

**DRAFT****Annex 5****DRAFT STANDARD FOR THE DEVELOPMENT OF ELIGIBILITY CRITERIA FOR
THE INCLUSION OF A PROJECT ACTIVITY AS A CPA UNDER THE POA****(Version 01)****I. Background**

1. In decision 3/CMP.6 paragraph 4, Parties requested the clean development mechanism (CDM) Executive Board (hereinafter referred to as the Board) to “reassess its existing regulations related to programmes of activities in order to further clarify the application of existing rules regarding the demonstration of additionality to programmes of activities and the definition of eligibility criteria for the inclusion of component project activities in a programme of activity”.
2. At its sixtieth meeting, the Board took note of a summary of public inputs to the call on programmes of activities (hereinafter referred to as PoAs) launched at the fifty-ninth meeting of the Board and agreed to a work programme that envisaged the consideration at its sixty-third meeting of a draft standard for the development of eligibility criteria for the inclusion of component project activities (hereinafter referred to as CPAs).
3. This draft standard is prepared in response to the request by the Board at its sixtieth meeting (also see annex 27, EB60).

II. Definitions, scope and applicability**A. Scope and applicability**

4. This standard is applicable to coordinating/managing entities (hereinafter referred to as CMEs) to develop eligibility criteria for inclusion of a project activity as a CPA under the PoA. This standard also applies when updating eligibility criteria.

B. Definitions

5. For the purpose of this standard, all definitions contained in “Procedures for registration of a programme of activities as a single CDM project activity and issuance of CERs for a PoA” are applicable.

III. Requirements**A. Requirements for the development of eligibility criteria**

6. The CMEs shall develop eligibility criteria for inclusion of a CPA under the PoA and shall include these criteria in the PoA Design Documents (CDM-PoA-DD, CDM-SSC-PoA-DD, CDM-PoA-DD-AR, or CDM-PoA-DD-SSC-AR) and generic CDM-CPA-DD.
7. The eligibility criteria shall be verifiable. The eligibility criteria may include exclusion criteria for CPAs that are ineligible as CPAs.
8. The CMEs shall have the competencies to check the features of potential CPAs and ensure that each CPA meets all requirements and eligibility criteria before inclusion to the registered PoA.

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The CMEs shall establish and implement, and provide a description of, a management system for the implementation of the proposed CDM PoA, including:

- Clear definition of roles and responsibilities of personnel involved in the process of inclusion of CPAs, including a review of their competencies;
- Arrangements for training and capacity development for personnel;
- Records and documentation control process for each CPA under the PoA;
- Procedures for technical review of inclusion of CPAs;
- A system/procedure to avoid double counting (e.g. to avoid the case of including a new CPA that has already been registered either as a CDM project activity or as a CPA of another PoA);
- Measures for continual improvements of the management system.

9. The CMEs shall engage a DOE to validate the management system referred to in paragraph 8.

10. The CPAs shall be included in the PoA on the basis that the DOE has confirmed the eligibility of CPAs, where applicable undertaking sample-based checks in accordance with the “Standard for Sampling and Surveys for CDM Project Activities”¹.

11. In the case of PoAs involving combinations of technologies/measures and/or methodologies, distinct eligibility criteria shall be proposed per combination applied as indicated in paragraph 11 (a) to 11 (d) of the “Standard for application of multiple CDM methodologies for a programme of activities”.

12. The eligibility criteria shall cover:

- (a) The geographical boundary of the CPA including any time-induced boundary² consistent with the geographical boundary set in the PoA;
- (b) Conditions that avoid double counting of emission reductions like unique identifications of product and end-user locations (e.g. program logo);
- (c) The specifications of technology/measure including the level and type of service, performance specifications including compliance with testing/ certifications;
- (d) Conditions to check the start date of the CPA through documentary evidence;
- (e) Conditions that ensure the compliance with applicability and other requirements of single or multiple methodology/ies applied by CPAs;
- (f) The conditions that ensure that CPAs meet the requirements pertaining to the demonstration of additionality (please refer to the latest approved version of the “Standard for demonstration of additionality of a programme of activities”);

¹ As indicated in paragraphs 6 to 10, CMEs and DOEs share the responsibility for the inclusion of CPAs in a PoA. A DOE’s responsibility and accountability is confined to the tasks indicated in paragraph 9 and 10.

