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Annex 9

DRAFT CLEAN DEVELOPMENT MECHANISM PROJECT STANDARD

(Version 01)

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1. INTRODUCTION

1.1. Background

1. The Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (hereinafter referred to as the CMP), at its first session, established the basis of the regulatory framework for the clean development mechanism (hereinafter referred to as the CDM) to implement Article 12 of the Kyoto Protocol through the following:

(a) Annex to decision 3/CMP.1: Modalities and procedures for a clean development mechanism (hereinafter referred to as the CDM M&Ps);

(b) Annexes to decision 4/CMP.1, including annex II: Simplified modalities and procedures for small-scale clean development mechanism project activities (hereinafter referred to as the CDM SSC M&Ps);

(c) Annex to decision 5/CMP.1: Modalities and procedures for afforestation and reforestation project activities under the clean development mechanism (hereinafter referred to as the CDM A/R M&Ps);

(d) Annex to decision 6/CMP.1: Simplified modalities and procedures for small-scale afforestation and reforestation project activities under the clean development mechanism (hereinafter referred to as the CDM SSC A/R M&Ps); and

(e) Decision 7/CMP.1.

2. The CMP revised some of the provisions in these decisions through new decisions in subsequent sessions.

3. In its mandate from the CMP to operationalize the CDM, the Executive Board of the clean development mechanism (hereinafter referred to as the Board) has adopted various standards (including methodologies and tools), procedures, guidelines, clarifications and forms, and revised them, as appropriate, with a view to improving the CDM process.

4. At its fifty-ninth meeting, the Board adopted the "CDM management plan 2011" whose objective 3 b) is: "Clarification, consolidation and enhancement of the consistencies of all the existing regulatory decisions of the board that relate to validation and verification of project activities". One deliverable under this objective is to "develop a standard for project participants, i.e. obligations on project participants during validation, operation and verification of project activities".

1.2. Objectives

5. The objectives of the "Clean development mechanism project standard" (hereinafter referred to as this Standard) are to:

(a) Enhance consistency and clarity of requirements applicable to any type of CDM project activities and CDM programmes of activities (PoAs), and facilitate and promote a clear and common understanding by all parties involved in the CDM;

(b) Improve the quality of project design documents (PDDs) and monitoring reports prepared by project participants and submitted in the CDM project cycle; and

(c) Enhance the overall efficiency and integrity in the CDM.

2. SCOPE

2.1. General

6. This Standard provides project participants with an initial starting point for those wishing to design and implement a CDM project activity or PoA and seeking issuance of certified emission reductions (CERs). It specifies requirements for project participants to comply with in designing as well as in implementing any type of CDM project activities and PoAs and monitoring greenhouse gas (GHG) emission reductions by sources or GHG removals by sinks.

2.2. Application

7. Requirements in chapters 6, 7 and 12 of this Standard apply to any type of CDM project activities and PoAs, unless stated otherwise. In addition, requirements in chapters 8, 9, 10 and 11 apply to specific types of CDM projects, respectively, small-scale project activities, large-scale afforestation and reforestation (A/R) project activities, small-scale A/R project activities and PoAs. Furthermore, requirements contained in chapters 7, 8, 9 and 10 applicable to project participants for CDM project activities apply, mutatis mutandis, to coordinating/managing entities for CDM PoAs, unless stated otherwise.

8. This Standard supersedes all documents listed in appendix A.

9. The documents listed in appendix B will be subsequently revised in accordance with this Standard.

3. NORMATIVE REFERENCES

10. The following referenced documents are indispensable for the application of this Standard:

(a) "Clean development mechanism project cycle procedure" (hereinafter referred to as the Project cycle procedure); and

(b) "Glossary of CDM terms".

4. TERMS AND DEFINITIONS

11. In addition to the definitions contained in the Glossary of CDM terms, the following terms apply in this Standard:

(a) "shall" is used for a requirement;

(b) "should" is used for a recommended means for meeting a requirement; and

(c) "may" is used for what is allowed, but not required.

5. PRINCIPLES

12. The following principles[1] guide project design as well as project implementation and monitoring of GHG emission reductions by sources or GHG removals by sinks, and contribute to enhancing the environmental integrity of CDM project activities and PoAs.

5.1. Relevance

13. Select the GHG sources, GHG sinks, GHG reservoirs, data and methodologies and all other information appropriate to the needs of the intended user.

5.2. Completeness

14. Include all relevant GHG sources and sinks, and information to support compliance with all requirements.

5.3. Consistency

15. Enable meaningful comparisons in project-related information.

5.4. Accuracy and conservativeness

16. Reduce bias and uncertainties as far as is practical/cost effective, or otherwise use conservative assumptions, values and procedures to ensure that GHG emission reductions by sources or GHG removals by sinks are not over-estimated.

5.5. Transparency

17. Disclose sufficient and appropriate project-related information in a truthful manner to allow intended users to make decisions with reasonable confidence.

6. GENERAL REQUIREMENTS

6.1. Use of and compliance with applicable standards

18. While designing and implementing a CDM project activity, project participants shall consider and use, in addition to this Standard, all applicable methodologies, tools and documents adopted by the CMP or the Board.[2]

19. Project participants shall ensure that the proposed CDM project activity complies with all requirements in the CDM M&Ps applicable to the project activity, as presented in paragraph 1 above, all applicable requirements in this Standard and all other applicable CDM requirements.

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[1] This text is adapted to the CDM and is taken from ISO 14064-2:2006 - Greenhouse gases -- Part 2: Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements; it is reproduced with the permission of the International Organization for Standardization, ISO. This standard can be obtained from any ISO member and from the website of the ISO Central Secretariat at the following address: www.iso.org. Copyright remains with ISO.

[2] These documents are available on the UNFCCC CDM website.

6.2. Identification of project type and selection and use of methodology

20. Project participants shall determine the type of CDM project activity they want to design and implement:

(a) Large-scale project activity;

(b) Small-scale project activity;

(c) Large-scale afforestation or reforestation project activity;

(d) Small-scale afforestation or reforestation project activity; or

(e) Programme of activities, either large-scale, small-scale, large-scale A/R or small-scale A/R.

21. Project participants shall select and use a baseline and monitoring methodology that has been approved by the Board (selected methodology) and that is applicable to the proposed CDM project activity.

22. In their consideration of methodologies applicable to the proposed CDM project activity, project participants may:

(a) Submit a request for revision to an approved methodology, through a designated operational entity (DOE) for large scale project activities, or directly to the UNFCCC secretariat (hereinafter referred to as the secretariat) for small-scale project activities, in accordance with the applicable procedure; and

(b) Develop and propose a new methodology, in accordance with the applicable guidelines and procedure for proposing and considering new baseline and monitoring methodologies.

23. Project participants wishing to seek clarification on the applicability of an approved methodology or a methodological tool shall submit a request for clarification through a DOE, or directly to the secretariat for small-scale project activities, in accordance with applicable procedure.

6.3. Demonstration of prior consideration of the clean development mechanism

24. If the start date of a proposed CDM project activity, as determined in section 7.9 below, is prior to the date of publication of the PDD for the global stakeholder consultation, project participants shall demonstrate that the CDM benefits were considered necessary in the decision to undertake the project as a proposed CDM project activity.

25. For a proposed CDM project activity with a start date on or after 2 August 2008, project participants shall inform the host Party's designated national authority (DNA) and the secretariat of their intention to seek CDM status in accordance with the Project cycle procedure.

26. For a proposed CDM project activity with a start date before 2 August 2008 and prior to the date of publication of the PDD for global stakeholder consultation, project participants shall demonstrate that the CDM was seriously considered in the decision to implement the proposed project activity. Such demonstration requires the following elements to be satisfied:

(a) Project participant shall provide evidence of their awareness of the CDM prior to the proposed project activity's start date, and that the benefits of the CDM were a decisive factor in the decision to proceed with the project;[3] and

(b) Project participant shall provide evidence that continuing and real actions were taken to secure CDM status for the proposed project activity in parallel with its implementation.[4]

27. The requirements in paragraphs 24–26 above do not apply to CDM PoAs.

7. PROJECT DESIGN REQUIREMENTS FOR ALL CDM PROJECT TYPES

7.1. Description of project activity

28. Project participants shall provide a description of the proposed CDM project activity that provides an understanding of the nature of the project and its implementation.

29. When describing the proposed CDM project activity, project participants shall:

(a) Provide a title for the proposed project activity;

(b) Describe the purpose of the proposed project activity;

(c) Describe the proposed project activity, including a summary of the scope of activities/measures that are to be implemented within the project activity;

(d) Describe the technology to be employed by the proposed project activity to enable the identification of the project activity's scale and type, demonstration of additionality, application of the selected methodology and calculations of GHG emission reductions or net GHG removals;

(e) Explain how the proposed project activity will reduce GHG emissions or increase GHG removals;

(f) Identify the location of the proposed project activity; and

(g) Explain the contribution of the proposed project activity to sustainable development.

