each of the three documents for consideration by the Board at its sixty-ninth meeting. The Board also requested the secretariat to provide information clarifying the impacts of updated standardized baselines on the new CDM projects and/or already registered projects for consideration by the Board at its sixty-ninth meeting.

118. The Board agreed to revise the “Procedure for the submission and consideration of standardized baselines”, as contained in [annex 32](#) to this report.

119. Following the request from the CMP at its seventh session to assess the implications of the withdrawal or suspension of letters of approval (LoAs) and make recommendations to the CMP at its eighth session (decision 8/CMP.7, paragraph 29), the Board considered a concept note for the withdrawal and suspension of LoAs. The Board agreed to recommend to the CMP that, in withdrawing or suspending a letter of approval, the Party, would need to inform the Board of such withdrawal or suspension, the effective date of the withdrawal or suspension, and other relevant implications on the particular project activity or programme of activity. The Board also decided to consider requirements and measures to deal with the withdrawal or suspension of LoAs by a Party.

120. The Board considered a concept note on draft recommendations in relation to the draft procedure for addressing significant deficiencies in a past validation, verification and certification reports and agreed:

- (a) To request the secretariat to further revise the draft procedure based on the input received from the Board at this meeting, for consideration by the Board at its sixty-ninth meeting;
- (b) To prepare a document describing the mandates from the CMP for the draft procedure, also for consideration by the Board at its sixty-ninth meeting;
- (c) To launch a call for inputs, which will be open from **23 July 2012** to **10 August 2012**, on a reserve/pool structure<sup>1</sup> to complement the draft procedure and, in particular, to request input on:
  - (i) The purpose of such a reserve/pool;
  - (ii) How the reserve/pool could be created;
  - (iii) Who should manage the reserve/pool;
  - (iv) How moral hazard in the use of the reserve/pool could be avoided.

121. The Board took note of the status of implementation of the CDM PS, VVS and project cycle procedure (PCP), and agreed to postpone the deadline for submissions of requests for registration and issuance under previous set of regulations (VVM track) to 31 January 2013, as contained in [annex 33](#) to this report, to provide stakeholders with sufficient time for completing related activities under the VVM track.

**Agenda item 4.3. Policy issues**

122. The Board considered a concept note on improving PoA standards and guidelines and requested the secretariat to provide a work programme in this regard for consideration by the Board at its sixty-ninth meeting.

123. The Board considered a concept note for further strengthening the accreditation system and provided comments to the secretariat. The Board agreed to the estimated timelines and an initial list of priority issues for revision of the key documentation (i.e. the CDM accreditation procedure, the CDM accreditation standard and the DOE performance monitoring procedure), noting the need to match the work and available resources.

124. The Board considered a draft voluntary tool for highlighting sustainable development co-benefits of CDM project activities and PoAs. Based on the comments provided by the Board, the secretariat was requested to prepare a final draft of the voluntary tool for consideration at the next meeting. The Board further agreed to launch a call for public inputs from **23 July 2012** to **10 August 2012**. The Board further requested the secretariat to take into account the comments received when preparing the final draft and present a summary of the stakeholder inputs for consideration by the Board at its sixty-ninth meeting.

125. The Board considered the request by a DOE to carry out the verification activity for a PoA validated by the same DOE. The request was submitted by the DOE in line with the VVS, paragraph 292, footnote 43. The Board rejected this request as no justification was provided by the DOE in its request. Further, the Board also agreed that the DOE can resubmit a request with a proper justification as to why it would like to undertake the verification activity for the same PoA for which it has performed the validation. The Board further requested the secretariat to prepare a proposal to modify the footnote to this requirement for consideration at its seventieth meeting.

126. The Board considered the submission made by the DOE Forum on the issues related to the clarification AM\_CLA\_0191 on the approved methodology AM0001 and decided to consider, at its sixty-ninth meeting, the policy and technical issues in the context of this clarification and its implementation.

**Agenda item 5. Relations with forums and other stakeholders****Agenda sub-item 5.1. Designated National Authorities**

127. The Board took note that a Regional DNA Training for Asia, the Pacific and Eastern Europe, in conjunction with a workshop on regional distribution in Asia and the Pacific organized in collaboration with the Institute for Global Environmental Change (IGES) and Asia Development Bank (ADB), is currently being run from 16 to 20 July in Manila, Philippines.

**Agenda sub-item 5.2. Designated Operational Entities**

128. The Board took note that the following DOE-related activities have taken place since the last meeting of the Board:

- (a) The three back-to-back regional calibration workshops held on 14 and 15 May 2012 in New Delhi, India; 17 and 18 May 2012 in Shanghai, China; and 23 and 24 May 2012 in Rio de Janeiro, Brazil;
- (b) The consultation with DOEs on insurability and other approaches to risk under the draft procedure for addressing significant deficiencies in past validation, verification, and certification reports held on 7 June 2012 in Bonn, Germany;





- (c) A web-based conference call with the DOEs conducted by the secretariat was held on 12 June 2012.