² For example, an emission factor for electricity generation is dependent on the boundaries of regional or state or sub-regional grids.

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- (g) The PoA-specific requirements stipulated by the CMEs including any conditions related to undertaking local stakeholder consultations and environmental impact analysis³;
- (h) Where applicable, target group (e.g. domestic/commercial/industrial, rural/urban, grid-connected/off-grid) and distribution mechanisms (e.g. direct installation)⁴;
- (i) Where applicable, the conditions to demonstrate that each CPA of the PoA is sufficiently standardised to qualify to apply statistical sampling requirements for a homogeneous PoA (please refer to the latest approved version of the “Standard for sampling and surveys for CDM project activities and programme of activities”);
- (j) Where applicable, the conditions that ensure that the independent subsystems within each of the CPA and CPA in aggregate meet the small-scale or micro-scale threshold criteria (please refer to the latest approved version of the “Guidelines for demonstrating additionality of microscale project activities” and the latest approved version of the “General Guidelines to SSC CDM methodologies”) and remain within those thresholds throughout the crediting period of the CPA;
- (k) Where applicable, the requirements for the debundling check, in case CPAs belong to small-scale or micro scale project categories (please refer to the latest approved version of the “Guidelines on assessment of debundling for SSC project activities”).

B. Requirements for updating eligibility criteria

13. If the version of methodology/ies applied by the PoA is revised or replaced, subsequent to being placed on hold, CMEs shall update the eligibility criteria to the requirements of the revised or new methodology/ies with immediate effect and include them in a new version of the PoA DD (e.g. version 1.1) and new generic CDM-CPA-DD validated⁵ by a DOE, and shall submit it to the Board for approval.

- (a) Once changes have been approved by the Board, the inclusion of all new CPAs shall be based on the updated eligibility criteria applying the new generic CDM-CPA-DD;
- (b) CPAs that were included before the methodology was put on hold shall apply the revised version of the generic CDM-CPA-DD only at the time of the renewal of the crediting period.

14. No action is required if the version of methodology/ies applied by the PoA is revised without being placed on hold or is withdrawn for the purpose of inclusion in a consolidated methodology/ies unless otherwise indicated in the respective report of the meeting of the Board that has approved the new methodology/ies.

³ See also paragraph 6. (m) of “Procedures for registration of a programme of activities as a single CDM project activity and issuance of CERs for a PoA.”

⁴ This is to re-test the validity of assumptions made at the PoA level. For example, in a lighting efficiency application, lighting usage hours of 3.5 hours per day would be valid if the target group is residences/households. Usage hours would be different in commercial applications and vice versa.

⁵ In this case the stakeholder consultation is not required.

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15. If the boundary of the PoA is amended post-registration to expand the geographic coverage or to include an additional host Party, the CMEs shall update the eligibility criteria to reflect the consequent changes and include them in a new version of the PoA DD (e.g. version 1.2) and new generic CDM-CPA-DD validated⁶ by a DOE, and shall submit it to the Board for approval.

- (a) Once changes have been approved by the Board, the inclusion of all new CPAs shall be based on the updated eligibility criteria applying the new generic CDM-CPA-DD;
- (b) CPAs that were included before the boundary of the PoA was amended shall apply the revised version of the generic CDM-CPA-DD only at the time of the renewal of the crediting period.

16. At the renewal of the crediting period of a PoA (at the renewal of the first CPA), the CMEs shall update the eligibility criteria as per the latest revised applicable methodology/ies and include them in a new version of the PoA-DD (e.g. version 1.3) and new generic CDM-CPA-DD validated⁷ by a DOE, and shall submit it to the Board for approval.

- (a) Once changes have been approved by the Board, the inclusion of all new CPAs shall be based on the updated eligibility criteria applying the new generic CDM-CPA-DD;
- (b) The subsequent CPAs requesting the renewal of the crediting period shall apply the revised version of the generic CDM-CPA-DD.

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⁶ In this case, the stakeholder consultation is not required.

⁷ In this case, the stakeholder consultation is not required.