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[3] Evidence to support this could include, inter alia, minutes and/or notes related to the consideration of the decision by the Board of Directors, or equivalent, of the project participants, to undertake the project as a CDM project activity.

[4] Evidence to support this could include one or more of the following: contracts with consultants for CDM/PDD/methodology services; draft versions of PDDs and underlying documents such as letters of authorization, and if available, letters of intent; emission reduction purchase agreement (ERPA) term sheets, ERPAs, or other documentation related to the sale of the potential CERs (including correspondence with multilateral financial institutions or carbon funds); evidence of agreements or negotiations with a DOE for validation services; submission of a new methodology or requests for clarification or revision of existing methodologies to the Board; publication in newspaper; interviews with DNA; earlier correspondence on the project with the DNA or the secretariat.

30. Project participants shall identify:

(a) Parties involved in the proposed CDM project activity; and

(b) Project participants of the proposed CDM project activity.

31. Project participants shall describe the scenario prior to the implementation of the proposed CDM project activity.

32. Project participants shall provide information on sources of public funding for the proposed CDM project activity. In cases where public funding from Parties included in Annex 1 is involved, project participants shall provide an affirmation obtained from Parties included in Annex 1 that such funding does not result in a diversion of official development assistance, is separate from, and is not counted towards the financial obligations of those Parties.

7.2. Application of selected baseline and monitoring methodology

7.2.1. General

33. Project participants shall use the version of the selected methodology that is valid at the time of submission of the CDM project activity for registration, taking into account the grace period of the methodology if it has been revised.

34. Project participants shall apply the selected methodology to the proposed CDM project activity including any tools, standards or guidelines required by the methodology.

7.2.2. Reference of methodology

35. Project participants shall specify the reference (number, title and version) of the selected methodology applied to the proposed CDM project activity, including any other methodologies or tools that the selected methodology refers to.

7.2.3. Applicability of methodology

36. Project participants shall demonstrate why the selected methodology is applicable to the proposed CDM project activity by showing that all applicability conditions of the methodology are met.

7.2.4. Project boundary

37. Project participants shall define the boundary of the proposed CDM project activity, including the physical delineation of the project activity, and which sources and GHGs are included in the project boundary, in accordance with the selected methodology.

7.2.5. Baseline scenario establishment and description

38. Project participants shall establish the baseline scenario for the proposed CDM project activity in accordance with the selected methodology.

39. When establishing the baseline scenario, and where situations of "future anthropogenic emissions by sources are projected to rise above current levels, due to the specific circumstances of the host Party" have to be addressed, project participants should follow the "Guidelines on the consideration of suppressed demand in CDM methodologies".

40. When establishing the baseline scenario, project participants shall take into account the following two types of national and/or sectoral policies:

(a) National and/or sectoral policies or regulations that give comparative advantages to more emissions-intensive technologies or fuels over less emissions-intensive technologies or fuels;[5]

(b) National and/or sectoral policies or regulations that give comparative advantages to less emissions-intensive technologies over more emissions-intensive technologies (e.g. public subsidies to promote the diffusion of renewable energy or to finance energy efficiency programmes).[6]

41. Project participants shall address the two types of policies described in paragraph 40 above as follows:

(a) Only national and/or sectoral policies or regulations described in paragraph 40(a) above that have been implemented before adoption of the Kyoto Protocol by the Conference of the Parties (hereinafter referred to as the COP) (decision 1/CP.3, 11 December 1997) shall be taken into account when establishing a baseline scenario. If such national and/or sectoral policies were implemented since the adoption of the Kyoto Protocol, the baseline scenario should refer to a hypothetical situation without the national and/or sectoral policies or regulations being in place;

(b) National and/or sectoral policies or regulations described in paragraph 40(b) above that have been implemented since the adoption by the COP of the CDM M&P (decision 17/CP.7, 11 November 2001) need not be taken into account in establishing a baseline scenario (i.e. the baseline scenario could refer to a hypothetical situation without the national and/or sectoral policies or regulations being in place).

42. Project participants shall describe the established baseline scenario for the proposed CDM project activity, including the technology that would be employed and/or the activities that would take place in the absence of the project activity.

7.2.6. GHG emission reductions

43. Project participants shall calculate baseline, project and leakage GHG emissions as well as GHG emission reductions of the proposed CDM project activity for each year of the crediting period, in accordance with the selected methodology. Project participants shall describe all steps undertaken for these calculations and provide all results.

44. If the selected methodology includes options and/or different default values, project participants shall justify which ones are applied to the proposed CDM project activity.

45. Project participants shall provide the data and parameters that are not monitored throughout the crediting period but are determined only once and remain fixed throughout the crediting period. These data and parameters shall be available at the time of validation.

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[5] Such policies, which increase GHG emissions, are called type E+.
[6] Such policies, which decrease GHG emissions, are called type E-.

7.3. Demonstration of additionality

46. Project participants shall demonstrate, in accordance with the selected methodology and the requirements relating to prior consideration of the CDM contained in section 6.3 above, that the anthropogenic emissions of GHG by sources are reduced below those that would have occurred in the absence of the proposed CDM project activity.

47. For demonstration of additionality of the proposed CDM project activity, project participants shall follow, if required by the selected methodology and/or the tool referenced in the methodology if any, the following:

(a) "Guidelines on the assessment of investment analysis"; and

(b) "Guidelines for objective demonstration and assessment of barriers".

7.4. Sampling

48. In cases where the selected methodology allows the use of sampling for the determination of parameter values for calculating GHG emission reductions, project participants may use sampling. In such cases, project participants shall develop a sampling plan in accordance with the "Standard for sampling and surveys for CDM project activities and programme of activities".

7.5. Monitoring plan

49. Project participants shall develop and provide a description of a monitoring plan for the proposed CDM project activity in accordance with the selected methodology. The monitoring plan shall also include the following:

(a) Description of the operational and management structure to be put in place to implement the monitoring plan;

(b) Provisions to ensure that data monitored and required for verification and issuance be kept and archived electronically for two years after the end of the crediting period or the last issuance of CERs, whichever occurs later;

(c) Definition of responsibilities and institutional arrangements for data collection and archiving;

(d) Quality assurance and quality control (QA/QC) procedures;

(e) Uncertainty levels, methods and the associated accuracy level of measuring instruments to be used for various parameters and variables; and

(f) Specifications of the calibration frequency for the measuring equipments. In cases where neither the selected methodology, nor the Board's guidance specify any requirements for calibration frequency for measuring equipments, project participants shall ensure that the equipments are calibrated either in accordance with the local/national standards, or as per the manufacturer's specifications. If local/national standards or the manufacturer's specifications are not available, international standards may be used.

7.6. Environmental impacts

50. Project participants shall carry out an analysis of the environmental impacts of the proposed CDM project activity, including transboundary impacts. Project participants shall provide a summary of the analysis and references to all related documentation.

51. If project participants or the host Party considers the environmental impacts of the proposed CDM project activity significant, project participants shall carry out an environmental impact assessment in accordance with the host Party's procedures. Project participants shall provide all conclusions and references to all related documentation.

7.7. Local stakeholder consultation

52. Project participants shall invite local stakeholders to provide comments on the proposed CDM project activity and shall demonstrate how due effort was made to appropriately engage stakeholders and solicit comments.

53. Project participants shall prepare a summary of the comments provided by local stakeholders.

54. Project participants shall demonstrate that they seriously consider all comments received for the proposed CDM project activity.

55. Project participants shall complete the local stakeholder consultation process before submitting the proposed CDM project activity to a DOE for validation.

7.8. Approval and authorization

56. Project participants shall obtain a letter of approval[7] from the DNA of each Party involved in the proposed CDM project activity confirming that:[8]

(a) The Party is a Party to the Kyoto Protocol; and

(b) Participation in the proposed CDM project activity of the project participants is voluntary.

57. In addition to the requirement in paragraph 56 above, for project participants from the host Party, the letter of approval shall also confirm that the proposed CDM project activity assists the host Party in achieving sustainable development.

58. Each project participant shall be authorized to participate in the proposed CDM project activity by at least one Party involved in the proposed project activity.

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[7] Project activities from multilateral funds involving many host Parties do not necessarily require letters of approval from the DNA of each Party. However those not providing a letter may be giving up some of their rights and privileges in terms of being a Party involved in the proposed project activity.
A letter of approval from a Party may cover more than one proposed CDM project activity, provided that projects are clearly listed in the letter.

