

**CDM-EB79-AA-A14**

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# Revision of CDM project standard, validation and verification standard, and project cycle procedure

Version 02.0



**United Nations**  
Framework Convention on  
Climate Change

## COVER NOTE

### 1. Procedural background

1. The Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board), at its sixty-fifth meeting, adopted the “Clean development mechanism project standard” (PS), “Clean development mechanism validation and verification standard” (VVS) and “Clean development mechanism project cycle procedure” (PCP), consolidating, and modifying as appropriate, the existing regulatory documents. The development of these documents helped significantly improve the consistency and transparency of regulations, as well as their user-friendliness.
2. The PS specifies minimum requirements with regard to the features of project design and required level of attainment in the monitoring of greenhouse gas emission reductions or removal enhancements for project participants and coordinating/managing entities wishing to design and implement a CDM project activity or programme of activities (PoA), and seek issuance of certified emission reductions (CERs).
3. The VVS specifies minimum requirements for designated operational entities (DOEs) for the preparation, execution and the reporting of validation and verification activities.
4. The PCP describes administrative steps for processing requests for registration of CDM project activities and PoAs, requests for issuance of CERs and related actions to be followed by project participants, coordinating/managing entities, DOEs, the Board and the secretariat.
5. To date, the Board has revised each of these documents several times, mainly reflecting the evolving rules for PoAs and introducing the rules for carbon dioxide capture and storage (CCS) project activities. In the meantime, project participants, coordinating/managing entities, DOEs and other stakeholders, as well as the Board and the secretariat have gained experience in the implementation of these documents over the past two years, also recognizing the need to develop or revise the relevant provisions in various other areas. Consequently, the Board included the project of revision and improvement of the PS, VVS and PCP as part of the CDM two-year business plan and management plan 2013–2014. As a preparation, the secretariat had launched a call for public input from 24 September to 23 October 2012 where stakeholders commented in the areas of the three documents that, in their view, should be revised or clarified.
6. Based on the inputs received from the call, as well as the in person interaction with stakeholders at CDM round tables and other events and the secretariat’s experience, a concept note on the revision of the PS, VVS and PCP was prepared by the secretariat and presented to the Board at its seventy-fifth meeting. The concept note highlighted key areas where guidance was sought from the Board. It also listed all other possible changes in its appendix.
7. The Board provided guidance in all key areas and requested the secretariat to prepare a draft revised PS, VVS and PCP, taking into account the Board’s feedback on the

concept note and to launch a call for public input on the drafts. Based on this, the secretariat prepared working drafts and launched a call for public input on them from 2 to 22 April 2014. The inputs from this call and how they have been addressed in the draft revised PS, VVS and PCP can be found in appendix 2.

8. The drafts that are hereby presented to the Board reflect the process described above.

## 2. Purpose

9. The purpose of the revision of the PS, VVS and PCP covered by the attached drafts is to generally improve the efficiency and effectiveness of the CDM regulatory framework within the overall framework provided by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP). The revision of these documents due to the development of rules in the following areas are, with a few exceptions, outside the scope of this concept note as they are dealt with under separate packages of documents presented to the Board:<sup>1</sup>
- (a) PoAs;
  - (b) Standardized baselines;
  - (c) CCS.

## 3. Key issues and proposed solutions<sup>2</sup>

### 3.1. Prior consideration check

10. The Board provided guidance at its seventy-fifth meeting that: the information that project participants are to include in the notification of prior consideration needs further clarification; and the current exemption for the notification of prior consideration regarding cases for which a new baseline and monitoring methodology, or a revision of an approved methodology, is proposed, is to be removed.
11. Based on this, the information to be included in the notification of prior consideration has been specified (location of the project activity and the technology under consideration) and the exemption for notification regarding cases for which a new baseline and monitoring methodology, or a revision of an approved methodology is proposed has been removed (**PCP, paragraphs 7 and 7<sub>bis</sub>; VVS, paragraph 107**).

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<sup>1</sup> Although the Board adopted the version 06.0 of the PS, VVS and PCP due to the introduction of rules on CCS at its seventy-eight meeting, the attached draft revised PS, VVS and PCP are based on their version 05.0 solely for the purpose of consideration by the Board of changes other than those relating to PoAs, standardized baselines and CCS. Once agreed by the Board, the changes will be incorporated into the latest version of the PS, VVS and PCP. The attached drafts indicate substantive changes to version 05.0 of the PS, VVS and PCP in yellow highlights (editorial changes are not highlighted).

<sup>2</sup> In this section, most statements referring to “project activities” also apply to PoAs. However, for ease of readability, only the term “project activities” is used.

### 3.2. Changes to published project design document before registration

12. The Board provided guidance at its seventy-fifth meeting that: the change of all project participants under contractual relationship with the DOE necessitates the new publication of the project design document (PDD) is to be clarified; and the need to introduce a requirement for a new publication of the PDD for changes of DOE or project design (e.g. location, technologies) requires further consideration by assessing the potential impacts of the changes in the project activity.
13. Based on this, it has been clarified that if all project participants (or the coordinating/managing entity in the case of a PoA) with a contractual relationship with the DOE for validation at the time of the publication of the PDD for global stakeholder consultation have changed, a new publication of the PDD is needed (**PCP, paragraph 18<sub>ter</sub>**). It has also been clarified that if the project participants wish to change the DOE after the publication of the PDD, they need to notify the secretariat of the change before the submission of the request for registration, but a new publication of the PDD by the newly appointed DOE is not needed (**PCP, paragraph 18<sub>quater</sub>**). It has been further clarified that if the design of the project activity changes after the publication of the PDD, a new publication of the PDD is not needed unless the environmental impact assessment of the project activity or the national or local environmental permissions are no longer valid due to the changes (**PS, paragraph 79<sub>bis</sub>; VVS, paragraphs 36<sub>bis</sub>, 36<sub>ter</sub> and 37<sub>bis</sub>; PCP, paragraphs 18<sub>quinquies</sub>**).

### 3.3. Direct communication on specific project activity cases

14. The Board provided guidance at its seventy-fifth meeting that opportunities need to be explored for DOEs or project participants to communicate with the secretariat to obtain clarifications via a telephone call on rulings of the Board rejecting requests for registration, issuance or renewal of crediting period.
15. Based on this, an opportunity has been introduced for DOEs or project participants to request the secretariat to make a telephone call to them to provide clarifications on rulings for rejected requests for registration, issuance or renewal of crediting period (**PCP, paragraphs 105<sub>bis</sub>, 155<sub>bis</sub> and 235<sub>bis</sub>**).

### 3.4. Methodology applicability conditions check at implementation

16. The Board provided guidance at its seventy-fifth meeting that further analysis on whether there is a need to introduce a general requirement in regulatory documents for project participants to demonstrate that the applicability conditions of a methodology have been met during the monitoring period (if this is a requirement of the methodology).
17. Based on this, the secretariat analysed a sample number of methodologies and found that, of all the methodologies that require a check of whether the applicability conditions are met during the implementation stage, only a limited number of methodologies may not explicitly state the requirement of the monitoring of relevant parameters to check this as part of the monitoring plan at the implementation stage. It is also felt that if such requirement is needed, it should be included in the respective methodologies as it would be clearer for users. Therefore, it is proposed that a general requirement not be introduced to cover such cases in the PS and the VVS. Further, it is proposed that such requirement be included in the respective methodologies in their next revision.

### 3.5. Process for approving post-registration changes

18. The Board provided guidance at its seventy-fifth meeting that the secretariat should analyse the types of changes that require prior approval by the Board (the prior-approval track) and that may be combined with requests for issuance (the issuance track), and if deemed appropriate, propose the changes, including the revision of appendix 1 of the PS, with justification.
19. Based on this, the secretariat conducted the requested analysis and has added four other types of changes to the monitoring of a registered project activity that do not require prior approval, as these types of changes do not pose any risk to applicability conditions, additionality and the scale of the project activity (**PS, appendix 1, paragraph 5**).

### 3.6. Withdrawal of monitoring report

20. The Board provided guidance at its seventy-fifth meeting that a simple process to allow project participants or DOEs to withdraw a published monitoring report was to be introduced.
21. Based on this, rules and requirements for withdrawing published monitoring reports have been introduced (**PS, paragraph 207<sub>bis</sub>; PCP, paragraph 178<sub>bis</sub>**).

### 3.7. Withdrawal and resubmission of request for issuance

22. The Board provided guidance at its seventy-fifth meeting that the requirement to obtain the approval of the Board to resubmit a request for issuance, when the previous request has been withdrawn, is to be eliminated, and any restriction for project participants to reduce or extend the length of the monitoring period in a resubmission of a request for issuance, if deemed necessary, should aim to protect environmental integrity.
23. Based on this, the distinction between the three types of withdrawal of request for issuance and the need to obtain the Board's approval for resubmission have been removed. Also, a possibility for project participants to modify the period covered by the monitoring report after the withdrawal of the corresponding request for issuance has been introduced. In this case, a new on-site inspection is required if the end date of the monitoring period is after the date of the on-site inspection conducted by the DOE (**PCP, paragraphs 238 and 238<sub>bis</sub>; PS paragraph 207<sub>ter</sub>**).
24. In addition, the similar process applicable to the resubmission of a request for issuance after its rejection, i.e. the required permission of the Board for the resubmission and the prohibition to submitting a request for issuance for the same monitoring period after a second rejection, has been removed (**PCP, paragraphs 236**).

### 3.8. Renewal of crediting period

25. The Board provided guidance at its seventy-fifth meeting that crediting periods should be consecutive without a gap, while noting that the issue of whether and how a delay in the notification of the intention to renew the crediting period should impact on claiming CERs needed further consideration. The Board also requested the secretariat to consider making publicly available the notification of the intention to renew the crediting period.

26. Based on this, the section on renewal of crediting period in the PCP has been restructured: expressly stating that crediting periods shall be consecutive; a delay in the submission of the notification of the intention to renew the crediting period will only impact the claiming of CERs if a decision by the Board on the renewal is not made before the start of the next crediting period and the maximum impact of such delay will be equivalent to the days of the delay in notifying the intention to the secretariat, irrespective of the day on which the crediting period is renewed. Also, a provision has been introduced that requires the secretariat to publish the notification and the date on which the notification was received. Furthermore, a new process allowing combining the request for renewal of crediting period with the request for post-registration changes has been introduced (**PCP, sections 9.1–9.2, 9.3<sub>bis</sub>; VVS. paragraphs 245(g) and 246(f)**).

### 3.9. Deregistering/terminating project activity

27. The Board at its seventy-fifth meeting requested the secretariat to draft a proposal on the rules to allow for the voluntary deregistration of CDM project activities.
28. Based on this, the current PCP draft contains two options to address the issue of deregistration of project activities. The first option is not to introduce a process of deregistration in the PCP. The second option is to introduce a new section on deregistration. Under the second option, the proposed process allows the project participants (through the relevant focal point) to request deregistration of a registered CDM project activity. In this case, the project participants shall provide evidence of the agreement of all project participants to the deregistration as well as written confirmation of no objection by the DNA of all Parties involved. No issuance of CERs will take place for the project activity for emissions reductions generated after the effective date of the deregistration (**PCP, section 9.4**).

### 3.10. Local stakeholder consultation

29. The Board provided its guidance at its seventieth meeting that, if significant changes have occurred to the project design after the initial local stakeholder consultation (LSC), the DOE, as part of its validation process, shall assess whether the LSC is still adequate. The Board requested the secretariat to amend the relevant CDM documents accordingly for its consideration. At its seventieth meeting the Board also agreed to include, in the relevant CDM documents, rules and requirements to process complaints from local stakeholders submitted to the DNA of the host Party on the outcome of the LSC as well as the timing to start the LSC.
30. Based on this, a new validation requirement has been included that the DOE shall provide an opinion on the validity of the comments received through the LSC in the cases where there are changes to the project design after the LSC. Also, it has been clarified that the timing of the LSC needs to be at the design stage of the project activity. Furthermore, rules and requirements for processing complaints from local stakeholders submitted to the DNA of the host Party after the completion of the LSC have been added (**PS paragraph 65, 68 and 69<sub>bis</sub>; VVS, paragraphs 139–140 and 148<sub>bis</sub>; PCP paragraph 21<sub>bis</sub>**).

### 3.11. Materiality

31. The Board, at its seventy-fifth meeting, requested the secretariat to update the VVS to reflect requirements related to materiality and update the **materiality guideline** “Guideline

on the application of materiality in verifications” to remove the requirements that will have been moved to the VVS.

32. Most provisions of the “Guideline on the application of materiality in verifications” materiality guideline have been moved to the VVS and to the “Glossary: CDM terms” except for the flow chart on the application of materiality in verifications and examples of the application of materiality in verifications (**VVS, section 9.2.1<sub>bis</sub> and paragraph 284<sub>bis</sub>**).

### 3.12. Validation and verification by the same DOE

33. Based on paragraph 27(e) of the annex to decision 3/CMP.1 and paragraph 20 of the annex II of decision 4/CMP.1, the same DOE may not perform validation and verification for the same project activity unless the Board approves to do so, or unless it is a small-scale project activity. This requirement is referred in the VVS, but the process to submit and obtain such approval is not defined. In the meantime, the Board has been receiving many of such requests and decided on each request.
34. The process of requesting and approving the same DOE to perform validation and verification for the same project activity has been elaborated based on the current practice of the Board (**VVS, paragraph 208 and 297; PCP, paragraphs 134<sub>bis</sub> and 177<sub>bis</sub>–177<sub>quinquies</sub>**).

### 3.13. Description of project activity in PDD

35. The PS requires the project participants to provide a description of the project activity that provides an understanding of the nature of the project activity and its implementation, and lists the minimum information that needs to be provided. The PDD form is structured to be in line with this requirement and the PDD guidelines elaborate how such information to be provided in the PDD. In the past, some stakeholders pointed out that the description of the project activity is not precise enough and key parameters such as as the size of the plants installed, the manufacturer, the type of equipment applied and which other existing or new equipment was installed at the site prior to the implementation of the project activity are not always described.
36. It is proposed to review all instructions in the PDD guidelines for all types of project activities during the on-going merger of the PDD guidelines with the PDD forms, identify critical information that need to be in the PDD, and reflect that in the revised PS (**to be proposed in the next draft revised PS to be submitted for EB 81**).

### 3.14. Capping CER issuance for small-scale project activity

37. For Type II or Type III small-scale project activities, if the maximum output or the emission reductions has exceeded the threshold of each small-scale project activity type in a monitoring period, currently the amount of CERs that can be claimed is capped at the maximum emission reductions estimated in the registered PDD.
38. The cap has been changed from at the maximum emission reductions estimated in the registered PDD for that year to at the limit of the respective small-scale project activity type (**PS, paragraph 238<sub>bis</sub>; VVS, paragraph 287<sub>bis</sub>**).

### 3.15. Effective registration date

39. In accordance with decision 3/CMP.6, if a project activity is registered without being placed under review, the effective registration date is the date when “the DOE submitted a complete request for registration”. The current process of handling requests for registration comprises the completeness check and the information and reporting check prior to the acknowledgment by the Board of the receipt, publication of the request on the UNFCCC website and the start of the review-requesting period. It has been implemented that the effective registration date is the date when a) the deposit of the registration fee is received by the secretariat; b) the missing information is submitted from the DOE as during the completeness check; or c) the missing information is submitted from the DOE during the information and reporting check, as applicable.
40. The Board considered this issue several times, and at its seventy-seventh meeting, requested the secretariat to provide options to address the issue, including any necessary revisions to relevant regulatory documents, taking into account the inputs provided by the Board.
41. Two options have been proposed, one reflecting the current practice as described in paragraph 39 above, and the other being based on the proposal made by a Board member at its seventy-seventh meeting, under which, the effective registration date is the date when a) the deposit of the registration fee is received by the secretariat; or b) the missing information is submitted from the DOE during the completeness check, as applicable (**PCP, paragraph 77; paragraphs 65, 66 and 68 include, in brackets, alternative wording for the two options provided in paragraph 77 of the PCP**).

## 4. Impacts

42. A revised PS, VVS and PCP would benefit all stakeholders, as well as the Board and the secretariat, due to improved effectiveness and integrity of the CDM regulatory framework through improved consistency, clarity and comprehensiveness.

## 5. Proposed work and timeline

43. Based on the guidance provided by the Board on this version of the draft revised PS, VVS and PCP, the secretariat will prepare a final draft revised PS, VVS and PCP for consideration by the Board at its eighty-first meeting.

## 6. Recommendations to the Board

44. The Board may wish to provide guidance on the key issues and proposed solutions presented in section 3 above, other issues listed in appendix 1, issues raised in the inputs from the call for public input compiled in appendix 2, or any other new issues that may need to be addressed in the next general revision of the PS, VVS and PCP, and request the secretariat to prepare a final draft revised PS, VVS and PCP for consideration at the eighty-first meeting of the Board.



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## Appendix 1. Other issues for possible changes to the “CDM project standard”, “CDM validation and verification standard” and “CDM project cycle procedure”

1. The tables below list other issues and proposed changes that will be taken into account in the revision of the “Clean development mechanism project cycle procedure” (PS), “Clean development mechanism validation and verification standard” (VVS) and “Clean development mechanism project cycle procedure” (PCP).

**Table 1. Incorporating the clarifications and guidance adopted by the Board**

#	Doc.	Para no.	Issue and/or proposed change	Revised paragraph/section
1	VVS	145(b)	Incorporate the “Clarification: Validation of informing about the progress of a project activity after notification of prior consideration of the CDM” (CDM-EB73-A15-CLAR) issued by the Board at EB 73.	VVS paras 145(b), footnote 16 <sub>ter</sub>
2	VVS	New	Incorporate the “Clarification: Verification of reporting of the status of registered project activity or programme of activities” (CDM-EB77-A13-CLAR) issued by the Board at EB 77.	VVS para 284(i), footnote 40 <sub>bis</sub>
3	PCP	158–167	Incorporate the provisions for addressing disputes relating to modalities of communication and emission reduction purchase agreements, as agreed by the Board at EB 74.	PCP paras 167 <sub>bis</sub> –167 <sub>quinquies</sub>
4	PCP	Appendix 1	Incorporate the “Further guidance related to the registration fee for proposed A/R clean development mechanism project activities” (EB 36 report, annex 21) adopted by the Board at EB 36.	Appendix 1
5	PS	New	Incorporate the “Standard for application of the global warming potentials to CDM project activities and PoAs for the second commitment period of the Kyoto Protocol” (EB 69 report, annex 3) adopted by the Board at its sixty-ninth meeting (EB 69).	PS paras 53 <sub>bis</sub> –53 <sub>quinq.</sub> . Also reflected in para 200 <sub>bis</sub> (a)
	VVS	New		VVS paras 4 and 5(c) of section 7.12.8 <sub>bis</sub> and 245(e)
6	PS	New	Incorporate the general guidance on the requirements for the cases where the monitoring period straddles two crediting periods, as provided by the Board at EB 62.	PS para 200 <sub>bis</sub>
	VVS	New		VVS paras 245(f) and 246(e)

#	Doc.	Para no.	Issue and/or proposed change	Revised paragraph/section
7	PS	New	Incorporate the relevant provisions of the “General principles for bundling” (EB 66 report, annex 21) adopted by the Board at EB 66.	Not incorporated into the PS as it would make the section disproportionately long. Also para 86 was removed as it was only one of many provisions in the “General principles”, which is already referred in para 85.
	VVS	New		VVS section 8.1.1 <sub>bis</sub> and para 287 <sub>ter</sub>
8	PS	New	The Board is currently considering developing guidelines for situations where project participants do not temporally follow the requirements of methodologies (deviations). Revise the relevant principles in the PS and VVS as appropriate and make a reference to the guidelines once adopted.	To be revised once the guidelines are adopted
	VVS	New		To be revised once the guidelines are adopted
9	PS	New	The Board is currently considering developing a standard on uncertainty in measurements of parameters relevant to the evaluation of emission reductions. Incorporate or make a reference to the standard once adopted.	To be revised once the standard is adopted
	VVS	New		To be revised once the standard is adopted
10	PS	27	Incorporate the “Clarification: Implementation of the prior consideration of the CDM requirement in the absence of the host Party DNA” (CDM-EB72-A05-CLAR) issued by the Board at EB 72.	PS para 27
	VVS	107		VVS para 107
	PCP	7		Not necessary
11	PS	New	Incorporate the “Clarification: Host Party for project activities and bundled project activities” (CDM-EB70-A38-CLAR) issued by the Board at EB 70.	PS paras 71 <sub>bis</sub> –71 <sub>ter</sub> , 178 <sub>bis</sub> , footnote 10 <sub>bis</sub> .
	VVS	39		VVS para 40 <sub>bis</sub>
	PCP	14(b)		In PS and VVS, not PCP

#	Doc.	Para no.	Issue and/or proposed change	Revised paragraph/section
12	VVS	New	Incorporate the “Clarification: Validation of post-registration changes and verification by the same DOE for the same project activity or programme of activities” (CDM-EB77-A12-CLAR) issued by the Board at EB 77.	VVS para 208
	PCP	New		PCP para 134 <sub>bis</sub>
13	VVS	New	Incorporate the guidance provided in paragraph 90 of EB 70 report for improvement of global stakeholder consultation process.	VVS paras 34 <sub>quater</sub> , 35 and 37(b)
	PCP	New		PCP paras 14(h), 14(i), 22 <sub>bis</sub> and 58 <sub>bis</sub>
14	PS	New	Incorporate the guidance provided in paragraph 33 of EB 78 report for provision of specific-case component project activity design document (CPA-DD) for each host Party during the registration of PoA or during expansion of the boundary of the PoA to add additional host Parties.	PS paras 144(c) and 225 <sub>bis</sub>
	VVS	New		VVS paras 188 <sub>bis</sub> and 292(c)(ii)
	PCP	New		PCP para 14(j)(iii).

**Table 2. Improving the consistency and removing duplications of provisions**

#	Doc.	Para No.	Issue and/or proposed change	Revised paragraph/ section
15	PS	29	Add a provision on prior consideration of the CDM for PoAs that mirrors the corresponding provision in the PCP.	PS para 29
16	PS	30–34	Review the wording of requirements relating to the description of a project activity, and make it consistent with the PDD guidelines.	PS para 31. Also para 32 was removed to avoid duplication with section 7.2.5.
17	PS	52	Adjust the text to make it consistent with the current wording of the corresponding instruction in the PDD guidelines.	PS para 52
18	PS	89	Remove para 89 due to the duplication with para 81.	PS para 89
19	PS	165–166	Merge the two paragraphs as they relate to the same requirement.	PS paras 165–166
20	PS	197–199	Introduce the relevant monitoring requirements in the PS that correspond to the required information in the monitoring report for project activities using the sampling approach to monitoring (section D.3).	PS para 198 <sub>bis</sub>

#	Doc.	Para No.	Issue and/or proposed change	Revised paragraph/ section
21	PS	209–228	Introduce the relevant requirement in the PS that corresponds to the requirement in the VVS regarding post-registration changes using a later version of a methodology (para 264).	PS para 221 <sub>bis</sub>
22	PS	233	Change the phrase “for determining GHG emission reductions” to “for determining the original baseline” to make it consistent with the tool referred to in the same paragraph regarding the requirement of renewal of crediting period.	PS para 233
23	VVS	30–33	Consolidate section 7.4 “General reporting requirements” into section 7.15 “Validation status and outcomes, opinion and report” to remove the duplication.	VVS section 7.4 and paras 145(a), 147 <sub>bis</sub> and 147 <sub>ter</sub>
24	VVS	35	Remove the phrase “during the validation of the proposed CDM project activity” from section 7.5 to avoid the misunderstanding that the comments in the global stakeholder consultation may be received during the entire period of validation, while in fact it is limited only to 30 days from the publication of the PDD or PoA-DD.	VVS paras 35 and 37(c)
25	VVS	81	Introduce the reference to the tool to clarify the applicability of “clarification” to the approved tools to be consistent with the relevant requirements in the “Procedure: development, revision and clarification of baseline and monitoring methodologies and methodological tools”.	VVS para 81
26	VVS	96–100	Make the document structure consistent between the PS and the VVS in the areas of emission reductions calculation (PS section 7.2.7 and VVS section 7.12.7).	VVS sections 7.12.7 and 7.12.8 <sub>bis</sub>
27	VVS	108(b)	Remove duplicated requirements between the PS and VVS on evidence to support “real and continuous actions to secure CDM status” in the section of prior consideration of the CDM.	VVS para 108(b)
28	VVS	137	Introduce the reference to the case where the project participants and the coordinating/ managing entity considered the environmental impacts of the proposed CDM project activity or PoA is significant, which corresponds to the requirement on environmental impacts in the Project standard (PS para 64).	VVS para 137
29	VVS	147(c)	Add the reference to “forward action requests” (FARs) in the requirement on the validation report to make it consistent with the requirements on the means of validation (paras 27 and 29).	VVS para 148(a) <sub>bis</sub>

#	Doc.	Para No.	Issue and/or proposed change	Revised paragraph/ section
30	VVS	148(b)–(c)	Restructure the paragraph to make them consistent with the reporting requirements in sections 7.2–7.14. Merge the reporting requirement in paragraph 37(c) and para 148(c) to remove the duplication.	VVS paras 37(c) and 148(b)–(c)
31	VVS	160	Insert the missing phrase “(or the appropriate equivalent)” for the thresholds of Type I and Type II of small-scale CDM project activities, as defined in paragraph 28 of decision 1/CMP.2.	VVS para 160
32	VVS	199	Remove requirements on environmental analysis in the section for specific requirements for PoA due to the duplication with that in the section for all project types (VVS para 134).	VVS para 199
33	VVS	210, 227, 284	Introduce the relevant requirements in the VVS to further operationalize the sampling approach in validation and verification in accordance with the “Standard: Sampling and surveys for CDM project activities and programme of activities” (CDM-EB50-A30-STAN).	VVS paras 18, 22(e), 65(c), 131–133, 210, 217(c), 234 <sub>bis</sub> and 284(c), as well as paras 1, 3(b) and 5(f) of section 7.12.8 <sub>bis</sub> .
34	VVS	230	Paragraph 230 of the VVS states “The DOE shall determine whether the project implementation is in accordance with the provisions of the registered PDD and/or an approved revised PDD”. This requirement is in section 9.4.2 “Compliance of the monitoring plan with the monitoring methodology including applicable tool(s)”. On the other hand, the requirement to verify the compliance of the project implementation with the registered PDD already exists in section 9.4.1 “Compliance of the project implementation with the registered project design document”. It is therefore proposed to modify the text to limit the requirement to verify the compliance of the monitoring plan with the monitoring methodology including applicable tool(s).	VVS para 230
35	VVS	245(e), footnote 39	Remove footnote 39 to make the requirements on the data vintage consistent with the “Tool to calculate emission factor for an electricity system”.	VVS para 245(e), footnote 39
36	VVS	246	Introduce the relevant verification requirements in the VVS that correspond to the requirement in the PS (para 202) and the monitoring report (section E.6) regarding the difference from estimated value in the registered PDD.	VVS para 228(d)
37	VVS	247–282	Introduce the relevant requirements in the VVS that correspond to the requirement in the PS, the monitoring report guidelines and the post-registration change request form, regarding specific changes to A/R project activities.	VVS section 9.5.5 <sub>bis</sub>

#	Doc.	Para No.	Issue and/or proposed change	Revised paragraph/ section
38	VVS	New	Introduce the relevant validation requirements in the VVS that correspond to the project design requirements in the PS on duration and crediting period (section 7.3).	VVS section 7.12 <sub>bis</sub>
39	VVS	New	Introduce verification requirements in the VVS that correspond to requirements on the update of the status of the implementation/ verification of the registered CDM project activities and PoAs in the PCP (PCP paras 182 and 183).	VVS section 9.6.0 and para 284(d)
40	VVS	New	Introduce validation requirements in the VVS that correspond to requirements on the renewal of programme of activities in the PS.	VVS section 11.2.1
41	PCP	77	Incorporate the clarification on the date of receipt of request for registration as contained in paragraph 3(b) of the “Procedures for registration of a proposed CDM project activity” (EB 09 report, annex 5).	PCP para 77 (“Option 1” under the para)
42	PS	47–49	Make the document structure consistent between the PS and the VVS in the areas of demonstration of additionality (PS section 7.2.6 and VVS sections 7.12.8–7.12.13).	PS structure not changed
	VVS	101–130		VVS sections 7.12.8.1, 7.12.8.2, 7.12.8.3, 7.12.8.4, 7.12.8.5, and 7.12.8.6
43	PS	157	Remove requirements on monitoring plan in the section for specific requirements for PoA due to the duplication with those in the section for all project type (PS para 54 and VVS para 131).	PS para 157
	VVS	198		VVS para 198
44	PS	New	Introduce the relevant project design and validation requirements in the PS and the VVS that correspond to the requirements in the PCP regarding the request for deviation from an approved methodology before registration (section 4.5).	PS para 24(b) <sub>bis</sub>
	VVS	New		VVS paras 79 and 81
45	VVS	142	Remove the procedural requirements in the VVS on reporting the validation status to avoid duplication with the PCP.	VVS paras 141–142
	PCP	22		PCP para 22
46	VVS	New	Introduce the relevant validation and procedural requirements in the VVS and the PCP respectively that correspond to the requirements in the PS regarding the cases where, at the renewal of crediting period, the methodology is no longer applicable due to the revision or update of the baseline (para 230(c)).	VVS paras 305 <sub>bis</sub> , 305 <sub>ter</sub> , 305 <sub>quater</sub> and 306
	PCP	New		PCP para 252 <sub>r</sub>

