

**DRAFT****Annex 9****DRAFT CDM EXECUTIVE BOARD DECISION FRAMEWORK:
DECISION HIERARCHY, DOCUMENT TYPES AND CONTROL OF DOCUMENTATION
ISSUED BY THE BOARD****(Version 02 03)****I. Background**

1. There is a hierarchical relationship between decisions taken by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) and decisions of the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board). This document defines the relationship and describes the decision classes and different document types issued by the Board.

2. This document replaces “CDM Executive Board Decision Framework: Decision Hierarchy and Document Types Issued by the Board” (version 02, EB 53 Report, Annex 38). ~~and incorporates, and thus replaces, the information contained in “Definition of document types issued by the Board” (EB 49 Report, Annex 31).~~

II. Decision Hierarchy**~~A. Decisions of the CMP relating to the clean development mechanisms~~**

3. The CMP is the ultimate decision-making body of the clean development mechanisms (CDM). This body has authority over, and provides guidance to, the Board through the adoption of decisions and resolutions, published in reports of the CMP. The decisions of the CMP outline formal expectations with respect to the CDM. They set direction and establish precedents which serve as reference for future decision making and basis for operating procedures. CMP decisions are treated as directives - mandatory requirements or rules intended to ensure the successful implementation of the Kyoto Protocol. All decisions taken by the Board must be consistent with and not contradict decisions of the CMP.

~~B. Decisions of the CDM Executive Board~~

4. The Board supervises the CDM under the authority and guidance of the CMP, and is fully accountable to the CMP. The Board has authority over, and provides guidance to, the business activities and processes of the CDM. Decisions of the Board must be consistent with and support the formal decisions of the CMP. Decisions of the Board are hierarchical in nature and are published in the meeting reports of the Board and their accompanying annexes, which together are an official record of the proceedings of the Board meetings.

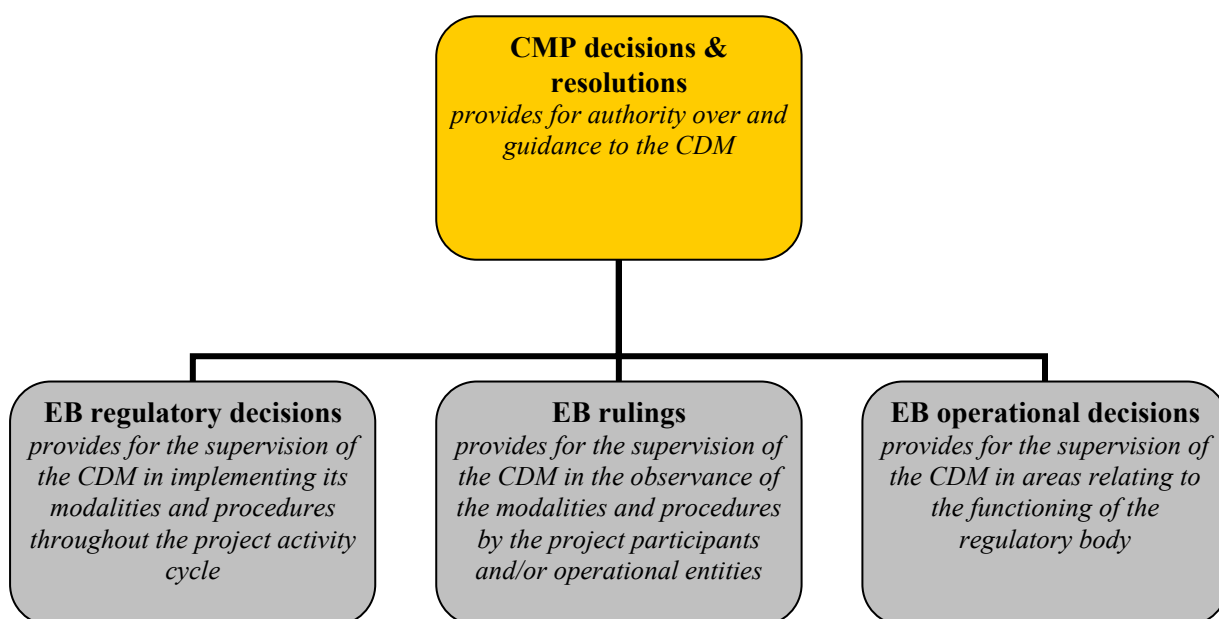
5. Taking into account both the rule-making and rule-enforcing roles of the Board, decisions of the Board can be divided into three main classes:

- (a) **Regulatory** decisions relating to the supervision of the CDM in implementing its modalities and procedures throughout the project activity cycle;
- (b) **Rulings** relating to compliance with the CDM modalities and procedures by the project participants, applicant entities (AEs) and/or designated operational entities (DOEs);



- (c) **Operational** decisions relating to the functioning of the regulatory body.