[8] At the time of making the PDD public at the stage of validation, a Party involved may or may not have provided its approval of the proposed CDM project activity, but by the time of requesting registration, approval from all Parties involved shall be obtained.

7.9. Duration and crediting period of project activity

7.9.1. Duration

59. Project participants shall determine the start date of the proposed CDM project activity and provide a description of how this start date has been determined.

60. Project participants shall define the expected operational lifetime of the proposed CDM project activity.

7.9.2. Crediting period

61. Project participants shall select a crediting period for the proposed CDM project activity, either renewable or fixed, considering the following, unless prescribed otherwise by the selected methodology:

(a) Each renewable crediting period shall be at most seven years and may be renewed at most two times, for a maximum total length of 21 years; and

(b) A fixed crediting period shall be at most 10 years.

62. For a renewable crediting period, project participants shall determine the start date and the length of the first crediting period of the proposed CDM project activity.

63. For a fixed crediting period, project participants shall determine the start date and the length of the crediting period of the proposed CDM project activity.

64. Project participants shall state the start date of the crediting period[9] in the format dd/mm/yyyy, and shall not use any qualifications to the start date, e.g. “expected”.

65. Project participants shall determine only one start date for the crediting period, even in cases of phased implementation of the proposed CDM project activity.

7.10. Modalities of communications

66. Project participants shall define for the proposed CDM project activity their modalities of communication with the Board and present them in a Modalities of communication statement (MoC statement), with the following content:

(a) Title of the proposed CDM project activity (and UNFCCC reference number if available);

(b) Date of submission of the MoC statement (to a DOE for inclusion in the request for registration or to the secretariat for changes after registration);

(c) Designation of focal point for each scope of authority, contact details and specimen signatures of the authorized signatories of each focal point entity;

[9] The crediting period may only start after the date of registration of the proposed activity as a CDM project activity. The date provided by project participants is an indicative start date and it will be updated by the secretariat as the date of registration, if the listed date is prior to the date of registration.

(d) List of all project participants, contact details and specimen signatures of their authorized signatories; and

(e) Signature of an authorized signatory (electronic when available) of all project participants confirming their agreement to the MoC statement.

67. If there is any change regarding the modalities or information in the MoC statement or its annexes after a request for registration is submitted, project participants shall revise the MoC statement in accordance with the Project cycle procedure.

7.11. Validation of project activity

68. Project participants wishing to submit a CDM project activity for validation shall prepare a PDD using the latest version of the PDD form applicable to the project activity, taking into account the grace period of the form if it has been revised.[10]

69. When completing a PDD form, project participants shall provide all necessary information and documentation to demonstrate compliance of the proposed CDM project activity with all applicable requirements in this Standard and other CDM requirements.

70. When completing a PDD form, project participants should follow the applicable guidelines for completing PDD forms.

71. Project participants shall select a DOE for the validation of the proposed CDM project activity that is accredited for the validation function and sectoral scopes(s)[11] of the project activity. Project participants shall have a contractual arrangement with the DOE for the validation.

72. Project participants shall submit the completed PDD of the proposed CDM project activity, together with supporting documentation, to the selected DOE for validation.

73. Information used to demonstrate additionality, describe the application of the selected methodology, and support an environmental impact assessment shall not be considered proprietary or confidential.

8. SPECIFIC PROJECT DESIGN REQUIREMENTS FOR SMALL-SCALE CDM PROJECT ACTIVITIES

8.1. General requirements

74. Project participants designing and implementing a small-scale CDM project activity following the CDM SSC M&Ps shall only use small-scale methodologies. However, project participants may use a large-scale methodology for a project activity that is within the small-scale project activity thresholds if the project activity follows the CDM M&Ps.

[10] All various PDD forms and related guidelines are available on the UNFCCC CDM website.

[11] There are 15 sectoral scopes in the CDM and these are used in the accreditation of DOEs. The list of sectoral scopes, the DOEs accredited in each scope as well as the approved baseline and monitoring methodologies linked with these sectoral scopes are given on the UNFCCC CDM website.

8.2. Project activity eligibility

75. Project participants shall justify the choice of project type for the proposed small-scale CDM project activity, and shall demonstrate that the project activity qualifies as one of the following types of small-scale project activities:

(a) Type I: The capacity of the proposed project activity does not exceed 15 MW (or an appropriate equivalent);

(b) Type II: The annual energy savings on account of efficiency improvements do not exceed 60 GWh (or an appropriate equivalent) in any year of the crediting period; or

(c) Type III: The GHG emission reductions do not exceed 60 $ktCO_2e/yr$ in any year of the crediting period.

76. In connection with paragraph 75 above and the scope of the maximum output capacity of 15 MW, project participants shall consider the following:

(a) Regarding "maximum output", "output" is the installed/rated capacity as indicated by the manufacturer of the equipment or plant, irrespective of the actual load factor of the plant. The installed/rated capacity for renewable electricity generating units that involve turbine-generator systems shall be based on the installed/rated capacity of the generator;

(b) Regarding the "appropriate equivalent" of 15 MW, decision 17/CP.7, paragraph 6 (c) (i), refers to MW, but project participants may refer to MW(p)[12], MW(e) or MW(th). As MW(e) is the most common denomination, MW is defined as MW(e), and otherwise an appropriate conversion factor is to be applied;

(c) For biomass, biofuel and biogas project activities, the maximal limit of 15 MW(e) is equivalent to a 45 MW thermal output of the equipment or the plant (e.g. boilers). For thermal applications of biomass, biofuels or biogas (e.g. cook stoves), the limit of 45 MWth is the installed/rated capacity of the thermal application equipment or device/s (e.g. biogas stoves). For electrical or mechanical applications, the limit of a 15 MW installed/rated output shall be used. In the case of co-firing renewable and fossil fuels, the rated capacity of the system when using fossil fuel shall apply; and

(d) For thermal applications of solar energy projects[13], "maximum output" shall be calculated using a conversion factor of 700 Wth/m^2 of aperture area of glazed flat plate or evacuated tubular collector, i.e. the eligibility limit in terms of aperture area is 64000 m^2 of the collector. Project participants may also use other conversion factors determined as per the requirements in paragraph 86 below, but shall then justify why the chosen conversion factor is more appropriate to the project activity.

[12] For solar photovoltaic applications, 15 MW(p) may be defined by manufacturers' specifications under testing conditions of 1000 W/m^2 and 25 deg C or 600 W/m^2 and 35 deg C.

[13] This conversion is not applicable for solar thermal parabolic and trough type collectors used for high grade solar thermal energy applications.

77. Project participants shall ensure that the proposed small-scale CDM project activity remains, for every year during the crediting period, within the limits of the type of project activity defined in paragraph 75 above. If the proposed small-scale project activity goes beyond the limit of its type in any year of the crediting period, the GHG emission reductions that can be claimed during this particular year shall be capped at the maximum GHG emission reductions estimated in the PDD by the project participants for that year during the crediting period.

78. Project participants shall consider that:

(a) The three types of small-scale CDM project activities defined in paragraph 75 above are mutually exclusive. In a small-scale project activity with more than one component following the CDM SSC M&Ps, each component shall meet the threshold criterion of each applicable type; and

(b) The sum of the size of components of a small-scale CDM project activity belonging to the same type shall not exceed the limits for small-scale project activities.

8.3. Bundling of project activity

79. Project participants shall consider that small-scale CDM project activities within a bundle may be arranged in one or more sub-bundles, with each project activity retaining its distinctive characteristics. Project activities within a sub-bundle belong to the same type. The sum of the output capacity of project activities within a sub-bundle shall not exceed the maximum output capacity limit for its type.

80. In bundling small-scale CDM project activities, project participants shall follow the "General principles for bundling".

8.4. Debundling for project activity

81. Project participants shall demonstrate that the proposed small-scale CDM project activity is not a debundled component of a large-scale project activity.

82. Project participants shall follow the applicable provisions in the "Guidelines on assessment of debundling for SSC project activities".

8.5. Description of project activity

83. In describing the proposed small-scale CDM project activity, project participants shall:

(a) Provide details of the physical location, including information allowing the unique identification of the project activity;

(b) Provide the type of project activity, as described in paragraph 75 above; and

(c) Describe how environmentally safe and sound technology and know how is applied by the project activity, inter alia technology transfer to the host Party(ies) for application in the project activity.

8.6. Application of selected baseline and monitoring methodology

84. If the proposed small-scale CDM project activity involves more than one component, project participants shall provide GHG emission reductions calculations for each of the components separately.

