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Annex 10

**GUIDELINES FOR COMPLETING
THE CLEAN DEVELOPMENT MECHANISM PROJECT DESIGN DOCUMENT FORM
(Version 08)**

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**DRAFT****I. Introduction****A. Background**

1. The Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) adopted at its 65th meeting the “Clean development mechanism project standard” (hereinafter referred to as the Project standard) along with other regulatory documents as deliverables of objective 3(b) of the “CDM management plan 2011”.
2. The Project standard contains requirements for project participants to comply with in designing as well as in implementing any type of CDM project activities and programme of activities (PoA) and monitoring greenhouse gas (GHG) emission reductions by sources or GHG removals by sinks.
3. One of the requirements for project participants is that they shall prepare a project design document (PDD) for the proposed CDM project activity by completing a PDD form (CDM-PDD) and providing all necessary information and documentation to demonstrate compliance of the project activity with all applicable CDM rules and requirements.

B. Objectives

4. The objectives of the “Guidelines for completing the clean development mechanism project design document form” (hereinafter referred to as these PDD guidelines) are to:
 - (a) Assist project participants in completing the CDM-PDD for their proposed CDM project activities;
 - (b) Improve the quality of PDDs prepared by project participants and submitted in the CDM project cycle.

II. Scope and applicability

5. These PDD guidelines are applicable to project participants and contain recommendations on how to complete the CDM-PDD and what type of information and documentation to provide in order to demonstrate compliance of the proposed CDM project activity with all applicable CDM rules and requirements.
6. These PDD guidelines, as the CDM-PDD, are only applicable to large-scale CDM project activities (non-afforestation or reforestation). Other guidelines and forms are specifically applicable to small-scale project activities, afforestation and reforestation project activities, small-scale afforestation and reforestation project activities as well as PoA.
7. If project participants wish to propose a new baseline and monitoring methodology, they are required to complete the form “Proposed new baseline and monitoring methodologies” (CDM-NM) in accordance with the applicable guidelines and submit it, together with a draft CDM-PDD with only sections A-C completed, in accordance with the applicable procedure.

III. Terms and definitions

8. In addition to the definitions contained in the “Glossary of CDM terms”, the following terms are used in these PDD guidelines:

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- (c) “Should” is used to indicate that among several possibilities, one course of action is recommended as particularly suitable;
- (d) “May” is used to indicate what is permitted.

IV. General guidelines

9. When designing a proposed CDM project activity, and in addition to applying the Project standard and the selected approved baseline and monitoring methodology, project participants should also consult the “Rules and References” section on the UNFCCC CDM website <<http://unfccc.int/cdm>>, which contains all regulatory documents in the CDM, such as standards, procedures, guidelines, clarifications and the “Glossary of CDM terms”. These documents may also be obtained from the UNFCCC secretariat (hereinafter referred to as the secretariat) by e-mail <cdm-info@unfccc.int> or in print via fax (+49-228-815 1999).
10. The Board may revise these PDD guidelines and the CDM-PDD. Revisions come into effect once adopted by the Board, bearing in mind the provisions below.
11. Revisions to the CDM-PDD do not affect proposed CDM project activities:
- (e) Already validated by, or already submitted for validation to, a designated operational entity (DOE), prior to the adoption of the revised CDM-PDD;
 - (f) Submitted to a DOE for validation within a month following the adoption of the revised CDM-PDD.
12. The Board will not accept documentation using the previous version of the CDM-PDD six months after the adoption of a new version.
13. Project participants are required to submit documentation that contains confidential/proprietary information in two versions:
- (g) One version where all confidential/proprietary parts are made illegible by the project participants (e.g. by covering those parts with black ink) so that this can be made publicly available without displaying confidential/proprietary parts;
 - (h) A second version containing all information that is to be treated as strictly confidential by all parties handling this documentation (DOEs and applicant entities (AEs); Board members and alternates; panel/committee and working group members; external experts requested to consider such documents in support of work for the Board; the secretariat).
14. Information used to demonstrate additionality, describe the baseline and monitoring methodology and its application, and support an environmental impact assessment is not considered proprietary or confidential. Project participants are required to describe the choice of approaches, assumptions, methodologies, parameters, data sources, key factors and additionality in a transparent and conservative manner.
15. The working language of the Board is English. The CDM-PDD must be completed and submitted to the Board in English. For reference purposes only, the CDM-PDD is available on the UNFCCC CDM website in all six official languages of the United Nations.
16. The CDM-PDD must be completed using the same font without modifying its format, font, headings or logo, and without any other alteration to the document template.