Diagram I: Decision Hierarchy



III. Document Types

A. Regulatory decisions

6. Regulatory decisions are intended to ensure the successful implementation of the modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol. Such decisions, are reflected in the publishing of, or revisions to, the following when not included in the main body of the meeting report, are published in the following document types:

- (a) **Standards:** A standard provides specifications, or describes a mandatory level of performance, and as such, is used as a reference point against which attainment can be evaluated. Standards are designed to achieve a uniform approach to compliance with the CDM modalities and procedures decisions of the CMP relating to the CDM project activity cycle and include approved methodologies and with their associated tools;
- (i) **Approved Methodologies:** A baseline and monitoring methodology is used in a CDM project to establish baseline emissions, determine additionality, and calculate emission reductions accounting for leakage. Approved methodologies also includes the standard by which emissions and leakage are to be monitored and recorded;
- (ii) **Tools:** A tool is used to calculate, determine, demonstrate, estimate, identify and/or test information relating to a CDM project activity. If an approved



methodology refers to some or all components of a tool, then the use of that tool is mandatory when applying that approved methodology.

- (b) **Procedures:** A procedures contains a mandatory series of actions that must be undertaken to satisfy specific requirements of the CDM modalities and procedures. Procedures ensure that project participants and DOEs comply with the CDM modalities and procedures or applicable decisions or standards issued by the CMP and/or Board in a uniform and consistent way. Procedures relate to processes in the project activity cycle, rules of procedures and terms of references for established advisory bodies;
- (i) **Rules of Procedure:** Set of rules governing the work of a constituted body, including the procedures for decision-making, voting and participation;
- (ii) **Terms of Reference:** Terms of reference outline the mandate, purposes, functions, responsibilities, and scope of work of a body or individual.
- (c) **Guidelines:** A guidelines contains supplemental information such as acceptable methods for satisfying requirements, or instructions on how to fill out forms, identified in standards or procedures. Guidelines are designed to achieve a uniform approach to compliance with the applicable standards or procedures issued by the CMP and/or the Board;
- (d) **Clarifications:** A clarification is issued to alleviate confusion relating to the application of a standard or procedure and published as an annex to the meeting report. A clarification should not change the scope of the standard, procedure or requirement that it is clarifying. Clarifications are designed to achieve a uniform approach to compliance with the applicable standards or procedures issued by the CMP and/or the Board. Clarifications are transitory in nature, pending the subsequent revision of the related standard or procedure which takes into account and incorporates the clarification;
- (e) **Forms:** Forms do not contain regulatory decisions of the Board. However, they are included within this section of document types because they are used to facilitate the submission of data or information required in a recurring, standardized business process within the CDM project cycle. A form contains pre-defined data fields to be filled in by project participants. Completing and submitting forms is part of a mandatory series of actions (how to), required by the CDM modalities and procedures or a standard or procedure issued by the Board.

2. Rulings

7. Rulings of the Board relating to compliance with the modalities and procedures for the CDM as defined in Article 12 of the Kyoto Protocol are included in the main body of the meeting reports, and relate to accreditation and project cycle activities, such as:

- (a) **Accrediting operational entities:** Includes rulings resulting in recommendations to the CMP for the designation of operational entities such as: accrediting and provisionally designating entities for section specific validation/certification functions; rulings relating to outcomes and recommendations of the CDM-AP on spot-checks;
- (b) **Approving methodologies:** Includes rulings relating to requests for approval of new methodologies; requests for clarifications to approved methodologies and/or tools;



requests for revisions to approved methodologies; requests for consolidation of methodologies, requests for deviations to approved methodologies;

- (c) **Registering project activities:** Includes rulings relating to the registration of CDM project activities, such as requests for review; projects under review; projects to be registered with corrections following consideration of a request for review or after a review; requests for review for renewal of the crediting period; projects under review for renewal of a crediting period;
- (d) **Issuing certified emissions reduction units:** Includes rulings relating to the issuance of certified emission reduction units and the CDM registry, such as requests for review; projects under review; issuance of CERs with corrections following consideration of a request for review or after a review; requests for deviations; requests for revisions of monitoring plan.

8. Additional information relating to rulings of the Board can also be found in the scope of review notes and other information notes, which are published as annexes to the meeting reports of the Board:

- (a) **Scope of Review Note:** A scope of review note is a type of information note outlining the boundaries of a review to be undertaken in relation to a specific project activity. Scope of review notes were published prior to the introduction of the revised “Procedures for review of requests for registration” and the “Procedures for review of requests for issuance of CERs” (EB 55 Report, Annexes 40 and 41).
- (b) **Information notes related to rulings:** The secretariat publishes, in the case of a negative ruling by the Board relating to a request for registration of a project activity, or the issuance of certified emission reduction units (CERs), an **information note** providing background, issues considered by the Board and the conclusion reached. Although these information notes are not part of the documentation issued by the Board, they are included in this section of decision class because they relate to rulings of the Board.