85. Project participants shall provide the results of the ex-ante estimate of GHG emission reductions for all years of the crediting period. If the proposed small-scale CDM project activity involves more than one component, project participants shall provide the results of the ex-ante estimate of GHG emission reductions for all years of the crediting period separately for each component.

86. To determine the performance of equipment used in the proposed small-scale CDM project activity, project participants shall use:

(a) The appropriate value specified in the selected methodology;

(b) The national standard for the performance of the equipment type (project participants shall identify the standard used) if the value specified in sub-paragraph (a) is not available;

(c) An international standard for the performance of the equipment type, such as International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC) standards (project participants shall identify the standard used) if the value specified in sub-paragraph (b) is not available; or

(d) The manufacturer's specifications provided that they are tested and certified by national or international certifiers if a value specified in sub-paragraph (c) is not available.

87. Project participants may also use performance data from test results conducted by an independent entity for equipment installed under the project activity.

88. In cases where leakage is to be considered in the proposed small-scale CDM project activity, project participants shall consider leakage only within the boundaries of non-Annex I Parties.

89. In case of replacement of existing equipments, project participants shall estimate the point in time where the existing equipments would be replaced in the absence of the proposed small-scale CDM project activity in accordance with the latest version of the applicable tool.

90. For household devices/appliances, project participants may disregard the remaining lifetime.

91. Project participants shall consider that norms, specifications, standards and test procedures cited in the selected methodology refer to the latest version of the documentation available at the time of submission of the PDD to the DOE for validation.

8.7. Demonstration of additionality

92. For demonstration of additionality of a proposed small-scale CDM project activity, project participants shall apply or use one of the following options:

(a) Attachment A of Appendix B of the CDM SSC M&Ps. In such cases, project participants should follow the "Non-binding practice examples to demonstrate additionality for SSC project activities";

(b) Any applicable additionality tool; or

(c) "Guidelines for demonstrating additionality of microscale project activities", if the proposed project activity meets one of the following criteria:

(i) Type I: project activities up to 5 MW that employ renewable energy as their primary technology;

(ii) Type II: energy efficiency project activities that aim to achieve energy savings at a scale of no more than 20 GWh per year; or

(iii) Type III: project activities that aim to achieve GHG emissions reductions at a scale of no more than 20 $ktCO_2e$ per year.

8.8. Monitoring plan

93. In developing the monitoring plan for the proposed small-scale CDM project activity, project participants shall consider the following:

(a) Data variables that impact the GHG emission reductions continuously (e.g. quantity of the fuel inputs, amount of heat or electricity produced, gas captured) shall be measured continuously and recorded at appropriate intervals. Data elements that are generally constant (e.g. emission factors, calorific value, system efficiencies) shall be measured or calculated at least once a year, unless other specifications are provided in the selected methodology;

(b) Measuring equipments shall be certified to national or IEC standards;

(c) The calibration of measuring equipments shall be carried out by an accredited person or institution; and

(d) Measured data with high levels of uncertainty or without adequate calibration shall be compared with location/national data and commercial data to ensure consistency.

94. For parameters to be measured in accordance with the selected methodology, project participants shall specify in the monitoring plan the following:

(a) The measurement methods and procedures, including accepted industry standards or national or international standards that will be applied; the measuring equipments used; how the measurements are undertaken; the accuracy of the measurement methods; the measurement intervals and the responsible person/entity undertaking the measurements; and

(b) The calibration procedures applied and the responsible person/entity performing the calibration.

8.9. Environmental impacts

95. The following supersedes paragraphs 50–51 above: If required by the host Party, project participants shall carry out an analysis of the environmental impacts of the proposed small-scale CDM project activity, and provide a summary of the analysis and the reference to all related documentation.

8.10. Validation of project activity

96. If project participants wish to present a small-scale CDM project activity with more than one component in the same PDD, project participants shall provide the information regarding the sections

covering the type and technology/measure of the project activity and application of the selected methodology separately for each component.

9. SPECIFIC PROJECT DESIGN REQUIREMENTS FOR AFFORESTATION AND REFORESTATION CDM PROJECT ACTIVITIES

9.1. Description of project activity

97. When describing the proposed A/R CDM project activity, project participants shall:

(a) Describe the present environmental conditions of the area planned for the project activity, including the climate, hydrology, soils and ecosystems;

(b) Describe the presence, if any, of rare and endangered species and their habitats;

(c) Describe the species and varieties selected for the project activity;

(d) Describe the technologies and know-how that will be transferred to the host Party(ies), if applicable; and

(e) Describe or list the legal title(s) to the land, current land tenure and rights enabling determination of the owner of the temporary CERs (tCERs) or long-term CERs (lCERs) to be issued for the project activity.

9.2. Project boundary

98. Project participants shall define the project boundary that geographically delineates the proposed A/R CDM project activity under the control of the project participants, including information allowing the unique identification(s) of the project activity. If the proposed A/R CDM project activity contains more than one discrete area of land, each discrete area of land shall have a unique identification.

99. The control of the project participants over afforestation or reforestation shall be considered as established if the project participants have the exclusive right to perform the proposed A/R CDM project activity, defined in a way acceptable under the legal system of the host country.

100. Project participants shall demonstrate that, for all areas of land planned for the proposed A/R CDM project activity, the control over afforestation or reforestation as required by the CDM A/R M&Ps is already established or is expected to be established.

101. When submitting the PDD for validation, project participants shall have established the control over afforestation or reforestation for at least 2/3 of the total area of land planned for proposed A/R CDM project activity.

102. When submitting the PDD for validation, project participants shall demonstrate that all areas of land planned for the proposed A/R CDM project activity comply with all requirements, except those related to the control.

103. If the control over afforestation or reforestation is not established for all areas of land planned for the proposed A/R CDM project activities when submitting the PDD for validation, project participants shall:

(a) Demonstrate additionality separately for:

(i) The area of land for which control over the project activity is already established by the project participants; and

(ii) The entire area of land.

(b) Estimate the baseline net GHG removals by sinks separately for:

(i) The area of land for which control over the project activity is already established by the project participants; and

(ii) The entire area of land.

104. Project participants shall express each of the estimates of baseline net GHG removals by sinks on a per hectare basis. The larger of these estimates shall be used to determine the baseline net GHG removals by sinks for the proposed A/R CDM project activity.

105. For all areas of land for which control over the registered A/R CDM project activity has not yet been established at validation, evidence of control shall at the latest be available by the time of the first verification.

106. At the first verification, the project boundary shall be fixed in such a way that it geographically delineates exclusively the registered CDM A/R project activity under the control of the project participants.

9.3. Eligibility of land

107. Project participants shall demonstrate that each discrete area of land to be included in the project boundary is eligible for an A/R CDM project activity, in accordance with the selected methodology and the "Procedure to demonstrate the eligibility of lands for afforestation and reforestation CDM project activities".

9.4. Addressing non-permanence

108. Project participants shall specify which of the following approaches to address non-permanence has been selected for the proposed A/R CDM project activity, considering that this approach shall remain fixed for the crediting period including any renewals:

(a) Issuance of tCERs; or

(b) Issuance of lCERs.

9.5. Application of selected baseline and monitoring methodology

109. Project participants shall select the carbon pools and GHGs to account for the proposed A/R CDM project activity in accordance with the selected methodology.

110. If the selected methodology allows exclusion of certain carbon pools and project participants do so, they shall justify the exclusion.

111. Project participants shall ensure that the application of default data in estimation of the net anthropogenic GHG removals by sinks for the proposed A/R CDM project activity results in conservative estimates. In this estimation, project participants should follow the "Guidelines on conservative choice and application of default data in estimation of the net anthropogenic GHG removal by sinks".

112. The following supersedes paragraphs 40–41 above: In establishing a baseline scenario, project participants shall take into account relevant national and/or sectoral policies and circumstances, such as historical land use practices, without creating perverse incentives that may impact host Parties' contributions to the ultimate objective of the United Nations Framework Convention on Climate Change, in the following manner:

(a) National and/or sectoral land-use policies or regulations, which give comparative advantages to afforestation/reforestation activities and that have been implemented since the adoption by the COP of the CDM M&P (decision 17/CP.7, 11 November 2001), need not be taken into account in developing a baseline scenario (i.e. the baseline scenario could refer to a hypothetical situation without the national and/or sectoral policies or regulations being in place).

113. Project participants shall establish the baseline scenario separately for each stratum of the proposed A/R CDM project activity in accordance with the selected methodology.

114. The following supersedes paragraph 42 above: Project participants shall describe the baseline scenario established for each stratum of the proposed A/R CDM project activity, including the land-use that would occur in the absence of the project activity.

