

**Annex 3****DRAFT PROCEDURES FOR THE REVISION OF AN APPROVED SMALL SCALE
METHODOLOGY BY THE CDM EXECUTIVE BOARD****(Version 02)****I. Introduction**

1. This document contains the procedures for the submission and consideration of proposed revision of approved simplified baseline and monitoring methodologies for small-scale (SSC) project activities under the clean development mechanism (CDM) (SSC methodologies). The procedures are drawn from the guidelines for completing the project design document for small-scale project activities (CDM-SSC-PDD) and other related guidance from the CDM Executive Board (hereinafter referred to as the Board) and serve to further operationalize the provisions of paragraphs 15–16 of the simplified modalities and procedures for small-scale CDM project activities. Any revision to an approved SSC methodology shall only apply to SSC CDM project activities registered after the date of the revision and shall not affect registered small-scale CDM project activities during their crediting periods.

II. Request for revision of an approved small-scale methodology**A. Submission of a request for revision by stakeholders**

2. Project participants, designated operational entities (DOEs), designated national authorities (DNAs) or any other stakeholders may submit a request for revision of an approved SSC methodology at any time.

3. The secretariat shall publish on the UNFCCC CDM website updated schedules of Small Scale Working Group (SSC WG) meetings and deadlines for submissions of requests for revision of approved SSC methodologies to be considered at corresponding SSC WG meetings. The deadline shall be set six (6) weeks before each meeting.

4. The SSC WG shall consider requests for revision submitted by a deadline at the corresponding meeting. Incomplete submissions by a deadline cannot be guaranteed of SSC WG's consideration at the corresponding meeting. The SSC WG may postpone the consideration to a subsequent meeting taking into account priorities set by the Board or by the Chair of the SSC WG due to a high workload. Submissions received after a deadline but four (4) weeks before a SSC WG meeting may be considered at the meeting depending on the workload and the priorities set by the Chair of the SSC WG.

5. To propose a revision to an approved SSC methodology for the Board's consideration and approval, project participants, DOEs, DNAs or stakeholders shall submit the following documents, completed in both MS Word and PDF formats, to the UNFCCC secretariat through a dedicated interface on the UNFCCC website:¹

¹ Until the interface is established and notified to the public, submissions shall be made to the email account <secretariat@unfccc.int>.

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- (a) The “CDM: Form for Submissions on Small Scale Methodologies and Procedures (F-CDM-SSC-Sub)”², indicating that the submission is a proposed revision to an existing approved SSC methodology;
 - (b) A draft revised version of the approved SSC methodology³, highlighting proposed changes attached as an annex to the form “CDM: Form for Submissions on Small Scale Methodologies and Procedures (F-CDM-SSC-Sub)”;
 - (c) A CDM-SSC-PDD with at least section “Application of an approved baseline and monitoring methodology” (including relevant annexes) being completed as a draft, providing an example of the application of the proposed revised SSC methodology;
 - (d) Appropriate contact information (i.e., a primary and a secondary contact)⁴.
6. The secretariat shall perform a completeness check of the submitted documents, and if found complete, forward them to the Board and the SSC WG. The date of the secretariat’s forwarding the documents to the Board and the SSC WG shall be deemed as the date of the Board’s receipt of the request for revision of an approved SSC methodology.
7. The secretariat shall make the request for revision of an approved methodology publicly available on the UNFCCC CDM website.

B. Revision proposal by the SSC WG or the secretariat

8. The SSC WG or the secretariat may initiate a revision of an approved SSC methodology in order to improve its objectivity, applicability, usability and consistency.
9. If the SSC WG agrees to initiate a revision of an approved SSC methodology, other than an editorial one as referred to in section IV below, it shall request either the secretariat or selected members of the SSC WG to draft a revised version of the methodology.
10. If the secretariat initiates a revision of an approved SSC methodology, it shall:
- (a) Inform the SSC WG of the scope of the revision using the appropriate mailing list;
 - (b) Draft a revised version of the methodology and forward it to the SSC WG for its consideration.

C. Revision request by the Board

11. The Board may request the SSC WG and/or the secretariat to revise an approved SSC methodology to improve its objectivity, applicability, usability and consistency.
12. The Board’s request of the revision of an approved SSC methodology shall be included in its meeting report.

² The current version of the form (F-CDM-SSC-Sub) is available on the UNFCCC CDM website (<http://cdm.unfccc.int>).

³ The MS Word version of the approved SSC methodologies is available to all those with a “my CDM” login.

⁴ This is to enable that project proponents can be informed in advance if a submission will be considered during a SSC WG meeting or if further technical clarifications are required prior to making a recommendation.

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13. If the Board considers that the continued application of the SSC methodology it requests to revise should be suspended as it has become apparent that there are major shortcomings in the methodology, inter alia, in the estimation of emission reductions, the Board's request shall accompany a decision that:

- (a) The SSC methodology to be put on hold. In such a case DOEs shall not upload any requests for registration of a project activity applying the SSC methodology after the fourth week (24:00 hours GMT) from the date of publication of the Board's meeting report containing the decision;
- (b) The SSC methodology to be put on hold with immediate effect. In such a case DOEs shall not upload any requests for registration of a project activity applying the SSC methodology from the date (24:00 hours GMT) of publication of the Board's meeting report containing the decision.