**Table 3. Other issues**

#	Doc.	Para No.	Issue and/or proposed change	Revised paragraph/ section
47	PS	19	Consider introducing provisions that further deal with how confidential information is to be omitted from public information.	PS para 19
48	PS	36	Methodologies may refer to the documents that have been superseded by the PS. Therefore, an analysis will be done to determine whether it should be clarified in the PS that the compliance with such superseded documents is not required.	Not to introduce a general principle in the PS. The respective methodologies will be revised individually to update the references.
49	PS	56(b)	Consider deleting “electronically”, as It appears that “kept and archived electronically” is not easy for some project owners, especially the project owners of small projects.	PS para 56(b)
50	PS	70–71	Clarify the text regarding the Parties that project participants (PPs) are required to obtain letters of approval (LoAs) from.	PS para 71 <sub>ter</sub> and footnotes 10 and 10 <sub>bis</sub>
51	PS	81–82	Clarify the text regarding the eligibility to be classified as small-scale project activities.	PS paras 81 (merged with 82) and 84
52	PS	194(b)	Clarify the term “continued operation periods” in paragraph 194(b) of the PS, which states “Information on the implementation and actual operation of the project activity, including relevant dates (e.g. construction, commissioning, continued operation periods, etc.)” as a required element in the description of the implemented registered project activity.	PS para 194(b)
53	PS	230	Clarify that, at the time of renewal of crediting period, additionality does not have to be re-assessed.	PS para 230 (chapeau)
54	PS	230	Clarify which version of the PDD form shall be used when project participants update the PDD at the time of renewal of crediting period, to make this point consistent with the relevant requirement in the PCP.	PS para 230 (chapeau)



#	Doc.	Para No.	Issue and/or proposed change	Revised paragraph/ section
55	VVS	39(d), 63, 107	Over time the secretariat has received a number of queries related to consistency in pre-registration documents, such as LoA, prior consideration notification, and PDD published for global stakeholder consultation as to how precisely they have to be consistent with regard to the title of the project activity. It is proposed to clarify the required degree of the “preciseness”.	VVS para 39(d)
56	VVS	132(b)	Modify the text to read “To assess <u>the feasibility of</u> the implementation of” the monitoring plan, to remove the obvious contradiction that the DOE cannot assess the implementation of the monitoring plan at the validation stage.	VVS para 132(b)
57	VVS	284(a)	Introduce a new reporting requirement to include a summary of its conclusion in a verification report, based on the good practice by DOEs observed to date.	VVS para 284(a)
58	PCP	9	Include a timeframe for the update of the status of the proposed project activity (e.g. within two months of every second anniversary of the initial notification), by creating a simple process to allow PPs to easily comply with this obligation.	PCP para 9
59	PCP	178	Change the minimum time gap between the publication of the monitoring report and the DOE's site-visit for verification from 14 days to 21 days, to allow sufficient time for the establishment and travel arrangement for the CDM assessment team members in case the verification is chosen for a performance assessment in accordance with the CDM accreditation procedure.	PCP para 178
60	PCP	182	Consider creating a simple process to allow PPs to easily comply with the obligation of updating the status of the project activity.	PCP para 182
61	PCP	229–235	Consider revising the timeframe for publication of rulings on the rejected requests for issuance.	PCP para 235
62	PCP	New	Clarify that if a request for registration is rejected after review, and if the project participants still wish to register the project activity, the process has to be restarted from the publication of the (revised) PDD for global stakeholder consultation.	PCP para 105 <sub>ter</sub>
63	PCP	New	Mention in the PCP the reference dates on which the relevant CDM requirements must be applied to a project activity unless otherwise stated in the requirements (e.g. the publication date of the PDD for project participants and the submission date of request for registration or issuance for DOE).	General rule on the applicability of CDM requirements are found in the “CDM Executive Board decision and documentation framework”

#	Doc.	Para No.	Issue and/or proposed change	Revised paragraph/ section
64	PS	28(a)	Consider to include emails as secondary supporting evidence.	PS footnote 5
65	PCP	20–21	Clarify the role of the secretariat in the treatment of public comments in the global stakeholder consultation (PCP paragraphs 20–21), in particular in relation to comments whose authenticity is questioned. It should be clearly stated that the DOE should provide the secretariat with instructions about which comments have to be removed. Modify the VVS (paragraphs 34–36) accordingly to make it consistent with the PCP.	PCP paras 20 and 21.
	VVS	34–36		VVS paras 34 <sub>bis</sub> , 34 <sub>ter</sub> and 37(a)

**Table 4. Additional issues included after EB75**

#	Doc.	Para No.	Issue and/or proposed change	Revised paragraph/section
66	PS	22(e)	For PoAs, remove the distinction between large-scale, small-scale, large-scale A/R and small-scale A/R.	PS para 22(e)
67	PS	100	Move para 100 to section 8.5 as the provision fits better in that section.	PS paras 89 and 100
68	PS	141	Merge with para 33 due to the similarity of provisions.	PS paras 33 and 141
69	PS	198(a)	Clarify the sentence starting with “For default values...” to avoid the confusion created by the word “ex post confirmed” in this para,	PS para 198(a)
70	VVS	Many	Standardize terminologies by replacing the term “on-site assessment”, “on-site visit”, “site visit”, “physical site inspection” and “physical inspection” with “on-site inspection” to be consistent with the terminology used in the CDM modalities and procedures.	VVS many paras
71	VVS	147 and 148	Merge paras 147 and 148 due to the similarity of provisions.	VVS paras 147, 148(a), 148(a) <sub>bis</sub> , 148(b) and 148(b) <sub>bis</sub>
72	VVS	159	Replace “Attachment A to Appendix B of 4/CMP.1, annex II” with “Guidelines on the demonstration of additionality of small-scale project activities” as the former was superseded by the latter.	VVS para 159
73	VVS	208 and 297	Create a link with the “Procedure: Process for dealing with letters from DNAs that withdraw approval/authorization” adopted by the Board at EB76.	VVS paras 208 <sub>bis</sub> , 297(a) and 297(c)

#	Doc.	Para No.	Issue and/or proposed change	Revised paragraph/section
74	VVS	284	Cover all the relevant requirements to be reported in verification reports to be consistent with reporting requirements in sections 9.4 and 9.5.	VVS para 284(d)
75	PCP	72 and 200	Clarify that the DNA can send an email to the secretariat when requesting a review of a request for registration or of a request for issuance.	PCP paras 72 and 200
76	PCP	New	Introduce provisions for the withdrawal of published PDDs and requests for post-registration changes.	PCP paras 22 <sub>ter</sub> and 157 <sub>bis</sub>
77	PCP	New	Introduce a step to publish the requests for post-registration changes.	PCP para 144 <sub>bis</sub>
78	PCP	New	Introduce the process for those cases in which the Board decides on several changes combined in the same request for post-registration change.	PCP para 154 <sub>bis</sub>
79	PS	Many	Refer to “PoA(s)” and “the coordinating/managing entity” in all applicable paragraphs for PoAs.	PS many paras
	VVS	Many		VVS many paras
80	PS	73, 181, 182, 203, 230	Clarify which version of PDD form, PoA-DD form, CPA-DD form, monitoring report form, modalities of communication statement, methodology, guidelines, completeness checklist can be used by changing the phrase “latest version” to “valid version”.	PS paras 73, 181, 182, 203 and 230
	VVS	60(a), 62, 74, 118, 225(b), 302, 306(a), 119, 124(a), 152(b)		VVS paras 60(a), 62, 74, 118, 225(b), 302 and 306(a), and footnotes 11, 13 and 20
81	PS	136(a)	Clarify the definition and limits for the small-scale A/R CDM project activities.	PS para 136(a)
	VVS	184		VVS para 184(a)

#	Doc.	Para No.	Issue and/or proposed change	Revised paragraph/section
82	VVS	290	Enable coordinating/managing entities and DOEs to complete the changes to modalities of communication at the earliest possible in case of a change of the coordinating/managing entity.	VVS paras 290 and 290 <sub>bis</sub>
	PCP	174		PCP paras 173 <sub>bis</sub> –174 <sub>ter</sub>

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### Document information

<i>Version</i>	<i>Date</i>	<i>Description</i>
02.0	19 May 2014	Revision to include two new issues (entries #28 and #69 in table 2 and table 4 respectively).
01.0	14 May 2014	Publish within annex 14 to the annotated agenda of EB79.
Decision Class: Regulatory Document Type: Information note Business Function: Issuance, Registration Keywords: data collection and analysis, management of official documentation		

## Appendix 2. Compilation of inputs received on the draft revised “CDM project standard”, “CDM validation and verification standard” and “CDM project cycle procedure”

1. The CDM Executive Board, in accordance with its workplan, requested the secretariat to prepare a draft revised “CDM project standard”, “CDM validation and verification standard” and “CDM project cycle procedure”, and to launch a call for public input on the drafts. The call was open from 2 to 22 April 2014. A total of 73 comments were received from the following organizations: Carbon Market Watch, Climate Concept Foundation and Ethan Bio-Fuels PLC.
2. Based on this, the table below provides an overview of the feedback received. The table provides the comments as provided, the rationale for inclusion or not of the comment in the documents and how it has been incorporated. The comments are grouped by document and that they refer to and by submitter.

#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
<b>PS</b>				
1	<p><b>PS, para 31(c):</b> The current design of the PDD is very technical which makes it challenging for layman and local stakeholders to understand the project activity. The general description of the project should therefore include a non-technical summary of the project activity and a non-technical description of the project's EIA analysis including the project's projected scope, lifetime, adverse impacts and management plans, along with all other relevant information about the project.</p> <p><i>31(c) Describe the purpose and general description of the</i></p>	Carbon Market Watch	No	“General description” of the project activity or PoA as reflected in, for example, “ <i>Section A.1 purpose and general description of project activity</i> ” of the PDD form for large-scale project activities should serve the purpose. That section generally contains less technical description of the project activity. Also, para 66 of the PS states, for local stakeholder consultation, “The project participants or the coordinating/managing entity shall describe the proposed CDM project activity or PoA in a manner that allows the local stakeholders to

#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
	<i>project activity or PoA, including a non-technical summary of the project activity and a non-technical description of the project's projected scope, lifetime, adverse impacts and management plans.</i>			understand the project activity or PoA, taking into account confidentiality provisions..."
2	<p><b>PS, para 31(b):</b> Several studies and research finds that the contribution of projects to sustainable development changes over time. The project description shall also include a description on how the project adapts to these changing parameters. This will also help to operationalise the SD Tool and will avoid discrepancies with initially claimed SD contributions to actual implemented achievements. Moreover, several countries, such as India are requiring a sustainable development action plan. Where such national rules exist, projects should include information about these action plans in the project description.</p> <p><i>31(b) Describe how the project activity or PoA contributes to sustainable development of the host Party and the planned measures to implement the SD contributions;</i></p>	Carbon Market Watch	No (in the draft submitted to EB 79)	The Board may wish to consider the issue raised.
3	<p><b>PS, para 56:</b> Numerous project activities and PoAs already monitor the sustainable development contribution of project activities and PoAs. The monitoring plan should therefore also include information on how the project activities and PoAs monitor the sustainable development contribution.</p> <p><i>56(g) (new subpara).Parameters to monitor sustainable development indicators where national requirements exist.</i></p>	Carbon Market Watch	No (in the draft submitted to EB 79)	The Board may wish to consider the issue raised.
4	<b>PS, para 63:</b> Currently, information about environmental	Carbon	No (in the draft	The Board may wish to consider the issue raised.

#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
	<p>impacts is very short and not very descriptive. Moreover, related documents and information is hardly ever published at the respective location on the CDM website. However, the environmental impacts of projects provide an essential element and should be made public, including related documents, e.g. the EIA analysis documents.</p> <p><i>63. The project participants or the coordinating/managing entity shall carry out an analysis of the environmental impacts of the proposed CDM project activity or PoA, including transboundary impacts. The project participants or the coordinating/managing entity shall provide a summary of the analysis and references to all related documentation and make these publicly available at the CDM website.</i></p>	Market Watch	submitted to EB 79)	In doing so, the Board may wish to take into account that the EIA process including the publication of related documents is regulated by the host Party's procedures.
5	<p><b>PS, para 64:</b> Some countries, such as India, do not require an environmental impact assessment (EIA) for renewable energy projects except hydro power projects. However, the environmental impacts of large scale projects are not necessarily associated with the technology used. An analysis of environmental impacts of the proposed CDM project activity or PoA shall therefore be a requirement for all CDM project activities of PoAs.</p> <p><i>64. If the project participants or the coordinating/managing entity, or the host Party considers the environmental impacts of the proposed CDM project activity or PoA significant, the project participants or the coordinating/managing entity shall carry out an environmental impact assessment in accordance with the host Party's procedures. For large scale CDM project</i></p>	Carbon Market Watch	No	The provision in question is based on para 37(c) of the annex to decision 3/CMP.1 (CDM modalities and procedures), which states that the EIA is to be undertaken where the project participants of the host Party considers the environmental impacts significant and in accordance with procedures as required by the host Party. Adding the proposed requirement would infringe the procedures of the host Party.

#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
	<i>activities or PoAs an environmental impact assessment shall be conducted regardless of possible exceptions by the host Party's procedures. The project participants or the coordinating/managing entity shall provide all conclusions and references to all related documentation.</i>			
6	<p><b>PS, para 65:</b> Current CDM stakeholder consultation requirements are insufficient as they are poorly defined, regulated and documented. There are dozens of instances where projects were registered despite insufficient stakeholder participation, strong local opposition and clear evidence that the projects cause harm to the local populations and/or ecosystem. Clarity for project participants to conduct local stakeholder consultations will provide transparency and improve accountability.</p> <p><i>65. The project participants or the coordinating/managing entity shall invite local stakeholders to provide comments on the proposed CDM project activity or PoA using the best practices available, and shall describe the steps/actions taken to appropriately engage stakeholders and solicit comments taking into account best practices and national rules on local stakeholder consultation.</i></p>	Carbon Market Watch	No (in the draft submitted to EB 79)	In accordance with the agreement by the Board at EB 70, the issue raised by this input will be considered by the Board within the scope of the concept note on stakeholder consultation, which will be presented at EB 80.
7	<p><b>PS, para 66:</b> appropriate and effective means such as: radio, newspapers and informative flyers in the local language distributed and put up at local meeting points in the project area (e.g. at community centers, churches, libraries, schools and post offices)</p> <p><i>66. The project participants or the coordinating/managing</i></p>	Carbon Market Watch	No (in the draft submitted to EB 79)	In accordance with the agreement by the Board at EB 70, the issue raised by this input will be considered by the Board within the scope of the concept note on stakeholder consultation, which will be presented at EB 80.



#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
	<p>entity shall invite comments from local stakeholders in an open and transparent manner using appropriate and effective means, in a way that takes into account national and cultural circumstances and facilitates comments to be received from local stakeholders.</p> <p>At least the following local stakeholders shall be invited: local people impacted by the project or their official representatives, local policy makers and representatives of local authorities, an official representative of the DNA of the host country of the project and local NGOs working on topics relevant to the project.</p> <p>To allow for a reasonable time for comments to be submitted, the stakeholder consultation shall be announced at least 30 days prior to the consultation meeting. The invitation to the local stakeholder consultation shall include a non-technical summary of the project activity in the local language(s) of the host country as well as a non-technical description of the project's EIA analysis including the project's projected scope, lifetime, adverse impacts and management plans, along with all other relevant information about the project, taking into account confidentiality provisions of the applicable CDM M&amp;Ps. All relevant information shall also be made public on the website of the respective DNA.</p>			
8	<b>PS, para 13(b):</b> The consequence of not choosing a possibility that is recommended by the use of the word “should” is unclear. The requirement should be made more specific.	Climate Concept Foundation	No (in the draft submitted to EB 79)	The Board may wish to consider the issue raised.

#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
	<p>13(b). “Should” is used to indicate that among several possibilities, one course of action is recommended as particularly suitable. In case an intended user would like to use a possibility other than the recommended one, satisfactory reasons should be provided explaining why the recommended possibility is unsuitable or less suitable within the project-specific context.</p>			
9	<p><b>PS, para 19:</b> Generally, the “...information used to determine additionality...” usually contains commercially sensitive data (e.g. the pricing of an abatement technology applied within the project activity). Business practice up to now generally was to only disclose such information to the validating DOE.</p> <p>The current draft should greatly improve transparency. However, intended users may have justifiable interests in not disclosing certain information. In these cases, transparency is nevertheless of paramount importance, but disclosure could be limited to those stakeholders that are actively involved in the specific project and agree to handle the relevant information confidentially.</p> <p>19. 3rd sentence: In this context, information used to determine additionality, to describe the baseline methodology and its application, and to support an environmental impact assessment shall in general not be considered as proprietary or confidential. In exceptional cases, disclosure of such information shall be limited to those stakeholders that (a) have been or are actively involved in the project activity, e.g. have provided a comment during the global stakeholder</p>	Climate Concept Foundation	No (in the draft submitted to EB 79)	The Board may wish to consider the issue raised. In doing so, the Board may wish to take into account that allowing the proposed exceptions and defining the associated conditions may require a decision by the CMP, as the current provision is based on para 27(h) of the CDM modalities and procedures.

#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
	<i>consultation and (b) agree to handle the information in question confidentially.</i>			
10	<p><b>PS, section 6.1, paras 20–21:</b> This section should contain a provision on under which circumstances revised/new standards can be applied retroactively. Such measure must balance investor confidence against environmental integrity of project based mechanisms.</p> <p>Investor confidence shall not be regarded as a relevant parameter in cases where the intended user did not apply this Standard, the applicable tools and documents diligently (e.g. when negligently omitting a technological option when assessing baseline emissions, the intended user shall have to accept a subsequent revision/clarification to the methodology as retroactively applicable to the project activity if this revision/clarification makes it compulsory to take the omitted technological option into account).</p> <p><i>New 22. (as last para of section 6.1): Generally, this Standard, all applicable tools and documents (Applicable Regulation) adopted by the CMP and the Board that are relevant for a project's registration shall apply in their respective version as valid at the day on which the registration request is submitted to the Secretariat. With regard to Monitoring Reports, all Applicable Regulation shall be applied as valid as on the day on which the Issuance Request is submitted to the Secretariat. A revision of Applicable Regulation or a new element of Applicable Regulation therefore shall not be applied retroactively, unless (a) such retroactive application would</i></p>	Climate Concept Foundation	No	The general rule on the applicability of revised regulations are defined in the “CDM Executive Board decision and documentation framework” In particular, the applicability of revised methodologies or methodological tools is defined in the “Procedure: Development, revision and clarification of baseline and monitoring methodologies and methodological tools”. The non-retroactivity of the application of revised regulations to project activities already registered is a basic principle that is in para 4 of decision 3/CMP.1

#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
	<i>enhance conservativeness in the assessment of emission reductions by sources or removal by sinks achieved by the project activity in question and (b) the intended user knew or negligently did not know the underlying circumstances giving cause to the changes in Applicable Regulation when the registration / issuance request was submitted.</i>			
11	<p><b>PS, para 27:</b> Wording of this para could be made clearer.</p> <p>We suggest the following revision of this para's wording:  <i>27. "...shall inform the host Party's designated national authority (DNA), if the DNA exists, and the secretariat..."</i>  and the addition of a 3rd sentence to this para:  <i>"In cases where no DNA exists or the existing DNA is not operational, informing the Secretariat shall be regarded as sufficient."</i></p>	Climate Concept Foundation	No	The text in the draft is sufficiently clear.
12	<p><b>PS, para 28:</b> We suggest that the intended user must also demonstrate that there is an "exit possibility", i.e. a chance of abandoning the project activity's implementation (and cancel all implementation related legal obligations) in case it cannot be registered as a CDM project activity.</p> <p>In case an investor has no scope for abandoning the project's implementation at the time at which the project activity is to be registered, this strongly indicates that the project activity is non-additional, i.e. is implementable regardless of the availability of revenues from the CDM.</p> <p>Suggested wording for new sub-para:  <i>28(d) The project participants must demonstrate that the</i></p>	Climate Concept Foundation	No	If a project activity is not registered under the CDM, subsequent actions by the project participants whether they continue implementing the project activity as is or as modified is outside the CDM regulations. In any case, for registration of a project activity under the CDM, additionality will be checked in accordance with the established rules.

#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
	<i>project activity's implementation will be abandoned in case the project cannot be registered as a CDM project activity. Inter alia, project participants must demonstrate that all implementation related legal obligations are contingent on the project's registration.</i>			
13	<p><b>PS, para 29:</b> We do not see a convincing reason, why a prior consideration of the CDM shall not be relevant in the context of a PoA.</p> <p>We suggest re-wording para 29 as follows:  <i>29. The above paragraphs 26-28 also apply to CDM PoAs.</i></p>	Climate Concept Foundation	No	For a PoA, the rules for determining the start date of the PoA, as in the second sentence of para 29 of the draft revised PS, is sufficient, because a PoA is a framework, while actual emission reduction or removal enhancement activity is realized through the implementation of CPAs, and the start date of a CPA cannot be before the start date of the PoA. Therefore, notifying the start date of the PoA ensures the prior consideration of CPAs if they are included in a PoA before the publication of the PoA-DD. The Board had considered this issue and agreed on the current rule at EB 70.
14	<p><b>PS, para 31:</b> Two sub-paragraphs (a) on the local/global stakeholder consultation and (b) on how the comments received from stakeholders have been taken into account should be added.</p> <p>Suggested wording:  <i>31(f) The conducting of an appropriate local stakeholder consultation and the global stakeholder consultation, both terminated before the on-site validation visit by the validating DOE.</i></p>	Climate Concept Foundation	No	Para 31 is relating to the "general description" of the project activity or PoA, while the requirements to provide a summary of comments received from local stakeholders, and their consideration can be found in paras 67 and 68 of the PS. The structure of these sections is mirrored in the PDD form. How to handle comments received from global stakeholder consultation is defined in section 7.5 of the VVS.

#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
	<i>31(g) An explanation by the project participants as to how comments received have been taken into account. In cases where comments received claim the CDM regulations have not been observed by the project participants, the burden of proof for regulatory compliance lies with the project participants."</i>			
15	<p><b>PS, para 31:</b> The present draft version specifies the mandatory contents of a PDD / PoA-PDD in Section 7.1, namely in paras 31-34. Sections 7.2.1 and 7.2.2 may to some degree be regarded as redundant to Section 7.1.</p> <p>Also, the content of para 31(e)bis could be regarded as part of the baseline scenario determination as explained in para 41.</p> <p>We believe that merging these sections could contribute towards enhancing clarity. If the Secretariat is interested in receiving more detailed input to this suggestion, we would kindly ask you to contact us.</p>	Climate Concept Foundation	No	The current structure of section 7 of the PS mirrors that of the PDD and PoA-DD form. Section 7.1 of the PS refers to a description of the project activity or PoA, to provide a summary of the project activity, which is mirrored in, for example, in section A of the PDD form for large-scale project activities. Therefore, information required by section 7.1 inevitably overlaps with that in subsequent sections 7.2–7.6, but this is intentional.
16	<b>PS, section 7.2.1, paras 35–36:</b> Our comment #10 could also be integrated into this section of the Standard draft.	Climate Concept Foundation	No	See the assessment of the comment #10 above.
17	<b>PS, para 41:</b> See comment #15.	Climate Concept Foundation	No	See the assessment of the comment #15 above.
18	<b>PS, para 45(b):</b> We disagree with the notion that the baseline scenario determination may abstain from taking into account E- policies. Although a state may implement legal measures	Climate Concept Foundation	No (in the draft submitted to EB 79)	Possible modification to the current rules for taking into account E- policies in the context of the CDM will be considered by the Board in

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	<p>lowering GHG emissions thus furthering the aims of the Convention, we believe that the project participants should not be credited for such measures. We therefore strongly suggest that E- policies must be taken into account when establishing the baseline emission scenario for a specific project.</p> <p>While we agree that the approach suggested by us may avert the implementation of new legislation reducing GHG emissions, such legislation would be loop-holed by each CDM project registered with a baseline neglecting this legislation.</p> <p>Not taking such legislation into account shall be reserved to cases where existing laws are systematically not enforced. The host country DNA shall confirm such systematic non-enforcement of these laws and their hypothetical relevance to the project activity in question.</p> <p>We suggest the following wording:</p> <p><i>45(b) National and/or sectoral policies or regulations described in paragraph 44(b) above that have been implemented since the adoption by the COP of the CDM M&amp;Ps (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). must be taken into account by project participants when establishing a project's baseline scenario. Project participants may choose not to take such policies or regulations into account, if they (a) can prove that the respective policies / regulations are systematically not enforced and (b) provide a written</i></p>			<p>accordance with paragraph 29 of the EB 78 meeting report. Once the Board agrees on it, it will be reflected in the PS.</p>

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	<i>confirmation on such systematical non-enforcement from the host country DNA.</i>			
19	<p><b>PS, para 50:</b> Generally, a calculation of emission reductions should not be based exclusively on ex-ante estimates of leakage emissions, unless this is permitted by the methodology applied. Where required by the applicable methodology, leakage emissions should be monitored and integrated into the assessment of emission reductions achieved by a project activity.</p> <p>In addition, efforts should be undertaken to further sharpen and integrate the assessment of leakage emissions in the determination of emission reductions achieved by a project activity.</p> <p>The author submitted a draft suggestion on how leakage emissions could be monitored / taken into account in a file named "Export Tool" along with NM00339, see <a href="http://cdm.unfccc.int/methodologies/PAmethodologies/pnm/byref/NM0339">http://cdm.unfccc.int/methodologies/PAmethodologies/pnm/byref/NM0339</a>. This could serve as an example for one specific project type (N<sub>2</sub>O reduction in nitric acid and caprolactam production facilities). For other project types, methodology specific approaches could be worked out as well.</p>	Climate Concept Foundation	No	Para 50 of the draft revised PS refers to the ex-ante calculations relating to ex ante estimate of emission reductions, including leakage. If leakage needs to be monitored during the implementation of the project activity as per the applied methodology, the relevant parameters need to be defined in the monitoring plan in accordance with para 55 and need to be monitored in accordance with para 192.
20	<p><b>PS, section 7.4:</b> We believe that some project types (e.g. N<sub>2</sub>O reduction in nitric acid and caprolactam plants) could be exempted from having to conduct an environmental impact assessment, because there are no negative environmental impacts associated with this project type.</p>	Climate Concept Foundation	No	The EIA process including what types of projects are subject to EIA is regulated by the host Party's procedures.



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	<p>This could help reducing project implementation costs.</p> <p>(a) Suggestion to add a third para in Section 7.4:  <i>"The Board may decide to exempt certain project types from the necessity to conduct an environmental impact assessment."</i></p>			
21	<p><b>PS, para 70(a):</b> This para could be deleted, because a Party that is not a Party to the KP would not have a designated national authority (DNA).</p> <p>Suggestion: delete para 70 (a)</p>	Climate Concept Foundation	No	While it is obvious that non-Kyoto Party does not have a DNA, being a Kyoto-Party is one of the fundamental requirements for participation in the CDM in accordance with para 31(a) of the CDM modalities and procedures.
22	<p><b>PS, section 7.6:</b> There have been incidents with human rights issues in a few registered CDM projects. We suggest that the DNA should be entitled to qualify a Letter of Approval by making its validity depended on preliminary conditions that the project partners have to meet throughout the Crediting Period, in so far as such preliminary conditions appear suitable and appropriate for maintaining basic justified interests of local stakeholders.</p> <p>In case the project participants violate these preliminary conditions, the Letter of Approval can be suspended, until the violation is ended. As a matter of sanctioning such violations, project participants shall not be entitled to CERs for emission reductions achieved during suspension of the Letter of Approval.</p> <p>Suggestion of a some further paras in Section 7.6:  <i>(5) A DNA can make a letter of approval contingent on the</i></p>	Climate Concept Foundation	No	The "Procedure: Process for dealing with letters from DNAs that withdraw approval/authorization" adopted at EB 76 allows withdrawal of a letter of approval by the DNAs of Parties involved.

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	<p><i>project participants meeting specified preliminary requirements throughout the crediting period of the project in so far as such preliminary conditions appear suitable and appropriate for safeguarding local stakeholder interests or the compliance with local laws and regulation. Any such preliminary conditions should be worded in a clear, concise and specific manner in order to ensure predictability.</i></p> <p><i>(6) In case the DNA decides that a project participant has violated the preliminary conditions specified in the letter of approval intentionally or in gross negligence, it may suspend the validity of the letter of approval until remedy for the violation has been provided.</i></p> <p><i>(7) During the suspension of the letter of approval, emission reductions achieved by the project in question are not entitled to issuance of CERs.</i></p> <p><i>(8) The Board may grant investors a right to appeal against a DNA's decision to suspend the letter of approval. In case a suspension was unjustified, the appeal decision may also rule that the previous para does not apply.</i></p> <p><i>(9) The Board may further specify rules and procedures for such appeal.</i></p> <p>Alternatively, stakeholders should be granted a direct right to appeal against project participants, whose actions violate their rights.</p>			

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23	<p><b>PS, para 76:</b> There is, in our view, a strong case for restructuring the selection and the mandating of DOEs by project participants. DOEs are economically depended on being selected by project participants. For this reason, there have been some cases where DOE validated CDM projects on questionable findings.</p> <p>A DOE is not really free to interpret and apply a methodology or tool in a way that is very conservative with regards to the interpretation's effect on the issuance of CERs, because competitors interpreting such regulatory requirement in a less stringent manner would gain competitive advantage.</p> <p>This could be countered by mandating a UNFCCC body (e.g. the CDM AP) with the selection and the mandating of a suitable DOE for each project that is entering the registration pipeline. In order to finance this, the registration fee would need to be increased accordingly.</p> <p>This should apply accordingly to verification audits.</p>	Climate Concept Foundation	No (in the draft submitted to EB 79)	The Board may wish to consider the issue raised. In doing so, the Board may wish to take into account that ensuring DOEs' impartiality in performing validations and verifications under the CDM is regulated by the "CDM accreditation standard" and the "CDM accreditation procedure", and changing the current setting of relationship between DOEs, project participants and the Board, including the selection and payment to a DOE for validation or verification would require a decision by the CMP, as it is based on the CDM modalities and procedures.
24	<b>PS, para 78:</b> Redundant (see para 19) and our comment #9.	Climate Concept Foundation	No	Para 19 states a principle, while para 78 is a requirement for the project participants or the coordinating/managing entity to comply with.
25	<b>PS, section 12.4:</b> A para should be added after para 196 adding that the substitution of damaged/worn out components of a monitoring system is deemed not to violate the specifications of the registered monitoring plan, if the substitute part is of the same or better technical quality as the substituted part.	Climate Concept Foundation	No (in the draft submitted to EB 79)	The Board may wish to consider the issue raised.