#### **Agenda sub-item 5.3. Communications and activities with stakeholders**

129. The Board took note that the 4<sup>th</sup> CDM round table took place in Bonn, Germany on 8 June 2012. The Board also took note that stakeholders will be provided feedback on the outcomes of their specific inputs at the next round table being planned for 10 August 2012, in Bonn, Germany.

#### **Agenda sub-item 5.4. Interaction with registered observers**

130. The Board met with registered observers for an informal interaction on the last day of the meeting. The observers to the meeting highlighted the following issues:

- (a) Welcomed the work undertaken by the Board on the revision of methodology ACM0013;
- (b) Thanked the Board on the work done on the voluntary tool for highlighting sustainable development co-benefits of CDM project activities and encouraged it to further improve the tool by including the monitoring and verification of the reported co-benefits;
- (c) Raised several concerns regarding the revision of methodology AM0025;
- (d) Inquired whether carbon capture and storage is covered by the transitional measures referred in the CDM accreditation standard.

131. The Board further agreed to continue to meet with the same type of arrangement and to reconsider the issue when necessary. Observers to the sixty-ninth meeting of the Board shall have registered with the secretariat by **19 August 2012**. In order to ensure proper security and logistical arrangements, the Board emphasized that this deadline will be strictly enforced by the secretariat.

#### **Agenda item 6. Other matters**

132. The Board agreed on the provisional agenda for its sixty-ninth meeting, to be held in Bangkok, Thailand, on 9–13 September 2012, as contained in [annex 34](#) to this report. The sixty-ninth meeting of the Board will be preceded by a strategy planning session on 7 and 8 September 2012.

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

133. The Chair summarized the main conclusions.

134. The Chair closed the meeting.

135. 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.

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***Annexes to the report******Accreditation***

Annex 1 - Modalities of the suspension (version 01.0)

***Standards for CDM project activities and programme of activities***

Annex 2 - Guidelines on the consideration of suppressed demand in CDM methodologies (version 02.0)

Annex 3 - Guidelines for the consideration of interactive effects for the application of multiple CDM methodologies for a programme of activities (version 01.0)

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

Annex 4 - AM0105 "Energy efficiency in data centres through dynamic power management" (version 01.0.0)

Annex 5 - AM0106 "Energy efficiency improvements of a lime production facility through installation of new kilns" (version 01.0.0)

Annex 6 - AM0107 "New natural gas based cogeneration plant" (version 01.0.0)

Annex 7 - AM0009 "Recovery and utilization of gas from oil wells that would otherwise be flared or vented" (version 06.0.0)

Annex 8 - AM0025 "Alternative waste treatment processes" (version 14.0.0)

Annex 9 - AM0048 "New cogeneration project activities supplying electricity and heat to multiple costumers" (version 03.1.0)

Annex 10 - AM0050 "Feed switch in integrated Ammonia-urea manufacturing industry" (version 03.0.0)

Annex 11 - ACM0007 "Conversion from single cycle to combined cycle power generation" (version 06.1.0)

Annex 12 - ACM0009 "Consolidated baseline and monitoring methodology for fuel switching from coal or petroleum fuel to natural gas" (version 04.0.0)

Annex 13 - ACM0010 "Consolidated baseline methodology for GHG emission reductions from manure management systems" (version 06.0.0)

Annex 14 - ACM0014 "Treatment of wastewater" (version 05.0.0)

Annex 15 - Methodological tool "Project emissions from flaring" (version 02.0.0)

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

Annex 16 - AMS-III.BC "Emission reductions through improved efficiency of vehicle fleets" (version 01.0)

Annex 17 - AMS-III.BD "GHG emissions reduction due to supply of molten metal instead of ingots for aluminium castings" (version 01.0)

Annex 18 - AMS-II.P "Energy efficient pump-set for agriculture use" (version 01.0)

Annex 19 - AMS-II.Q "Energy efficiency and/or energy supply projects in commercial buildings" (version 01.0)

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Annex 20 - AMS-III.AR “Substituting fossil fuel based lighting with LED/CFL lighting systems” (version 03.0)

Annex 21 - AMS-II.C “Demand-side energy efficiency activities for specific technologies” (version 14.0)

Annex 22 - AMS-I.E “Switch from non-renewable biomass for thermal applications by the user” (version 05.0)

Annex 23 - AMS-II.G “Energy efficiency measures in thermal applications of non-renewable biomass” (version 04.0)