115. The following supersedes paragraph 43 above: Project participants shall calculate and provide an estimate of the ex ante baseline net GHG removals by sinks, ex ante actual net GHG removals by sinks, leakage, and net anthropogenic GHG removals by sinks for the proposed A/R CDM project activity for each year of the crediting period, in accordance with the selected methodology.

9.6. Demonstration of additionality

116. The following supersedes paragraph 46 above: Project participants shall demonstrate, in accordance with the selected methodology and the requirements relating to prior consideration of the CDM contained in section 6.3 above, that the actual net GHG removals by sinks are increased above the sum of the changes in carbon stocks in the carbon pools within the project boundary that would have occurred in the absence of the proposed A/R CDM project activity.

9.7. Sampling

117. The following supersedes paragraph 48 above: In cases where the selected methodology allows the use of sampling for the determination of parameter values for calculating net GHG removals, project participants may use sampling, in accordance with the requirements of the methodology and any applicable tool referenced in the methodology.

9.8. Monitoring

118. Project participants shall plan management activities, including harvesting cycles, and verifications such that a systematic coincidence of verification and peaks in carbon stocks would be avoided.

119. Project participants shall monitor forest establishment and management, if required for the compliance with the applicability conditions of the selected methodology.

120. Project participants shall describe how the geographic coordinates of the project boundary, including boundaries of strata if any, are determined and recorded.

121. Project participants shall describe, or provide reference to, standard operating procedures (SOPs) and quality control (QC) and quality assurance (QA) procedures implemented for data monitoring, as required by the selected methodology.

122. Project participants shall identify measures to minimize potential leakage and describe how these will be implemented.

123. Project participants shall specify the procedures for the periodic review of implementation of activities and measures to minimize leakage, if required by the selected methodology.

9.9. Environmental impacts

124. Paragraphs 125–127 below supersede paragraphs 50–51 above.

125. Project participants shall carry out an analysis of the environmental impacts of the proposed CDM A/R project activity, including impacts on biodiversity and natural ecosystems and impacts outside the project boundary. Project participants shall provide a summary of the analysis and references to all related documentation.

126. If project participants or the host Party consider the environmental impacts of the proposed A/R CDM project activity significant, project participants shall carry out an environmental impact assessment in accordance with the host Party's procedures. Project participants shall provide all conclusions and references to all related documentation.

127. If the environmental impacts of the proposed A/R CDM project activity are considered significant, project participants shall provide a description of the planned monitoring and remedial measures to address these significant impacts.

9.10. Socio-economic impacts

128. Project participants shall carry out an analysis of the major socio-economic impacts of the proposed A/R CDM project activity, including impacts outside the project boundary. Project participants shall provide a summary of the analysis and references to all related documentation.

129. If project participants or the host Party consider any negative impact as significant, project participants shall carry out a socio-economic impact assessment, in accordance with the host Party's procedures. Project participants shall provide all conclusions and references to all related documentation.

130. If the socio-economic impacts of the proposed A/R CDM project activity are considered significant, project participants shall provide a description of the planned monitoring and remedial measures to address these significant impacts.

9.11. Duration and crediting period of project activity

131. Paragraph 60 above does not apply to A/R CDM project activities.

132. The following supersedes paragraph 61 above: Project participants shall select a crediting period for the proposed A/R CDM project activity, either renewable or fixed, considering that:

(a) Each renewable crediting period shall be a maximum of 20 years and may be renewed at most two times, for a maximum total length of 60 years;

(b) A fixed crediting period shall be at most 30 years; and

(c) The provisions of paragraphs 12 and 13 of decision 17/CP.7 do not apply to A/R CDM project activities. An A/R project activity starting after 1 January 2000 can also be validated and registered after 31 December 2005 as long as the first verification of the project activity occurs after the date of registration of this project activity. Given that the crediting period starts at the same date as the starting date of the project activity, projects starting in 2000 onwards can accrue tCERs/lCERs as of the starting date.

10. SPECIFIC PROJECT DESIGN REQUIREMENTS FOR SMALL-SCALE AFFORESTATION AND REFORESTATION CDM PROJECT ACTIVITIES

133. Project participants shall demonstrate that the proposed small-scale A/R CDM project activity:

(a) Complies with the thresholds for the small-scale A/R CDM project activities;

(b) Complies with one of the types of small-scale A/R CDM project activities defined in appendix B of the annex to decision 6/CMP.1 and qualifies to apply one of the simplified baseline and monitoring methodologies for small-scale A/R CDM project activities; and

(c) Is not part of a debundled large-scale A/R CDM project activity, in accordance with the rules defined in appendix C of the annex to decision 6/CMP.1.

134. Project participants shall provide a written declaration that the proposed small-scale A/R CDM project activity is developed or implemented by low-income communities and individuals as determined by the host Party.

11. SPECIFIC PROJECT DESIGN REQUIREMENTS FOR PROGRAMME OF ACTIVITIES

11.1. Description of programme of activities

135. The coordinating/managing entity shall develop a framework for the implementation of the proposed CDM PoA and unambiguously define a component project activity (CPA) under the PoA.

136. The coordinating/managing entity shall describe the policy/measure or stated goal that the proposed CDM PoA seeks to promote.

137. The coordinating/managing entity shall confirm that the proposed CDM PoA is a voluntary action by the coordinating/managing entity.

138. The coordinating/managing entity shall provide the identification of:

(a) Coordinating/managing entity;

(b) Host Party(ies); and

(c) Project participants.

139. The coordinating/managing entity shall define the boundary for the proposed CDM PoA in terms of a geographical area (e.g. municipality, region within a country, country or several countries) within which all CPAs included in the PoA will be implemented, taking into consideration that all applicable national and/or sectoral policies and regulations within the chosen boundary are reflected in the establishment of the baseline.

140. The coordinating/managing entity shall describe a typical CPA that will be included in the proposed CDM PoA covering the technology and/or measures to be used.

141. The coordinating/managing entity shall establish and implement, and provide a description of, the operational and management arrangements for the implementation of the proposed CDM PoA, including:

(a) A record-keeping system for each CPA under the PoA;

(b) 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); and

(c) Provisions to ensure that those operating the CPA are aware and have agreed that their activity is being subscribed to the PoA.

142. In addition to paragraph 141 above, the coordinating/managing entity shall comply with the management system specified in the "Standard for the development of eligibility criteria for the inclusion of a project activity as a CPA under the PoA".

11.2. Description of component project activities

143. The coordinating/managing entity shall provide the geographic reference or other means of identification[14] of the CPAs.

144. The coordinating/managing entity shall identify:

(a) The entity/individual responsible for the operation of the CPAs (name and contact details);

(b) The host Party of the CPAs.

145. The coordinating/managing entity shall confirm that the CPA is neither registered as a CDM project activity nor included in another registered PoA.

11.3. Eligibility criteria

146. The coordinating/managing entity shall define in the proposed CDM PoA the eligibility criteria for inclusion of a CPA under the PoA, in accordance with the "Standard for the development of eligibility criteria for the inclusion of a project activity as a CPA under the PoA".

[14] For example: the geographic reference for stationary CPAs; the registration number or GPS devices for mobile CPAs.

11.4. Application of selected baseline and monitoring methodologies

147. The coordinating/managing entity shall consider that methodologies are approved for application to both CDM project activities and CPAs under a PoA. Proposed new methodologies submitted for consideration by the Board should clearly define the activity to which the proposed methodology is applicable.

148. The coordinating/managing entity applying combinations of technologies/measures and/or approved CDM methodologies among CPAs of a PoA shall apply the combinations in accordance with the "Standard for application of multiple CDM methodologies for a programme of activities" and the Project cycle procedure.

11.5. Demonstration of additionality

149. The coordinating/managing entity shall demonstrate that the proposed CDM PoA is additional in accordance with the "Standard for demonstration of additionality of a programme of activities".

150. The coordinating/managing entity shall consider that a full additionality assessment is not required in the context of CPA. Instead, the confirmation of additionality for CPAs should be conducted by means of the eligibility criteria.

11.6. Debundling of small-scale component project activities

151. The coordinating/managing entity shall demonstrate that the proposed small-scale CPA is not a debundled component of a large-scale activity, in accordance with the applicable provisions of the "Guidelines on assessment of debundling for SSC project activities".

11.7. Sampling

152. If the coordinating/managing entity utilizes sampling for the determination of parameter values for calculating GHG emission reductions, the coordinating/managing entity shall develop a sampling plan in accordance with the "Standard for sampling and surveys for CDM project activities and programme of activities".

11.8. Monitoring plan

153. The coordinating/managing entity shall develop and provide a description of the monitoring plan for a CPA and identify the monitoring provisions and data parameters that a CPA has to apply/monitor in accordance with the selected methodology.