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	New para after 196: <i>"The exchange of worn out/damaged parts of the monitoring system is permitted. Project participants must ensure that the substituted parts are replaced in a equivalent or better technical quality."</i>			
26	<p><b>PS, para 198(a):</b> The use of default values – such as IPCC default values – should be restricted to cases, where measurements cannot be taken in a technically/economically viable manner.</p> <p>In addition, default values must be seen within their original teleological context: e.g. the use of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (see <a href="http://www.ipcc-nggip.iges.or.jp/public/2006gl">http://www.ipcc-nggip.iges.or.jp/public/2006gl</a>) should not be used for establishing baseline emissions, because the purpose of these values employs conservativeness in the "opposite direction".</p> <p>The IPCC will have applied conservativeness to counter uncertainties in a manner that increases assumed emissions, so that inventories rather overstate than understate factual emissions. When establishing a baseline, the conservativeness principle must be applied in a way that underestimates factual emissions, because an overstatement would lead to a surplus issuance of CERs.</p> <p>Suggestion: Take the last sentence of para 198(a) and begin a new subsequent para with it as follows:  <i>"For default values (such as an IPCC value), where it is ex post confirmed, the most recent value shall be applied. Default</i></p>	Climate Concept Foundation	No	<p>Methodologies allowing the use of default values are, before their approval, normally cautiously scrutinized by the relevant Methodological Bodies under the Board, so that the use of them would not lead to less conservative estimate of emission reductions. However, to avoid the confusion created by the word "ex post confirmed" in this para, it has been modified as follows:</p> <p><i>"For default values (such as an IPCC value), where it is ex post confirmed, where they are not fixed at validation the most recent value shall be applied."</i></p>

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	<i>values can only be used when the use of conservativeness in establishing them is aligned with the application specific context within the CDM project activity."</i>			
<b>VVS</b>				
27	<p><b>VVS, para 34:</b> Instructions for submitting comments are currently unclear and the upload tool is not user-friendly. Numerous national and international civil society organisations have reported having trouble when trying to upload their comments to the UNFCCC Website. For this reason, organisations, conscious of the 30-day commenting period often decide to submit their comments by email in order to ensure they are received before the deadline. In many cases these emailed comments end up not being accepted as valid because they were not submitted through the website. We therefore suggest developing a clear step-by-step guide for submitting comments and accept the submission of comments by email. Helping to ensure the timely submission of comments from important stakeholders that have access to local information concerning the validation requirements of project activities would further increase the integrity of the validation process.</p> <p><i>34. The DOE shall accept and acknowledge receipt of comments received through the global stakeholder consultation and through locally feasible means and in the language(s) of the host country.</i></p>	Carbon Market Watch	No (in the draft submitted to EB 79)	In accordance with the agreement by the Board at EB 70, the issue raised by this input will be considered by the Board within the scope of the concept note on stakeholder consultation, which will be presented at EB 80.
28	<b>VVS, para 35:</b> To increase transparency received by the DOE shall be uploaded to the UNFCCC CDM website.	Carbon Market	No	Only comments that the DOE has determined to be authentic shall be uploaded to the UNFCCC

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	<i>35. The DOE shall take into account all the comments received during the validation of the proposed project activity and upload them to the UNFCCC CDM website.</i>	Watch		website The process to authenticate the information from the submitters is recorded in the validation report.
29	<p><b>VVS, para 36:</b> If comments submitted during the public commenting period indicate that the project activity does not comply with CDM requirements, the DOE shall request further clarification from the entity that submitted the comment. However, currently the DOE is not required to enter into a dialogue with parties, stakeholders or NGOs. In the absence of such a requirement for the DOE to engage with such comments, the DOE runs the risk of approving potentially harmful CDM projects by not investigating comments. We recommend that guidelines be developed which specify how DOEs must respond to stakeholder concerns.</p> <p><i>36. If comments indicate that the proposed project activity does not comply with the CDM requirements and are not substantiated, then the DOE shall request further clarification from the entity providing the comment. Upon request, the DOE shall enter into a dialogue with Parties, stakeholders or NGOs, that comment on the CDM requirements. If no additional information or substantiation is provided in response to a request for clarification, the DOE shall proceed to assess the comments as originally provided.</i></p>	Carbon Market Watch	No	<p>This requirement does not prohibit requesting further clarification from the entity provided the comment, if the DOE considers that it is required. Upon receiving the clarification from the entity that provided the comment, the DOE shall determine whether further clarification request is required.</p> <p>To clarify this intent, it is proposed to revise the second sentence of VVS para 36 as follows:  <del>“... However, the DOE is not required to enter into a dialogue with Parties, stakeholders or NGOs, that comment on the CDM requirements. Upon receiving the clarification, the DOE shall determine whether or not further clarification request is required...”</del></p>
30	<p><b>VVS, para 37:</b> This validation requirement is very unclear. We would propose that the DOE should describe the actions that were taken to address the comments received.</p>	Carbon Market Watch	No	The phrase “take due account” is more appropriate than the word “address” to accurately describe the intent of the CDM modalities and procedures. (Para 40(f) of the CDM modalities

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	<i>37. The DOE shall describe the actions taken to address the comments received during the validation process.</i>			and procedures states "...an explanation of how it has taken due account of comments received.")
31	<p><b>VVS, para 50:</b> To increase transparency, the DOE should describe what sustainable development indicators applied.</p> <p><i>50. The DOE shall describe the sustainable development indicators applied by the DNA to consider whether the proposed CDM project activity assists the host Party in achieving sustainable development and assess whether national rules with reporting requirements about sustainable development exist.</i></p>	Carbon Market Watch	No (in the draft submitted to EB 79)	The Board may wish to consider the issue raised.
32	<p><b>VVS, para 51:</b> To increase transparency, the DOE should describe what sustainable development indicators applied as well as if and how they are monitored.</p> <p><i>51. The DOE shall determine whether the letter of approval by the DNA of the host Party confirms the contribution of the proposed CDM project activity to the sustainable development of the host Party, which sustainable development indicators are applied and whether the project activity has chosen parameters to monitor the sustainable development benefits.</i></p>	Carbon Market Watch	No (in the draft submitted to EB 79)	The Board may wish to consider the issue raised.
<b>PCP</b>				
33	<p><b>PCP, para 14:</b> A summary report is often superficial. Since the full Environmental Impact Assessment needs to be conducted, the full assessment should be made public. Moreover, all large scale projects irrespective of national procedures shall require an environmental impact assessment;</p>	Carbon Market Watch	No	The current draft language is incorporating what has been considered and agreed by the Board at EB 70.

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	14(i) <i>A summary of The Environmental Impact Assessment report of the CDM project activity or PoA (if applicable)</i>			
34	<b>PCP, para 14:</b> It's difficult to follow the additionality determination without being able to access calculations of projects. Calculations with respect to confidentiality numbers should therefore be made public;  <i>14(k) Calculations for the additionality assessment</i>	Carbon Market Watch	No (in the draft submitted to EB 79)	The Board may wish to consider the issue raised. In doing so, an analysis should be carried out on how to balance the need for project participants to keep their "know how" confidential and the transparency.
35	<b>PCP, para 14:</b> The current design of the PDD is very technical which makes it challenging for layman and local stakeholders to understand the project activity. The general description of the project should therefore include a non-technical summary of the project activity and a non-technical description of the project's EIA analysis including the project's projected scope, lifetime, adverse impacts and management plans, along with all other relevant information about the project.  <i>14(l) A non-technical summary of the project in layman language and in the local language of the host country</i>	Carbon Market Watch	No	"General description" of the project activity or PoA as reflected in, for example, " <i>Section A.1 purpose and general description of project activity</i> " of the PDD form for large-scale project activities should serve the purpose. That section generally contains less technical description of the project activity. For the purpose of local stakeholder consultation, para 66 of the PS states that "The project participants or the coordinating/managing entity shall describe the proposed CDM project activity or PoA in a manner that allows the local stakeholders to understand the project activity or PoA, taking into account confidentiality provisions..."
36	<b>PCP, para 14:</b> Current PDDs and validation reports only refer to annexes on how the local stakeholder consultations were conducted but the annexes are not available. Given that this is an essential requirement of the CDM and that it does not relate to confidential information, all details in relation to the	Carbon Market Watch	No (in the draft submitted to EB 79)	The issue raised by this input will be included for consideration by the Board within the scope of the concept note on stakeholder consultation, which will be presented at EB 80.



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	local stakeholder consultation shall be made public.  <i>14(m) Annexes about the documentation of the local stakeholder consultation, including list of invitees and participants</i>			
37	<p><b>PCP, para 17:</b> It is difficult for concerned stakeholders to monitor the status of a project. Years can pass before a project moves to the next phase in the project cycle. There is currently no RSS feed for projects which have had their validation terminated or rejected and finding these projects on the UNFCCC website is difficult and time-consuming. Notice on the status of a project's validation should be given to stakeholders who have submitted their concerns through an automated system. This would enable them to review whether their concerns have been taken into account and thus improve the accountability and integrity of the validation process.</p> <p><i>17. The period for submission of comments for global stakeholder consultation on the PDD or PoA-DD shall commence at midnight GMT subsequent to the publication of the PDD or PoA-DD. The CDM information system shall inform the DOE of the location of the PDD or PoA-DD on the UNFCCC CDM website and publish the opening and closing dates and time of the period for submission of comments via an email notification system to subscribed stakeholders</i></p>	Carbon Market Watch	Yes (paras 17, 22 <sub>bis</sub> and 58 <sub>bis</sub> )	Para 17 contains reference to the opening and closing times of the call. Paras 22 <sub>bis</sub> and 58 <sub>bis</sub> contain an obligation for the secretariat to inform stakeholders that submitted comments during the global stakeholder consultation about the update of the validation status and the submission of the request for registration, respectively.
38	<p><b>PCP, para 20:</b> The vast majority of stakeholders in CDM host countries do not speak English fluently, thus may not be in a position to submit comments in English. However, our experience is that comments by stakeholders that were</p>	Carbon Market Watch	No (in the draft submitted to EB 79)	In accordance with the agreement by the Board at EB 70, the issue raised by this input will be considered by the Board within the scope of the concept note on stakeholder consultation, which

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	<p>submitted in languages other than English were not accepted by the UNFCCC Secretariat. Only allowing comments written in English creates an undue and unfair obstacle to non-English speaking stakeholders. Stakeholder comments should thus be accepted in the language(s) spoken in the project area.</p> <p><i>20. Parties, stakeholders and UNFCCC accredited observers may submit comments, in English or in the local language of the host country, on the validation requirements for the proposed CDM project activity or PoA to the DOE through the secretariat via a dedicated interface on the UNFCCC CDM website. The submitters of the comments shall provide the name and contact details of the individual or organization on whose behalf the comments are submitted. The DOE shall check the authenticity of this information and provide an English summary of the comment received.</i></p>			will be presented at EB 80.
39	<p><b>PCP, para 22(b):</b> Negative opinions from DOEs should be made public. This is essential information in case the project is applying again for registration with an amended project scope.</p> <p><i>22(b). The DOE has issued a negative validation opinion, including the publication of the opinion</i></p>	Carbon Market Watch	No (in the draft submitted to EB 79)	The Board may wish to consider the issue raised.
40	<p><b>PCP, para 71:</b> The summary note on the request for registration shall be made public</p> <p><i>71. The secretariat shall, subject to the guidance of the Board, prepare, send to the Board and make public on the UNFCCC CDM website a summary note on the request for registration within 14 days of the date of publication of the request for</i></p>	Carbon Market Watch	No (in the draft submitted to EB 79)	<p>Summary notes are supplementary information for Board members to individually decide whether to request a review. No Board member is bound by them.</p> <p>The Board may wish to consider the issue raised.</p>

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	<i>registration.</i>			
41	<p><b>PCP, para 79(a):</b> It is difficult for concerned stakeholders to monitor the status of a project. Years can pass before a project moves to the next phase in the project cycle. There is currently no RSS feed for projects which have had their validation terminated or rejected and finding these projects on the UNFCCC website is difficult and time-consuming. Notice on the status of a project's validation should be given to stakeholders who have submitted their concerns through an automated system. This would enable them to review whether their concerns have been taken into account and thus improve the accountability and integrity of the validation process.</p> <p><i>Para 79 (a) Notify the project participants or the coordinating/managing entity, the DOE that validated the proposed CDM project activity or PoA, and the stakeholders that submitted comments during the global stakeholder consultation, that a Party involved in a proposed CDM project activity or PoA, or at least three members of the Board have requested a review of the request for registration</i></p>	Carbon Market Watch	No (in the draft submitted to EB 79)	The Board may wish to consider the issue raised.
42	<p><b>PCP, para 85:</b> It is possible that additional information appears after the request for registration on issues not covered in the scope of the request for review. The PCP should therefore take into account that the scope of review be extended after the review has commenced</p> <p><i>85. The secretariat shall conduct an assessment of the request for registration in the context of the reasons for the request for review provided in the "CDM project</i></p>	Carbon Market Watch	No (in the draft submitted to EB 79)	<p>The current provisions in the PCP are based on the "Procedures for review of requests of registration" adopted at EB 55 and endorsed by the CMP (decision 3/CMP.6, para 54).</p> <p>The Board may wish to consider the issue raised.</p>

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	<i>activity/programme of activities registration request review form" (F-CDM-RR) and the CDM requirements, taking into account the responses from the project participants or the coordinating/managing entity, and the DOE and an extension of the review by a member of the CDM Executive Board.</i>			
43	<p><b>PCP, para 86:</b> It is possible that additional information appears after the request for registration on issues not covered in the scope of the request for review. The PCP should therefore take into account that the scope of review be extended after the review has commenced.</p> <p><i>86. Concurrently and independently from the secretariat's assessment referred to in paragraph 85 above, the RIT Team established in accordance with paragraph 79(c) above shall conduct an assessment of the request for registration in accordance with the terms of reference of the RIT, and in the context of the reasons for the request for review provided in the "CDM project activity/programme of activities registration request review form" (F-CDM-RR) and the CDM requirements, taking into account the responses of the project participants or the coordinating/managing entity, and the DOE and an extension of the review by a member of the CDM Executive Board.</i></p>	Carbon Market Watch	No (in the draft submitted to EB 79)	<p>The current provisions in the PCP are based on the "Procedures for review of requests of registration adopted at EB 55 and endorsed by the CMP (decision 3/CMP.6, para 54).</p> <p>The Board may wish to consider the issue raised.</p>
44	<p><b>PCP, para 89:</b> Once a decision has been taken to either register or reject a request for registration, it is not possible to follow the rationale of the decision. While case specific matters are being discussed in private, the final rulings should be made public</p>	Carbon Market Watch	No (in the draft submitted to EB 79)	<p>The current provisions in the PCP are based on the "Procedures for review of requests of registration" adopted at EB 55 and endorsed by the CMP (decision 3/CMP.6, para 54).</p> <p>The Board may wish to consider the issue raised.</p>

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	89. <i>If a proposed decision is to reject the request for registration, then the assessment report shall include a proposed ruling. The proposed ruling shall be published at the UNFCCC CDM Website and shall contain an explanation of the reasons and rationale for the proposed decision, including, but not limited to:</i>			
45	<p><b>PCP, para 92:</b> Once a decision has been taken to either register or reject a request for registration, it is not possible to follow the rationale of the decision. While case specific matters are being discussed in private, the final rulings and the assessment reports should be made public.</p> <p>92. <i>The secretariat shall inform the Board of the availability of each assessment report, and make each assessment report available to the Board, together with any responses from the project participants or the coordinating/managing entity, and the DOE and any revision to the PDD and/or validation report and other relevant documentation. The assessment reports by the Secretariat and the RIT Team shall be made public at the UNFCCC CDM website.</i></p>	Carbon Market Watch	No (in the draft submitted to EB 79)	<p>The current provisions in the PCP are based on the “Procedures for review of requests of registration” adopted at EB 55 and endorsed by the CMP (decision 3/CMP.6, para 54).</p> <p>The Board may wish to consider the issue raised.</p>
46	<p><b>PCP, para 101:</b> Once a decision has been taken to either register or reject a request for registration, it is not possible to follow the rationale of the decision. While case specific matters are being discussed in private, the final rulings and the assessment reports should be made public.</p> <p>101. <i>Once approved by the Chair of the Board, the secretariat shall immediately make the proposed ruling available to the Board. The proposed ruling shall become the final ruling of the</i></p>	Carbon Market Watch	No (in the draft submitted to EB 79)	<p>The current provisions in the PCP are based on the “Procedures for review of requests of registration” adopted at EB 55 and endorsed by the CMP (decision 3/CMP.6, para 54).</p> <p>The Board may wish to consider the issue raised.</p>

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	<i>Board 10 days after the date when the proposed ruling was made available to the Board, unless a member of the Board objects to the proposed ruling. The final ruling shall be made public at the UNFCCC CDM website.</i>			
47	<p><b>PCP, para 182(b):</b> Once a decision has been taken to either register or reject a request for registration, it is not possible to follow the rationale of the decision. While case specific matters are being discussed in private, the final rulings and the assessment reports should be made public.</p> <p><i>182(b) The DOE has issued a negative verification opinion, including the publication of the opinion;</i></p>	Carbon Market Watch	No (in the draft submitted to EB 79)	The Board may wish to consider the issue raised.
48	<p><b>PCP, para 57:</b> The Para 57 lacks procedural requirement to assure commitment and verifiable action from the relevant unit of the Secretariat with respect to assurance over “Handling confidentiality of submissions” and “Avoidance of Tampered Process” regarding treatment of any application for registration or issuance</p> <p>It also lacks clause covering what would be the next course in consequence of or as a result of not fulfilling the same</p> <p><i>“The Secretariat shall handle each submission and application from PPs very confidentially throughout the complete stages of each relevant process of vetting, except for the sake of the requirement of posting on the public CDM website. This confidentiality shall include the due institution of adequate safeguard to protect leak of any information or document regarding any project neither to any individual employee or</i></p>	Ethan Bio-Fuels PLC	No (in the draft submitted to EB 79)	<p>Confidentiality obligations of the secretariat staff are governed by the UN staff rules and disciplinary proceedings can be initiated if breach of those provisions is found.</p> <p>The Board may wish to consider the issue raised.</p>

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	<i>non employee of the secretariat that is not involved through the relevant procedural coverage of the PCP “ if PPs find any evidence that any element or peculiarity of their application has been leaked to any person that is not covered by the procedural standard; they shall be deemed to have adequate and automatic ground to call Objection on ruling over any ruling of the EB later through Direct communication to EB; raising it as a sufficient evidence for “Tampered Process” confirming to a “biased ruling” or “influenced process” thereof”</i>			
49	<p><b>PCP, para 72:</b> The Para states “If a member of the Board wishes to request a review, he/she shall communicate the request to the Board through the secretariat, using the “CDM project activity/ programme of activities registration request review form” (F-CDMRR) and in accordance with appendix 2.”</p> <p>This phrase doesn’t allow stakeholders to know if the review was actually genuinely originated from the relevant EB member based on self-identified concern or it otherwise it would not guarantee abuse of the spirit or Independence of EB.</p> <p>Proposed amendment of the Para.</p> <p><i>“As per this Para; although the EB members express request for review through the secretariat; the spirit is only for the sake of facilitation (considering that EB members are not employees of the Secretariat) and hence request should originate from the honest intentional and independent self-identified concern of the specific member. The EB member</i></p>	Ethan Bio-Fuels PLC	No (in the draft submitted to EB 79)	<p>Conflict of interest of individual Board members is regulated by the “Rules of procedure for the Executive Board of the clean development mechanism” (decision 4/CMP.1, Annex I).</p> <p>The current provisions in the PCP are based on the “Procedure for requests for registration of proposed CDM project activities” adopted at EB 54 and endorsed by the CMP (decision 3/CMP.6, para 54).</p> <p>The Board may wish to consider the issue raised.</p>

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	<p><i>with self-identified concern shall send the filled F-CDM-RR to the Secretariat; DOE, PPs and the DNA of the relevant PPs at once through email."</i></p> <p><i>"No member of the secretariat or EB shall lobby or try to influence any member of EB including Chairs; to impose request for review of any CDM Project activity requesting registration. Any EB member including Chairs that has received any informal or formal lobby from any employee of the secretariat shall disclose the same to the Chair of EB and then stated on the report of the EB under each relevant case for the public/stakeholders to know about."</i></p>			
50	<p><b>PCP, para 72:</b> If a Party involved wishes to request a review, the relevant DNA shall send the request by email to the Board, through the secretariat, using the "CDM project activity/ programme of activities registration request review form" (F-CDM-RR)</p> <p>We want to amend this Para Replace "<i>Party involved</i>" with "<i>Party involved in the CDM project requesting registration</i>" Amend the Para with the following</p> <p><i>" As per this Para; although the Parties involved in the CDM project requesting registration; express request for review through the secretariat; the sprit is only for the sake of facilitation and hence request should originate from the honest intentional and self- identified concern of the specific Party. The DNA of the party with self-identified concern shall send</i></p>	Ethan Bio-Fuels PLC	No (in the draft submitted to EB 79)	<p>Party involved refers to a Party involved in the project activity, which can be the host Party of any other Party.</p> <p>The current provisions in the PCP are based on the "Procedure for requests for registration of proposed CDM project activities" adopted at EB 54 and endorsed by the CMP (decision 3/CMP.6, para 54).</p> <p>The Board may wish to consider the issue raised.</p>



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	<p><i>the filled F-CDM-RR to the Secretariat; DOE and the relevant PPs."</i></p> <p><i>"No member of the secretariat or EB shall lobby or try to influence vale!any Party or DNA officer to impose request for review of any CDM Project requesting registration. Any DNA that has received any informal or formal lobby from any employee of the secretariat may disclose the same to the Chair of EB through relevant channel and then stated on the report of the EB under the relevant case for the public to know."</i></p> <p>Revision of "Modalities and procedures for direct communication with stakeholders (version 01)", required</p>			
51	<p><b>PCP, para 73:</b> The Para reads "The secretariat shall acknowledge receipt of a request for review and promptly make it available to the Board".</p> <p>This is a only partially transparent phrase and can be wrongly exploited. It should not also keep affected PPs in the dark thereby leaving them to risk of exploitation.</p> <p>We seek amendment of this Para'</p> <p><i>"The Secretariat shall make every filled forms of request for review ,from each member of EB or/and Party; available on the UNFCCC-CDM website the same day as it has received each and before it sends the consolidated requests to the EB"</i></p>	Ethan Bio-Fuels PLC	No (in the draft submitted to EB 79)	<p>The current provisions in the PCP are based on the "Procedure for requests for registration of proposed CDM project activities" adopted at EB 54 and endorsed by the CMP (decision 3/CMP.6, para 54).</p> <p>The Board may wish to consider the issue raised.</p>
52	<b>PCP, para 74:</b>	Ethan Bio-	No (in the draft	The current provisions in the PCP are based on

#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
	Amendment; “ Any request for review shall not be recognized by the Board if it has not been sent to affected entities at the time each request was made earlier or posted on the UNFCCC site by 5 p.m. GMT of the last day of the 28-day period following the publication of the request for registration.	Fuels PLC	submitted to EB 79)	the “Procedure for requests for registration of proposed CDM project activities” adopted at EB 54 and endorsed by the CMP (decision 3/CMP.6, para 54).  The Board may wish to consider the issue raised.
53	<p><b>PCP, para 75:</b> Para reads; “A request for review shall provide, inter alia, the reasons for the request for review based on the “Clean development mechanism project standard”, “Clean development mechanism validation and verification standard” or any other applicable CDM requirements.”</p> <p>This Para would not fulfil requirement of specificity (Para 7b of “ANNEX III Procedures for review as referred to in paragraph 41 of the modalities and Procedures for a clean development mechanism”) ; conformity to and accountability to those same ones stated earlier when referring later on ruling notes.</p> <p>Add: “However; the points leading to request for review shall be the specific points that the relevant person (EB member or Party) has self-identified concerns/issues about and why he believes the PP’s specific approach is wrong. No vague points should serve as a basis to trigger call for review”</p> <p>Add: “The review issues and later assessment should be clearly stated under separate headings i.e “Additionality”, “Baseline Scenario”, “Baseline”, “Leakage” etc”</p>	Ethan Bio-Fuels PLC	No (in the draft submitted to EB 79)	<p>Decision 2.CMP.5, para 38, revoked ANNEX III “Procedures for review as referred to in paragraph 41 of the modalities and Procedures for a clean development mechanism”.</p> <p>The current provisions in the PCP are based on the “Procedure for requests for registration of proposed CDM project activities” adopted at EB 54 and endorsed by the CMP (decision 3/CMP.6, para 54).</p> <p>The Board may wish to consider the issue raised.</p>
54	<b>PCP, para 79(a):</b> Para reads; “Notify the project participants or the coordinating/managing entity, and the DOE, that	Ethan Bio-Fuels PLC	No (in the draft submitted to EB 79)	Decision 2.CMP.5, para 38, revoked ANNEX III “Procedures for review as referred to in paragraph

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	<p>validated the proposed CDM project activity or PoA, that a Party involved in a proposed CDM project activity or PoA, or at least three members of the Board have requested a review of the request for registration;"</p> <p>This is incomplete notification procedure and would not guarantee affected parties with what exactly was the concern of the relevant person at the exact moment in time leading to a review process and whether the final ruling note would not reveal "rationale" that deviate from these points.</p> <p>Amendment;</p> <p>Refer comment above to be repeated.</p>			<p>41 of the modalities and Procedures for a clean development mechanism".</p> <p>The current provisions in the PCP are based on the "Procedure for review of requests for registration" adopted at EB 55 and endorsed by the CMP (decision 3/CMP.6, para 54).</p> <p>The Board may wish to consider the issue raised.</p>
55	<p><b>PCP, para 79:</b> <i>"If a Party involved in a proposed CDM project activity or PoA, or at least three members of the Board request a review of the request for registration, the secretariat shall.....(c) Establish a team comprising two experts selected from the Registration and Issuance Team (RIT Team) to conduct an assessment of the request for review."</i></p> <ul style="list-style-type: none"> <li>This procedure didn't implement "representation" through regional balance of the three EB members requesting review.</li> <li>This procedure is not supported by the Para 10 of the "ANNEX III Procedures for review as referred to in paragraph 41 of the modalities and Procedures for a clean development mechanism" which is approved by CMP and is legally governing over all other lower level decisions.</li> </ul>	Ethan Bio-Fuels PLC	No (in the draft submitted to EB 79)	<p>Decision 2.CMP.5, para 38, revoked ANNEX III "Procedures for review as referred to in paragraph 41 of the modalities and Procedures for a clean development mechanism".</p> <p>The current provisions in the PCP are based on the "Procedure for review of requests for registration" adopted at EB 55 and endorsed by the CMP (decision 3/CMP.6 para 54).</p> <p>The Board may wish to consider the issue raised.</p>

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	<p>This shouldn't have been done in first place and this Para should still be respected and reinstated;</p> <ul style="list-style-type: none"> <li>It should be preceded by the manner and diversity of how the relevant team of the secretariat assigns experts (from itself and RIT) who conduct the review. As the Secretariat employs human beings (not God) and to avoid risk of exposure to unfavourable human nature; new paragraph requiring assurance of organizational diversity of identity for conformity with avoidance of:               <ol style="list-style-type: none"> <li>potential field of conflict of interest or</li> <li>biased decision towards a case/project or</li> <li>c. preferential treatment of a case/project or a combination thereof</li> </ol> </li> </ul> <p>Para 79. Para 79 (c) Amend the Para by inserting; “.....or at least three members of the Board <b>from/of three different regional representation</b> request a review of the request for registration....”</p> <p>Insert back Para 10 of the referenced CMP decision; “<b>The Executive Board shall consider, at its next meeting, a request for review, and either decide to undertake a review of the proposed project activity or register it as a CDM project activity.</b>”</p> <p>Add; “ <b>if the board decides to undertake review; it shall; subject to provisions of Para 11 of the “ANNEX III Procedures for review as referred to in paragraph 41 of the modalities and Procedures for a clean development mechanism”; assign two EB members or direct the Secretariat to assign two expert</b></p>			

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	<p><i>members of RIT and two experts of the Secretariat</i> then.....Para 79 of PCP.</p> <p>Then Add the following qualifier to Para 79 C and Para: “<i>No two RIT members or no one RIT member shall be selected with the same 1ethnic/racial profile or/and national/regional identity with any one member in the relevant unit of the secretariat involved in any stage of vetting of the project requesting registration including heads of the relevant unit.</i>”</p> <p><i>“The Secretariat shall assign two experts of the relevant unit taking into account the requirement of regional balance and conflict of interest such that no any such two members of the registration/ issuance unit of the secretariat involved in internal review or any stage of internal vetting shall have the same ethnic/racial profile, national or regional identity.” Moreover; none of such members shall have the same ethnic profile or national identity as the head of the relevant unit. This diversity rule on execution of any process shall be binding even in cases where Secretariat engages temporary external experts. In short no single project application/case shall be handled/vetted by any two individuals of the same racial/ethnic profile or national identity (be it in parallel or in line) during the whole range of the process of secretariat’s role of vetting until the final ruling is issued by the Board. ”</i></p> <p>This item should be repeated in Issuance section too.</p>			
56	<b>PCP, para 80:</b> This Para has effectively short circuited the EB’s CMP approved responsibility and role under Para 12 and	Ethan Bio-Fuels PLC	No (in the draft submitted to EB 79)	The current provisions in PCP are based on the “Procedure for review of requests for registration”

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	<p>Para 16 to closely supervise the review process and effectively disconnected it until it is too late; giving room for sole indulgence by Secretariat</p> <p>Amend the Para by reflecting the EB's CMP approved responsible role as supervisor of the review process; effective communication with PPs AND DOE; as well as its involvement through the two EB members or expert RIT members representing it in the process:</p>			<p>adopted at EB 55 and endorsed by the CMP (decision 3/CMP.6, para 54).</p> <p>The Board may wish to consider the issue raised.</p>
57	<p><b>PCP para 83:</b> <i>"The secretariat shall schedule the commencement of the review of the request for registration in accordance with its operational plans and any relevant instructions by the Board."</i></p> <p>Stakeholders require publicly available assurance on the basic principle of an unwavering right of entitlement to "first come first serve" unless was an interrupted process.</p> <p>Amendment</p> <p><i>"However; no other project activity shall be scheduled earlier than another project activity for whose the request for registration from DOE was submitted to the secretariat before it"</i></p>	Ethan Bio-Fuels PLC	No	The current scheduling generally works on a first-come first-serve basis. However, factors such as the availability of the relevant experts may impact the order in which the requests for registration are assessed. Stopping the allocation of cases to experts until all previous cases have been allocated, would unnecessarily create delays.
58	<p><b>PCP, para 85:</b> Reads <i>"The secretariat shall conduct an assessment of the request for registration in the context of the reasons for the request for review provided in the "CDM project activity/programme of activities registration request review form" (F-CDM-RR) and the CDM requirements, taking</i></p>	Ethan Bio-Fuels PLC	No	The reasons for the request for review are expressed in the "CDM project activity/programme of activities registration request review form" (F-CDM-RR), which is the basis for the assessment.