14. Project activities that use a SSC methodology that is "on hold", but their requests for registration have not been submitted within four (4) weeks after the SSC methodology was put "on hold", shall not use the methodology until the Board decides on any revision of the SSC methodology.

15. If the Board puts a SSC methodology "on hold" in accordance with paragraphs 13 (a) and (b) above, the Board shall approve a revised SSC methodology no later than the third meeting of the Board after it agreed to put the methodology "on hold."

III. Consideration and approval of a request/proposal for revision

16. Depending upon the technical complexity of the requested revision of an approved SSC methodology, the secretariat, with the approval of the Chair of the SSC WG, may select one or two consultants and request them to perform an independent assessment of the request for revision and report the outcome to the secretariat.

17. The secretariat shall prepare a draft recommendation on the request for revision taking into account the consultant(s)' assessment report(s), as applicable.

18. The secretariat shall select one or two members of the SSC WG, who shall:

- (a) Assess the request for revision, taking into account the secretariat's draft recommendation;
- (b) Assess whether the revision increases the conservativeness of the SSC methodology over its previous version; and
- (c) Prepare an initial recommendation for consideration by the SSC WG.

19. The SSC WG shall:

- (a) Consider the request for revision and the initial recommendation prepared by the selected member(s) including the statement whether the revision would increase the conservativeness over the previous version;
- (b) Finalize its recommendation within no more than two meetings unless additional guidance from the Board or the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) is required.

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20. In the case of a request for revision being submitted by project participants, if the SSC WG finds that the initial recommendation referred to in paragraph 18 (c) above indicates a high probability that the SSC WG will recommend the Board to approve the revision, the secretariat shall send the draft revised SSC methodology to the project participants at least two (2) weeks before the SSC WG meeting which includes the consideration of the draft revision on its agenda, requesting comments on the draft revised SSC methodology within a defined timeframe.

21. The project participants may then:

- (a) Inform the secretariat that the draft revised SSC methodology is applicable to their project activity; or
- (b) Propose changes to the draft revised SSC methodology in order to make it applicable to their project activity and request the SSC WG to consider the proposed changes; and
- (c) Request the SSC WG to allow them to provide specific information regarding the proposed changes referred to in paragraph 21 (b) above, in particular by means of a teleconference during its meeting.

22. The SSC WG shall consider the project participants' proposed changes, if applicable, and attempt to incorporate them into the draft revised SSC methodology. If the SSC WG decides that it cannot incorporate the proposed changes, it shall recommend the draft revised SSC methodology to the Board without incorporating the proposed changes, explaining the reason for the decision.

23. Depending on the technical complexity of the draft revision, the secretariat, with the approval of the Chair of the SSC WG, may make the draft revised SSC methodology publicly available on the UNFCCC CDM website. In this case, the secretariat shall:

- (a) Inform the public through the CDM RSS Feeds and invite public comments for a period of ten (10) calendar days;
- (b) Make all public comments available on the UNFCCC CDM website after the commenting period; and
- (c) Incorporate relevant public comments into the draft revision.

24. Following the SSC WG meeting at which the request for revision is considered, the SSC WG shall:

- (a) Recommend to the Board to approve the revision, providing the statement that the revision increases the conservativeness over the previous version, if applicable;
- (b) Recommend to the Board not to approve the revision; or
- (c) Continue its consideration of the request for revision (referred to as "work-in-progress" (WIP)) within the timeframe defined in paragraph 19 (b) above.

25. If the SSC WG agrees to recommend the draft revised SSC methodology to the Board, the secretariat shall place the consideration of the recommendation on the request for revision on the annotated agenda of the next Board meeting.

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26. The SSC WG's recommendation to the Board and the response to the proponents of the revision shall be made using the form "CDM: Recommendation form for CDM Small Scale Methodologies (F-CDM-SSCwg)"⁵. The recommendation to the Board is considered as agreed upon by the Board unless revised by the Board at its next meeting.

27. If the SSC WG cannot agree on a recommendation to the Board because it finds that:

- (a) Further inputs from an expert and/or the project participants are required; and/or
- (b) Public comments suggest the necessity of further improvement or broadening of the applicability of the revised SSC methodology; and/or
- (c) Further reformatting and/or quality control of the draft revised SSC methodology is required,

then it shall explain the reason in its meeting report and continue the consideration of the request for revision (referred to as "work-in-progress" (WIP)).

28. At any stage before the preparation of a SSC WG's final recommendation to the Board, the secretariat, on behalf of the SSC WG, may request project participants to provide additional information regarding the request for revision within a defined timeframe. The secretariat shall make such information available to the SSC WG and the public on the UNFCCC CDM website as soon as possible, or archive it if the information is marked confidential.