11.9. Environmental impacts

154. The analysis of the environmental impacts and the environmental impacts assessment, as per sections 7.6, 8.9 and/or 9.9 above, may be carried out for the whole PoA or at the CPA level. The coordinating/managing entity shall reflect and describe the level applied.

11.10. Local stakeholder consultation

155. The local stakeholder consultation, as per section 7.7 above, may be carried out for the whole PoA or at the CPA level. The coordinating/managing entity shall specify the level of consultation applied.

156. For the real CPA part of the proposed CDM PoA, the local stakeholder consultation shall be completed before submission of the PoA for validation. For CPAs to be included in the registered PoA, the local stakeholder consultation shall be completed before inclusion in the PoA.

11.11. Approval and authorization

157. Paragraphs 158–162 below supersede paragraphs 56–58 above.

158. The coordinating/managing entity shall obtain a letter of approval from the DNA of each Party involved in the proposed CDM PoA confirming that:

(a) The Party is a Party to the Kyoto Protocol; and

(b) Participation in the proposed CDM PoA of the coordinating/managing entity and the project participants is voluntary.

159. In addition to the requirement in paragraph 158 above, for the coordinating/managing entity from the host Party, the letter of approval shall also confirm that the proposed CDM PoA assists the host Party in achieving sustainable development.

160. The coordinating/managing entity shall obtain from each host Party a letter of authorization of its coordination of the proposed CDM PoA.

161. Each project participant shall be authorized to participate in the proposed CDM PoA by at least one Party involved in the proposed PoA.

162. The operators of individual CPAs are not required to be project participants. CDM project participation is only recorded at the PoA level.

11.12. Duration and crediting period

163. The following supersedes paragraph 61(a) above: The coordinating/managing entity shall select the type (fixed or renewable) and duration of crediting period of the CPA considering that:

(a) Each renewable crediting period shall be at most seven years and may be renewed at most three times, for a maximum total length of 28 years (60 years for A/R);

(b) The start date of a crediting period shall be the date of its inclusion in the registered PoA or any date thereafter; and

(c) The duration of the crediting period shall not exceed the end date of the PoA.

164. The coordinating/managing entity shall confirm that the start date of any CPA is not, or will not be, prior to the commencement of the validation of the proposed CDM PoA, i.e. the date on which the PoA design document (CDM-POA-DD) is first published for global stakeholder consultation.

11.13. Modalities of communications

165. The following supersedes paragraph 66(e) above: For a proposed CDM PoA, the MoC statement shall be signed only by an authorized signatory of the coordinating/managing entity.

11.14. Validation of programme of activities and component project activities

166. Paragraphs 167–171 below supersede paragraphs 68–72 above.

167. A coordinating/managing entity wishing to submit a CDM PoA for validation shall complete a CDM-POA-DD using the latest version of the CDM-PoA-DD form applicable to the PoA, taking into account the grace period of the form if it has been revised.

168. Along with the preparation of a CDM-PoA-DD for the proposed CDM PoA, the coordinating/managing entity shall complete, using latest version of the form applicable to the CPA, taking into account the grace period of the form if it has been revised, the following:

(a) A generic CPA design document (CDM-CPA-DD), which specifies the generic information relevant to all CPAs that may be included in the PoA;

(b) A completed CPA design document (CDM-CPA-DD), which is to be based on the application of the PoA to one real case.

169. When completing a CDM-PoA-DD form and a CDM-CPA-DD form, the coordinating/managing entity shall provide all necessary information and documentation to demonstrate compliance of the proposed CDM PoA and CPA with all applicable requirements in this Standard and other CDM requirements.

170. The coordinating/managing entity shall select a DOE for the validation of the proposed CDM PoA and CPA that is accredited for the validation function and sectoral scopes(s) of the PoA. The coordinating/managing entity shall have a contractual arrangement with the DOE for the validation.

171. The coordinating/managing entity shall submit to the selected DOE for validation the completed CDM-POA-DD, the generic CDM-CPA-DD and the completed CDM-CPA-DD.

11.15. Inclusion of component project activities in programme of activities

172. A coordinating/managing entity may include a CPA in a registered PoA at any time during the duration of the PoA.

173. To include a CPA in a registered PoA, the coordinating/managing entity shall ensure that the proposed CPA meets all requirements applicable to CPAs in this Standard and other CDM requirements, including the eligibility criteria for inclusion of a CPA under the PoA.

174. The coordinating/managing entity shall then forward to a DOE for validation a completed CDM-CPA-DD specific to the proposed CPA demonstrating compliance of the CPA with all applicable requirements.

175. The coordinating/managing entity may forward more than one specific CDM-CPA-DD at a time to the DOE.

12. REQUIREMENTS FOR PROJECT IMPLEMENTATION AND MONITORING FOR ALL CDM PROJECT TYPES

12.1. General requirements

176. Project participants shall implement the registered CDM project activity in accordance with the description in the registered PDD including all physical features.

177. Project participants shall operate the registered CDM project activity in accordance with the description in the registered PDD.

178. Project participants shall monitor the CDM project activity and its GHG emission reductions or net GHG removals in accordance with the monitoring plan included in the registered PDD.

12.2. General description

179. Project participants shall provide the following information regarding the implemented CDM project activity:

(a) Title and number of the project activity;

(b) Project participants involved in the project activity;

(c) Location of the project activity;

(d) Reference of methodologies and tools applied in the project activity;

(e) Start date and crediting period of the project activity; and

(f) Number and date of the monitoring period of the project activity.

12.3. Description of implemented CDM project activity

180. Project participants shall provide a description of the implemented CDM project activity as follows:

(a) Description of the installed technology, technical processes and equipments;

(b) Information on the implementation and actual operation of the project activity, including relevant dates (e.g. construction, commissioning, continued operation periods, etc.). For project activities that consist of more than one site, project participants shall describe the status of implementation and start date of operation for each site. For project activities with phased implementation, project participants shall indicate the progress of the project activity achieved in each phase; and

(c) Description of:

(i) The events or situations that occurred during the monitoring period that may impact the applicability of the applied methodology; and

(ii) How the issues resulting from these events or situations have been addressed.

181. Project participants shall indicate whether any request for approval of changes to the registered project activity has been submitted, in accordance with section 12.8 below and the Project cycle procedure, and, if applicable, the date of approval.

12.4. Description of monitoring system

182. Project participants shall describe the monitoring system and provide line diagrams (graphical schemes) showing all relevant monitoring points. This description may include data collection procedures (information flow including data generation, aggregation, recording, calculations and reporting), organizational structure, roles and responsibilities of personnel, and emergency procedures for the monitoring system.

12.5. Data and parameters

183. Project participants shall provide all parameters used to calculate baseline, project, and leakage GHG emissions by sources or GHG removals by sinks as well as other relevant parameters required by the applied methodology and the monitoring plan for the monitoring period. Project participants shall provide information on how data and parameters have been monitored.

184. For each parameter, project participants shall:

(a) Provide the values of the monitored parameter for the purpose of calculating GHG emission reductions or net GHG removals. Where data are measured continuously, they shall be presented using an appropriate time interval (e.g. monthly for a monitoring period of six months or more; weekly if the monitoring period is less than six months; daily if the monitoring period is one month or less). For default values (such as an IPCC value), where it is ex-post confirmed, the most recent value shall be applied;

(b) Describe the equipment used to monitor each parameter, including details on accuracy class, and calibration information (frequency, date of calibration and validity), if applicable as per monitoring plan;

(c) Describe how the parameters are measured/calculated and the measurement and recording frequency;

(d) Provide and/or identify the source of data (e.g. logbooks, daily records, surveys, etc.);

(e) Provide the calculation method of the parameter, where relevant;

(f) Describe the QA/QC procedures applied (if applicable per monitoring plan); and

(g) Provide information about appropriate emission factors, IPCC default values and any other reference values that have been used in the calculation of GHG emission reductions or net GHG removals.

185. Project participants shall indicate whether any request for temporary deviations or permanent changes from the registered monitoring plan or applied methodology has been submitted, in accordance with section 12.8 below and the Project cycle procedure, and, if applicable, include the date of approval.

12.6. Calculation of GHG emission reductions or net GHG removals

186. Project participants shall identify the formulae used and provide the calculations of the following for the monitoring period of the registered CDM project activity:

(a) Baseline GHG emissions or baseline net GHG removals;

(b) Project GHG emissions or actual net GHG removals;

(c) Leakage GHG emissions; and

(d) GHG emission reductions or net anthropogenic GHG removals.

187. Project participants shall provide a comparison of actual GHG emission reductions or net anthropogenic removal of the registered CDM project activity with estimates in the registered PDD.