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	<p><i>into account the responses from the project participants or the coordinating/managing entity, and the DOE.”</i></p> <p>Amendment we seek  <i>“in the context of each of the specific reasons for the request for review”</i></p>			
59	<p><b>PCP, para 88:</b> Para reads; <i>“Both the secretariat and the RIT Team shall, in each of their assessments, include a proposed decision taking into account appendix 2. Each proposed decision shall suggest either to:</i></p> <p class="margin-left: 40px;"><i>(a) Register the proposed project activity or PoA; or</i></p> <p class="margin-left: 40px;"><i>(b) Reject the request for registration....”</i></p> <ul style="list-style-type: none"> <li>The Para is a truncated version of the relevant CMP Decision (Para 18 of the “ANNEX III Procedures for review as referred to in paragraph 41 of the modalities and Procedures for a clean development mechanism” and illegally removed one more decision path approved by the CMP.</li> <li>The Para lacks the details of communication/reporting regarding requirement of subscribing to specific elements of review; the concern of each reviewer as well as what SPECIFIC element PP did or didn't address that each feels should have been addressed; which ones are used as a basis for arriving at either of the above proposal options. No list of redundant, repetitive or unspecified list of “Devil's accusation” should be stated in the report for the sake of avoiding room for intentional bias on the EB or give impression of “project with many issues” to EB or</li> </ul>	Ethan Bio-Fuels PLC	No (in the draft submitted to EB 79)	<p>Decision 2.CMP.5, para 38, revoked ANNEX III “Procedures for review as referred to in paragraph 41 of the modalities and Procedures for a clean development mechanism”.</p> <p>The current provisions in the PCP are based on the “Procedure for review of requests for registration” adopted at EB 55 and endorsed by the CMP (decision 3/CMP.6 para 54).</p> <p>CDM requirements are applicable also for project activities located in LDCs.</p> <p>The Board may wish to consider the issue raised.</p>

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	<p>stakeholders.</p> <p>Add Amendment;</p> <p>Reinstate the previously illegally removed decision option  <i>"(b) To request the DOE and project participants to make corrections based on the findings from the review before proceeding with registration;"</i></p> <p>Add;  <i>"As part of the report ushering any choice of proposed decision among the three options; Both the secretariat and the RIT Team shall list each specific point reviewed; what each understands and should have been done and hat the PPs did or didn't comply with no redundant, repetitive or unspecified list of flags allowed"</i></p> <p><i>"Proposal of rejection is not permitted in case of LDC's unless the issue was concern of Additionality considering the EB's option under Para 18 of the ANNEX III Procedures for review as referred to in paragraph 41 of the modalities and Procedures for a clean development mechanism" to request for revision of the PDD before registration"</i></p>			
60	<p><b>PCP, para 89:</b> Para reads; <i>"If a proposed decision is to reject the request for registration, then the assessment report shall include a proposed ruling. The proposed ruling shall contain an explanation of the reasons and rationale for the proposed decision, including, but not limited to:</i></p> <p><i>(a) The facts and any interpretation of the facts that</i></p>	Ethan Bio-Fuels PLC	No (in the draft submitted to EB 79)	<p>The current provisions in the PCP are based on the "Procedure for review of requests for registration" adopted at EB 55 and endorsed by the CMP (decision 3/CMP.6, para 54).</p> <p>This procedure does not limit the issues that the</p>



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	<p><i>formed the basis of the proposed decision;</i>  <i>(b) The CDM requirements applied to the facts;</i>  <i>(c) The interpretation of the CDM requirements as applied to the facts."</i></p> <ul style="list-style-type: none"> <li>• It doesn't emphasize the requirement of sticking only to the specific points leading to review.</li> <li>• For the sake of transparency and awareness of affected parties; provision must be included to send the proposal to the affected parties the same time as the EB receives</li> </ul> <p>Amendment</p> <ul style="list-style-type: none"> <li>• Add amendment <i>"None of the above shall diverge from the specific points that triggered the review process or zoom out to a general concern. Moreover none of them shall repeat review points unless the specific substance or concern is different"</i>.</li> <li>• Add: <i>"After conducting its review; if the proposal of the relevant unit of the secretariats is to "reject" the project requesting registration; it should send a report with outline of the specific points that it has concerns about and why it believes the PP's approach is wrong. No vague points should serve as a basis of proposal to EB or communication to PPs."</i></li> <li>• Amendment; <i>"The Secretariat shall send the proposal of both the RIT and its own as well as the Oath to the PPs, DOE and respective DNA the same time as it sends it to EB members so that they would be aware of the conditions and level of information under which the EB</i></li> </ul>			<p>Board can discuss when considering a case. The assessment of the secretariat and the RIT are supplementary information for the Board and the Board is not bound by them.</p> <p>The Board may wish to consider the issue raised.</p>

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	<i>makes decision affecting PPs"</i>			
61	<p><b>PCP, para 90:</b> <i>"In addition, both the secretariat and the RIT Team shall, in their assessment reports, highlight any issues of significant importance related to the policies and goals of the CDM arising from the assessment."</i></p> <p>For the sake of avoiding/checking double standard; it requires inclusion of reports regarding conformity with consistency requirements over secretariat's decision on other similar registered projects with respect to specific points used in the review.</p> <p>A venue for affected PPs to hint the EB with existence of Double standard or biased process before the EB makes its initial decision.</p> <p>Add Amendment; <i>"Together with the report, the Secretariat shall send a letter of oath signed by the specific officer (s) in charge of approval of the Secretariats outcome/ recommendation; assuring that the proposal is genuine, free of conflict of interest and that there is no other CDM project registered or exists in the secretariats pipeline without the same exact points of concerns being raised or addressed in same way as the unit demanded from the PP requesting registration. The board shall approve a form of oath for this purpose taking into account input from the public. The oath should also state that the unit and the head of the unit would take the full responsibility if Double Standard is discovered later."</i></p>	Ethan Bio-Fuels PLC	No (in the draft submitted to EB 79)	<p>Confidentiality obligations of the secretariat staff are governed by the UN staff rules and disciplinary proceedings can be initiated if breach of those provisions is found.</p> <p>The Board may wish to consider the issue raised.</p>

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	<p>Similarly; in the report of the selected members of the RIT; assigned members should report their proposal together with any project they have identified that has previously been registered with the same concerns not raised against or any in the secretariat pipeline, to the extent publicly available, for which the secretariat is not actively raising the same flag about.</p> <p><i>"If affected PPs finds existence of precedence and hence existence of Double Standard by virtue of any one other project being granted registration earlier with the same points of review concern having not been raised or registered project not having to require confirming PDD with it; then it shall send the matter to the EB through a direct communication with a copy to the DNA. The secretariat shall present the same to the EB as part of the review report together with the above procedural outcome of the two Parallel assessments. The secretariat shall not respond to such communications without the case being presented to the EB meeting."</i></p> <p>Amendment of "Modalities and procedures for direct communication with stakeholders (version 01)", required to accommodate this</p>			
62	<p><b>PCP, para 90:</b> <i>"The secretariat, in consultation with the Chair of the Board, shall bring these issues to the attention of the Board by preparing background notes and policy options and presenting them to the Board at its meetings."</i></p>	Ethan Bio-Fuels PLC	No (in the draft submitted to EB 79)	Para 90 deals with issues of significant importance related to the policies and goals of the CDM arising from the assessment that RIT or secretariat may wish to highlight. The Board can discuss any issue related to the registration of a

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	<p>Assurance for all the issues including those affecting issue of double standard to be part of the agenda of the meeting</p> <p>Amendment: <i>"The Board may not need to consult the secretariat when it finds an issue that was not included or mentioned among the list of issues as per the above provision. Moreover; issues related to double standard or preferential treatment should necessarily be raised on the relevant meeting whether presented by the relevant unit of secretariat or not as far as found from the report or stakeholder direct communication to EB as per the relevant Para 90".</i> (amendment of Para 90 is requested in number 57 above)</p> <p>Amendment of "Modalities and procedures for direct communication with stakeholders (version 01)", required to accommodate this</p>			<p>project activity. Also, members of the Board can bring issues to the agenda or the meetings.</p> <p>The Board may wish to consider the issue raised.</p>
63	<p><b>PCP, para 93</b> <i>"If the respective assessment reports of the secretariat and the RIT Team contain the same proposed decision (i.e. both are to register the proposed CDM project activity or PoA, or both are to reject the request for registration),..."</i></p> <p>The Para is a truncated version of the relevant CMP Decision (Para 18 of the "ANNEX III Procedures for review as referred to in paragraph 41 of the modalities and Procedures for a clean development mechanism" and illegally removed one more decision path approved by the CMP.</p> <p>Add <i>"or to request the DOE and project participants to make</i></p>	Ethan Bio-Fuels PLC	No (in the draft submitted to EB 79)	<p>The current provisions in PCP are based on the "Procedure for review of requests for registration" adopted at EB 55 and endorsed by the CMP (decision 3/CMP.6, para 54).</p> <p>The Board may wish to consider the issue raised.</p>

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	<i>corrections based on the findings from the review before proceeding with registration;</i>			
64	<p><b>PCP, para 97:</b> Reads: “At the Board meeting for which the case is placed on the agenda, the Board shall, in accordance with appendix 2, decide to either:.....”</p> <ul style="list-style-type: none"> <li>The Para is a truncated version of the relevant CMP Decision (Para 18 of the “ANNEX III Procedures for review as referred to in paragraph 41 of the modalities and Procedures for a clean development mechanism” and illegally removed one more decision path approved by the CMP</li> <li>Requires clause of assurance for decision independence and avoidance of any form of informal influence from a person or the Secretariat on the Board or its members. The Board already has the RIT as expert advice and if only needs very specific advice it should be covered with a formal procedure including accompanied by oath.</li> </ul> <p>Reinstate the option;  <i>“To request the DOE and project participants to make corrections based on the findings from the review before proceeding with registration;”</i> for the Board.</p> <p>Amendment;  <i>“The Board shall not advise any individual employee of any unit of the secretariat during the meeting. No individual member of the secretariat of any unit shall be allowed to utter any words about any project requesting registration and the Board shall have independence and unbiased venue for</i></p>		No (in the draft submitted to EB 79)	<p>Decision 2.CMP.5, para 38, revoked ANNEX III “Procedures for review as referred to in paragraph 41 of the modalities and Procedures for a clean development mechanism”.</p> <p>The current provisions in PCP are based on the “Procedure for review of requests for registration” adopted at EB 55 and endorsed by the CMP (decision 3/CMP.6, para 54).</p> <p>The Board may wish to consider the issue raised.</p>

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	<p>decision making; based only on the parallel reports of the RIT (which is the officially known source of technical support to Board) and that of the written report of the relevant unit of the Secretariat. If the Board has any issue that requires explanation; both the relevant members of the RIT and the Secretariat shall have the chance to explain; including through physical presence. None of these two bodies shall be considered as the closest advisor to the Board. If the Board requires additional expert advice on specific issue of methodological significance related to the case and in the event the RIT member didn't sufficiently clarify; it shall only request in written clarification or recorded explanation from the head of the relevant unit of the secretariat related to methodologies accompanied with signed Oath of "Double Standard, Conflict of interest and rule of diversity". However; such explanation shall not still be sufficient to invalidate PPs concerns later of double standard nature, if any; as per Para XX (amendment proposed). "</p>			
65	<p><b>PCP, para 100:</b> Para reads; "The proposed ruling shall contain an explanation of the reasons and rationale for the final decision, including, but not limited to:</p> <ul style="list-style-type: none"> <li>(a) The facts and any interpretation of the facts that formed the basis of the proposed decision;</li> <li>(b) The CDM requirements applied to the facts;</li> <li>(c) The interpretation of the CDM requirements as applied to the facts."</li> </ul> <p>Our concern;</p> <ul style="list-style-type: none"> <li>• It doesn't emphasize the requirement of sticking only to</li> </ul>	Ethan Bio-Fuels PLC	No (in the draft submitted to EB 79)	<p>The current provisions in the PCP are based on the "Procedure for review of requests for registration" adopted at EB 55 and endorsed by the CMP (decision 3/CMP.6, para 54).</p> <p>The Board may wish to consider the issue raised.</p>

#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
	<p>the points leading to review,</p> <ul style="list-style-type: none"> <li>It doesn't give requirement of clear and specific statement for PPs either to learn what was wrong or for the EB or whoever proposed it to take the responsibility</li> <li>It doesn't give assurance of non-existence of Doubles standard and preferential treatment</li> <li>For the sake of transparency and awareness of affected parties; provision must be included to send the proposal to the affected parties the same time as the EB receives. The current setting has "initial ruling" and then "final ruling" which are neither properly covered in the PCP document nor make sense if they are not used as opportunity to correct mistakes, if any (<b>See proposed amendment on next row</b>)</li> </ul> <p>Amendment</p> <ul style="list-style-type: none"> <li>Add amendment "<i>None of the above shall diverge from the specific points that triggered the review process or zoom out to a general concern. Moreover none of them shall repeat any review issue unless the specific substance or concern is different</i>".</li> <li>"As part of the ruling of the EB; the ruling note should include EB's decision to register a project for which there exists a precedent for the sake of avoiding Double Standard; by virtue of finding any other CDM project already registered in the same technology or type of project activity as the one under current EB ruling"</li> <li>"if the ruling of the EB is to "reject" the project requesting registration; it should indicate the specific points that it has concerns about and why it believes the PP's approach is</li> </ul>			

#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
	<p>wrong so that it would allow PPs to get accurate reason for the rejection or learn lessons. No vague points should serve as a basis of rejection or communication to PPs.”</p> <ul style="list-style-type: none"> <li>“As part of the ruling of the EB; the ruling note should include EB’s assurance that it has checked non-existence of Double Standard on the project requesting registration or any Preferential treatment offered by virtue of double standard to others already registered in the same technology or type of project activity as the one under current EB ruling”</li> </ul>			
66	<p><b>PCP, new para:</b></p> <ul style="list-style-type: none"> <li>To redress errors between “initial ruling” and “final ruling”. Existing procedure doesn’t also provide channels for appealing as well as stages of hierarchy of appeal. The affected PPs need to be given a chance to object ruling or thank the EB in between the two ruling time slot and after the final ruling too.</li> <li>The procedural document misses some crucial wings for a complete circle of transparency and accountability</li> </ul> <p>Add new Para;  <i>“The EB shall invite affected PPs in its communication letter of initial ruling; to provide information or express their objection, if any, with specific facts they feel have not been addressed; not been presented to EB by reviewers or evidence of any precedent that they prove by virtue of indicating any other registered project with the same issue not being raised against; serving as sufficient proof for existence of Double Standard.”</i></p>	Ethan Bio-Fuels PLC	No (in the draft submitted to EB 79)	<p>The current provisions in the PCP are based on the “Procedure for review of requests for registration” adopted at EB 55 and endorsed by the CMP (decision 3/CMP.6, para 54).</p> <p>The Board may wish to consider the issue raised.</p>



#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
	<p><i>“ if the affected PP has point of objection on the initial ruling of the EB; based on facts it alleges have not been considered or are of Double Standard nature or lacks personnel diversity ; It can send the letter to the EB as a direct communiqué 14 days before the next EB meeting; through a channel prepared for such communication. The Secretariat shall avail such channel appropriately and inform DNAs as well as stakeholders about the same. The EB shall consider the same letter of objection before issuing the final ruling”;</i></p> <p><i>“The EB shall review letter from affected PPs including existence of double standard, internally at the immediately next EB meeting and if proven; propose registration of the CDM project. If the EB couldn't register the project on whose alleged Double Standard surfaced; it shall launch an independent enquiry through forming a small group of five people whose composition would be one each from the DNA of the affected PP; the DOE involved; the DNA of any volunteer Annex I country; a member of the relevant RIT team assigned before or a new RIT member and the secretariat to review and propose recommendation within 60 days of the issuance of the final EB ruling. If the group cannot agree by consensus; vote will be the final decision maker with one-man-one-vote rule”</i></p> <p><i>“Project Participants who have evidence of the existence of this practice of non diversity in process on his application shall raise the issue as sufficient reason for Objection of ruling of the EB through a Direct Communiqué.” And “If the affected PP</i></p>			

#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
	<i>has not agreed with the point of the final ruling; it can send a Direct communiqué to the EB and proceed to finding a channel for presenting the case to the CMP through the relevant DNA". The Secretariat shall inform DNAs about the matter and facilitate venues and agenda in the CMP where such cases can be presented.</i>			
67	<p><b>PCP, new para:</b> The procedural document misses some crucial wings for a complete circle Accountability.</p> <p><i>"When issues of Precedence, Double Standard, Confidentiality and rule of Diversity are identified or communicated to the Board through direct communication; it shall only be dealt with as a single agenda on a specific EB meeting and the outcome stated on the report of the EB meeting and shall not be responded to PPs or DNAs from any other person including representing the EB or its Chair.</i></p> <p><i>"If the presence of precedent is proven existed by virtue of just another registered project with the same issue serving as evidence; the EB will revoke its past ruling and register the project activity. This will be applicable to any affected project even in backdates; in respect of fundamental principles of law of precedence and non-existence of Double Standard at the United Nations"</i></p> <p><i>"In the presence of such circumstance where a project has been rejected any time earlier and later found out to be an error of double standard nature at any time; the EB will immediately register the affected project as soon as</i></p>	Ethan Bio-Fuels PLC	No (in the draft submitted to EB 79)	<p>The current provisions in the PCP are based on the "Procedure for review of requests for registration" adopted at EB 55 and endorsed by the CMP (decision 3/CMP.6, para 54).</p> <p>The Board may wish to consider the issue raised.</p>

#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
	<p><i>communicated by affected PPs or stakeholders.</i></p> <p><i>“However; if any Doubles Standard is implemented after the date of publication of the new version; the affected PPs will in addition be entitled to coverage for damage occurred thereby the market value of the CERs that could have been generated between the effective date of registration previously denied and the new date of registration would be the value of the compensation. The EB may order to recoup this public money paid for damage; from the remuneration of the head of the relevant unit that signed the Oath of “Double Standard, Conflict of interest and rule of diversity”</i></p>			
68	<p><b>PCP, new para:</b> in case the EB decides to request the DOE and project participants to make corrections based on the findings from the review before proceeding with registration;”</p> <p>Insert appropriate and pragmatic procedure how to institute this decision option until the registration. Considering including timelines and whether DOE engagement would still be required in this decision path towards registration</p>	Ethan Bio-Fuels PLC	No (in the draft submitted to EB 79)	<p>The current provisions in the PCP reflect the “Procedure for review of requests for registration” adopted at EB 55 and endorsed by the CMP (decision 3/CMP.6, para 54).</p> <p>The Board may wish to consider the issue raised.</p>
69	<p><b>PCP, para 105<sub>bis</sub>:</b> “After the publication of the ruling, the DOE, the project participants or the coordinating/managing entity may request the secretariat, by e-mail through a dedicated e-mail address, to make a telephone call to them to provide clarifications on the ruling. Only one such request shall be allowed per ruling. In this case, the project participants, the coordinating/managing entity or the DOE shall provide the contact details of the person to be called with preferred time slots. The secretariat shall fix a call appointment within three</p>	Ethan Bio-Fuels PLC	No	<p>The clarification that the secretariat can provide is limited to the content of the ruling, and cannot provide consulting services.</p>

#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
	<p>(3) days of receipt of the request. The secretariat shall record the call.”</p> <p>Add;</p> <p>“In all cases the secretariat shall be pro active to and responsible to exhaustively explain”</p> <p>a. in case of rejection; the specific points of rejection and what the PPs should have done and</p> <p>b. in case of PPs being requested to correct based on findings; what PPs should correct in the PDD/ spreadsheets to subsequently register the project”</p>			
70	<p><b>PCP, para 105<sub>ter</sub>:</b> “If project participants or the coordinating/managing entity want to request the registration of a project activity or PoA that has been rejected by the Board, the validation activity for the project activity or PoA shall recommence, including the publication of the revised PDD or PoA-DD for global stakeholder consultation in accordance with paragraphs 13 and 14 above.”</p> <ul style="list-style-type: none"> <li>• This procedure is insensitive to the current market circumstance</li> <li>• It doesn't recognize the fact that a rejected project would already have undergone all of the steps in the first round and that in many cases it is only few elements that may cause rejection (including unreasonable ones in the eyes of PPs) while the actual project may not change significantly or may not change anyway.</li> <li>• It opens unfavourable route in case the ruling was influenced by a “Tampered Process” with several</li> </ul>	Ethan Bio-Fuels PLC	No (in the draft submitted to EB 79)	<p>The current provisions in the PCP are based on the “Procedure for review of requests for registration” adopted at EB 55 and endorsed by the CMP (decision 3/CMP.6, para 54). No expedite track exists for projects in LDCs.</p> <p>The Board may wish to consider the issue raised.</p>

#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
	<p>different motives intentionality putting applications on a cycle of lengthy rollercoaster • Moreover; it doesn't have specific provisions for projects in Host countries with less than 10 CDM projects registered or are LDC/SIDS</p> <ul style="list-style-type: none"> <li>• It doesn't provide safeguard for PPs of such rejected projects against systematic or non intentional change of regulatory documents (that should in principle only be relevant to new applicants) thereby subjecting old PPs to moving targets ex: changed methodologies; tools, guidelines; start date; commissioning date etc</li> </ul> <p>Proposed amendment with Addition of new paragraph;  <i>"However; If project participants or the coordinating/managing entity want to request the registration of a project activity or PoA that has been rejected by the Board, on any other ground than Additionality as stated on final ruling note; the validation activity for the project activity or PoA shall recommence, starting by validation but without the requirement of site visits by DOE; without changing the previously uncontested start date; without the publication of the revised PDD or PoA-DD for global stakeholder consultation ; and without being mandatorily required to change version of any regulatory document (Versions of Methodology; tools and guidelines used in the rejected PDD) in the new submissions; unless the PP voluntarily prefers so or changed project location or wished to voluntarily change status of plant (Greenfield or existing) from what it applied in the previous PDD"</i></p> <p>Note: The relevant elements in the VVS and Project Standard need also be revised to confirm with this"  <i>"In case of rejected projects wishing resubmission from Host</i></p>			

#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
	<i>countries with Less than 10 CDM projects registered; LDCs and SIDs/ the Secretariat shall prepare a separate “expedite track” and schedule each step of the internal vetting process on a separate track without requiring them queuing or the compliance with “first come first serve”. No such submitted application shall take any more than three months in the secretariat’s hand; from initial submission date of the Validation report to the Secretariat to the date submitted for EB vetting”</i>			
71	<b>PCP, new para:</b> EB report to the CMP  <i>“The EB together with its annual report to the CMP; shall include reports regarding qualities of registration/issuance proposals of the Secretariat that it found contradicts with principles of non existence of Double Standard or indicates Preferential treatment on the same issue or didn’t implement assignment in diversity of personnel in vetting process. It shall also identify those that it has found have been flagged by the RIT but have not in parallel been informed about from the Secretariat before the relevant EB meeting. It shall also state Direct communication letters from PPs that include objections to EB ruling with causes alleged to be of Double Standard nature by virtue of identifying any precedent”</i>	Ethan Bio-Fuels PLC	No	The PCP is a document regulating the CDM project cycle. Issues to be reported to the CMP are to be decided by the Board.
72	<b>PCP, para 189:</b> With a rationale that the Secretariat employs human beings (not God) and to avoid risk of exposure to unfavourable human action (like actions that are leading to climate change); new paragraph to accommodate “Rule of Diversity” thereby requiring assurance of organizational/process split to avoid presence of “the	Ethan Bio-Fuels PLC	No (in the draft submitted to EB 79)	Confidentiality obligations of the secretariat staff are governed by the UN staff rules and disciplinary proceedings can be initiated if breach of those provisions is found.  The Board may wish to consider the issue raised.

#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
	<p>Contractor and the Supervisor in the same room or on the same table" for avoidance of;</p> <ul style="list-style-type: none"> <li>a. potential field of conflict of interest personal/national/regional/involuntary) or</li> <li>b. biased decision towards a case/project or</li> <li>c. preferential treatment of a case/project or</li> <li>d. a combination thereof</li> </ul> <p><i>"The secretariat shall re-organize itself in the next three months from publication of this PCP version into an "issuance unit" separate from the "registration unit" there by assigning employees/experts and managers exclusively for each of these activities. No any member of the secretariat shall be assigned to perform both duties of registration and issuance at any stage of vetting including approval. Moreover; in forming the separate units; the Secretariat shall assure the EB that no employee that has been involved in handling/vetting registration of a specific project shall have also been engaged earlier in issuance of credits from the same project activity and vice versa"</i></p> <p>Para amendment in comment 9 regarding diversity of personnel shall be repeated here for issuance stage as well.</p>			
73	<p><b>PCP, new para:</b> An Independent M &amp; E Auditor needs to be assigned to monitor and advise EB on several matters related to operational integrity of the mechanism</p> <p><i>"An independent M&amp;E Auditor shall be assigned who monitors compliance with the spirit of operational codes; and in relation</i></p>	Ethan Bio-Fuels PLC	No (in the draft submitted to EB 79)	Confidentiality obligations of the secretariat staff are governed by the UN staff rules and disciplinary proceedings can be initiated if breach of those provisions is found. RIT members are bound by "Terms of reference of the CDM rosters of experts", which contains provisions relating to

#	Comment (including proposed change and justification for change)	Submitter/ Source	Inclusion in the proposal (yes/no)	Assessment of comment (rationale of inclusion or not)
	<p><i>to conflict of interest, diversity on a case and personnel symmetry in each of the main units of the Secretariat related to the CDM and reports to the EB quarterly. The EB shall design/approve the specific requirement/guideline of the M &amp; E Auditor including through public inputs"</i></p> <p><i>"The report of the M&amp;E Auditor shall be publicly posted before each subsequent EB meeting that considers it as input for decision making"</i></p>			<p>conflict of interest.</p> <p>The Board may wish to consider the issue raised.</p>

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**Document information**

<i>Version</i>	<i>Date</i>	<i>Description</i>
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## **Appendix 3. Draft Standard. CDM project standard (version 07.0)**

## **CDM-EB79-A14**

# Draft Standard

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## CDM project standard

Version 07.0

DRAFT

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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 (CMP), at its first session, established the basis of the regulatory framework for the clean development mechanism (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);
  - (e) Decision 7/CMP.1.
2. The CMP revised some of the provisions in these decisions through new decisions in subsequent sessions.
3. Pursuant to 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) was: “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 was 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 “CDM 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), PoA design documents (PoA-DDs), component project activity (CPA) design documents (CPA-DDs) and

monitoring reports prepared by project participants and submitted in the CDM project cycle;

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

## 2. Scope and applicability

### 2.1. General

6. This standard provides project participants and coordinating/managing entities with a 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 and coordinating/managing entities to comply with in designing as well as implementing any type of CDM project activities or PoAs and monitoring greenhouse gas (GHG) emission reductions by sources or GHG removals by sinks.

### 2.2. Application

7. Principles in section 5 and requirements in sections 6 and 7 of this standard apply to any type of CDM project activities and PoAs.
8. In addition to requirements in sections 6 and 7, requirements in sections 8, 9, 10 and 11 specifically apply to small-scale project activities, large-scale afforestation and reforestation (A/R) project activities, small-scale A/R project activities and PoAs, respectively.

8<sub>bis</sub>. Version 07.0 of this standard enters into force on XXX.

9. Therefore, requirements in chapters sections 6, 7, 8, 9 and 10 applicable to project participants for CDM project activities apply, where applicable, to coordinating/managing entities for CDM PoAs.

10. Requirements in section 12 apply to any type of CDM project activities and, as applicable, to CDM PoAs. However, as experience with PoAs is evolving, the applicability of certain requirements to PoAs are yet to be defined and will be addressed in the future.

11. The document information section at the end of this Standard lists all documents that are superseded by this Standard, the “Clean development mechanism validation and verification standard” and the “Clean development mechanism project cycle procedure”.

## 3. Normative references

12. The following referenced documents are indispensable for the application of this standard:
- (a) “CDM project cycle procedure” (CDM-EB65-A32-PROC) (hereinafter referred to as the Project cycle procedure);
- (b) “Glossary of CDM terms” (CDM-EB07-A04-GLOS).



## 4. Terms and definitions

13. In addition to the definitions contained in the “Glossary of CDM terms”, the following terms apply in this standard:
- (a) “Shall” is used to indicate requirements to be followed;
  - (b) “Should” is used to indicate that among several possibilities, one course of action is recommended as particularly suitable;
  - (c) “May” is used to indicate what is permitted.

## 5. Principles

### 5.1. General

14. The following principles<sup>1</sup> 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.

### 5.2. Relevance

15. Select the GHG sources, GHG sinks, GHG reservoirs, data and methodologies and all other information appropriate to the needs of the intended user.<sup>2</sup>

### 5.3. Completeness

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

### 5.4. Consistency

17. Enable meaningful comparisons in project-related information.

### 5.5. Accuracy and conservativeness

18. 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.