Annex 24 - AMS-III.AU “Methane emission reduction by adjusted water management practice in rice cultivation” (version 03.0)

Annex 25 - AMS I.I “Biogas/biomass thermal applications for households/small users” (version 04.0)

Annex 26 - Guidelines for demonstrating additionality of microscale project activities (version 04.0)

Annex 27 - Guidelines on the demonstration of additionality of small-scale project activities (version 09.0)

Annex 28 - Clarification on the applicability of the "Guidelines on additionality of first-of-its-kind project activities" for small-scale CDM project activities or component project activities (version 01.0)

***Methodological standards for afforestation and reforestation CDM project activities***

Annex 29 - AR-AMS0007 “Simplified baseline and monitoring methodology for small-scale CDM afforestation and reforestation project activities implemented on lands other than wetlands” (version 02.0.0)

Annex 30 - AR-AMS0003 “Simplified baseline and monitoring methodology for small-scale CDM afforestation and reforestation project activities implemented on wetlands” (version 02.0.0)

Annex 31 - Guidelines on application of specified versions of A/R CDM methodologies in verification of registered A/R CDM project activities (version 01.1)

***Procedures***

Annex 32 - Procedure for the submission and consideration of standardized baselines (version 02.0)

Annex 33 - Implementation plan for the clean development mechanism project standard, validation and verification standard and project cycle procedure (version 02.0)

***Other matters***

Annex 34 - Provisional agenda for the sixty-ninth meeting of the CDM Executive Board (version 01.0)

*List of documents undergone editorial changes since the last meeting**Regulatory documents*

- Best practice examples focusing on sample size and reliability calculations (version 01.1)
- Post registration changes checklist (version 01.1)
- Post registration changes and request for issuance: Completeness check checklist (version 01.1)

*Forms**Accreditation*

- F-CDM-MA - On-site assessment. Opening meeting/Closing meeting (version 02.2)
- F-CDM-DR - Report form - desk review (version 03.0)
- F-CDM-OR - Report form - on-site assessment (version 03.0)

*Afforestation and reforestation*

- CDM-AR-NM - Proposed new baseline and monitoring methodologies for A/R (version 04.1)
- F-CDM-AR-NM - CDM: Proposed New A/R Methodology Form (version 01.1)
- F-CDM-AR-NMar - CDM: AR WG Recommendation to the EB (version 03.1)
- F-CDM-AR-NMas - CDM: Proposed new A/R methodology assessment form (version 03.1)
- F-CDM-AR-NMex-2d - CDM: Expert form - AR second review (version 04.1)
- F-CDM-AR-NMex-3d - CDM: Expert form - AR lead review (version 04.1)
- F-CDM-AR-NMpu - CDM: AR Public comment form (version 02.1)
- F-CDM-AR-NMSUMar - CDM: AR WG summary recommendation to the EB (version 02.1)
- F-CDM-AR-AM-Rev - CDM: Submission of requests for revisions of approved methodologies to the AR WG (version 01.1)
- F-CDM-AR-AM-Subm - CDM: Submission of queries from DOEs to the AR WG regarding the application of approved A/R methodologies (version 01.1)

*Small-scale afforestation and reforestation*

- F-CDM-SSC-AR - CDM: Recommendation Form for Small Scale A/R Methodologies and Procedures (version 01.1)
- F-CDM-SSC-AR-Subm - CDM: Submissions on Small Scale A/R Methodologies and Procedures (version 02.1)

*Carbon capture and storage*

- F-CDM-CCS-NM: proposed new carbon capture and storage baseline and monitoring methodology form for CDM project activities (CCS Working group recommendation to EB) (version 01.0)



- F-CDM-CCS-NMAS: Assessment form for proposed new methodology for CCS CDM project activities (version 01.0)
- F-CDM-CCS-NMLEAD: Expert assessment form for proposed new methodology for CCS CDM project activities - lead review (CDM expert) (version 01.0)
- F-CDM-CCS-NMPC: Public comment form for proposed new methodology for CCS CDM project activities (version 01.0)
- F-CDM-CCS-NMSEC: Expert assessment form for proposed new methodology for CCS CDM project activities - second review (CDM expert) (version 01.0)
- F-CDM-CCS-NMSECT: Expert assessment form for proposed new methodology for CCSM CDM project activities - second review (sectoral/industry expert) (version 01.0)
- F-CDM-CCS-NMSUM: CCS WG summary recommendation form for proposed new methodology for CCS CDM project activities (version 01.0)
- F-CDM-CCS-PNM: Proposed new methodology for CCS CDM project activities (version 01.0)
- F-CDM-CCS-PDD: Project design document form for carbon capture and storage CDM project activities (version 01.0)

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## **Endnotes**

1. As referred to in annex19 of the annotated agenda of this meeting.