188. For any CDM project activity, except A/R project activities, project participants shall explain the cause of any increase in the actual GHG emission reductions achieved during the current monitoring period (e.g. higher water availability, higher load plant factor, etc.), including all information (i.e. data and/or parameters) that is different from that stated in the registered PDD.

12.7. Verification of implemented CDM project activity and monitored GHG emission reductions or net GHG removals

189. Project participants wishing to report, for verification and certification, on the GHG emission reductions or net GHG removals of the implemented project activity shall prepare a monitoring report for the relevant monitoring period using the latest version of the monitoring report form applicable to the project activity, taking into account the grace period of the form if it has been revised.

190. When completing a monitoring report form, project participants shall provide all necessary information and documentation to demonstrate compliance of the implemented CDM project activity with all applicable requirements in this Standard and other applicable CDM requirements.

191. When completing a monitoring report form, project participants should follow the "Guidelines for completing the monitoring report form (CDM-MR)".

192. Project participants shall select a DOE for the verification of the implemented CDM project activity and monitored GHG emission reductions or net GHG removals for the relevant monitoring period that is accredited for the verification function and sectoral scope(s) of the project activity. Project participants shall have a contractual arrangement with the DOE for the verification.

193. Project participants shall submit the completed monitoring report of the implemented CDM project activity for the relevant monitoring period, together with supporting documentation, to the selected DOE for verification.

194. If the DOE's verification of the implemented CDM project activity's monitoring report has been selected by the secretariat as a performance assessment under the "Procedure for accrediting operational entities by the Executive Board of the clean development mechanism (CDM)", project participants shall facilitate access to the project site for the CDM assessment team.

12.8. Post registration changes

12.8.1. General requirement

195. Project participants shall identify and document any actual changes in or proposed changes to the operation, implementation and/or monitoring of the registered CDM project activity.

196. Project participants shall ensure that any DOE referred to in paragraphs 199, 203, 206 and 213 below is accredited for the validation function and sectoral scope(s) of the registered CDM project activity.

12.8.2. Temporary deviations from the registered monitoring plan or applied methodology

197. If project participants are temporarily unable to monitor the registered CDM project activity in accordance with the monitoring plan contained in the registered PDD or the applied methodology, project participants shall describe the nature, extent and duration of the non-conforming monitoring and the proposed alternative monitoring of the project activity in the monitoring report.

198. Project participants shall determine whether the deviation does not require prior approval bu the Board in accordance with section 12.8.4 below.

199. In cases where conditions of section 12.8.4 below do not apply, project participants shall require prior approval by the Board, and shall either:

(a) Inform the DOE contracted to perform a verification for the monitoring period during which they were unable to monitor the registered CDM project activity in accordance with the monitoring plan contained in the registered PDD or the applied methodology; or

(b) Request any DOE at any time prior to the commencement of verification of a monitoring period to assess the proposed alternative monitoring of the project activity.

200. Project participants shall apply conservative assumptions or discount factors to the calculations to the extent required to ensure that GHG emission reductions will not be over-estimated as a result of the deviation.

12.8.3. Permanent changes

12.8.3.1. Corrections

201. If any corrections that are required to be made to information or parameters determined at validation, project participants shall document the proposed corrections in a revised PDD.

12.8.3.2. Changes to the start date of the crediting period

202. Project participants wishing to change the start date of the crediting period of a registered CDM project activity for which this start date is after the date of registration shall notify the secretariat of their intention in accordance with the Project cycle procedure.

203. Where the proposed change of the start date of the crediting period constitutes a difference of more than one year but less than two years (more than two years but less than four years for project activities hosted by a Least Developed Country), project participants shall:

(a) Demonstrate that no changes have occurred to the project activity which would result in a less conservative baseline and that substantive progress has been made by the project participants to start the project activity; and

(b) Submit this demonstration to a DOE for confirmation prior to making a request to the secretariat in accordance with the Project cycle procedure.

12.8.3.3. Permanent changes from the registered monitoring plan or applied methodology

204. If project participants are unable to implement the monitoring plan contained in the registered PDD and it will not be possible to monitor the registered CDM project activity in accordance with a monitoring plan that would comply with the applied methodology and any applicable tools, project participants shall describe the nature and extent of the non-conforming monitoring in a revised PDD and the proposed alternative monitoring of the project activity (unless the registered PDD already contains this description).

205. Project participants shall determine whether the changes do not require prior approval by the Board in accordance with section 12.8.4 below.

206. In cases where conditions of section 12.8.4 below do not apply, project participants shall require prior approval by the Board, and shall either:

(a) Inform the DOE contracted to perform a verification for the monitoring period during which it was identified that the project participants are unable to implement the monitoring plan contained in the registered PDD and it will not be possible to monitor the project activity in accordance with a monitoring plan that would comply with the applied methodology; or

(b) Request any DOE at any time prior to the commencement of verification of a monitoring period to assess the proposed alternative monitoring of the project activity.

207. Project participants shall apply conservative assumptions or discount factors to the calculations to the extent required to ensure that GHG emission reductions will not be over-estimated as a result of the change.

12.8.3.4. Changes to the project design of a registered project activity

208. Where there are changes to the project design of a registered CDM project activity, project participants shall prepare a revised PDD which describes the nature and extent of the proposed or actual changes, including:

(a) Changes in the effective output capacity due to increased installed capacity or increased number of units, or installation of units with lower capacity or units with a technology which is less advanced than that described in the PDD;

(b) Addition of component or extension of technology;

(c) Removal or addition of one site (or more) of a project activity registered with multiple-sites;

(d) Actual operational parameters which are within the control of project participants differing from the expected parameters; and

(e) Any consequential changes to the baseline methodology, including changing or adding another baseline methodology or applying a baseline scenario that is more appropriate as a result of the proposed or actual modifications to the project activity.

209. Project participants shall report in the revised PDD the impacts of the proposed or actual changes to the registered CDM project activity on the following:

(a) The applicability and application of the applied methodology under which the project activity has been registered;

(b) Compliance of the monitoring plan with the applied methodology;

(c) The level of accuracy and completeness in the monitoring of the project activity;

(d) The additionality of the project activity; and

(e) The scale of project activity.

210. The demonstration required in paragraph 209(d) above shall be based on all original input data. In the case of investment analysis, project participants shall only modify the key parameters in the original spreadsheet calculations affected by the proposed or actual modifications to the project activity. In cases where only barriers have been claimed to demonstrate additionality, project participants shall demonstrate that the barriers are still valid under new circumstances.[15]

211. Where project participants cannot demonstrate compliance with the requirements of the applied methodology under which the CDM project activity has been registered, project participants shall revise the PDD applying the latest version of the methodology or a new methodology and comply with the requirements of the methodology.

212. Project participants shall determine whether the changes do not require prior approval by the Board in accordance with section 12.8.4 below.

213. In cases where conditions of section 12.8.4 below do not apply, project participants shall require prior approval by the Board, and shall either:

(a) Submit the revised PDD, together with the monitoring report, for verification to the DOE contracted to perform a verification for a monitoring period of the relevant project activity; or

(b) Request any DOE at any time prior to the commencement of verification of a monitoring period to validate the revised PDD.

[15] If a proposed or actual modification adversely impacts the additionality of the project activity, subsequent requests for issuance based on such modifications will be rejected.

12.8.4. Changes that do not require prior approval by the Board

12.8.4.1. Temporary deviations from the registered monitoring plan or applied methodology

214. If project participants have not temporarily monitored parameters related to baseline GHG emissions or are unable to produce evidence related to such monitoring, project participants shall report these parameters as zero.

215. If project participants have not temporarily monitored parameters related to project GHG emissions or are unable to produce evidence related to such monitoring, project participants shall estimate the parameters assuming that the source of the GHG emissions operated at maximum capacity for the full period of the missing data. In the case of project GHG emissions related to the consumption of electricity, project participants shall add 10% to the estimate to account for transmission and distribution losses.

12.8.4.2. Permanent changes from the registered monitoring plan or applied methodology

216. If the monitoring equipment actually installed has a lower accuracy level than the one stipulated in the applied methodology and/or in the registered monitoring plan and the monitoring equipment is under the control of the project participants, project participants shall adjust the value measured with the equipment as follows:

(a) If the parameter is used for calculating baseline GHG emissions, the difference between the accuracy level of the installed monitoring equipment and the accuracy prescribed by the applied methodology and/or the registered monitoring plan shall be deducted from the measured value;[16]

(b) If the parameter is used for calculating project GHG emissions, the difference between the accuracy level of the installed monitoring equipment and the accuracy prescribed by the applied methodology and/or the registered monitoring plan shall be added to the measured value.[17]

217. If the changes to the monitoring of the registered CDM project activity are of a type listed below, project participants are not required to request prior approval by the Board:

(a) Change of calibration frequency or practice for monitoring equipment not within the control of project participants;

(b) Change of accuracy/type/model of meter(s) as per a power purchase agreement (PPA); or

(c) Change of location of meter(s) as per a power purchase agreement (PPA).