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<sup>1</sup> 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 ISO 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 the ISO.

<sup>2</sup> Intended users ~~may~~ include project participants, coordinating/managing entities, designated operational entities, the Board, the UNFCCC secretariat, designated national authorities, and local and other stakeholders.

## 5.6. Transparency

19. Disclose sufficient and appropriate project-related information in a truthful manner to allow intended users to make decisions with reasonable confidence. Not disclose proprietary or confidential information marked so by project participants or coordinating/managing entities without the written consent of the provider of the information, except as required by national law. In this context, information used to determine additionality, to describe the baseline methodology and its application, and to support an environmental impact assessment shall not be considered as proprietary or confidential.

## 6. General requirements

### 6.1. Use of and compliance with applicable standards

20. While designing as well as implementing and monitoring a CDM project activity or PoA, the project participants or the coordinating/managing entity shall consider and use, in addition to this standard, all applicable methodologies, tools and documents adopted by the CMP and the Board.<sup>3</sup>
21. The project participants or the coordinating/managing entity shall ensure that the proposed CDM project activity or PoA complies with all requirements in the CDM M&Ps applicable to the project activity or PoA, as presented in paragraph 1 above, all applicable requirements in this standard and all other applicable CDM rules and requirements adopted by the CMP and the Board.

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

22. The project participants or the coordinating/managing entity shall determine the type of CDM project activity or PoA 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.~~
23. The project participants or the coordinating/managing entity shall select a baseline and monitoring methodology that has been approved by the Board and that is applicable to the proposed CDM project activity or PoA (hereinafter referred to as selected methodology).
24. In their consideration of baseline and monitoring methodologies applicable to the proposed CDM project activity or PoA, in accordance with the applicable guidelines and/or procedure, the project participants or the coordinating/managing entity may:

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<sup>3</sup> These documents are available on the UNFCCC CDM website.

**(a)-bis Develop and propose a new methodology;**

(a) Submit a request for revision to an approved methodology through a designated operational entity (DOE) or directly to the UNFCCC secretariat (hereinafter referred to as the secretariat) ~~in accordance with the applicable procedure;~~

~~(b) Develop and propose a new methodology, in accordance with the applicable guidelines and procedure~~ Submit a request for clarification on an approved methodology or methodological tool through a DOE or directly to the secretariat;

(c) Submit a request for deviation from an approved methodology through a DOE before or during validation of the proposed project activity or PoA.<sup>3bis</sup>

~~25. Project participants wishing to seek clarification on the applicability of a baseline and monitoring methodology or methodological tool approved by the Board may submit a request for clarification through a DOE or directly to the secretariat in accordance with the applicable procedure.~~

**6.3. Demonstration of prior consideration of the clean development mechanism**

26. If the start date of a proposed CDM project activity, as determined in paragraph 57 below, is prior to the date of publication of the PDD for the global stakeholder consultation, the project participants shall demonstrate that the CDM benefits were considered necessary in the decision to undertake the project as a proposed CDM project activity.

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

28. 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, the 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) The project participants shall provide evidence of their awareness of the CDM prior to the start date of the proposed project activity, and that the benefits of the CDM were a decisive factor in the decision to proceed with the project;<sup>4</sup>

(b) The project participants shall provide evidence that continuing and real actions were taken to secure CDM status for the proposed project activity in parallel with its implementation;<sup>5</sup>

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<sup>3bis</sup> See the relevant provisions in the "CDM validation and verification standard" (CDM-EB65-A04-STAN) for the examples of deviation of project-specific situations.

<sup>4</sup> 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.

- (c) The project participants shall provide an implementation timeline of the proposed CDM project activity. The timeline should include, where applicable, the date when the investment decision was made, the date when construction works started, the date when commissioning started and the date of start-up (e.g. the date when commercial production started). The project participants shall provide a timeline of events and actions, which have been taken to achieve CDM registration, with description of the evidence used to support these actions.
29. The requirements in paragraphs 26–28 above do not apply to CDM PoAs. However, the coordinating/managing entity may notify to the DNA(s) of the host Party(ies) of the PoA and the secretariat the intention to seek the CDM status for the PoA in accordance with the Project cycle procedure for the purpose of determining the start date of the PoA.

## 7. Design requirements for all project types

### 7.1. Description of project activity or programme of activities

30. The project participants or the coordinating/managing entity shall provide a description of the proposed CDM project activity or PoA in the PDD or PoA-DD respectively, that provides an understanding of the nature of the project activity or PoA and its implementation.
31. When describing the proposed CDM project activity or PoA, the project participants or the coordinating/managing entity shall provide information on, inter alia:
- (a) The title of the project activity or PoA;
  - (a)<sub>bis</sub> Sectoral scope(s) of the project activity or PoA;
  - (b) The purpose and general description of the project activity or PoA, including a summary of the scope of activities/measures that are to be implemented within the project activity how it contributes to sustainable development of the host Party;
  - ~~(c) Explain how the project activity or PoA will reduce GHG emissions or increase GHG removals;~~
  - ~~(d) Identify the location of the project activity, including information allowing the unique identification of the project activity. The physical/geographical location of the project activity, or the physical/geographical boundary of the PoA;~~
  - (e) The technologies and measures to be employed and/or implemented by the project activity or the CPAs in the PoA to enable the identification of the project's scale and type, demonstration of additionality, application of the selected

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<sup>5</sup> Evidence to support this should 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 a newspaper; interviews with DNA; earlier correspondence on the project activity with the DNA or the secretariat. Letters, email exchanges and other documented communications may help to substantiate the evidence.

~~methodology and calculations of GHG emission reductions or net GHG removals, including a description of how environmentally safe and sound technology(ies) applied in the project activity and know-how to be used are transferred to the host Party(ies);~~

(e)<sub>bis</sub> The facilities, systems and equipment in operation under the existing scenario prior to the implementation of the project activity and in the baseline scenario as established in accordance with section 7.2.5 below.

~~(f) Indicate the sectoral scope(s) and type of the project activity or PoA;~~

~~(g) Explain the contribution of the project activity or PoA to sustainable development.~~

~~32. Project participants shall describe the scenario prior to the implementation of the proposed CDM project activity or CPA, including the technology(ies) employed.~~

33. The project participants **or the coordinating/managing entity** shall identify:

(a) The Parties involved in the proposed CDM project activity **or PoA, including the host Party(ies);**

(b) The project participants of the proposed CDM project activity **or PoA;**

**(c) The coordinating/managing entity in the case of a proposed CDM PoA.**

34. The project participants **or the coordinating/managing entity** shall provide information on sources of public funding for the proposed CDM project activity or PoA. In cases where public funding from Parties included in Annex I to the United Nations Framework Convention on Climate Change (hereinafter referred to as the Convention) is involved, the project participants **or the coordinating/managing entity** shall provide an affirmation obtained from the Parties included in Annex I 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 approved baseline and monitoring methodology**

### **7.2.1. General**

35. The project participants **or the coordinating/managing entity** shall use the **valid** version of the selected **approved methodology(ies)**, ~~that is valid at the time of i.e. the latest version,~~ **or the previous version if the submission of the request for registration of the CDM project activity or CPA-PoA for registration, taking into account the grace period of the methodology(ies) if it has been revised to the secretariat in accordance with the Project cycle procedure is still within the grace period of the previous version for use.**

36. The project participants **or the coordinating/managing entity** shall apply the selected methodology(ies) to the proposed CDM project activity or **CPAs in the proposed CDM PoA** including any tools, standards or guidelines required by the methodology(ies).

### **7.2.2. Reference of methodology**

37. The project participants **or the coordinating/managing entity** shall specify the reference (number, title and version) of the selected methodology(ies) applied to the proposed CDM project activity or **CPAs in the proposed CDM PoA**, including any other methodologies or tools to which the selected methodology(ies) refers.

**7.2.3. Applicability of methodology**

38. The project participants **or the coordinating/managing entity** shall demonstrate why the selected methodology(ies) is applicable to the proposed CDM project activity or CPAs **in the proposed CDM PoA** by showing that all applicability conditions of the methodology(ies) are met.

**7.2.4. Project boundary**

39. The project participants **or the coordinating/managing entity** shall define the boundary of the proposed CDM project activity or PoA, including the physical delineation of the project activity **or each CPA**, and which sources and GHGs are included in the project or CPA boundary, in accordance with the selected methodology(ies).
40. In cases where the selected methodology(ies) allows the project participants **or the coordinating/managing entity** to choose whether a source or gas is to be included in the project or CPA boundary, the project participants **or the coordinating/managing entity** shall explain and justify the choice.

**7.2.5. Establishment and description of baseline scenario**

41. The project participants **or the coordinating/managing entity** shall establish ~~the a~~ baseline scenario for the proposed CDM project activity or CPA in accordance with the selected methodology(ies) **or the PoA**.
42. When establishing a baseline scenario, and where future anthropogenic emissions by sources are projected to rise above current levels due to the specific circumstances of the host Party, the project participants **or the coordinating/managing entity** ~~should~~ **may** follow the “Guidelines on the consideration of suppressed demand in CDM methodologies” **to propose revision to an approved methodology to cover such scenario if it is not covered in the methodology.**
43. As a general principle, national and/or sectoral policies and circumstances shall be taken into account in the establishment of ~~the a~~ baseline scenario, without creating perverse incentives that may impact host Parties’ contributions to the ultimate objective of the Convention.
44. When establishing ~~the a~~ baseline scenario, the project participants **or the coordinating/managing entity** 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;<sup>6</sup>
  - (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).<sup>7</sup>

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<sup>6</sup> Such policies, which increase GHG emissions, are called **type E+ policies**.

<sup>7</sup> Such policies, which decrease GHG emissions, are called **type E- policies**.



45. The project participants **or the coordinating/managing entity** shall address the two types of policies described in paragraph 44 above as follows:
- (a) Only national and/or sectoral policies or regulations described in paragraph 44(a) above that have been implemented before the 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 44(b) above that have been implemented since the adoption by the COP of the CDM M&Ps (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).
46. The project participants **or the coordinating/managing entity** shall describe the established baseline scenario for the proposed CDM project activity or CPA, including the technology(ies) that would be employed and/or the activities that would take place in the absence of the project activity or CPA.

#### **7.2.6. Demonstration of additionality**

47. The project participants shall demonstrate, in accordance with the selected methodology(ies) 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.
48. For demonstration of additionality of the proposed CDM project activity **or PoA**, and if it is required by the selected methodology and/or any tool referenced in the methodology, the project participants **or the coordinating/managing entity** shall follow:
- (a) “Guidelines on the assessment of investment analysis”;
  - (b) “Guidelines for objective demonstration and assessment of barriers”.
49. In the demonstration of additionality of the proposed CDM project activity **or PoA**, the project participants **or the coordinating/managing entity** should also consider the following:
- (a) “Guidelines on additionality of first-of-its-kind project activities”;
  - (b) “Guidelines on common practice”.

#### **7.2.7. Emission reductions**

50. The project participants **or the coordinating/managing entity** shall provide ex-ante calculations of baseline, project and leakage GHG emissions as well as GHG emission reductions of the proposed CDM project activity or CPA for each year of the crediting period, in accordance with the selected methodology(ies). The project participants **or the**

- coordinating/managing entity** shall describe all steps undertaken for these calculations and provide all results.
51. If the selected methodology(ies) includes different scenarios or cases or provides different options and/or default values to choose, the project participants **or the coordinating/managing entity** shall justify which ones are applied to and/or chosen for the proposed CDM project activity or CPA.
52. The project participants **or the coordinating/managing entity** shall provide the data and parameters that are not monitored ~~throughout~~ during the crediting period but are determined ~~only once~~ before the registration of the CDM project activity or PoA and remain fixed throughout the crediting period. These data and parameters shall be available at the time of validation.
53. In cases where the selected methodology(ies) allows the use of sampling for the determination of parameter values for calculating GHG emission reductions, the project participants **or the coordinating/managing entity** may use sampling. In such cases, the project participants **or the coordinating/managing entity** shall develop and describe a sampling plan in accordance with the “Standard for sampling and surveys for CDM project activities and programme of activities”.
- 53<sub>bis</sub>.** The project participants and the coordinating/managing entity shall use the global warming potentials (GWPs) adopted by the CMP at its seventh session, in accordance with decision 4/CMP.7, to calculate the emission reductions and removals achieved by CDM project activities and PoAs in the second commitment period of the Kyoto Protocol. This requirement shall apply from 1 January 2013, notwithstanding any GWPs stated to be applicable in the relevant procedures, standards, guidance, approved baseline and monitoring methodologies, methodological tools and other rules being used in relation to that project activity or PoA.
- 53<sub>ter</sub>.** The project participants and the coordinating/managing entity shall apply the GWPs valid for the second commitment period for the purposes of demonstrating additionality and ex-ante calculation of emission reductions or removals, if the PDDs and PoA-DDs to be published for global stakeholder consultation or requests for registration of project activities or PoAs are submitted on or after 1 January 2013. Requests for registration submitted before 1 January 2013 that have applied the GWPs valid for the first commitment period in relation to additionality demonstration are not required to re-assess additionality or re-do ex-ante calculation of emission reductions or removals applying the GWPs valid for the second commitment period.
- 53<sub>quater</sub>.** The PDDs for project activities and the PoA-DDs for PoAs registered before 1 January 2013 are not required to be amended, re-published for global stakeholder consultation, or re-validated using the GWPs as applied by decision 4/CMP.7.
- 53<sub>quinquies</sub>.** All references in baseline and monitoring methodologies and methodological tools to one or more GWPs, including specific references to GWPs valid for the first commitment period, from 1 January 2013, shall be read as references to the relevant GWPs valid for the second commitment period.



## **7.2.8. Monitoring plan**

### **7.2.8.1. General**

54. The project participants **or the coordinating/managing entity** shall develop and describe the monitoring plan for the proposed CDM project activity or CPA in accordance with the selected methodology(ies) and all other applicable CDM rules and requirements.

### **7.2.8.2. Data and parameters monitored**

55. The monitoring plan shall include all data, parameters and related information required by the selected methodology(ies).

### **7.2.8.3. Other elements of monitoring plan**

56. The monitoring plan shall include the following:
- (a) 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;
  - (f) Specifications of the calibration frequency for the measurement equipments. In cases where neither the selected methodology, nor the Board's guidance specify any requirements for the calibration frequency for measurement equipments, the project participants **or the coordinating/managing entity** 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.

## **7.3. Duration and crediting period**

### **7.3.1. Duration**

57. The project participants shall determine the start date of the proposed CDM project activity and provide a description of how the start date has been determined.
58. The project participants shall define the expected operational lifetime of the proposed CDM project activity.

### 7.3.2. Crediting period

59. The project participants shall select the type (fixed or renewable) and duration of the crediting period for the proposed CDM project activity considering that:
- (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;
  - (b) A fixed crediting period shall be at most 10 years.
60. The project participants shall determine the start date<sup>8</sup> of the crediting period of the proposed CDM project activity considering that the crediting period shall only start **on or** after the date of registration of the proposed project activity as a CDM project activity.
61. The project participants shall determine only one start date for the crediting period, even in cases of phased implementation of the proposed CDM project activity.
62. The project participants shall state the start date of the crediting period in the format dd/mm/yyyy, and shall not use any qualifications to the start date, such as “expected”.

### 7.4. Environmental impacts

63. The project participants **or the coordinating/managing entity** shall carry out an analysis of the environmental impacts of the proposed CDM project activity or PoA, including transboundary impacts. The project participants **or the coordinating/managing entity** shall provide a summary of the analysis and references to all related documentation.
64. If the project participants **or the coordinating/managing entity**, or the host Party considers the environmental impacts of the proposed CDM project activity or PoA significant, the project participants **or the coordinating/managing entity** shall carry out an environmental impact assessment in accordance with the host Party's procedures. The project participants **or the coordinating/managing entity** shall provide all conclusions and references to all related documentation.

### 7.5. Local stakeholder consultation

65. The project participants **or the coordinating/managing entity** shall invite local stakeholders to provide comments on the proposed CDM project activity or PoA **at its design stage (i.e. before implementation)**, and shall demonstrate how due steps/actions were taken to appropriately engage stakeholders and solicit comments.
66. The project participants **or the coordinating/managing entity** shall invite comments from local stakeholders in an open and transparent manner, in a way that facilitates comments to be received from local stakeholders and allows for a reasonable time for comments to be submitted. The project participants **or the coordinating/managing entity** shall describe the proposed CDM project activity or PoA in a manner that allows the local

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<sup>8</sup> The start date of the crediting period provided in the CDM-PDD by the project participants is an indicative date and if it is prior to the date of registration of the project activity, it will be updated by the secretariat as the effective date of registration in accordance with the Project cycle procedure. This update will not affect the specified length of the crediting period nor does this affect the rights of the project participants to subsequently request a change of the start date in accordance with the same procedure.

stakeholders to understand the project activity or PoA, taking into account confidentiality provisions of the applicable CDM M&Ps.

67. The project participants **or the coordinating/managing entity** shall prepare a summary of the comments provided by local stakeholders.
68. The project participants **or the coordinating/managing entity** shall demonstrate that they considered all comments received for the proposed CDM project activity or PoA. **The project participants or the coordinating/managing entity shall request the DNA(s) of the host Party(ies) to forward comments from local stakeholders, if any, to them.**
69. The project participants **or the coordinating/managing entity** shall complete the local stakeholder consultation process before submitting **the PDD or PoA-DD** of the proposed CDM project activity or PoA to a DOE for validation.
- 69<sub>bis</sub>. **If, during the validation of the proposed CDM project activity or PoA, complaints submitted to the DNA(s) on the handling of the outcome of the local stakeholder consultation are forwarded to the project participants or the coordinating/managing entity through the DOE in accordance with the Project cycle procedure, the project participants or the coordinating/managing entity shall take due account of such complaints and modify the PDD, PoA-DD or CPA-DD as appropriate before the DOE concludes the validation.**

## 7.6. Approval and authorization

70. The project participants shall obtain a letter of approval<sup>9</sup> from the DNA of each Party involved in the proposed CDM project activity, confirming that:<sup>10</sup>
  - (a) The Party is a Party to the Kyoto Protocol;
  - (b) The participation in the proposed CDM project activity is voluntary;
  - (c) The project participants are authorized to participate in the proposed CDM project activity.
71. In addition to the requirement in paragraph 70 above, **for project participants from the host Party** the letter of approval **from the host Party** shall also confirm that the proposed CDM project activity assists the host Party in achieving sustainable development.
- 71<sub>bis</sub>. **A CDM project activity or a bundle of small-scale CDM project activities shall have only one host Party, which is the Party in which the project activity(ies) is located as set out in the PDD.**

<sup>9</sup> 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.

<sup>10</sup> 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 **including the host Party** shall be obtained.

71<sup>ter.</sup> Where the methodology applied to the proposed CDM project activity provides for the application of a system, such as an electricity grid, and that the system extends across more than one Party, a letter of approval is required only from the host Party.<sup>10bis</sup>

## 7.7. Modalities of communications

72. The project participants **or the coordinating/managing entity** shall define for the proposed CDM project activity or PoA their modalities of communication with the Board and present them in a Modalities of communication statement (MoC statement), with the following content:
- (a) The title of the proposed CDM project activity or PoA (and UNFCCC reference number if available);
  - (b) The 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) The designation of a focal point for each scope of authority, contact details and specimen signatures of the authorized signatories of each focal point entity;
  - (d) A list of all project participants, contact details and specimen signatures of their authorized signatories;
  - (e) The signature of an authorized signatory (electronic if available) of all project participants confirming their agreement with the MoC statement.

## 7.8. Validation

73. The project participants wishing to submit a CDM project activity for validation shall prepare a PDD using the **latest valid** version of the **applicable CDM-PDD form applicable to the project activity**, taking into account the grace period of the form if it has been revised.<sup>11</sup>
74. When completing the PDD, the project participants shall provide all necessary information and documentation to demonstrate the compliance of the proposed CDM project activity with all applicable requirements in this standard and other CDM rules and requirements.
75. When completing the PDD, the project participants should follow the applicable guidelines for completing **PDD, PoA-DD or CPA-DD** forms.
76. The 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)<sup>12</sup> of the project activity. The project participants shall have a contractual arrangement with the DOE for the validation.

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<sup>10bis</sup> This requirement replaces the clarification provided by the Board at its twenty-eighth meeting, as recorded in paragraph 14 of its meeting report.

<sup>11</sup> All various PDD forms and related guidelines are available on the UNFCCC CDM website.

<sup>12</sup> The list of all 15 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.

77. The project participants shall submit the completed PDD of the proposed CDM project activity, together with supporting documentation, to the selected DOE for validation.
78. 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.
79. Before publishing the PDD of the proposed CDM project activity or **CPA-the PoA-DD for the proposed CDM PoA** for global stakeholder consultation, the project participants **or the coordinating/managing entity** may request the DOE to seek guidance from the Board on the acceptability of a deviation from the selected methodology(ies), in accordance with the Project cycle procedure.
- 79<sub>bis</sub>. The project participants or the coordinating/managing entity shall prepare a revised PDD or PoA-DD and submit it to any DOE for publication for a new global stakeholder consultation in accordance with the Project cycle procedure, and request a DOE to restart the validation if:
- (a) The project participants have changed the design of the project activity or PoA as described in the PDD or PoA-DD after its publication for global stakeholder consultation but before the submission of a request for registration of the project activity or PoA, and if the environmental impact assessment conducted in accordance with paragraph 64 above or the national or local environmental permissions obtained for the project activity or PoA are no longer valid due to the change; or
  - (b) The project participants or the coordinating/managing entity have changed the approved baseline and monitoring methodology or the combination thereof applied in the PDD or PoA-DD.

## 8. Specific design requirements for small-scale project activities

### 8.1. General requirements

80. The project participants designing a small-scale CDM project activity following the CDM SSC M&Ps shall only use small-scale methodologies. However, the project participants may use a large-scale methodology for a project activity that is within the small-scale project activity limits if the project activity follows the CDM M&Ps.

### 8.2. Project activity **type and eligibility**

81. The project participants shall indicate, from among the following below, the project type of the proposed small-scale CDM project activity, and shall demonstrate that the project activity qualifies as this type:
- (a) Type I: Renewable energy project activities with a maximum output capacity of 15 MW or an appropriate equivalent. **In this context:**
    - (i) "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;

(ii) Regarding the “appropriate equivalent” of 15 MW, decision 17/CP.7, paragraph 6(c)(i), refers to MW, but the project participants may refer to MW(p)<sup>13</sup>, 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;

(iii) 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;

(iv) For thermal applications of solar energy projects, “maximum output” shall be calculated using a conversion factor of 700 Wth/m<sup>2</sup> of aperture area of glazed flat plate or evacuated tubular collector, i.e. the eligibility limit in terms of aperture area is 64,000 m<sup>2</sup> of the collector.<sup>14</sup> The project participants may also use other conversion factors determined as per the requirements in paragraph 91 below, but shall then justify why the chosen conversion factor is more appropriate to the project activity;

- (b) Type II: Energy efficiency improvement project activities that reduce energy consumption, on the supply and/or demand side, with a maximum output of 60 GWh per year or an appropriate equivalent in any year of the crediting period. In this context, for thermal energy efficiency project activities, the maximum energy saving of 60 GWh(e) per year is equivalent to 180 GWh(th) per year saving; or
- (c) Type III: Other project activities not included in Type I or Type II that result in GHG emission reductions not exceeding 60 kt CO<sub>2</sub>e per year in any year of the crediting period.

~~82. In connection with paragraph 81 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;~~

<sup>13</sup> For solar photovoltaic applications, 15 MW(p) may be defined by manufacturers’ specifications under testing conditions of 1000 W/m<sup>2</sup> and 25 deg C or 600 W/m<sup>2</sup> and 35 deg C.

<sup>14</sup> This conversion is not applicable for solar thermal parabolic and trough type collectors used for high grade solar thermal energy applications.



- (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)<sup>13</sup>, 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;
- (d) For thermal applications of solar energy projects,<sup>14</sup> “maximum output” shall be calculated using a conversion factor of 700 Wth/m<sup>2</sup> of aperture area of glazed flat plate or evacuated tubular collector, i.e. the eligibility limit in terms of aperture area is 64,000 m<sup>2</sup> of the collector. Project participants may also use other conversion factors determined as per the requirements in paragraph 91 below, but shall then justify why the chosen conversion factor is more appropriate to the project activity.
83. 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 81 above. If, during its implementation and monitoring the 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 registered PDD for that year during the crediting period.
84. The project participants shall consider that:
- (a) The three project types of small-scale CDM project activities defined referred to in paragraph 81 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;
- (b) A small-scale CDM project activity may contain more than one component, each belonging to one of the three project types referred to in paragraph 81 above. In this case, the sum of the size of the components of a small-scale CDM project activity belonging to the same project type shall not exceed the limit for small-scale project activities of the project type.

### 8.3. Bundling of project activity

85. If the project participants bring together more than one small-scale CDM project activity as a bundle, the project participants shall follow the “General principles for bundling”.

<sup>13</sup> For solar photovoltaic applications, 15 MW(p) may be defined by manufacturers’ specifications under testing conditions of 1000 W/m<sup>2</sup> and 25 deg C or 600 W/m<sup>2</sup> and 35 deg C.

<sup>14</sup> This conversion is not applicable for solar thermal parabolic and trough type collectors used for high grade solar thermal energy applications.

~~86. Project participants shall also ensure that the sum of the output capacity of the proposed CDM project activities within a sub-bundle does not exceed the maximum output capacity limit for its type.~~

#### **8.4. Debundling for project activity**

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

88. The project participants shall follow the applicable provisions in the “Guidelines on assessment of debundling for SSC project activities”.

#### **8.5. Description of project activity**

~~89. In describing the proposed small-scale CDM project activity, project participants shall indicate the type of project activity, as defined in paragraph 81 above. If the project participants wish to include in the proposed small-scale CDM project activity more than one component by presenting them in the same PDD, the 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.~~

#### **8.6. Application of selected baseline and monitoring methodology**

##### **8.6.1. General**

90. If the proposed small-scale CDM project activity involves more than one component, the project participants shall provide ex-ante calculations of baseline, project and leakage GHG emissions as well as GHG emission reductions for each year of the crediting period and for each component separately.

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

- (a) The appropriate value specified in the selected methodology;
- (b) The national standard for the performance of the equipment type (the project participants shall identify the standard used) if the value specified in subparagraph (a) above 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 (the project participants shall identify the standard used) if the value specified in subparagraphs (a) and (b) above ~~is~~ are not available;
- (d) The manufacturer’s specifications, provided that they are tested and certified by national or international certifiers, if the value specified in subparagraphs (a)–(c) above ~~is~~ are not available;
- (e) Performance data from test results conducted by an independent entity for equipment installed under the project activity if the value specified in subparagraphs (a)–(d) ~~is~~ are not available.



92. In cases where leakage is to be considered in the proposed small-scale CDM project activity, the project participants shall consider leakage only within the boundaries of non-Annex I Parties.
93. In case of replacement of existing equipments, the 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 “Tool to determine the remaining lifetime of equipment”.
94. For household devices/appliances, the project participants may disregard the remaining lifetime.
95. The project participants shall consider that norms, specifications, standards and test procedures cited in the selected methodology refer to the **latest valid** version of the documentation available at the time of submission of the PDD to the DOE for validation.

#### **8.6.2. Demonstration of additionality**

96. For demonstration of additionality of a proposed small-scale CDM project activity, the project participants shall apply or use one of the following:
  - (a) **Guidelines on the demonstration of additionality of small-scale project activities. “Attachment A of Appendix B” to Annex II to decision 4/CMP.1.** In such cases, the project participants should also follow the “Non-binding practice examples to demonstrate additionality for SSC project activities”;
  - (b) Any applicable additionality tool; or
  - (c) “Guideline: 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: Other project activities not included in Type I or Type II that aim to achieve GHG emissions reductions at a scale of no more than 20 kt CO<sub>2</sub>e per year.

#### **8.6.3. Monitoring plan**

97. In developing the monitoring plan for the proposed small-scale CDM project activity, the 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;
  - (d) Measured data with high levels of uncertainty or without adequate calibration shall be compared with local/national data and commercial data to ensure consistency.
98. For parameters to be measured in accordance with the selected methodology, the project participants shall include 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 that will be used; how the measurements will be undertaken; the accuracy of the measurement methods; the measurement intervals and the responsible person/entity who will undertake the measurements;
  - (b) The calibration procedures to be applied and the responsible person/entity who will perform the calibration.

## 8.7. Environmental impacts

99. ~~The following Paragraph 99<sub>bis</sub> below shall apply instead of paragraphs 63–64 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.~~

- 99<sub>bis</sub>. If required by the host Party, the 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.

## 8.8. Validation

100. ~~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 design requirements for afforestation and reforestation project activities

## 9.1. Description of project activity

101. When describing the proposed A/R CDM project activity, the 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;

- (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

- 102. The 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.
- 103. The 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. 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 that is acceptable under the legal system of the host country.
- 104. When submitting the PDD to a DOE for validation, the project participants shall have established the control over afforestation or reforestation for at least two-thirds of the total area of land planned for the proposed A/R CDM project activity.
- 105. When submitting the PDD to a DOE for validation, the 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.
- 106. 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 to a DOE for validation, the 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;
    - (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;
    - (ii) The entire area of land.
- 107. The project participants shall express each of the estimates of baseline net GHG removals by sinks on a per hectare basis. The larger-largest of these estimates shall be used to determine the baseline net GHG removals by sinks for the proposed A/R CDM project activity.
- 108. For all areas of land for which the control over the registered A/R CDM project activity has not yet been established when the PDD is submitted to a DOE for validation, the project participants shall provide evidence of control at the latest by the time of submitting the first monitoring report to a DOE for verification.

109. When submitting the first monitoring report to a DOE for 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

110. The 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 methodological tool "Procedure to demonstrate the eligibility of lands for afforestation and reforestation A/R CDM project activities". For such demonstration, for both large- and small-scale A/R CDM project activities, it is sufficient to follow this procedure tool and it is not essential to differentiate between afforestation and reforestation project activities.