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17. Tables and their columns may not be modified or deleted, but rows may be added, as needed.
18. If a section of the CDM-PDD is not applicable, it must be explicitly stated that the section is left blank intentionally.
19. The presentation of values in the CDM-PDD, including those used for the calculation of GHG emission reductions, should be in international standard format, for example 1,000 representing one thousand and 1.0 representing one. The units used for weights/currency (Lakh/crore, etc.) should be accompanied by their equivalent S.I. units/norms (thousand/million) as part of the requirement to ensure transparency and clarity.

**DRAFT****V. Specific guidelines****SECTION A. Description of project activity****A.1. Title of project activity**

Indicate:

- (a) The title of the proposed CDM project activity;
- (b) The current version number of the PDD;
- (c) The date the PDD was completed.

A.2. Purpose and general description of project activity

The description of the proposed CDM project activity to be presented in this section is a brief summary of the detailed description given in sections A.4. “Technologies” and B.3. “Project boundary” below.

Explain the purpose of the project activity and provide a concise description (a couple of paragraphs) of:

- (a) The scenario existing prior to the start of the implementation of the project activity;
- (b) The project scenario, including a summary of the scope of activities/measures that are being implemented within the project activity;
- (c) The baseline scenario, as identified in section B.4. “Establishment and description of baseline scenario” below.

If the baseline scenario is the same as the scenario existing prior to the start of implementation of the project activity, there is no need to repeat the description of the scenarios, but only to state that both are the same.

Explain how the project activity will reduce GHG emissions making reference to the scenarios, emission sources and gases described in sections A.4. “Technologies” and B.3. “Project boundary” below, and provide the estimate of annual average and total GHG emission reductions for the chosen crediting period.

Present the views of the project participants on the contribution of the project activity to sustainable development (not more than one page).

A.3. Location of project activity**A.3.1. Host Party(ies)****A.3.2. Region/State/Province etc.****A.3.3. City/Town/Community etc.**

**DRAFT****A.3.4. Physical/Geographical location**

Provide details of the physical/geographical location of the proposed CDM project activity, including information allowing the unique identification of this project activity.

Fill in the field and do not exceed one page.

A.4. Technologies

Explain the nature of the proposed CDM project activity, as described in section A.2. “Purpose and general description of project activity” above, taking the information provided in that section as a basis, presenting the technology employed or that would be employed, the activities that are taking place or would take place, and including a detailed description of:

- (a) The scenario existing prior to the start of the implementation of the project activity, with a list of the equipment(s) and systems in operation at that time;
- (b) The scope of activities/measures that are being implemented within the project activity, with a list of the equipment(s) and systems that will be installed and/or modified within the project activity;
- (c) The baseline scenario, as established in section B.4. “Establishment and description of baseline scenario” below, with an indicative list of the equipment(s) and systems that would have been in place in the absence of the project activity.

If the baseline scenario is the same as the scenario existing prior to the start of implementation of the project activity, there is no need to repeat the description of the scenarios, but only to state that both are the same.

Include in the description the baseline scenario the following:

- (a) A list and the arrangement of the main manufacturing/production technologies, systems and equipments involved. Include in the description information about the age and average lifetime of the equipments based on manufacturer’s specifications and industry standards, and existing and forecast installed capacities, load factors and efficiencies. The monitoring equipments and their location in the systems is of particular interest;
- (b) The emissions sources and the GHG involved in the project activity, according to the methodology used, and existing and forecast energy and mass flows and balances of the systems and equipments included in the project activity;
- (c) The types and levels of services (normally in terms of mass or energy flows) provided by the systems and equipments that are being modified and/or installed under the project activity and their relation, if any, to other manufacturing/production equipments and systems outside the project boundary. The types and levels of services provided by those manufacturing/production systems and equipments outside the project boundary may also constitute important parameters of the description. The description should clearly explain how the same types and levels of services provided by the project activity would have been provided in the baseline scenario.

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The baseline scenario can be described with a lower level of detail in case it is not an existing facility, i.e. in case it is derived from a hypothetical facility that would have been built in the absence of the proposed project activity and for which no historical data is available.