29. The Board shall consider the recommendation referred to paragraph 24 above, and decide to:

- (a) Approve the revised SSC methodology; or
- (b) Reject the request for revision of the approved SSC methodology; or
- (c) Request the SSC WG to further work on the request for revision and submit a modified recommendation at a future Board meeting.

30. If the Board agrees to approve the revised SSC methodology, the secretariat shall publish on the UNFCCC CDM website the approved revised SSC methodology.

31. Project participants may resubmit a request for revision that was not approved by the Board at any time following this procedure. When resubmitting a request for revision, the project participants shall take into account the recommendation by the SSC WG.

32. The secretariat shall make available all approved revised SSC methodologies in the relevant section of the UNFCCC CDM website within five (5) calendar days of the publication of the report of the Board meeting at which they were approved.

33. If an approved SSC methodology is expected to require a significant revision or a revision that could have significant implications for the use of the methodology, the Board may suspend the use of the methodology, by placing it "on hold" with immediate effect. The secretariat shall announce it on the UNFCCC CDM website and the CDM RSS Feed. The revision of such a methodology shall be undertaken in an expedited manner.

⁵ The current version of the form (F-CDM-SSCwg) is available on the UNFCCC CDM website (<<http://cdm.unfccc.int>>).

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34. If the Board places an approved SSC methodology “on hold” in accordance with paragraph 33 above, the Board shall approve a revised SSC methodology by no later than the third meeting of the Board after it agreed to place the methodology “on hold.”

IV. Editorial amendment of an approved small-scale methodology

35. If the secretariat initiates an editorial amendment to an approved SSC methodology to improve clarity of the text or correct editorial errors, it shall:

- (a) Draft a revised SSC methodology; and
- (b) Submit the draft revised SSC methodology to the Chair of the SSC WG for his/her approval.

36. Once approved by the Chair of the SSC WG, the secretariat shall submit the draft revised SSC methodology to the Chair of the Board for his/her approval. Once approved by the Chair of the Board, the secretariat shall forward the draft revised SSC methodology to all members and alternate members of the Board. If at least one Board member or alternate member requests to the Chair of the Board within 20 days of receipt that the editorial amendment shall be considered by the Board, the secretariat shall place the consideration of the editorial amendment on the annotated agenda of the next Board meeting, otherwise the revised SSC methodology shall be deemed approved by the Board.

37. The secretariat shall forward the approved revised SSC methodology to the SSC WG and make it publicly available on the UNFCCC CDM website.

V. Version control

38. During the finalization of a revision of an approved SSC methodology, the SSC WG shall assess whether the proposed revision increases the conservativeness of the methodology over its previous version. If the SSC WG finds that the conservativeness would not increase, it shall classify the revised version of the methodology as “amendment” of the previous version.

39. All methodologies shall be catalogued with a three number version extension in the format of X.Y.Z. X indicates a version number, which will be increased by 1 when the Board approves a revision to the methodology. Y indicates an amendment, which will be increased by 1 when the Board approves an amendment. Z is a document control number, which will be increased by 1 when the Board approves an editorial amendment.

VI. Application of a revised small-scale methodology

40. Project participants may apply an approved revised SSC methodology for project activities seeking validation after the date on which the approved revised methodology is published on the UNFCCC CDM website.

41. DOEs may upload CDM-SSC-PDDs that apply the previous version of the SSC methodology during a period ending two (2) weeks⁶ after the publication of the report of the Board meeting at which the revised methodology was approved.

⁶ Based on calendar days ending at 24:00 hours GMT.

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42. The amendment of an approved SSC methodology has no effect on the global stakeholder consultation of CDM-SSC-PDDs and registration of project activities that apply the previous version of the methodology.

43. If a recommendation of the SSC WG to the Board made in accordance with paragraph 24 (a) above includes the statement that the revision increases the conservativeness over the previous version, DOEs may submit requests for registration of a project activity that apply the previous version of the SSC methodology during a period ending eight (8) months⁷ after the publication of the report of the Board meeting at which the revised methodology was approved.⁸

44. In case a revision results in the withdrawal of an approved SSC methodology the withdrawal shall not affect:

- (a) Registered project activities that apply the withdrawn methodology during their crediting periods;
- (b) Project activities that apply the withdrawn methodology, for which PDDs have been published for public comments, so long as the project activities are submitted for registration within eight (8) months of the revision became effective.⁹

⁷ Based on calendar days ending at 24:00 hours GMT.

⁸ A request for registration referred to in this paragraph is considered to be submitted within the deadline if the following conditions are fulfilled: (a) The DOE has uploaded the request for registration using the dedicated interface on the UNFCCC CDM website before 24:00 hours GMT on the day of the deadline (b) Either the proof of payment is uploaded within 20 calendar days after the deadline or the payment is received within 40 calendar days after the deadline. It is noted that these conditions are checked by automated checks.

⁹ The above footnote i.e. footnote 8 applies.