### 9.4. Addressing non-permanence

111. The 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 the selected approach shall remain fixed for the crediting period including any renewals:
- (a) Issuance of tCERs; or
  - (b) Issuance of ICERs.

### 9.5. Application of selected baseline and monitoring methodology

#### 9.5.1. General

112. The 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.
113. If the selected methodology allows the exclusion of certain carbon pools and the project participants do so, they shall justify the exclusion.
114. The project participants shall ensure that the application of default data in the estimation of net anthropogenic GHG removals by sinks for the proposed A/R CDM project activity results in conservative estimates. In this estimation, the project participants should follow the "Guidelines on conservative choice and application of default data in estimation of the net anthropogenic GHG removal by sinks".

~~115. The following applies instead of paragraphs 43–45 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 Convention, in the following manner:~~

~~(a) National and/or sectoral land-use policies or regulations, which give comparative advantages to afforestation/reforestation activities and 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).~~

116. The 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.

~~116<sub>bis</sub>. Paragraphs 116<sub>ter</sub>, 117, 118 and 119 below shall apply instead of paragraphs 43–45, 46, 50 and 53 above respectively.~~

~~116<sub>ter</sub>. In establishing a baseline scenario, the 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 Convention in the following manner: national and/or sectoral land-use policies or regulations, which give comparative advantages to afforestation/reforestation activities and have been implemented since the adoption by the COP of the CDM M&Ps (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).~~

~~117. The following applies instead of paragraph 46 above:~~–The 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.

~~118. The following applies instead of paragraph 50 above:~~–The 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.

~~119. The following applies instead of paragraph 53 above:~~–In cases where the selected methodology allows the use of sampling for the determination of parameter values for calculating net GHG removals, the project participants may use sampling, in accordance with the requirements of the methodology and any applicable tool referenced in the methodology.

## 9.5.2. Demonstration of additionality

~~120. The following applies–Paragraph 120<sub>bis</sub> below shall apply instead of paragraph 47 above: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.~~

120<sup>bis</sup>. The 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.

### 9.5.3. Monitoring

121. The 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.
122. The project participants shall monitor forest establishment and management, if required for the compliance with the applicability conditions of the selected methodology.
123. The project participants shall describe how the geographic coordinates of the project boundary, including boundaries of strata if any, are determined and recorded.
124. The 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.
125. The project participants shall identify measures to minimize potential leakage and describe how these will be implemented.
126. The project participants shall specify the procedures for the periodic review of the implementation of the activities and measures to minimize leakage, if required by the selected methodology.

### 9.6. Duration and crediting period

127. Paragraph 58 above ~~does shall~~ not apply to A/R CDM project activities.

128. ~~The following applies~~ Paragraph 128<sup>bis</sup> below shall apply instead of paragraph 59 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 at most 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;~~
- ~~(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/ICERs as of the starting date.~~

128<sup>bis</sup>. The 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 at most 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;

(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/ICERs as of the starting date.

## **9.7. Environmental impacts**

129. Paragraphs 130–132 below shall apply instead of paragraphs 63–64 above.
130. The 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. The project participants shall provide a summary of the analysis and references to all related documentation.
131. If the project participants or the host Party consider the environmental impacts of the proposed A/R CDM project activity significant, the project participants shall carry out an environmental impact assessment in accordance with the host Party's procedures. The project participants shall provide all conclusions and references to all related documentation.
132. If the environmental impacts of the proposed A/R CDM project activity are considered significant, the project participants shall provide a description of the planned monitoring and remedial measures to address these significant impacts.

## **9.8. Socio-economic impacts**

133. The 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. The project participants shall provide a summary of the analysis and references to all related documentation.
134. If the project participants or the host Party consider any negative impact as significant, the project participants shall carry out a socio-economic impact assessment, in accordance with the host Party's procedures. The project participants shall provide all conclusions and references to all related documentation.
135. If the socio-economic impacts of the proposed A/R CDM project activity are considered significant, the project participants shall provide a description of the planned monitoring and remedial measures to address these significant impacts.

## **10. Specific design requirements for small-scale afforestation and reforestation project activities**

136. The 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 the definition and limit for small-scale A/R CDM project activities defined in decision

9/CMP.3.<sup>14bis</sup> as follows: ““Small-scale afforestation and reforestation project activities under the CDM” are those that are expected to result in net anthropogenic greenhouse gas removals by sinks of less than 16 kilotonnes of CO<sub>2</sub> per year and are developed or implemented by low-income communities and individuals as determined by the host Party. If a small-scale afforestation or reforestation project activity under the CDM results in net anthropogenic greenhouse gas removals by sinks greater than 16 kilotonnes of CO<sub>2</sub> per year, the excess removals will not be eligible for the issuance of tCERs or ICERs”;

- (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;
  - (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.
137. The 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 design requirements for programmes of activities

### 11.1. Description of programme of activities

138. The coordinating/managing entity shall develop a framework for the implementation of the proposed CDM PoA and inclusion of CPAs in the PoA.
139. The coordinating/managing entity shall describe the policy/measure or stated goal that the proposed CDM PoA seeks to promote.
140. The coordinating/managing entity shall confirm that the proposed CDM PoA is a voluntary action by the coordinating/managing entity.
- ~~141. The coordinating/managing entity shall provide the identification of:~~
- ~~(a) Coordinating/managing entity of the proposed CDM PoA;~~
  - ~~(b) Party(ies) involved in the proposed CDM PoA;~~
  - ~~(c) Project participants involved in the proposed CDM PoA.~~
142. The coordinating/managing entity shall define the boundary of 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 to be 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.

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<sup>14bis</sup> Decision 9/CMP.3 revised the limit for small-scale A/R CDM project activities defined in the annex to decision 5/CMP.1.



143. As part of the proposed CDM PoA, the coordinating/managing entity shall prepare generic CPA-DDs with generic information applicable to all CPAs that will be included in the PoA. For PoAs applying more than one technology/measure or more than one methodology, the coordinating/managing entity shall prepare a generic CPA for each technology/measure, each methodology and each combination thereof.<sup>15</sup>
144. Also as part of the proposed CDM PoA, the coordinating/managing entity shall **define a develop specific-case** CPAs<sup>16</sup> under the PoA as follows:
- (a) For PoAs applying the same technology/measure under the same methodology across all CPAs, only one specific-case CPA-DD shall be provided;
  - (b) For PoAs applying more than one technology/measure or more than one methodology, **the coordinating/managing entity shall complete** one specific-case CPA-DD for each generic CPA-DD **shall be provided**. In cases where not all specific-case CPA-DDs to cover all generic CPA-DDs can be provided at the time of the publication of the PoA-DD for global stakeholder consultation, at least one specific-case CPA-DD corresponding to any of the generic CPA-DDs shall be provided at the time of the publication of the PoA-DD for global stakeholder consultation. In this case, one specific-case CPA-DD for each of the remaining generic CPA-DDs shall be provided at the time of request for registration of the PoA or after the registration of the PoA. In the latter case, the specific-case CPA-DD shall be provided for approval by the Board in accordance with the post-registration change process as defined in section 6.2 of the Project cycle procedure;
  - (c) **For PoAs hosted in more than one Party, one specific-case CPA-DD for each host Party shall be provided at the time of the publication of the PoA-DD for global stakeholder consultation. In this case, if the PoA-DD defines more than one generic CPA-DD, the specific-case CPA-DD may correspond to any generic CPA-DD.**
145. 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. These arrangements may be integrated with the management system required in the “Standard: Demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programmes of activities”.

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<sup>15</sup> For instance a PoA for efficient residential lighting applying more than one methodology will need more than one generic CPA-DD (e.g. a generic CPA-DD for efficient residential lighting under AMS-II.C and a generic CPA-DD for efficient residential lighting under AMS-II.J). Similarly a PoA for energy efficiency activities applying a single methodology but including different technologies will need more than one generic CPA-DD (e.g. a generic CPA-DD for efficient street lighting under AMS-II.C and a generic CPA-DD for efficient water pumping under AMS-II.C). Furthermore, a PoA for treatment of domestic manure would need more than one generic CPA-DD for applying more than one combination of methodologies (e.g. a generic CPA-DD for applying the combination AMS-III.R.+AMS-I.E.+AMS-I.I. and a generic CPA-DD for applying the combination AMS-III.R.+AMS-I.I). However, separate generic CPA-DDs are not required to cover cases that do not differ in terms of emission reduction calculations (e.g. separate generic CPA-DDs are not required for installing prefabricated project stoves of efficiency N under methodology AMS-II.G by manufacturer M1 versus installing prefabricated project stoves of efficiency N under methodology AMS-II.G by manufacturer M2).

<sup>16</sup> Also referred to as actual case or real case CPA-DD.

## 11.2. Description of component project activities

146. Each CPA shall have only one host Party.
147. The coordinating/managing entity shall provide the geographic reference or other means of identification<sup>17</sup> of the CPAs.
148. The coordinating/managing entity shall describe the CPAs, including the technology(ies) and/or measures to be used, to enable the identification of the project activity's scale and type, demonstration of additionality, application of the selected methodology(ies) and calculations of GHG emission reductions or net GHG removals.
149. 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.
150. The coordinating/managing entity shall confirm that ~~the all~~ CPAs ~~is are~~ neither registered as a CDM project activity nor included in another registered CDM PoA.

## 11.3. Eligibility criteria

151. The coordinating/managing entity shall define in the proposed CDM PoA the eligibility criteria for inclusion of a CPA in the PoA, in accordance with the "Standard: Demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programmes of activities".

## 11.4. Application of selected baseline and monitoring methodologies

### 11.4.1. General requirements

152. 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.
153. The coordinating/managing entity applying combinations of technologies/measures and/or approved CDM methodologies among CPAs under the proposed CDM PoA shall apply the combinations in accordance with the "Standard: Demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programmes of activities" and the Project cycle procedure.

### 11.4.2. Demonstration of additionality

154. ~~The following applies- Paragraph 154<sub>bis</sub> below shall apply instead of paragraph 47 above. The coordinating/managing entity shall demonstrate that the proposed CDM PoA is additional in accordance with the "Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities".~~

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<sup>17</sup> For example: the geographic reference for stationary CPAs; the registration number or GPS devices for mobile CPAs.

**154<sup>bis</sup>.** The coordinating/managing entity shall demonstrate that the proposed CDM PoA is additional in accordance with the “Standard: Demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programmes of activities”.

155. 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.

### 11.4.3. Sampling

156. If the coordinating/managing entity utilizes sampling for the determination of parameter values for calculating GHG emission reductions, the coordinating/managing entity shall develop and describe the sampling plan in accordance with the “Standard: Sampling and surveys for CDM project activities and programme of activities”.

### 11.4.4. Monitoring plan

~~157. 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.~~

### 11.5. Debundling of small-scale component project activities

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

### 11.6. Duration and crediting period

#### 11.6.1. Duration of programme of activities and component project activities

~~159. The following Paragraphs 159<sup>bis</sup>–162 below shall apply instead of paragraphs 57–58 above.: The coordinating/managing entity shall determine the start date of the proposed CDM PoA and provide a description of how the start date has been determined. The start date of a PoA shall be either of the two dates below:~~

~~(a) The date of notification of the intention to seek the CDM status by the coordinating/managing entity to the secretariat and the DNA; or~~

~~(b) The date of publication of the PoA-DD for global stakeholder consultation..~~

**159<sup>bis</sup>.** The coordinating/managing entity shall determine the start date of the proposed CDM PoA and provide a description of how the start date has been determined. The start date of a PoA shall be either of the two dates below:

(a) The date of notification of the intention to seek the CDM status by the coordinating/managing entity to the DNA(s) of the host Party(ies) and the secretariat; or

(b) The date of publication of the PoA-DD for global stakeholder consultation.

160. The coordinating/managing entity shall specify the duration of the proposed CDM PoA, which shall not exceed 28 years (60 years for **an-the proposed CDM A/R PoA**), counting from the start date of the PoA.
161. The coordinating/managing entity shall determine the start date and expected operational lifetime of any proposed CPA and provide a description of how the start date has been determined. The start date of a CPA is the earliest date at which either the implementation or construction or real action of the CPA begins.
162. The coordinating/managing entity shall confirm that the start date of any proposed CPA is on or after the start date of the PoA.<sup>18</sup>

### 11.6.2. Crediting period

163. Paragraphs 164-168 below **shall** apply instead of paragraphs 59–62 above.
164. The coordinating/managing entity shall renew the PoA every seven years (every 20 years for the A/R PoA) counting from the date of its registration.
165. The coordinating/managing entity shall select the type (fixed or renewable) and duration of the crediting period for a proposed CPA, considering that **the start date of the crediting period of a CPA shall be on or after**.<sup>19</sup>
- (a) **The start date of the crediting period for the CPA shall be on or after:**
- (i) The date of registration of the PoA, if the corresponding **specific case** CPA-DD is submitted together with the request for registration;
  - (ii) The date of approval of the **corresponding specific case CPA-DD**, if the **corresponding** specific case CPA-DD is submitted for approval by the Board in accordance with paragraph 144(b) above;
  - (iii) The date when the CPA was included in accordance with the Project cycle procedure.
- ~~166. The coordinating/managing entity shall select the type (fixed or renewable) and duration of the crediting period of a proposed CPA, considering that:~~
- (b) If a renewable crediting period type is chosen for the CPA, each renewable crediting period shall be at most seven years (20 years for the A/R CPA) and may be renewed at most two times, for a maximum total length of 21 years (60 years for the A/R CPA). The first renewal of the crediting period of the CPA shall be conducted no later than seven years after the start date of the crediting period of the CPA;
  - (c) A fixed crediting period shall be at most 10 years;

<sup>18</sup> Exceptions indicated for A/R project activities under paragraph 128(c) also apply to A/R CPAs, i.e. any A/R project activity that started after 1 January 2000, but has not been registered as a CDM project activity may be included as a CPA in an A/R PoA after 31 December 2005 as long as the first verification of the A/R CPA occurs after the date of inclusion of this CPA, and the A/R CPA can accrue temporary certified emission reductions (tCERs) or long-term certified emission reductions (lCERs) as of the starting date.

<sup>19</sup> See footnote **18** above.

- (d) The duration of the crediting period of the CPA shall not exceed the duration of the PoA regardless of the crediting period type (renewable or fixed) of the CPA;
  - (e) Where ICERs are expected to be issued for the PoA, the dates of renewal of the crediting periods of all CPAs included in the PoA are to be aligned with the date of renewal of the PoA.
167. The coordinating/managing entity shall determine only one start date for the crediting period of the proposed CPA, even in cases of phased implementation of the CPA.
168. The coordinating/managing entity shall state the start date of the crediting period of the proposed CPA in the format dd/mm/yyyy, and shall not use any qualifications to the start date, such as “expected”.

### 11.7. Environmental impacts

169. ~~The analysis of the environmental impacts and the environmental impact assessment, as per sections 7.4, 8.7 and/or 9.7 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. Paragraph 169<sub>bis</sub> or 169<sub>ter</sub> below shall apply for the cases referred to in these paragraphs instead of paragraphs 63 and 64 above. For all other cases, paragraphs 63 and 64 above shall apply.~~

- 169<sub>bis</sub>. If the proposed CDM PoA will include only small-scale non-A/R CPAs, the coordinating/managing entity shall carry out an analysis of the environmental impacts of the proposed CDM PoA, if required by the host Party(ies). The coordinating/managing entity shall provide a summary of the analysis and references to all documentation;

- 169<sub>ter</sub>. If the proposed CDM PoA will include A/R CPAs, the coordinating/managing entity shall:

- (a) Carry out an analysis of the environmental impacts of the proposed CDM PoA, including the impacts on biodiversity and natural ecosystems and the impacts outside the project boundary. The coordinating/managing entity shall provide a summary of the analysis and references to all related documentation;
- (b) Carry out an environmental impact assessment in accordance with the host Party(ies)' procedures, if the coordinating/managing entity or the host Party(ies) considers the environmental impacts of the proposed CDM PoA significant. The coordinating/managing entity shall provide all conclusions and references to all related documentation;
- (c) If the environmental impacts of the proposed PoA are considered significant, the coordinating/management entity shall provide a description of the planned monitoring and remedial measures to address these significant impacts.

- 169<sub>quater</sub>. For any type of proposed CDM PoAs, the analysis of the environmental impacts and the environmental impact assessment may be carried out for the whole PoA or at the CPA level. The coordinating/managing entity shall reflect and describe the level applied.

### 11.8. Local stakeholder consultation

170. The local stakeholder consultation, as per section 7.5 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.

171. For the ~~actual~~ specific case CPAs, of which CPA-DDs are to be published together with the PoA-DD for global stakeholder consultation of the proposed CDM PoA, the local stakeholder consultation shall be completed before the submission of the PoA-DD to a DOE for validation. For CPAs to be included ~~in the registered after the registration of the~~ PoA, the local stakeholder consultation shall be completed before their inclusion in the PoA.

### 11.9. Approval and authorization

172. Paragraphs 173–178 below shall apply instead of paragraphs 70–71 above.
173. The coordinating/managing entity shall obtain a letter of approval from the DNA of each Party involved in the proposed CDM PoA at the time of request for registration of the PoA, confirming that:
- (a) The Party is a Party to the Kyoto Protocol; and
  - (b) Participation in the proposed CDM PoA is voluntary.
174. A new host Party(ies) may be added after the registration of the PoA. In this case, the coordinating/managing entity shall request for approval by the Board of the addition in accordance with paragraph 240 below, and following the post-registration change process as defined in the Project cycle procedure.
175. In addition to the requirement in paragraph 173 above, ~~for the coordinating/managing entity from the host Party~~ the letter of approval ~~from the host Party~~ shall also confirm that the proposed CDM PoA assists the host Party in achieving sustainable development.
176. The coordinating/managing entity shall obtain from each host Party a letter of authorization of its coordination of the proposed CDM PoA.
177. Each project participant shall be authorized to participate in the proposed CDM PoA by at least one Party involved in the proposed PoA.
178. The operators of individual CPAs are not required to be project participants. CDM project participation is only recorded at the PoA level.
- 178<sub>bis</sub>. Where the methodology applied to the proposed CDM PoA provides for the application of a system, such as an electricity grid, and that the system extends across more than one Party, a letter of approval is required only from the host Party(ies).

### 11.10. Modalities of communications

179. ~~The following Paragraph 179<sub>bis</sub> shall applies instead of paragraph 72(e) above: For a proposed CDM PoA, the MoC statement shall be signed only by an authorized signatory of the coordinating/managing entity.~~
- 179<sub>bis</sub>. The MoC statement shall be signed only by an authorized signatory of the coordinating/managing entity.

### 11.11. Validation

180. Paragraphs 181–186 below shall apply instead of paragraphs 73–77 above.
181. The coordinating/managing entity wishing to submit the proposed CDM PoA to a DOE for validation shall complete a PoA-DD using the ~~latest valid~~ version of the applicable



CDM-PoA-DD form, taking into account the grace period of the form if it has been revised.

182. Along with the PoA-DD for the proposed CDM PoA, the coordinating/managing entity shall complete the relevant CPA-DDs in accordance with paragraph 144 above, using the **latest-valid** version of the applicable CPA-DD form taking into account the grace period of the form if it has been revised.
183. When completing the PoA-DD form and the CPA-DD form, the coordinating/managing entity should follow the applicable guidelines for completing the corresponding forms.
184. When completing the PoA-DD and CPA-DDs, the coordinating/managing entity shall provide all necessary information and documentation to demonstrate the compliance of the proposed CDM PoA and CPAs with all applicable requirements in this standard and other CDM rules and requirements.
185. The coordinating/managing entity and/or project participants shall select a DOE for the validation of the proposed CDM PoA and CPAs that is accredited for the validation function and sectoral scopes(s) of the PoA. The coordinating/managing entity and/or project participants shall have a contractual arrangement with the DOE for the validation.
186. The coordinating/managing entity shall submit to the selected DOE for validation the completed PoA-DD, generic CPA-DDs and **the completed specific-case** CPA-DDs.

### **11.12. Inclusion of component project activities in programme of activities**

187. The coordinating/managing entity may include a CPA in a registered CDM PoA at any time during the duration of the PoA provided that the requirements in paragraphs 188–189 below are met.
188. To include a CPA in a registered CDM PoA, the coordinating/managing entity shall ensure that the proposed CPA meets all applicable requirements, including the eligibility criteria for inclusion of a CPA in the PoA.
189. The coordinating/managing entity shall then submit to a DOE a completed CPA-DD specific to the proposed CPA demonstrating the compliance of the CPA with all applicable requirements.

## **12. Implementation and monitoring requirements for all project types**

### **12.1. General requirements**

190. The project participants **or the coordinating/managing entity** shall implement the registered CDM project activity **or PoA** in accordance with the description in the registered PDD, **PoA-DD or CPA-DD** including all physical features.
191. The project participants **or the coordinating/managing entity** shall operate the registered CDM project activity **or PoA** in accordance with the description in the registered PDD, **PoA-DD or CPA-DD**.
192. The project participants **or the coordinating/managing entity** shall monitor the registered CDM project activity **or PoA** and its GHG emission reductions or net GHG removals in

accordance with the monitoring plan as described in the registered PDD, PoA-DD or CPA-DD (hereinafter referred to as the registered monitoring plan).

192<sup>bis</sup>. All monitoring, verifications and requests for issuance of CERs in respect of emission reductions and removal enhancements achieved by CDM project activities and PoAs in the second commitment period (from 1 January 2013) shall be calculated using the GWPs as applied by decision 4/CMP.7.

## 12.2. General description

193. The project participants or the coordinating/managing entity shall provide the following information regarding the implemented registered CDM project activity or PoA:

- (a) Title and number;
- (b) Project participants involved;
- (c) Location;
- (d) Reference of methodology(ies) and tool(s) applied;
- (e) Type, duration and start date of the crediting period;
- (f) Number and date of the monitoring period.

## 12.3. Description of implemented registered project activity or programme of activities

194. The project participants or the coordinating/managing entity shall provide a description of the implemented registered CDM project activity or PoA 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~~ start of 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;
- (c) Description of:
  - (i) The events or situations that occurred during the monitoring period that may impact the applicability of the applied methodology;
  - (ii) How the issues resulting from these events or situations have been addressed.

195. The project participants or the coordinating/managing entity shall indicate whether any request for prior approval by the Board of changes to the registered CDM project activity or PoA has been submitted, in accordance with the Project cycle procedure, and, if applicable, the date of approval.



## 12.4. Description of monitoring system

196. The project participants **or the coordinating/managing entity** 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

197. The project participants **or the coordinating/managing entity** 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 registered monitoring plan for the monitoring period. The project participants **or the coordinating/managing entity** shall provide information on how data and parameters have been monitored.

198. For each parameter, the project participants **or the coordinating/managing entity** 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 where they are not fixed at validation**, 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);
- (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.

- 198<sub>bis</sub>. If data and parameters monitored are determined by a sampling approach, the project participants or the coordinating/managing entity shall describe how the sampling has been conducted in accordance with the sampling plan in the registered PDD, PoA-DD or CPA-DD.**

199. The project participants **or the coordinating/managing entity** 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 the Project cycle procedure, and, if applicable, include the date of approval.

## 12.6. Calculation of emission reductions or net removals

200. The project participants **or the coordinating/managing entity** shall identify the formulae used and provide the calculations of the following for the monitoring period of the registered CDM project activity **or PoA**:

- (a) Baseline GHG emissions or baseline net GHG removals;
- (b) Project GHG emissions or actual net GHG removals;
- (c) Leakage GHG emissions;
- (d) GHG emission reductions or net anthropogenic GHG removals.

200<sub>bis</sub>. If the monitoring period starts before 31 December 2012 and ends anytime thereafter, the project participants or the coordinating/managing entity shall calculate GHG emission reductions or removals based on the pro-rata approach in the following manner:

- (a) The amount of (raw) emission reductions or removals achieved in the monitoring period for each GHG shall be allocated proportionally to the duration of the period up to 31 December 2012 and the period from 1 January 2013 onwards before multiplying with the GWPs for the respective periods in accordance with paragraph 53<sub>ter</sub> above;
- (b) If annual caps are applied in the calculation of GHG emission reductions or removals, the annual caps shall be pro-rated to the periods before and after 31 December 2012. In cases where further apportionment is required, the total emission reductions shall be pro-rated.

200<sub>ter</sub>. If the monitoring report covers the first date of the renewed crediting period, and where there was a delay in the submission of notification of intention of renewal of crediting period, the project participants or the coordinating/managing entity shall determine the first day in which CERs are claimed in accordance with the Project cycle procedure.

201. The project participants **or the coordinating/managing entity** shall provide a comparison of actual GHG emission reductions or net anthropogenic removal of the registered CDM project activity **or PoA** with estimates in the registered PDD, **PoA-DD** or **CPA-DD**.

202. For any registered CDM project activity **or PoA**, except A/R project activities, the project participants **or the coordinating/managing entity** 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 plant load factor, etc.), including all information (i.e. data and/or parameters) that is different from that stated in the registered PDD, **PoA-DD** or **CPA-DD**.

## 12.7. Verification of implemented registered project activity **or programme of activities** and monitored emission reductions or net removals

203. The project participants **or the coordinating/managing entity** wishing to report, for verification and certification **by a DOE**, on the GHG emission reductions or net GHG removals of the implemented registered CDM project activity **or PoA** shall prepare a monitoring report for the relevant monitoring period using the **attest-valid** version of the

applicable monitoring report form, taking into account the grace period of the form if it has been revised.

204. When completing a monitoring report form, the project participants shall provide all necessary information and documentation to demonstrate compliance of the implemented registered CDM project activity **or PoA** and monitored GHG emission reductions or net GHG removals with all applicable requirements in this standard and other applicable CDM rules and requirements.
205. When completing a monitoring report form, the project participants should follow the “Guidelines for completing the monitoring report form (CDM-MR)”.
206. The project participants **or the coordinating/managing entity** shall select a DOE for the verification of the implemented registered CDM project activity **or PoA** 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. The project participants **or the coordinating/managing entity** shall have a contractual arrangement with the DOE for the verification.
207. The project participants **or the coordinating/managing entity** shall submit the completed monitoring report of the implemented registered CDM project activity **or PoA** for the relevant monitoring period, together with supporting documentation, to the selected DOE for **publication and** verification.
- 207<sup>bis</sup>. The project participants **or the coordinating/managing entity** may request the DOE to withdraw the published monitoring report in accordance with the Project cycle procedure.
- 207<sup>ter</sup>. The project participants **or the coordinating/managing entity** may request the DOE to withdraw the request for issuance in accordance with the Project cycle procedure. In this case, the project participants **or the coordinating/managing entity** may prepare a revised monitoring report with reduced or extended monitoring period for publication and verification by the same or different DOE.
208. If the DOE’s verification of the **implemented registered CDM project activity’s** monitoring report has been selected by the secretariat for a performance assessment under the “CDM accreditation procedure”, the project participants **or the coordinating/managing entity** shall facilitate the access to the project site for the CDM assessment team.

## 12.8. Post registration changes

### 12.8.1. General requirements

209. The project participants **or the coordinating/managing entity** shall identify and document any actual or proposed changes to the operation, implementation and/or monitoring of the registered CDM project activity **or PoA** taking into account the types of changes described in appendix 1, which describes the types of changes that do not require prior approval by the Board.
210. If there is any change regarding the modalities or information in the MoC statement or its annexes after a request for registration has been submitted, the project participants **or the coordinating/managing entity** shall revise the MoC statement in accordance with the Project cycle procedure.

211. The project participants **or the coordinating/managing entity** shall ensure that any DOE referred to in paragraphs 213, 216, 220, 222 and 228 below is accredited for the validation function and sectoral scope(s) of the registered CDM project activity **or PoA**.

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

212. If the project participants **or the coordinating/managing entity** are temporarily unable to monitor the registered CDM project activity **or PoA** in accordance with the registered monitoring plan or the applied methodology, the project participants **or the coordinating/managing entity** shall describe the nature, extent and duration of the non-conforming monitoring and the proposed alternative monitoring of the project activity **or PoA** in the monitoring report.
213. In such cases, the project participants **or the coordinating/managing entity** 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 **or PoA** in accordance with the registered monitoring plan 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 **or PoA**.
214. The project participants **or the coordinating/managing entity** 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

215. If the project participants **or the coordinating/managing entity** makes any corrections to project information or parameters fixed at validation as described in the registered PDD, **PoA-DD or CPA-DD**, the project participants **or the coordinating/managing entity** shall document these corrections in a revised PDD, **PoA-DD or CPA-DD**.
216. In such cases the project participants **or the coordinating/managing entity** shall either:
- (a) Inform the DOE contracted to perform a verification regarding the corrections; or
  - (b) Request any DOE at any time prior to the commencement of verification to assess the corrections.

#### 12.8.3.2. Changes to the start date of the crediting period

217. The project participants **or the coordinating/managing entity** of a registered CDM project activity **or PoA** may not request any changes to the start date of the crediting period of the project activity or included CPA for which if the start date of the crediting period was prior to the date of registration ~~may not request any changes to the start date of the crediting period.~~
218. The project participants **or the coordinating/managing entity** of a registered CDM project activity **or PoA** may not request any changes to the start date of the crediting period of

the project activity or included CPA more than two years – not more than four years for project activities hosted by a Least Developed Country.

219. The project participants or the coordinating/managing entity of a registered CDM project activity or PoA are not required to request prior approval by the Board for the following changes of the start date of the crediting period, but shall notify the secretariat of the changes in accordance with the Project cycle procedure:
- (a) Bringing forward the start date up to one year earlier than the one indicated in the registered PDD or included CPA-DD, taking into account that the start date shall not be earlier than the effective date of registration of the project activity or inclusion of the CPA;
  - (b) Postponing the start date by up to one year – or by up to two years for project activities hosted by a Least Developed Country – later than the one indicated in the registered PDD or included CPA-DD.
220. Where the proposed change of the start date of the crediting period of a registered CDM project activity or included CPA 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 –, the project participants or the coordinating/managing entity shall:
- (a) Demonstrate that no changes have occurred to the project activity or CPA that would result in a less conservative baseline, and that substantive progress has been made by the project participants or the coordinating/managing entity to start the project activity or CPA;
  - (b) Submit this demonstration to a DOE for assessment prior to making a request for approval by the Board in accordance with the Project cycle procedure.