Do not provide information that is not essential to understanding the purpose of the project activity and how it reduces GHG emissions. Information related to equipments, systems and activities that are auxiliary to the main scope of the project activity and do not interfere directly or indirectly with GHG emissions and/or with mass and energy balances in the project activity should not be included.

Include a description of how environmentally safe and sound technology, and know-how to be used, is transferred to the host Party(ies).

A.5. Party(ies) and project participants

List in the following tabular format Party(ies) and project participants involved in the proposed CDM project activity and provide contact information in Annex 1.

Name of Party involved (host) indicates a host Party	Private and/or public entity(ies) project participants (as applicable)	Indicate if the Party involved wishes to be considered as project participant (Yes/No)
Name A (host)	<ul style="list-style-type: none"> • Private entity A • Public entity A 	
Name B	<ul style="list-style-type: none"> • Private entity B • Public entity B 	
...	...	

Note: When the CDM-PDD is completed in support of a proposed new methodology (form CDM-NM), at least the host Party(ies) and any known project participant (e.g. those proposing a new methodology) are to be identified.

A.6. Sectoral scope(s) and type of project activity

Indicate the sectoral scope(s) and type of proposed CDM project activity.

The UNFCCC CDM website presents all methodologies linked to sectoral scopes. The CDM Methodology Booklet also classifies methodologies by sectoral scope and type of project activities.

A.7. Public funding of the project activity

Complete this section along with Annex 2.

Note: When the CDM-PDD is completed in support of a proposed new methodology (form CDM-NM), it is to be indicated whether public funding from Parties included in Annex 1 is likely to be involved, indicating the Party(ies) to the extent possible.

**DRAFT****SECTION B. Application of selected approved baseline and monitoring methodology****B.1. Reference of methodology**

Indicate exact reference (number, title, version) of:

- (a) The selected methodology (e.g. ACM0001 “Consolidated baseline and monitoring methodology for landfill gas project activities” (Version 11.0);
- (b) Any tools and other methodologies to which the selected methodology refers (e.g. “Tool for demonstration and assessment of additionality” (Version 05.2.1).

Refer to the UNFCCC CDM website for the exact reference of approved baseline and monitoring methodologies and tools.

B.2. Applicability of methodology

Justify the choice of the selected methodology by showing that the proposed CDM project activity meets each applicability conditions of the methodology. Explain documentation that has been used and provide the references to it or include the documentation in Annex 3.

B.3. Project boundary

Use the table below to describe emission sources and gases included in the project boundary for the purpose of calculating project emissions and baseline emissions.

In addition to the table, present a flow diagram of the project boundary, physically delineating the project activity, based on the descriptions provided in section A.4. “Technologies” above. Include in the flow diagram all the equipments, systems and flows of mass and energy described in that section. In particular, represent in the diagram the emissions sources and gases included in the project boundary and the monitoring variables.

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Source		Gas	Included?	Justification/Explanation
Baseline	Source 1	CO ₂		
		CH ₄		
		N ₂ O		
	Source 2	CO ₂		
		CH ₄		
		N ₂ O		
	Source 3	CO ₂		
		CH ₄		
		N ₂ O		
Project Activity	Source 1	CO ₂		
		CH ₄		
		N ₂ O		
	Source 2	CO ₂		
		CH ₄		
		N ₂ O		
	Source 3	CO ₂		
		CH ₄		
		N ₂ O		

B.4. Establishment and description of baseline scenario

Explain how the baseline scenario is established in accordance with the selected methodology. Where the procedure involves several steps, describe how each step is applied and transparently document the outcome of each step. Explain and justify key assumptions and rationales. Provide relevant documentation or references. Illustrate in a transparent manner all data used to determine the baseline scenario (variables, parameters, data sources, etc.).

Provide a transparent and detailed description of the established baseline scenario, including a description of the technology that would be employed and/or the activities that would take place in the absence of the proposed project activity. If such description is provided in section A.4. “Technologies” above, there is no need to repeat it here.

Please note that section B.4. “Establishment and description of baseline scenario” above and section B.5. “Demonstration of additionality” below are complementary. Some of the steps undertaken in one section may overlap with the steps undertaken in the other section depending on the procedures used to establish the baseline scenario and demonstrate additionality. If the “Combined tool to identify the baseline scenario and demonstrate additionality” is used, the same information need not be replicated in both sections.