[16] For example, if the accuracy level required by the monitoring plan is 0.2s and the accuracy level of the installed equipment is 0.5s, the measured value shall be adjusted as follows: adjusted value = measured value - measured value * 0.3.

[17] For example, if the accuracy level required by the monitoring plan is 0.2s and the accuracy level of the installed equipment is 0.5s, the measured value shall be adjusted as follows: adjusted value = measured value + measured value * 0.3.

12.8.4.3. Changes to the project design of a registered project activity

218. If the proposed or actual changes to the project design of a registered CDM project activity do not adversely impact the additionality or scale of the registered project activity, project participants do not have to request prior approval by the Board.

12.9. Renewal of crediting period

219. Project participants wishing to renew the crediting period of a registered CDM project activity or PoA shall notify the secretariat of their intention in accordance with the Project cycle procedure.

12.9.1. Renewal of crediting period of project activities

220. To support a request for renewal of the crediting period of a registered CDM project activity, project participants shall update the sections of the PDD of the registered project activity relating to the baseline, estimated GHG emission reductions and the monitoring plan using a baseline and monitoring methodology as follows:

(a) Project participants shall use the latest approved version of the methodology applied in the original PDD, i.e. the version that is valid at the time of submission of the revised PDD for the renewal of the crediting period;

(b) If the methodology applied in the original PDD was withdrawn after the registration of the project activity and replaced by a consolidated methodology, project participants shall use the latest approved version of the respective consolidated methodology, i.e. the version that is valid at the time of submission of the revised PDD for the renewal of the crediting period; or

(c) If the registered project activity does not meet the applicability criteria of the options provided for in sub-paragraphs (a) or (b) above, due to their revision or due to the update of the baseline, project participants shall either:

(i) Select another applicable methodology; or

(ii) Request, through the DOE, a deviation from a methodology for the purpose of renewal of the crediting period.

221. To demonstrate the validity of the original baseline or its update, project participants are not required to re-assess the baseline scenario. Instead, project participants shall assess the GHG emission reductions that would have resulted from that scenario.

222. Project participants shall assess and incorporate the impact of national and/or sectoral policies and circumstances existing at the time of requesting renewal of the crediting period on the current baseline GHG emissions, without reassessing the baseline scenario.

223. Where data and parameters used for determining GHG emission reductions that are determined ex ante (and not monitored during the crediting period) are no longer valid, project participants shall update such data and parameters for the subsequent crediting period. Updates should be undertaken in the following cases:

(a) Where IPCC default values are used, the values should be updated if any new default values have been adopted and published by the IPCC, for example, in guidelines for national GHG inventories, IPCC assessment report or special reports by the IPCC; and

(b) Where emission factors, values or emission benchmarks are used and determined only once for the crediting period, they should be updated, except if the emission factors, values or emission benchmarks are based on the historical situation at the site of the project activity prior to the implementation of the project and can not be updated because the historical situation does not exist anymore as a result of the CDM project activity.

224. Project participants shall engage a DOE to undertake a validation of the updated PDD of the registered CDM project activity.

12.9.2. Renewal of crediting period of programme of activities

225. To support a request for renewal of the crediting period of a registered CDM PoA, the coordinating/managing entity shall apply requirements in paragraphs 220–224 above, except for the following:

(a) Instead of preparing a revised version of the PDD, the coordinating/managing entity shall prepare:

(i) A new completed CDM-PoA-DD; and

(ii) A new version of the generic CDM-CPA-DD.

(b) If the version of the PoA has been revised in accordance with the Project cycle procedure, because the applied methodology has been revised or replaced after having been placed on hold or withdrawn, the renewal shall occur seven years (or 20 years for A/R project activities) after the approval of the revised version of the methodology.

226. The result of the process presented in paragraph 225 above defines a new version of the PoA and the generic CDM-CPA-DD.

227. The coordinating/managing entity shall engage a DOE to undertake a validation of the new version of the PoA and the generic CDM-CPA-DD.

228. To renew the crediting period of a CPA, the coordinating/managing entity shall submit to a DOE, after having ensured that the CPA meets all requirements and eligibility criteria, the completed latest version of the generic CDM-CPA-DD.

12.10. Additional provisions for programme of activities

12.10.1. Monitoring reports

229. The coordinating/managing entity shall:

(a) Maintain all monitoring reports of all CPAs in accordance with the record keeping system identified in the registered CDM-POA-DD; and

(b) Make available all monitoring reports requested by a DOE for verification purposes.

12.10.2. Changes in boundary of programme of activities

230. The coordinating/managing entity may request changes to the boundary of a registered CDM PoA to include an additional host Party, in accordance with the Project cycle procedure. In such cases, the coordinating/managing entity shall:

(a) Revise the registered POA-DD and reflect the changes, in particular, the eligibility criteria for inclusion of CPAs;

(b) Obtain from the DNA of the new host Party a letter of approval for the PoA and a letter of authorization for the coordinating/managing entity; and

(c) Submit the revised registered POA-DD and the letters of approval and authorization to a DOE for validation.

12.10.3. Changes of coordinating/managing entity

231. If the coordinating/managing entity of a registered PoA changes after the registration of the PoA, the new coordinating/managing entity shall:

(a) Obtain a new letter of authorization from each host Party stating the change and confirming the authorization of coordination of the new coordinating/managing entity of the PoA;

(b) Provide a confirmation that the registered PoA will be developed and implemented with the same framework as described in the registered CDM-POA-DD; and

(c) Submit this documentation to a DOE for validation.

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APPENDIX A: Documents superseded by the "Clean development mechanism project standard"

- "Guidelines on the demonstration and assessment of the prior consideration of the CDM";
- "Clarifications on the consideration of national and/or sectoral policies and circumstances in baseline scenarios";
- "Clarifications on the treatment of national and/or sectoral policies and regulations (paragraph 45 (e) of the CDM Modalities and Procedures) in determining a baseline scenario";
- "Guidance related to monitoring requirements";
- "Clarification on elements of a written approval";
- "Procedures for requesting post-registration changes to the start date of the crediting period";
- "Procedures for modalities of communication between project participants and the Executive Board";
- "Guidance related to project activity with more than one component";
- "Guidance on application of the definition of the project boundary to A/R CDM project activities";
- "Guidance on A/R CDM project activities starting after 1 January 2000 (prompt start)";
- "National and/or sectoral policies and circumstances in the baseline scenario for afforestation and reforestation project activities";
- "Procedures for registration of a programme of activities as a single CDM project activity and issuance of certified emission reductions for a programme of activities";
- "Clarification regarding the "Procedures for registration of a programme of activities as a single CDM project activity and issuance of certified emission reductions for a programme of activities";
- "Guidance on programme of activities (PoA)";
- "Guidelines for assessing compliance with the calibration frequency requirements";
- "Clarifications on procedures and documentation which need to be used for the renewal of a crediting period".

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APPENDIX B: Documents that will be subsequently revised in accordance with the "Clean development mechanism project standard"

- "Glossary of CDM terms";
- "Clean development mechanism project design document form (CDM-PDD)";
- "Guidelines for completing the project design document (CDM-PDD) and the proposed new baseline and monitoring methodologies (CDM-NM)";
- "Clean development mechanism project design document form (CDM-SSC-PDD)";
- "Guidelines for completing the simplified project design document (CDM-SSC-PDD) and the form for proposed new small-scale methodologies (CDM-SSC-NM)";
- "Clean development mechanism project design document form for A/R CDM project activities" (CDM-AR-PDD);
- "Clean development mechanism guidelines for completing the CDM A/R forms for: the project design document (CDM-AR-PDD) and the proposed new baseline and monitoring methodologies (CDM-AR-NM)";
- "Clean development mechanism project design document form for small-scale afforestation and reforestation project activities" (CDM-SSC-AR-PDD);
- "Guidelines for completing the simplified project design document for small-scale A/R (CDM-SSC-AR-PDD) and the form for submissions on methodologies for small-scale A/R CDM project activities (F-CDM-SSC-AR-Subm);
- "General guidelines to SSC CDM methodologies";
- "Clarification on demonstration of the eligibility of land (applicable for both large- and small-scale A/R CDM project activities)";
- "Guidelines for completing the monitoring report form (CDM-MR)";
- "Guidelines on assessment of different types of changes from the project activity as described in the registered PDD".