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

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

221<sup>bis</sup>. In case where the proposed changes to the monitoring plan refer to a later version of the applied methodology in the registered PDD, PoA-DD or CPA-DD, the project participants or the coordinating/managing entity shall justify that the application of the later version of the applied methodology and tools does not impact the conservativeness of the monitoring and verification process, including the related emission reduction or removal calculations.

222. In such cases, the project participants or the coordinating/managing entity shall either:
- (a) Inform the DOE contracted to perform a verification for the monitoring period during which it was identified that the project participants or the coordinating/managing entity are unable to implement the registered monitoring

plan in the registered PDD, PoA-DD or CPA-DD and it will not be possible to monitor the project activity or PoA 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 or PoA.

223. The project participants or the coordinating/managing entity 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 or programme design of a registered programme of activities**

224. Where there are changes to the project design of a registered CDM project activity, or programme design of a registered PoA or CPA, the project participants or the coordinating/managing entity shall prepare a revised PDD, PoA-DD or CPA-DD which describes the nature and extent of the proposed or actual changes, including:

224<sub>bis</sub>. Changes to a registered CDM project activity may include, but not limited to:

- (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 the project participants differing from the expected parameters;
- (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.

224<sub>ter</sub>. Changes to a registered CDM PoA shall be limited to:

- (a) Changes to programme boundary to expand geographical coverage or to include additional host Parties;
- (b) Updates to the eligibility criteria under the circumstances indicated in the "Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities" (e.g. to implement changes decided by the Board if an issue related to environment integrity is identified);
- (c) If a PoA includes more than one generic CPA-DD, addition of specific case CPA-DDs corresponding to generic CPA-DDs for which a specific case CPA-DD has not been submitted at the time of request for registration of the PoA;
- (d) Removal of methodologies from the registered PoA.



225. The project participants or the coordinating/managing entity shall report in the revised PDD, PoA-DD or CPA-DD the impacts of the proposed or actual changes to the registered CDM project activity, PoA or CPA on the following:
- (a) The applicability and application of the applied methodology under which the project activity or PoA 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 or PoA;
  - (d) The additionality of the project activity, PoA or CPA;
  - (e) The scale of the project activity or CPA.
- 225<sub>bis</sub>. If the change to a registered CDM PoA is to include additional host Party in accordance with paragraph 224<sub>ter</sub>(a) above, the coordinating/managing entity shall provide a specific-case CPA-DD for the additional host Party. In this case, the specific-case CPA-DD may correspond to any generic CPA-DD if the PoA defines more than one generic CPA-DD.
226. In cases where the proposed or actual changes affect the additionality of the registered CDM project activity, PoA or CPA, as referred to in paragraph 225(d) above, the demonstration of the impacts of changes shall be based on all original input data. In addition:
- (a) In the case of investment analysis, the project participants or the coordinating/managing entity shall only modify the key parameters in the original spread sheet calculations affected by the proposed or actual modifications to the project activity or PoA;
  - (b) In cases where only barriers have been claimed to demonstrate additionality, the project participants or the coordinating/managing entity shall demonstrate that the barriers are still valid under the new circumstances.<sup>20</sup>
227. Where the project participants or the coordinating/managing entity cannot demonstrate compliance with the requirements of the applied methodology under which the CDM project activity or PoA has been registered, the project participants or the coordinating/managing entity shall revise the PDD, PoA-DD or CPA-DD applying the latest version of the methodology or another methodology that is applicable to the project activity or PoA and shall demonstrate compliance with the requirements of the selected methodology.
228. In such cases, the project participants or the coordinating/managing entity shall either:
- (a) Submit the revised PDD, PoA-DD or CPA-DD, 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, PoA-DD or CPA-DD.

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<sup>20</sup> 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.

**12.9. Renewal of crediting period or programme**

229. The project participants wishing to renew the crediting period of a registered CDM project activity or **renewal of** 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**

230. To support a request for renewal of crediting period of a registered CDM project activity, the project participants shall, **using the valid version of the applicable PDD form, taking into account the grace period of the form if it has been revised,** update the sections of the PDD of the project activity relating to the baseline, estimated GHG emission reductions **or removal enhancements** and the monitoring plan using a baseline and monitoring methodology. **The project participants are not required to reassess the additionality of the project activity and update the section relating to additionality of the project activity is not to be reassessed.** The required updates are as follows:
- (a) The project participants shall use the **valid** version of the **approved** methodology applied in the original PDD, i.e. **the version, that is valid at the time of the latest version or the previous version if the submission of the revised PDD for the renewal of the crediting period is still within the grace period of the previous version for use;**
  - (b) If the methodology applied in the original PDD was withdrawn after the registration of the project activity and replaced by a consolidated methodology, the project participants shall use the **latest-valid** version of the respective **approved** consolidated methodology, i.e. **the version that is valid at the time of the latest version or the previous version if the submission of the revised PDD for the renewal of the crediting period is still within the grace period of the previous version for use;** or
  - (c) If the registered project activity does not meet the applicability criteria of the options provided for in subparagraphs (a) or (b) above, due to their revision or due to the update of the baseline, the project participants shall either:
    - (i) Select another applicable methodology; or
    - (ii) Request, through the DOE, a deviation from **a-the valid version of the methodology (including a consolidated methodology thereof) applied in the registered PDD, or from any other selected methodology,** for the purpose of the renewal of the crediting period.
231. To demonstrate the validity of the original baseline or its update, the project participants are not required to reassess the baseline scenario. Instead, the project participants shall assess the GHG emission reductions that would have resulted from that scenario.
232. The project participants shall assess and incorporate the impact of national and/or sectoral policies and circumstances existing at the time of requesting the renewal of the crediting period on the current baseline GHG emissions, without reassessing the baseline scenario.
233. Where data and parameters used for determining **GHG emission reductions the original baseline** that **are was** determined ex-ante (and not monitored during the crediting period) are no longer valid, the project participants shall update such data and parameters in



accordance with the “Tool to assess the validity of the original/current baseline and to update the baseline at the renewal of a crediting period”.

234. The 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 programmes of activities**

235. To support a request for renewal of ~~the crediting period of~~ a registered CDM PoA, the coordinating/managing entity shall comply with the requirements in paragraphs 230–234 above, with the following exceptions:

- (a) Update the eligibility criteria for inclusion of CPAs in the PoA as per the latest applicable version of methodology(ies) and include them in new versions of PoA-DD and generic CPA-DD;
- (b) Instead of preparing a revised version of the PDD, the coordinating/managing entity shall prepare:
  - (i) A new completed PoA-DD;
  - (ii) A new version of the generic CPA-DD;
- (c) 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.

236. The result of the process presented in paragraph 235 above defines a new version of the PoA-DD and the generic CPA-DD.

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

238. 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~~ updated specific CPA-DD.

#### **12.10. Specific requirements for small-scale projects activities**

- 238<sub>bis</sub>. For Type II and Type III small-scale project activities, the project participants shall ensure that the proposed small-scale CDM project activity remains, for every year during the crediting period, within the limit of the type of small-scale CDM project activity defined in paragraph 81 above. If, during its implementation and monitoring, the project activity goes beyond the limit of the 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 amount calculated with the limit of the type.

## **12.11. Specific requirements for programmes of activities**

### **12.11.1. Monitoring reports**

239. The coordinating/managing entity shall:

- (a) Maintain all monitoring results of all CPAs in accordance with the record keeping system identified in the registered PoA-DD;
- (b) Prepare, for each monitoring period, either a single monitoring report or two separate monitoring reports, whereby:
  - (i) In the case of a single monitoring report, the report shall contain all monitoring results of all CPAs included in the PoA;
  - (ii) In the case of two separate monitoring reports, each CPA shall only be included in one of the two monitoring reports and the two monitoring reports shall together contain all monitoring results of all CPAs included in the PoA (i.e. the two monitoring reports shall contain two mutually exclusive batches of CPAs);
- (c) Request the issuance of CERs, tCERs or ICERs, through a DOE, as follows:
  - (i) In a single request, if only one monitoring report has been published covering all CPAs except for the case in subparagraph (ii) below; or
  - (ii) In two separate requests, if originally one monitoring report was published, but during the course of verification the coordinating/managing entity decided to separate the monitoring results into two monitoring reports. In this case, two separate monitoring reports shall be prepared and submitted;
  - (iii) In two separate requests, if two separate monitoring reports are prepared by the coordinating/managing entity;
- (d) Separate the monitoring results of individual CPAs and group the monitoring results by CPA type defined by the relevant generic CPA-DD;
- (e) Make available the monitoring report and all monitoring results requested by a DOE for verification purposes.

### **12.11.2. Changes in programme of activities**

240. The coordinating/managing entity may request changes to the registered PoA and/or the CPAs of the registered PoA under the conditions specified by the Project cycle procedure. In such cases coordinating/managing entity shall prepare the required documentation in accordance with the Project cycle procedure.

### **12.11.3. Changes of coordinating/managing entity**

241. If the coordinating/managing entity of a registered CDM 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 PoA-DD;
  - (c) Demonstrate compliance with requirements related to the operational and management arrangements described in paragraph 145 above;
242. The new coordinating/managing entity shall submit the documentation referred to in paragraph 241 above to a DOE for validation.

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## Appendix 1. Changes that do not require prior approval by the board

### 1. Corrections

1. Any corrections to project information<sup>1</sup> of a registered CDM project activity or PoA that do not affect the design of the project activity or the programme do not require prior approval by the Board.

### 2. Temporary deviations from the registered monitoring plan or applied methodology

2. If the project participants or the coordinating/managing entity have temporarily not monitored parameters related to baseline GHG emissions or are unable to produce evidence related to such monitoring, prior approval by the Board is not required if the project participants or the coordinating/managing entity report these parameters as zero.
3. If the project participants or the coordinating/managing entity have temporarily not monitored parameters related to project GHG emissions or are unable to produce evidence related to such monitoring, prior approval by the Board is not required if the project participants or the coordinating/managing entity estimate these 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, the estimate shall include an addition of 10% to account for transmission and distribution losses.

### 3. Permanent changes from the registered monitoring plan or applied methodology

4. 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 or the coordinating/managing entity, prior approval by the Board is not required if the project participants or the coordinating/managing entity 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 is deducted from the measured value;<sup>2</sup>
  - (b) If the parameter is used for calculating project GHG emissions, the difference between the accuracy level of the installed monitoring equipment and the

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<sup>1</sup> Such corrections may include typographical errors, location, names and numbers of components, etc.

<sup>2</sup> 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 \* 0.003.

accuracy prescribed by the applied methodology and/or the registered monitoring plan is added to the measured value.<sup>3</sup>

5. Changes to the monitoring of the registered CDM project activity **or PoA** of a type listed below do not require prior approval by the Board:

- (a) Change of calibration frequency or practice for monitoring equipment not within the control of the project participants **or the coordinating/managing entity**;
- (b) Change of accuracy/type/model of meter(s) as per a power purchase agreement (PPA);
- (c) Change of location of meter(s) as per a PPA;
- (d) **Change of location of electricity meters if the transmission loss is taken into account;**
- (e) **Change of location of substation not within the control of the project participants or the coordinating/managing entity;**
- (f) **Change of calibration frequency or practice for monitoring equipment as per the applied methodology or national standard; or**
- (g) **Change of frequency of monitoring certain parameters as per the applied methodology.**

#### 4. **Changes to the project design of a registered project activity**

6. Proposed or actual changes to the project design of a registered CDM project activity that do not adversely impact any of the following do not require prior approval by the Board:

- (a) The applicability and application of the applied methodology under which the project activity has been registered;
- (b) The additionality of the project activity;
- (c) The scale of the project activity.

#### 5. **Types of changes specific to afforestation or reforestation project activities**

7. Types of changes listed in the “Guidelines on accounting of specified types of changes in A/R CDM project activities from the description in registered project design document” do not require prior approval by the Board.

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<sup>3</sup> 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 \* 0.003.

**Document information**

<i>Version</i>	<i>Date</i>	<i>Description</i>
07.0	19 May 2014	Revision to: <ul style="list-style-type: none"> <li>Clarify the use of default values at the monitoring stage;</li> <li>Reflect editorial improvements.</li> </ul>
06.0	14 May 2014	Publish within annex 14 to the annotated agenda of EB79. Revisions to: <ul style="list-style-type: none"> <li>Introduce new or revise requirements based on the inputs from stakeholders and experience of the Board and the secretariat;</li> <li>Improve the clarity of this document and consistency with the “CDM validation and verification standard” and the “CDM project cycle procedure”;</li> <li>Reflect editorial improvement;</li> <li>Supersede and replace the following documents, along with the “CDM validation and verification standard” and/or the “CDM project cycle procedure”, on the date when these three documents above enter into force: <ul style="list-style-type: none"> <li>“Standard for application of the global warming potentials to clean development mechanism project activities and programmes of activities for the second commitment period of the Kyoto Protocol” (EB 69 report, Annex 3);</li> <li>“Clarification: Host Party for project activities and bundled project activities” (CDM-EB70-A38-CLAR);</li> <li>“Clarification: Implementation of the prior consideration of the CDM requirement in the absence of the host Party DNA” (CDM-EB72-A05-CLAR).</li> </ul> </li> </ul>
05.0	4 October 2013	Revision to incorporate the amendment to the requirements for programme of activities in CDM-EB75-A04 which includes: <ul style="list-style-type: none"> <li>To enable two issuance requests for the same monitoring period.</li> </ul>
04.0	29 July 2013	Revision to incorporate the amendment in CDM-EB74-A03 which includes: <ul style="list-style-type: none"> <li>Integration of clarification in paragraph 48(a) of the meeting report of the seventy-third meeting of the Board;</li> <li>Integration of clarification CDM-EB73-A16-CLAR;</li> <li>An option for proposing changes to CPAs of a registered PoA.</li> </ul>
03.0	12 April 2013	Revision to paragraphs 24 and 25 to align with relevant provisions in the “Procedure: Development, revision and clarification of baseline and monitoring methodologies and methodological tools” (CDM-EB70-A36-PROC) to allow project participants to, through a DOE or directly, submit to the secretariat a request for revision or a request for clarification for any type of methodologies or methodological tools.

<i>Version</i>	<i>Date</i>	<i>Description</i>
02.1	3 December 2012	Updated to include footnote numbers 18 and 19 and editorial changes to paragraphs 144(b) and 163(b) and footnote 15.
02.0	23 November 2012	EB 70, Annex 2 Revision to reflect revised requirements for PoAs.
01.0	25 November 2011	EB 65, Annex 5 Initial adoption.  This document, along with the “Clean development mechanism validation and verification standard” and the “Clean development mechanism project cycle procedure”, supersedes and replaces the following documents on the date when these three documents above enter into force: <ul style="list-style-type: none"> <li>• Clean development mechanism validation and verification manual (version 01.2)</li> <li>• Procedures for requesting post-registration changes to the start date of the crediting period (version 02.0)</li> <li>• Procedures for modalities of communication between project participants and the Executive Board (version 01.0)</li> <li>• 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 (version 04.1)</li> <li>• Procedures for renewal of the crediting period of a registered CDM project activity (version 06.0)</li> <li>• Procedures for notifying and requesting approval of changes from the project activity as described in the registered PDD (version 01.0)</li> <li>• Procedures for revising monitoring plans in accordance with paragraph 57 of the modalities and procedures for the CDM (version 02.0)</li> <li>• Guidelines on the demonstration and assessment of prior consideration of the CDM (version 04.0)</li> <li>• Guidance related to monitoring requirements (EB23, paragraph 24)</li> <li>• Guidance related to project activity with more than one component (EB28, paragraph 57)</li> <li>• Guidance on application of the definition of the project boundary to A/R CDM project activities (version 01.0)</li> <li>• Guidance on A/R CDM project activities starting after 1 January 2000 (prompt start) (EB 21, paragraph 64)</li> <li>• Guidance on programme of activities (PoA) (EB35, paragraph 15)</li> <li>• Guidelines on assessment of different types of changes from the project activity as described in the registered PDD (version 01.0)</li> <li>• Guidelines for assessing compliance with the calibration frequency requirements (version 01.0)</li> <li>• Clarification on elements of a written approval (version 01.0)</li> </ul>

<i>Version</i>	<i>Date</i>	<i>Description</i>
		<ul style="list-style-type: none"> <li>• Clarifications on the consideration of national and/or sectoral policies and circumstances in baseline scenarios (version 02.0)</li> <li>• 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 (version 01.0)</li> <li>• Clarifications relating to bundling of small-scale CDM project activities (EB 20, paragraphs 60-62)</li> <li>• Clarification on demonstration of the eligibility of land (applicable for both large- and small-scale A/R CDM project activities) (EB 38, paragraph 28)</li> <li>• National and/or sectoral policies and circumstances in the baseline scenario for afforestation and reforestation project activities (EB23, annex 19)</li> <li>• 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 (version 01.0)</li> <li>• Clarifications on procedures and documentation which need to be used for the renewal of a crediting period (EB 20, annex 7)</li> </ul>
Decision Class: Regulatory Document Type: Standard Business Function: Issuance, Registration Keywords: programme of activities, project activities, requirements for programme of activities, requirements for project activities		



## **Appendix 4. Draft Standard. CDM validation and verification standard (version 07.0)**

## **CDM-EB79-AA-A14**

# Draft Standard

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## CDM validation and verification standard

Version 07.0

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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 (CMP), at its first session, established the basis of the regulatory framework for the clean development mechanism (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;
  - (b) Annexes to decision 4/CMP.1, including annex II: Simplified modalities and procedures for small-scale clean development mechanism project activities;
  - (c) Annex to decision 5/CMP.1: Modalities and procedures for afforestation and reforestation project activities under the clean development mechanism;
  - (d) Annex to decision 6/CMP.1: Simplified modalities and procedures for small-scale afforestation and reforestation project activities under the clean development mechanism;
  - (e) Decision 7/CMP.1.
2. The CMP revised some of the provisions in these decisions through new decisions in subsequent sessions.
3. Pursuant to 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 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 validation and verification standard for Designated Operational Entities”.

### 1.2. Objectives

5. The objectives of the “CDM validation and verification standard” (hereinafter referred to as this Standard) are to:
  - (a) Enhance consistency and clarity of minimum requirements for all types of CDM validation and verification activities;
  - (b) Improve the quality and consistency in the preparation, execution, and the reporting of validation and verification activities;
  - (c) Enhance the overall efficiency and integrity in the CDM.

## 2. Scope and applicability

### 2.1. General

6. This Standard is applicable to designated operational entities (DOEs) that are under contractual arrangements with project participants or coordinating/managing entities to validate or verify any CDM project activity or programme of activities (PoA) ~~based on CDM methodologies previously approved by the Board.~~

### 2.2. Application

7. Principles in chapter 5 and requirements in chapters 6, 7 and 9 apply to any type of CDM project activities and as applicable, to CDM PoAs. In addition, requirements in chapters 8 and 10 specifically apply to small-scale (SSC) project activities, large-scale afforestation/reforestation (A/R) project activities, small-scale A/R project activities and PoAs.

- ~~8. The document information section at the end of this Standard lists all documents that are superseded by this Standard, the “Clean development project standard” and the “Clean development mechanism project cycle procedure”.~~

- 8<sub>bis</sub> Version 07.0 of this Standard enters into force on XXX.

## 3. Normative references

9. The following referenced documents are indispensable for the application of this Standard:
- (a) “CDM accreditation standard for operational entities”;
  - (b) “CDM project cycle procedure” (hereinafter referred to as the Project cycle procedure);
  - (c) “CDM project standard” (hereinafter referred to as the Project standard);
  - (d) “Glossary of CDM terms”.

## 4. Terms and definitions

10. In addition to the definitions contained in the Glossary of CDM terms, the following terms apply in this Standard:
- (a) “Shall” is used to indicate requirements to be followed;
  - (b) “Should” is used to indicate that among several possibilities, one course of action is recommended as particularly suitable;
  - (c) “May” is used to indicate what is permitted.

## 5. Principles for validation and verification

11. The following principles<sup>1</sup> guide the preparation, execution, and reporting of validation and verification activities.

### 5.1. Independence

12. Remain independent of the activity being validated or verified, and free from bias and conflict of interest. Maintain objectivity throughout the validation or verification to ensure that the findings and conclusions will be based on objective evidence generated during the validation or verification.

### 5.2. Ethical conduct

13. Demonstrate ethical conduct through trust, integrity, confidentiality and discretion throughout the validation or verification process.

### 5.3. Fair presentation

14. Reflect truthfully and accurately validation or verification activities, findings, conclusions and reports. Report significant obstacles encountered during the validation or verification process, as well as unresolved, diverging opinions among validators or verifiers, the responsible party (e.g. the secretariat/the Board) and the client (e.g. project participants).

### 5.4. Due professional care

15. Exercise due professional care and judgment in accordance with the importance of the task performed and the confidence placed by clients and intended users. Have the necessary skills and competences to undertake the validation or verification.

## 6. General validation and verification requirements

16. The DOE shall select a competent team to perform the validation and verification of the project activity, **PoA or component project activity (CPA)**.
17. In carrying out its validation and verification work, the DOE shall:
- (a) Follow this Standard and integrate its provisions into the DOE's own quality management systems;
  - (b) Apply the most recent decisions and guidance provided by the Board;
  - (c) Determine whether each project activity, **PoA or CPA** meets all applicable CDM requirements, including those specified in the Project standard, relevant methodologies, tools and guidelines;

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<sup>1</sup> This text is taken from ISO 14064-3:2006 - Greenhouse gases - Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions and is reproduced with the permission of the International Organization for Standardization, ISO. This Standard can be obtained from any ISO member from the website of the ISO Central Secretariat at the following address: [www.iso.org](http://www.iso.org). Copyright remains with ISO.

- (d) Assess the accuracy, conservativeness, relevance, completeness, consistency, and transparency of the information provided by the project participants **or the coordinating/managing entity**;<sup>2</sup>
- (e) Determine whether the information provided by the project participants **or the coordinating/managing entity** is reliable and credible;<sup>3</sup>
- (f) Apply consistent validation/verification criteria:
  - (i) To the requirements of the applicable approved methodology throughout the crediting period(s);
  - (ii) Among CDM project activities **or PoAs** with similar characteristics such as a similar application of the approved methodology, use of technology, time period or region;
  - (iii) To expert judgments, over time and among projects.
- (g) Base its findings and conclusions on objective evidence and conduct all validation and verification activities in accordance with CDM rules and procedures;
- (h) Not omit evidence that is likely to alter the validation and verification opinion;
- (i) Present information in the validation and verification reports in a factual, neutral and coherent manner and document all assumptions, provide references to background material, and identify changes made to documentation;
- (j) Safeguard the confidentiality of all information obtained or created during validation or verification.

## **6.1. Sampling**

### **6.1.1. Application of sampling to validation and verification work**

- ~~18. Where the DOE applies sampling as a part of its validation and verification activities, the DOE shall sample in accordance with the "Standard for sampling and surveys for CDM project activities and programme of activities".~~

## **7. General validation requirements**

### **7.1. Objectives of validation**

19. The DOE shall conduct a thorough and independent assessment of proposed CDM project activities, **PoAs or CPAs** against the applicable CDM **rules and** requirements.

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<sup>2</sup> Principles for each can be found in the Project Standard.

<sup>3</sup> Information is credible if it is authentic and is able to inspire belief or trust, and the willingness of persons to accept the quality of evidence. Information is reliable if the quality of evidence is accurate and credible and able to yield the same results on a repeated basis.

## 7.2. Validation approach

20. In carrying out its validation work, the DOE shall:

- (a) Determine whether the proposed CDM project activity, **PoA or CPA** complies with the requirements of paragraph 37 of the CDM M&Ps, the applicability conditions of the selected methodology and guidance issued by the Board;
- (b) Assess the claims and assumptions in the project design document (PDD), **programme of activities design document (PoA-DD) or component project activity design document (CPA-DD)**. The evidence used in this assessment shall not be limited to that provided by the project participants **or the coordinating/managing entity**.

## 7.3. Means of validation

### 7.3.1. Standard auditing techniques

21. The DOE shall assess the information provided by the project participants **or the coordinating/managing entity**.

22. In assessing information, the DOE shall apply the means of validation specified throughout this Standard and where appropriate standard auditing techniques, including, but not limited to:

- (a) Document review, involving:
  - (i) A review of data and information;
  - (ii) Cross checks between information provided in the PDD, **PoA-DD or CPA-DD** and information from sources other than those used, if available, the DOE's sectoral or local expertise and, if necessary, independent background investigations.
- (b) Follow-up actions (e.g. on-site inspection and telephone or email interviews), including:
  - (i) Interviews with relevant stakeholders in the host country, personnel with knowledge of the project design and implementation;
  - (ii) Cross checks between information provided by interviewed personnel (i.e. by checking sources or other interviews) to ensure that no relevant information has been omitted.
- (c) Reference to available information relating to projects or technologies similar to the proposed CDM project activity, **PoA or CPA** under validation;
- (d) Review, based on the approved methodology being applied, of the appropriateness of formulae and accuracy of calculations.
- (e) **Sampling approach in accordance with the "Standard for sampling and surveys for CDM project activities and programme of activities", including:**
  - (i) **A random sampling for cases where the project participants or the coordinating/managing entity did not apply a sampling approach;**

- (ii) An acceptance sampling or another sampling approach for cases where the project participants or the coordinating/managing entity applied a sampling approach.

23. Where no specific means of validation is specified, the DOE shall apply the standard auditing techniques described in paragraph 22 above.

### **7.3.2. Corrective action requests, clarification requests, and forward action requests**

24. During the validation of a proposed CDM project activity, PoA or CPA, if the DOE identifies issues that require further elaboration, research or expansion in order to determine whether the proposed CDM project activity, PoA or CPA meets the CDM requirements, and can achieve credible emission reductions, the DOE shall ensure that these issues are accurately identified, formulated, discussed and concluded in the validation report.
25. The DOE shall raise a corrective action request (CAR) if one of the following situations occurs:
- (a) The project participants or the coordinating/managing entity have made mistakes that will influence the ability of the proposed CDM project activity, PoA or CPA to achieve real, measurable, verifiable and additional emission reductions;
  - (b) The applicable CDM requirements have not been met;
  - (c) There is a risk that emission reductions cannot be monitored or calculated.
26. The DOE shall raise a clarification request (CL) if information is insufficient or not clear enough to determine whether the applicable CDM requirements have been met.
27. The DOE shall raise a forward action request (FAR) during validation to identify issues related to project implementation that require review during the first verification of the proposed CDM project activity, PoA or CPA. The DOE shall not raise a FAR that relates to the CDM requirements for registration.
28. The DOE shall resolve or “close out” CARs and CLs only if the project participants or the coordinating/managing entity modify the project design, rectify the PDD, PoA-DD or CPA-DD, or provide additional explanations or evidence that satisfy the DOE’s concerns. If this is not done, the DOE shall not recommend the proposed CDM project activity, PoA or CPA for registration.
29. The DOE shall report on all CARs, CLs and FARs in its validation report. This reporting shall explain the issues raised, the responses provided by the project participants or the coordinating/managing entity, the means of validation of such responses and references to any resulting changes in the PDD, PoA-DD or CPA-DD or supporting annexes.

### **7.4. General reporting requirements**

- ~~30. The DOE shall report the results of its assessment in a validation report.~~
- ~~31. The validation report shall include a positive validation opinion only if the proposed project activity complies with the applicable CDM requirements.~~

32. The DOE shall submit this validation report, along with the supporting documents, to the Board as part of the request for registration of a project activity as a proposed project activity.

33. If the validation report includes a negative validation opinion, the DOE shall provide the project participants with the report and inform the Board of the outcome.

## 7.5. Global stakeholder consultation

34. The DOE shall acknowledge receipt of and take into account all submitted comments on the PDD of the proposed CDM project activity or on the PoA-DD and CPA-DD of the proposed CDM PoA and CPA.

34<sub>bis</sub>. In case of doubt, the DOE shall determine the authenticity of the name and contact details of the individual or organization on whose behalf the comments are submitted.

34<sub>ter</sub>. Once the DOE has determined which submitted comments are authentic, it shall contact the secretariat to make them publicly available.

34<sub>quater</sub>. The DOE shall determine if the authentic comments are relevant to the following defined scope of comments;

- (a) The comment discusses issues specific to the proposed CDM project activity or PoA and/or CPA;
- (b) The comment provides objective and verifiable information;
- (c) The comment discusses issues only on additionality, sustainable development benefits and/or any impact on environment and local communities.

35. The DOE shall take into due account of all the comments received during the validation of the proposed project activity, that the DOE determined to be authentic and relevant in accordance with paragraph 34<sub>bis</sub> and 34<sub>quater</sub> above.

36. If comments indicate that the proposed CDM project activity or PoA does not comply with the CDM requirements and are not substantiated, then the DOE shall request further a clarification from the entity providing the comment. However, the DOE is not required to enter into a dialogue with Parties, stakeholders or NGOs, that comment on the CDM requirements. Upon receiving the clarification, the DOE shall determine whether or not further clarification request is required. If no additional information or substantiation is provided in response to a request for clarification within 14 days of the request for clarification, the DOE shall proceed to assess the comments as originally provided.

36<sub>bis</sub>. The DOE shall determine whether changes to the PDD or PoA-DD have been made after the publication of the PDD or PoA-DD for global stakeholder consultation.

36<sub>ter</sub>. Any DOE shall make the revised PDD or PoA-DD publicly available for global stakeholder consultation in accordance with the Project cycle procedure if the DOE determines that:

- (a) All the project participants or the coordinating/managing entity that have a contractual relationship with the DOE have been replaced;

- (b) The environmental impact assessment or the national or local environmental permissions obtained for the project activity or PoA are no longer valid due to the changes; or
- (c) The approved baseline and monitoring methodology or the combination thereof applied in the PDD or PoA-DD has changed, unless, for the PoA-DD, the change only involves the removal and no addition of approved baseline and monitoring methodologies and the removal of the approved baseline and monitoring methodologies does not affect the physical design of and the end-use services provided by the CPAs that apply the methodologies that remain (i.e. the methodologies that were not removed).