3. Operational decisions

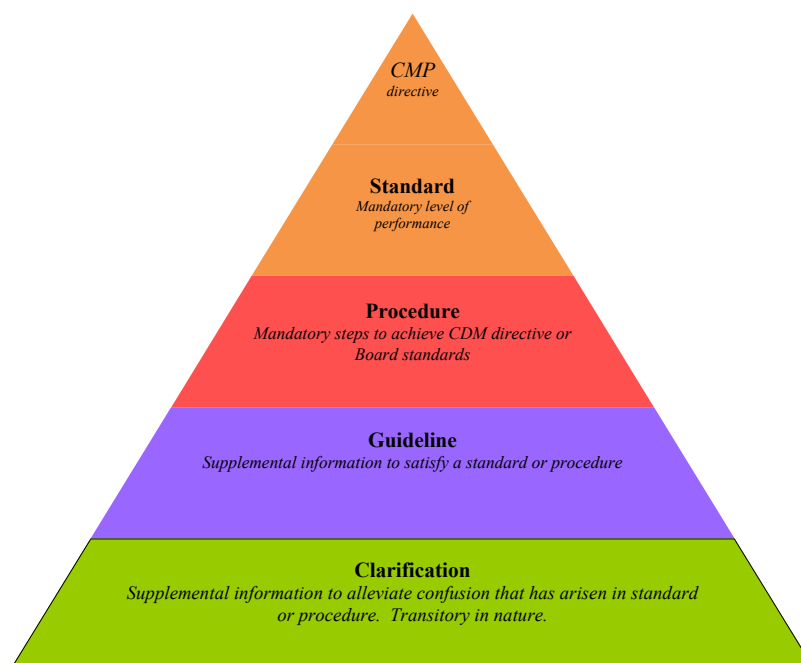
9. Operational (or administrative) decisions ensure the successful running of the Board and cover matters such as: meeting agendas and reports; schedule of meetings; attendance by observers at meetings; the management of documentation of the Board and/or project activity cycle; finance and administration (management action plan, fee payments, etc); work programmes and priorities; establishment of panels, working groups, rosters of experts, committees and/or other subsidiary bodies; liaison with other bodies; calls for input; commissioning of technical reports; recommending and reporting to the CMP on the running of the Board and its programmes of work; and other matters of an operational or administrative nature.

10. Decisions of an operational nature, when not published within the main body of the meeting reports of the Board, are published as annexes to the reports under one of the following document types:

- (a) **Information Notes:** An information note is a short message containing facts relating to a particular subject including the schedule of upcoming meetings, budget information, work programmes, and other information of an operational or administrative nature;
- (b) **Glossaries:** A glossary is an alphabetical list of terms relating to the CDM issued by the Board to facilitate a common understanding of terminology used in Board documentation;

- (c) **Recommendations:** A recommendation is a document endorsing, approving, supporting, providing options or recommending a course of action. Recommendations from the Board to the COP/MOP may be published as annexes to the meeting reports and are included in the annual report to the COP/MOP.

Diagram II: Hierarchy of Regulatory Decisions



IV. Control and limitation of documents issued by the Board

11. The Board when considering issuing a new, or revising an existing, document will keep in mind the priority to consolidate, streamline and ensure consistency of all of its regulatory documentation.

12. Documents issued by the CDM-EB can be amended as described below.

- (a) **Editorial Revision:** At its twenty-seventh meeting, the Board agreed that changes of editorial nature in official documents shall be taken care of by the secretariat, in consultation with the Chair of the Board (EB 27 Meeting Report, paragraph 75). Editorial changes do not constitute a revision of the document. When editorial changes are made to a document, the document is re-issued under the same primary version number.

Example: Version 2.0 of a document is re-issued as Version 2.1, where .1 indicates a revision due to editorial changes.

- (b) **Version Update:** When substantive changes are made to a document, the document is replaced with a new document version, issued with a new primary version number.

Example: Version 2.0 of a document is replaced by Version 3.0, where 3 indicates a substantive change to information contained in the document.



- (c) Withdrawal: Documents are withdrawn from active circulation when the information they contain is no longer applicable, relevant, or correct.
- (d) Replacement: Documents are replaced/succeeded, as required, when the information they contain is no longer applicable, relevant, or correct and new information is issued

13. To increase transparency and ensure that users are aware of the latest versions of the Board's regulatory documentation:

- (a) Changes of an editorial nature will be published on the public website and will become applicable upon date of publication. Documents having undergone editorial changes will be noted in the next official meeting report of the Board. Unless otherwise stated in the revised document, a grace period will apply between the date of publication of the editorial change on the public website and the official notification of the change within the next meeting report of the Board.
- (b) Revisions to documents will be recorded in the official meeting report of the Board and uploaded on the UNFCCC CDM website. The latest version of the document becomes effective, unless otherwise stated in the meeting report, on the date of publication of the meeting report in which the document was revised.

14. Stakeholders are encouraged to regularly review the Rules and Reference section of the UNFCCC CDM website to ensure that they have the latest versions of documents, especially for forms that are required as part of a submission process in the project activity cycle.

15. Each published Board document includes on its last page a 'History of Document' box which contains contextual information, including the nature and date of changes made to the document. Readers should routinely consult the 'History of Document' information when making use of a document.

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