DRAFT**B.5. Demonstration of additionality**

Explain how and why the proposed CDM project activity is additional and therefore not the baseline scenario, in accordance with the selected methodology. Where the procedure involves several steps, describe how each step is applied and transparently document the outcome of each step. Where the barriers are involved in demonstrating additionality, only select the (most) relevant barriers. Explain and justify key assumptions and rationales. Provide relevant documentation or references. Illustrate in a transparent manner all data used to assess the additionality of the project activity (variables, parameters, data sources, etc.).

If the start date of the project activity is prior to the date of publication of the PDD for the global stakeholder consultation, provide evidence of the prior consideration of the CDM.

B.6. Emission reductions**B.6.1. Explanation of methodological choices**

Explain how the procedures, in the selected methodology, to calculate project emissions, baseline emissions, leakage emissions and emission reductions are applied to the proposed CDM project activity. Clearly state which equations will be used in calculating emission reductions.

Explain and justify all relevant methodological choices, including:

- (a) Where the methodology includes different scenarios or cases, explain and justify which scenario or case applies to the project activity (e.g. which scenario in ACM0006 is applicable);
- (b) Where the methodology provides different options to choose from (e.g. which methodological approach is used to calculate the “operating margin” in ACM0002), explain and justify which option is chosen for the project activity;
- (c) Where the methodology provides for different default values, explain and justify which of the default values have been chosen for the project activity.

B.6.2. Data and parameters fixed ex ante before validation

Include a compilation of information on the data and parameters that are not monitored throughout the crediting period but that are determined only once and thus remain fixed throughout the crediting period and that are available when validation is undertaken. Data that become available only after validation of the project activity (e.g. measurements after the implementation of the project activity) should not be included here but in the table in section B.7.1. “Data and parameters monitored” below.

The compilation of information may include data that are measured or sampled, and data that are collected from other sources (e.g. official statistics, expert judgment, proprietary data, IPCC, commercial and scientific literature, etc.). Data that are calculated with equations provided in the methodology or default values specified in the methodology should not be included in the compilation.

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Provide for each piece of data or parameter the chosen value or, where relevant, the qualitative information, using the table provided below. In particular:

- (a) Provide the actual value applied. Where a time series of data is used, where several measurements are undertaken or where surveys have been conducted, provide detailed information in Annex 3;
- (b) Explain and justify the choice for the source of data. Provide clear and transparent references or additional documentation in Annex 3;
- (c) Where values have been measured, include a description of the measurement methods and procedures (e.g. which standards have been used), indicate the responsible person/entity that undertook the measurement, the date of measurement(s) and the measurement results. More detailed information can be provided in Annex 3.

(Copy this table for each piece of data and parameter)

Data/Parameter	
Data unit	
Description	
Source of data used	
Value applied	
Justification of the choice of data or description of measurement methods and procedures actually applied	
Any comment	

B.6.3. Ex ante calculation of emission reductions

Provide a transparent ex ante calculation of project emissions, baseline emissions (or, where applicable, direct calculation of emission reductions) and leakage emissions expected during the crediting period, applying all relevant equations provided in the selected methodology. Use estimates for parameters that are not monitored (available when validation is undertaken) or that are monitored during the crediting period.

Document how each equation is applied, in a manner that enables the reader to reproduce the calculation. Where relevant, provide additional background information and/or data in Annex 3, including relevant electronic files (i.e. spreadsheets).

If applicable, provide a description of the sampling plan.

**DRAFT****B.6.4. Summary of the ex ante estimate of emission reductions**

Summarize the results of the ex ante estimate of emission reductions for all years of the crediting period, using the table below.

Year	Project activity emissions (tonnes of CO ₂ e)	Baseline emissions (tonnes of CO ₂ e)	Leakage emissions (tonnes of CO ₂ e)	Emission reductions (tonnes of CO ₂ e)
Year A				
Year B				
Year C				
Year ...				
Total				
Total number of crediting years				
Annual average over the crediting period of estimated emissions or emission reductions				

B.7. Monitoring plan

Provide a detailed description of the monitoring plan of the proposed CDM project activity as per the application of the monitoring methodology to the project activity and the Project standard, including an identification of the data to be monitored and the procedures that will be applied during monitoring.

