

 <p style="text-align: center;">CDM: Clarification Form for Approved Methodologies (version 01) (To be used for presenting requests for clarifications on approved methodologies)</p>	
Date of Meth Panel meeting:	31 January – 03 February 2006
Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):	“Request to alter the approved methodology AM0012 so that the compliance rate with MSW rules in India can be adjusted to exclude the impact of CDM project activities”
Indicative methodology to which your submission relates	AM0012: Baseline methodology for biomethanation of municipal solid waste in India, using compliance with MSW rules
Name of the authors of the query:	SGS United Kingdom Ltd.
<p>Summary of the query:</p> <p>Please use the space below to summarize the request for clarification on the related approved methodologies.</p> <p>>> The request seeks to alter the approved methodology AM0012 so that the compliance rate with MSW rules in India can be adjusted to exclude the impact of CDM project activities. The project proponents wish to roll out a number of similar projects, using the CDM and carbon finance. However they do not want to have the perverse incentive situation where each new CDM project they implement would reduce the volume of CERs from their existing CDM projects.</p>	

Recommendation by the Meth Panel:

Please use the space below to provide amendments /changes (in your expert view, if necessary).

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- The methodology states that “The baseline scenario therefore is identified as a gradual improvement of waste management practices to the acceptable technical options expected over a period of time to comply with the MSW Management Rules”. The compliance threshold is defined at 50%.
- There is a regulation in India that has been issued in 2000 which mandates the treatment of MSW using one of the following technologies: (1) biomethanation, (2) Landfilling, (3) incineration, (4) composting.
- Although this regulation should be taken into consideration when developing the baseline scenario, the methodology allows for not including such regulations in baseline scenario determination until compliance with such regulations is enforced which is specified at 50%.

How can the 50% compliance rate be reached?

There are 3 possibilities:

- i) Implementing CDM projects utilizing biomethanation technology.
- ii) Implementing CDM projects employing other technologies mandated by the regulations i.e. landfilling, composting, and incineration.
- iii) Implementing waste treatment techniques just for the sake of compliance with the regulations without registering the project as a CDM project.

It is doubtful that any landfill owner would want to comply with the regulations and not trying to register the project as a CDM project. Therefore if CDM projects are excluded, the rate of compliance will always remain at its starting level when the first CDM project was implemented.

The CDM will probably be used as a tool for compliance until the 50% is reached after which no CDM project will be able to generate CERs. This is in line with the definition of baseline scenario of the methodology.

The methodology already creates perverse incentive for not enforcing the proposed regulation until the 50% threshold of compliance is reached. If the proposed revision is approved, the perverse incentive is even more and it is doubtful that action will ever be taken to enforce such regulations. Therefore, the Meth Panel recommends not to approve the proposed revision.

Answer to authors of the clarification by the Meth Panel :

Please use the space below to provide an answer to the authors of the above query

>> The compliance rate with MSW management rules refers to treatment of MSW. Since this is an issue which is related to national regulation enforcement, the compliance rate should be calculated based on all existing landfill sites without any exclusions. Therefore, the Meth Panel recommends not to approve the proposed revision.



Signature of the Meth Panel Chair

Date: 13/02/2006

(Jean-Jacques Becker)



Signature of the Meth Panel Vice-Chair

Date: 13/02/2006

(José Miguez)

Information to be completed by the secretariat

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