B.7.1. Data and parameters monitored

Include specific information on how the data and parameters that need to be monitored would actually be collected during monitoring for the project activity. Data that are determined only once for the crediting period but that become available only after validation of the project activity (e.g. measurements after the implementation of the project activity) should be included here.

Provide for each parameter the following information, using the table provided below:

- The source(s) of data that will be actually used for the proposed project activity (e.g. which exact national statistics). Where several sources may be used, explain and justify which data sources should be preferred;

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- (b) Where data or parameters are supposed to be measured, specify the measurement methods and procedures, including a specification of which accepted industry standards or national or international standards will be applied, which measurement equipment is used, how the measurement is undertaken, which calibration procedures are applied, what the accuracy of the measurement method is, who the responsible person/entity that should undertake the measurements is and what the measurement interval is;
- (i) A description of the quality assurance/quality control (QA/QC) procedures (if any) that should be applied;
- (ii) Where relevant: any further comments.

Provide any relevant further background documentation in Annex 4.

(Copy this table for each piece of data and parameter)

Data/Parameter	
Data unit	
Description	
Source of data to be used	
Value of data applied for the purpose of calculating expected emission reductions in section B.6	
Description of measurement methods and procedures to be applied	
Monitoring frequency	
QA/QC procedures to be applied	
Any comment	

B.7.2. Other elements of monitoring plan

Describe the operational and management structure that the project operator will implement in order to monitor emission reductions and any leakage effects generated by the project activity. Clearly indicate the responsibilities for and institutional arrangements for data collection and archiving. The monitoring plan should reflect good monitoring practice appropriate to the type of project activity. Provide any relevant further background information in Annex 4.

**DRAFT****SECTION C. Duration and crediting period****C.1. Duration of project activity****C.1.1. Start date of project activity**

State the start date of the proposed CDM project activity, describe how this date has been determined, and provide evidence to support this date.

C.1.2. Expected operational lifetime of project activity

State the expected operational lifetime of the proposed CDM project activity in years and months.

C.2. Crediting period of project activity**C.2.1 Type of crediting period**

State the type of crediting period of the proposed CDM project activity chosen for the project activity (renewable or fixed).

C.2.2. Start date of crediting period

State the start date in the following format: DD/MM/YYYY.
For a renewable crediting period, this date is the start date of the first crediting period.

C.2.3. Length of crediting period

State the length of the crediting period in years and months.
For a renewable crediting period, this length is the one for the first crediting period.

SECTION D. Environmental impacts**D.1. Analysis of the environmental impacts**

Provide a summary of the analysis of the environmental impacts of the proposed CDM project activity, including transboundary impacts, references to all related documentation, and attach the documentation to the CDM-PDD.

D.2. Environmental impact assessment

If an environmental impact assessment is required, provide conclusions and references to all related documentation and attach documentation to the CDM-PDD.

**DRAFT****SECTION E. Local stakeholder consultation****E.1. Solicitation of comments from local stakeholders**

Describe the process by which comments from local stakeholders have been invited for the proposed CDM project activity.

E.2. Summary of comments received

Identify stakeholders that have made comments and provide a summary of these comments.

E.3. Report on consideration of comments received

Provide information demonstrating that all comments received were considered for the proposed CDM project activity.

SECTION F. Approval and authorization

Provide and attach to the CDM-PDD the letter(s) of approval from Party(ies) for the proposed CDM project activity.

**DRAFT****Appendix 1****Contact information of project participants**

Please copy and paste table as needed. Please complete for each organisation listed in section A.5. the following mandatory fields: Organization, Name of contact person, Street, City, Postcode/ZIP, Country, Telephone, Fax and e-mail.

Appendix 2**Information regarding public funding**

Please provide information from Parties included in Annex I on sources of public funding for the project activity which shall provide an affirmation that such funding does not result in a diversion of official development assistance and is separate from and is not counted towards the financial obligations of those Parties.

Appendix 3**Further background information on baseline**

Please provide any further background information used in the application of the baseline methodology. This may include tables with time series data, documentation of measurement results and data sources, etc.

Appendix 4**Further background information on monitoring plan**

Please provide any further background information used in the application of the monitoring methodology. This may include tables with time series data, additional documentation of measurement equipment, procedures, etc.