### 7.5.1. Reporting requirement

37. The DOE shall report the details of the actions taken to:

- (a) Authenticate information on the submitters of the comments in case of doubt;
- (b) Determine the relevance of the authentic comments to the defined scope of comments;
- (c) Take due account of the authentic and relevant comments ~~received during the validation process~~ including the dates of the receipt, responses by the project participants and responses by the DOE.

37<sup>bis</sup>. If the DOE identifies changes to the PDD or PoA-DD after the publication of the PDD or PoA-DD for global stakeholder consultation, the DOE shall state its opinion on whether the publication of the revised PDD or PoA-DD for global stakeholder consultation is necessary in accordance with paragraph 36<sub>ter</sub> above.

## 7.6. Approval

### 7.6.1. Validation requirement

38. The DOE shall determine whether the designated national authority (DNA) of each Party indicated as being involved in the proposed CDM project activity in the PDD has provided a written letter of approval.

### 7.6.2. Means of validation

39. The DOE shall determine whether each letter confirms that:

- (a) The Party is a Party to the Kyoto Protocol;
- (b) Participation is voluntary;
- (c) In the case of the host Party, the proposed CDM project activity contributes to the sustainable development of the country;
- (d) It refers to the precise proposed CDM project activity title in the PDD being submitted for registration (i.e. No difference shall be found between the title in the letter and that in the PDD).



40. The DOE shall determine whether the letter(s) of approval is unconditional with respect to 39 (a) to (d) above.

40<sup>bis</sup>. The DOE shall determine whether the letter(s) of approval indicate(s) that a proposed CDM project activity or a proposed bundled CDM project activity has only one host Party, in which the project activity is located, as set out in the PDD.

41. The DOE shall determine whether the letter(s) of approval has been issued by the respective Party's DNA and is valid for the proposed CDM project activity under validation.<sup>4</sup>

42. If the DOE doubts the authenticity of the letter of approval, the DOE shall verify with the DNA that the letter of approval is authentic.

### **7.6.3. Reporting requirements**

43. The DOE shall, for each Party involved:

- (a) Indicate whether a letter of approval has been received, referencing the letter itself and any supporting documentation;
- (b) Indicate whether the DOE received this letter from the project participants or directly from the DNA;
- (c) Indicate the means of validation employed to assess the authenticity if paragraph 42 above applies;
- (d) Include a statement as to whether the letters are in accordance with paragraphs 39–42 above.

44. If a letter of approval refers to a specific version of the validation report and the DOE therefore is unable to submit this precise version of the validation report, the DOE shall select one of the following options:

- (a) Insert a statement in the validation report to indicate that the final letter of approval has not been received and that a request for registration will not be submitted until it has been received; or
- (b) Update the validation report to reflect the receipt of the letter of approval. If this option is selected, the validation report major number shall remain unchanged and the minor number shall be increased. The DOE shall confirm in the validation report that this is the only change that has been made to the version referred to in the letter of approval.

## **7.7. Authorization**

### **7.7.1. Validation requirement**

45. The DOE shall determine whether each project participant has been authorized by at least one Party involved in a letter of approval.

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<sup>4</sup> A list of DNAs is available on the UNFCCC CDM website.

**7.7.2. Means of validation**

46. The DOE shall confirm that the project participants are listed in tabular form in the PDD and that this information is consistent with the information provided in the section that contains the contact information for project participants.
47. The DOE shall confirm that no entities other than those authorized as project participants are included in these sections of the PDD.
48. The DOE shall confirm that the approval of participation has been issued from the relevant DNA and if in doubt shall verify with the DNA that the approval of participation is valid for the proposed CDM project participants.

**7.7.3. Reporting requirements**

49. The validation report shall, for each project participant:
  - (a) Indicate whether the participation has been authorized by a Party to the Kyoto Protocol;
  - (b) Describe the means of validation employed to support the conclusions.

**7.8. Contribution to sustainable development****7.8.1. Validation requirement**

50. The DOE shall confirm that the DNA has considered whether the proposed CDM project activity **or PoA** assists the host Party in achieving sustainable development.

**7.8.2. Means of validation**

51. The DOE shall determine whether the letter of approval by the DNA of the host Party confirms the contribution of the proposed CDM project activity **or PoA** to the sustainable development of the host Party.

**7.8.3. Reporting requirements**

52. The DOE shall state whether the host Party's DNA has confirmed the contribution of the proposed CDM project activity **or PoA** to the sustainable development of the host Party. This may be reported together with the DOE's assessment of the validity of the host Party's approval.

**7.9. Modalities of communications****7.9.1. General****7.9.1.1. Validation requirement**

53. The DOE shall validate the corporate identity of all project participants and focal points included in the Modalities of Communication (MoC) statement, as well as the personal identities, including specimen signatures and employment status, of their authorized signatories.

#### **7.9.1.2. Means of validation**

54. The DOE shall validate paragraph 53 above through:
- (a) Directly checking evidence for corporate, personal identity and other relevant documentation;
  - (b) Notarized documentation; or
  - (c) Written confirmation from the project participant or the coordinating/managing entity that submits to it the MoC statement that all corporate and personal details, including specimen signatures, are valid and accurate.
55. When the DOE validates identity by applying paragraph 54 (c) above, the DOE shall ensure that the MoC statement is received from a project participant with whom the DOE has a contractual relationship. For a proposed CDM PoA, the DOE shall ensure that the MoC statement is received from the coordinating/managing entity.
56. When the DOE validates identity by applying paragraph 54 (c) above, the DOE shall ensure that the official who submits the MoC statement to the DOE and the official who signed the written confirmation (if a different person) is/are duly authorized to do so on behalf of the respective project participant or coordinating/managing entity.
57. If the DOE is unable to validate the requirements by applying paragraph 54 (a), (b) or (c) above then the DOE may perform further validation activities in order to confirm that the corporate and personal details, employment status and specimen signatures included in the MoC statement are valid and accurate and comply with the requirements of this section.

#### **7.9.1.3. Reporting requirements**

58. The DOE shall confirm in writing that it has performed due diligence on the MoC statement in accordance with the requirements established in this standard.

#### **7.9.2. Modalities of communication statement**

##### **7.9.2.1. Validation requirement**

59. The DOE shall validate that the MoC statement has been correctly completed and duly authorized.

##### **7.9.2.2. Means of validation**

60. The DOE shall check that:
- (a) The ~~latest~~ **valid** version of the form "Modalities of Communication statement" (F-CDM-MOC) has been used;
  - (b) The information required as per the F-CDM-MOC, including its annex 1, is correctly completed;
  - (c) The project participant's authorized signatories signing the F-CDM-MOC correspond to the project participant's authorized signatories included in F-CDM-MOC, annex 1.

**7.9.2.3. Reporting requirements**

61. The DOE shall confirm in writing that the MoC statement complies with all relevant forms and requirements.

**7.10. Project design document****7.10.1. Validation requirement**

62. The DOE shall determine whether the PDD, ~~or PoA-DD and or~~ CPA-DD was completed using the ~~latest valid~~ version of the PDD, ~~or PoA-DD and or~~ CPA-DD form appropriate to the type of the proposed CDM project activity, ~~or PoA~~ **or CPA**.

**7.10.2. Reporting requirements**

63. The DOE shall provide a statement regarding the compliance of the PDD, **PoA-DD or CPA-DD** with relevant forms and guidance.

**7.11. Description of project activity **or programme of activities******7.11.1. Validation requirement**

64. The DOE shall determine whether the description of the proposed CDM project activity, **PoA or CPA** in the PDD, **PoA-DD or CPA-DD** is accurate, complete, and provides an understanding of the proposed CDM project activity, **PoA or CPA**.

**7.11.2. Means of validation**

65. Unless other means are specified in the methodology, the DOE shall conduct an on-site inspection for the following proposed CDM project activities **or CPAs** in the existing facilities or utilizing the existing equipments:
- (a) Proposed large-scale CDM project activities **or CPAs**;
  - (b) Non-bundled proposed small-scale CDM project activities or **proposed small-scale CDM CPAs** with emission reductions exceeding 15,000 tonnes per year;
  - (c) Bundled proposed small-scale CDM project activities, each with emission reductions not exceeding 15,000 tonnes per year; in such cases the number of on-site inspections may, however, be based on sampling, if the sampling size is justified through statistical analysis **in accordance with the "Standard for sampling and surveys for CDM project activities and programme of activities"**.
66. For other individual proposed small-scale CDM project activities **or CPAs** with emission reductions not exceeding 15,000 tonnes per year, the DOE should conduct an on-site inspection as appropriate. For proposed CDM project activities **or CPAs** for which the DOE does not undertake an on-site inspection this shall be justified. The DOE may apply a sampling approach in accordance with the "Standard for sampling and surveys for CDM project activities and programme of activities".
67. For all other proposed CDM project activities **or CPAs** not referred to in paragraphs 65–66 above, the DOE shall undertake the validation of project description by reviewing

available designs and feasibility studies and should conduct comparison analysis with equivalent projects, as appropriate.

68. If the proposed CDM project activity **or CPA** involves the alteration of an existing installation or process, the DOE shall ensure that the project description states the differences resulting from the project activity **or CPA** compared to the pre-project situation.

### **7.11.3. Reporting requirements**

69. The DOE shall:
- (a) Describe the process undertaken to validate the accuracy and completeness of the project description;
  - (b) Provide an opinion on the accuracy and completeness of the project description;
  - (c) Provide a justification if it has not conducted an on-site inspection.

## **7.12. Application of the selected baseline and monitoring methodology**

### **7.12.1. General requirements**

70. The DOE shall determine whether the baseline and monitoring methodology selected by the project participants **or the coordinating/managing entity** is the valid version of those approved by the Board.
71. The DOE shall apply specific guidance and/or clarifications provided by the Board with respect to the approved methodology and any applicable tools.
72. The DOE shall determine whether the selected methodology applies to the proposed CDM project activity, **PoA or CPA** and was correctly applied with respect to the following:
- (a) Project boundary;
  - (b) Baseline identification;
  - (c) Algorithms and/or formulae used to determine emission reductions;
  - (d) Additionality;
  - (e) Monitoring methodology.

### **7.12.2. Applicability of the selected baseline and monitoring methodology**

#### **7.12.2.1. Validation requirement**

73. The DOE shall validate that the selected baseline and monitoring methodology is applicable to the proposed CDM project activity **or CPA** and that the selected version is valid at the time of submission of the proposed CDM project activity **or CPA** for registration.

**7.12.2.2. Means of validation**

74. The DOE shall determine whether the methodology is correctly quoted and applied by comparing it with the actual text of the **applicable-valid** version of the methodology.<sup>5</sup>
75. If the PDD **or CPA-DD** of a proposed CDM project activity **or CPA** is based on a previous version of a methodology and was published for global stakeholder consultation but was not submitted for registration within the grace period, the DOE shall request the project participants **or the coordinating/managing entity** to provide a revised PDD **or CPA-DD** in accordance with the Project cycle procedure.
76. The DOE shall determine whether the proposed CDM project activity **or CPA** meets each of the applicability conditions of the approved methodology or any tool or other methodology component referred to therein. This shall be done by validating the documentation referred to in the PDD **or CPA-DD** and by verifying that the documentation content is correctly quoted and interpreted in the PDD **or CPA-DD**. If the DOE, based on local and sectoral knowledge, is aware that comparable information is available from credible sources other than that used in the PDD **or CPA-DD**, then the DOE shall cross-check the PDD **or CPA-DD** against other sources to confirm that the project activity **or CPA** meets the applicability conditions of the methodology.

**7.12.2.3. Reporting requirements**

77. For each applicability condition listed in the approved methodology selected, the DOE shall describe the steps taken to assess the relevant information contained in the PDD **or CPA-DD** against these criteria. The DOE shall provide a validation opinion regarding the applicability of the selected methodology to the proposed CDM project activity **or CPA**.

**7.12.3. Deviation from an approved methodology**

78. If the project participants **or the coordinating/managing entity** requested a deviation before the publication of the PDD or **of PoA-DD and CPA-DD** when applying **the valid version of** an approved methodology to a proposed CDM project activity **or PoA**, or if the DOE finds at validation that the project participants **or the coordinating/managing entity** deviated from **the valid version of** an approved methodology and the DOE considers that the deviation was due to a project-specific issue implying that a revision of the methodology would not be required to address the issue, it may seek guidance on the

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<sup>5</sup> A selected approved methodology applies to the proposed CDM project activity **or CPA** if the applicability conditions of the methodology are met.

acceptability of the deviation from the Board prior to requesting registration of the proposed CDM project activity **or PoA**.<sup>6</sup>

79. The DOE shall submit to the Board an assessment of the case including demonstration that the deviation does not require revision of an approved methodology, and shall include a description of the impact of the deviation on the emission reductions from the proposed CDM project activity **or PoA in accordance with the Project cycle procedure**.
80. Alternatively, if the DOE considers that a revision of the methodology would be required to address the project situation then the DOE shall request the project participants **or the coordinating/managing entity** to submit a request for revision in accordance with the Project cycle procedure.

#### **7.12.4. Clarification on the applicability of an approved methodology **and an approved tool****

81. If the DOE cannot make a determination regarding the applicability of the selected methodology **or the approved tool** to the proposed CDM project activity **or PoA**, then the DOE shall request clarification of the methodology **or the tool in accordance with the Project cycle procedure**. The DOE shall conduct an assessment to ensure that the request is not submitted with the intention of revising an approved methodology **or an approved tool** to expand its applicability.

#### **7.12.5. Project boundary**

##### **7.12.5.1. Validation requirement**

82. The DOE shall determine whether all main GHG emission sources, the physical delineation of the proposed CDM project activity **or PoA** and other relevant project and baseline emission sources covered in the methodology are included within the project

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<sup>6</sup> Examples of project-specific issues may include, but are not limited to, the following:

- (a) The methodology requires measurements using instrumentation of certain specifications or using a certain method. The project **proponents-participants or the coordinating/managing entity** of the proposed CDM project activity **or PoA** identify a difficulty in acquiring the specified instrumentation or difficulty in implementing the measurement method; however, they can achieve comparable accuracy of measured parameters using an alternative instrumentation or measurement method;
- (b) A proposed CDM project activity **or PoA** does not have access to the data sources specified by the methodology for a certain parameter; a different source of data can be accessed by the project activity **or PoA** to estimate the parameter with equal reliability and accuracy;
- (c) A minor deviation is sought for a project-specific situation, which is well-justified and conservative. For example: a methodology requires limiting production in the project scenario between +/- 5% of rated capacity, if the historical baseline is to be applied. Due to government restrictions, **the project proponents the plant has** never **been** operated **the plant** at its rated capacity but at a capacity which is much below its rated capacity (20% below the rated capacity). A deviation can be presented specifying conservative approaches to calculate emission reduction in such a project-specific case;
- (d) A conservative estimation technique or default factor suggested addressing uncertainties related to project-specific situations, which are not addressed in the methodology. For example, a well-justified conservative uncertainty factor proposed to be used in equations of baseline emissions to address uncertainties in the real-life situation during the crediting period.



boundary for the purpose of calculating project and baseline emissions for the proposed CDM project activity **or CPA**.

#### **7.12.5.2. Means of validation**

83. The DOE shall confirm the project boundary based on documented evidence and shall corroborate it by an on-site inspection where required.
84. If the methodology allows project participants **or coordinating/managing entities** to choose whether a source or gas is to be included within the project boundary, the DOE shall determine whether the project participants **or the coordinating/managing entity** have justified that choice. The DOE shall determine whether the justification provided is reasonable, based on an assessment of supporting documented evidence provided by the project participants **or the coordinating/managing entity** and corroborated by observations if required.
85. For the proposed CDM project activities **or CPAs** that have both A/R and non-A/R components, in order to avoid double counting of emission sources, the DOE shall confirm that the emissions associated with the A/R activity will be accounted for and documented by the A/R project activity **or CPA**.

#### **7.12.5.3. Reporting requirements**

86. The DOE shall describe how the validation of the project boundary has been performed, by detailing the documentation assessed (e.g. a commissioning report) and by describing its observations during any on-site inspection undertaken (i.e. observations of the physical site or equipment used in the process).
87. The DOE shall state whether the identified boundary and the selected sources and gases are justified for the proposed CDM project activity **or CPA**. Should the DOE identify emission sources that will be affected by the implementation of the proposed CDM project activity **or CPA** and which are expected to contribute more than 1% of the overall expected average annual emissions reductions, and are not addressed by the selected approved methodology, the DOE shall request clarification of, revision to, or deviation from the methodology, as appropriate.

### **7.12.6. Baseline scenario identification and description**

#### **7.12.6.1. Validation requirement**

88. The DOE shall determine whether the baseline identified for the proposed CDM project activity **or CPA** is the scenario that reasonably represents the anthropogenic emissions by sources of GHGs that would occur in the absence of the proposed CDM project activity **or CPA**.

#### **7.12.6.2. Means of validation**

89. The DOE shall determine whether any procedure contained in the methodology to identify the most reasonable baseline scenario has been correctly applied. If the selected methodology requires the use of tools (such as the “Tool for the demonstration and assessment of additionality” and the “Combined tool to identify the baseline scenario and demonstrate additionality”) to establish the baseline scenario, the DOE shall consult



the methodology on the application of these tools. In such cases, the specific guidance in the methodology shall supersede the corresponding requirements of the tool.

90. If the methodology requires several alternative scenarios to be considered in the identification of the most plausible baseline scenario, the DOE shall, based on financial expertise and local and sectoral knowledge, determine whether all scenarios that are considered by the project participants **or the coordinating/managing entity** and any scenarios that are supplementary to those required by the methodology, are realistic and credible in the context of the proposed CDM project activity **or CPA** and that no alternative scenario has been excluded.
91. The DOE shall determine whether the most plausible baseline scenario identified is reasonable by validating the assumptions, calculations and rationales used in the PDD **or CPA-DD**. It shall determine whether documents and sources referred to in the **PDD or CPA-DD** are correctly quoted and interpreted. The DOE shall cross-check the information provided in the PDD **or CPA-DD** with other verifiable and credible sources, such as local expert opinion, if available.
92. The DOE shall determine whether the PDD **or CPA-DD** provides a description of the identified 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 CDM project activity **or CPA**.
93. The DOE shall determine whether, drawing on its knowledge of the sector and/or advice from local experts, that all applicable CDM requirements have been taken into account in the identification of the baseline scenario for the proposed CDM project activity **or CPA**, as well as relevant national and/or sectoral policies and circumstances, such as sectoral reform initiatives, local fuel availability, power sector expansion plans, and the economic situation in the project sector. Two (2) types of national and/or sectoral policies have to be taken into account:
  - (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, otherwise known as policies that increase GHG emissions, and are called type E+. For this type of national and/or sectoral policies or regulations, only those that have been implemented before adoption of the Kyoto Protocol by the COP (decision 1/CP.3, 11 December 1997) shall be taken into account when identifying a baseline scenario. If such national and/or sectoral policies were implemented since the adoption of the Kyoto Protocol, the baseline scenario shall 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 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), otherwise known as policies that decrease GHG emissions, are called type E-. For this type of national and/or sectoral policies or regulations, those 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 identifying 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).

**7.12.6.3. Reporting requirements**

94. The DOE shall describe the steps taken to assess the requirements and provide an opinion as to whether:
- (a) All the assumptions and data used by the project participants **or the coordinating/managing entity** are listed in the PDD **or CPA-DD**, including their references and sources;
  - (b) All documentation used is relevant for establishing the baseline scenario and correctly quoted and interpreted in the PDD **or CPA-DD**;
  - (c) Assumptions and data used in the identification of the baseline scenario are justified appropriately, supported by evidence and can be deemed reasonable;
  - (d) Relevant national and/or sectoral policies and circumstances are considered and listed in the PDD **or CPA-DD**;
  - (e) The approved baseline methodology has been correctly applied to identify the most plausible baseline scenario and the identified baseline scenario reasonably represents what would occur in the absence of the proposed CDM project activity **or CPA**.
95. The DOE shall describe other steps taken and sources of information used to cross-check the information contained in the PDD **or CPA-DD**.

**7.12.7. Algorithms and/or formulae used to determine emission reductions****7.12.7.1. Validation requirement**

96. The DOE shall determine whether the steps taken and the equations and parameters applied in the PDD to calculate project emissions, baseline emissions, leakage and emission reductions comply with the requirements of the selected methodology including applicable tool(s).

**7.12.7.2. Means of validation**

97. Where the methodology allows for selection between options for equations or parameters, the DOE shall determine whether adequate justification has been provided (based on the choice of the baseline scenario, context of the proposed project activity and other evidence provided) and that the correct equations and parameters have been used, in accordance with the methodology selected<sup>7</sup> including applicable tool(s).
98. The DOE shall verify the justification given in the PDD for the choice of data and parameters used in the equations. If data and parameters will not be monitored throughout the crediting period of the proposed project activity but have already been determined and will remain fixed throughout the crediting period, the DOE shall determine whether all data sources and assumptions are appropriate and calculations are correct as applicable to the proposed project activity, and will result in an accurate or

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<sup>7</sup> For project activities that have both A/R and non A/R components, in order to avoid double counting of emission sources, the emissions associated with A/R activity shall be accounted for and clearly documented by the A/R CDM project activity (see EB 25 report paragraphs 38 and 48).

otherwise conservative estimate of the emission reductions. If data and parameters will be monitored or estimated on implementation and hence become available only after validation of the project activity, the DOE shall determine whether the estimates provided in the PDD for these data and parameters are reasonable.

### **7.12.7.3. Reporting requirements**

99. The DOE shall describe the steps taken to assess the requirements and provide an opinion as to whether:

- (a) All assumptions and data used by the project participants are listed in the PDD, including their references and sources;
- (b) All documentation used by project participants as the basis for assumptions and source of data is correctly quoted and interpreted in the PDD;
- (c) All values used in the PDD are considered reasonable in the context of the proposed project activity;
- (d) The baseline methodology and corresponding tool(s) have been applied correctly to calculate project emissions, baseline emissions, leakage and emission reductions;
- (e) All estimates of the baseline emissions can be replicated using the data and parameter values provided in the PDD.

100. The DOE shall describe how it has verified the data and parameters used in the equations, including references to any other data sources used.

## **7.12.8. Additionality of project activity**

### **7.12.8.1. Validation requirement General**

#### **7.12.8.1.1. Validation requirement**

101. The DOE shall determine whether the proposed CDM project activity is additional as demonstrated in the PDD.<sup>8</sup>

#### **7.12.8.1.2. Means of validation**

102. The DOE shall assess and verify the reliability and credibility of all data, rationales, assumptions, justifications and documentation provided by project participants to support

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<sup>8</sup> In accordance with decision 3/CMP.1, annex, paragraph 43, "A CDM project activity is additional if anthropogenic emissions of greenhouse gases by sources are reduced below those that would have occurred in the absence of the registered CDM project activity." Note that for proposed A/R CDM project activities, "An afforestation or reforestation project activity under the CDM is additional if the actual net greenhouse gas 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 registered CDM afforestation or reforestation project activity" (see decision 5/CMP.1, annex, paragraph 18). While specific elements of the assessment of additionality are discussed in further detail below, not all elements discussed below will be applicable to all proposed CDM project activities.

the demonstration of additionality. This requires the DOE to critically assess the evidence presented, using local knowledge and sectoral and financial expertise.

103. If required by the applicable approved methodology, the DOE shall consider tools and guidelines provided by the Board to demonstrate the additionality of proposed CDM project activities. The DOE shall also consider specific complementary or alternative requirements included in the methodology for demonstrating the additionality of the proposed CDM project activity.

#### **7.12.8.1.3. Reporting requirements**

104. The DOE shall describe all steps taken, and sources of information used to cross-check the information contained in the PDD. The DOE shall describe how it has determined that the evidence assessed is credible, where appropriate.

#### **7.12.8.2. Assessment of prior consideration of the clean development mechanism**

##### **7.12.8.2.1. Validation requirement**

105. The DOE shall determine whether CDM benefits were considered necessary in the decision to undertake the project as a proposed CDM project activity if the starting date of the proposed CDM project activity is prior to the start of validation, which is the date of publication of the PDD for global stakeholder consultation.

##### **7.12.8.2.2. Means of validation**

106. The DOE shall determine whether the start date of the proposed CDM project activity, reported in the PDD, is the earliest date at which either the implementation or construction or real action of a project activity begins.<sup>9</sup> For proposed CDM project activities that require construction, retrofit or other modifications, the date of commissioning cannot be considered the project activity start date. The DOE shall determine whether it is a proposed CDM project activity with a start date:

- (a) On or after 2 August 2008; or
- (b) Before 2 August 2008.

107. For a proposed CDM project activity with a start date on or after 2 August 2008, for which a PDD has not been published for global stakeholder consultation ~~or a new methodology has not been proposed to the Board~~ before the project activity start date, the DOE shall confirm by referring to the list of prior consideration notifications from the UNFCCC website and communication between the project ~~proponent participants~~, the secretariat and the host Party DNA, ~~if the DNA exists~~, regarding the commencement of a new project activity.<sup>10</sup> If such notification has not been provided by the project participants ~~within 180 days of the project activity start date in accordance with the Project cycle procedure~~, the DOE shall determine that the CDM was not seriously considered in the decision to implement the project activity.

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<sup>9</sup> See the "Glossary of CDM terms" for additional information related to the start dates of other types of proposed CDM project activities and PoAs.

<sup>10</sup> See EB 48, annex 62, "Prior consideration of the CDM form".

108. For a proposed CDM project activity with a start date before 2 August 2008, for which the start date is prior to the date of publication of the PDD for global stakeholder consultation, the DOE shall assess the project participant's prior consideration of the CDM. Specifically, the DOE shall assess whether the project participants:
- (a) Had an awareness of the CDM prior to the project activity start date, and that the benefits of the CDM were a decisive factor in the decision to proceed with the project. 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 proposed CDM project activity;
  - (b) Demonstrated that real and continuing actions were taken to secure CDM status for the project in parallel with its implementation in accordance with relevant provisions related to the supporting evidence in the Project standard. 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, letter of intent, emission reduction purchase agreements (ERPA) term sheets, ERPAs or other documentation related to the potential sale of the certified emission reductions (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 a newspaper, interviews with the DNA, and earlier correspondence on the project with the DNA or the secretariat.
109. Assessment of real and continuing actions shall be conducted by the DOE and should focus on real documented evidence as indicated in paragraph 108(b) above, including an assessment by the DOE of the authenticity of the evidence. The DOE shall assess letters, e-mail exchanges and other documented communications submitted by the project participants to substantiate the above information, and these shall be considered as evidence only after the DOE has assessed the reliability and authenticity of such communications, inter alia through cross-checking (e.g. interviews).
110. In validating proposed CDM project activities where:
- (a) There is less than two years of a gap between the documented evidence, the DOE shall conclude that continuing and real actions were taken to secure CDM status for the project activity;
  - (b) The gap between documented evidence is greater than two years and less than three years, the DOE may determine that continuing and real actions were taken to secure CDM status for the project activity and shall justify any positive or negative validation opinion based on the context of the evidence and information assessed;
  - (c) The gap between documented evidence is greater than three years, the DOE shall conclude that continuing and real actions were not taken to secure CDM status for the project activity.

111. If evidence to support the serious prior consideration of the CDM as indicated above is not available, the DOE shall determine that the CDM was not considered in the decision to implement the proposed CDM project activity.

#### **7.12.8.2.3. Reporting requirements**

112. The validation report shall:

- (a) Describe the validation of the project activity start date provided in the PDD;
- (b) Describe the evidence for prior consideration of the CDM (if necessary) that was assessed and the process of cross-checking the evidence, including the real and continuing action;
- (c) Provide a validation opinion regarding whether the proposed CDM project activity complies with the applicable requirements related to the prior consideration of the CDM.

#### **7.12.8.3. Identification of alternatives**

##### **7.12.8.3.1. Validation requirement**

113. Where the baseline scenario is not prescribed in the approved methodology, the DOE shall assess the list of identified credible alternatives to the proposed CDM project activity in the PDD selected to determine the most realistic baseline scenario.

##### **7.12.8.3.2. Means of validation**

114. The DOE shall assess the list of alternatives given in the PDD and to determine whether:

- (a) The list of alternatives includes as one of the options that the project activity is undertaken without being registered as a proposed CDM project activity;
- (b) The list contains all plausible alternatives that the DOE, on the basis of its local and sectoral knowledge, considers to be viable means of supplying the comparable outputs or services that are to be supplied by the proposed CDM project activity;
- (c) The alternatives comply with all applicable and enforced legislation.

115. Where the baseline scenario is prescribed in the approved methodology, no further analysis is required.

##### **7.12.8.3.3. Reporting requirements**

116. The DOE shall describe whether it considers the listed alternatives to be credible and complete.

**7.12.8.4. Investment analysis****7.12.8.4.1. Validation requirement**

117. If investment analysis has been used to demonstrate the additionality of the proposed CDM project activity, the DOE shall determine whether the proposed CDM project activity would not be:

- (a) The most economically or financially attractive alternative; or
- (b) Economically or financially feasible without the revenue from the sale of CERs.

**7.12.8.4.2. Means of validation**

118. The DOE shall apply ~~the latest~~ **the latest valid version of** the “Guidelines on the assessment of investment analysis” as provided by the Board and with other relevant provisions.

119. The DOE shall determine whether the proposed CDM project activity is not the most economically or financially attractive alternative, or that it is not economically or financially feasible without CDM:<sup>11</sup>

- (a) The proposed CDM project activity would produce no financial or economic benefits other than CDM-related income. The DOE shall determine whether the documented costs associated with the proposed CDM project activity and the alternatives identified demonstrate that there is at least one alternative which is less costly than the proposed CDM project activity;
- (b) The proposed CDM project activity is less economically or financially attractive than at least one other credible and realistic alternative;
- (c) The financial returns of the proposed CDM project activity would be insufficient to justify the required investment.

120. To verify the accuracy of financial calculations carried out for any investment analysis, the DOE shall:

- (a) Determine the suitability of the financial indicator selected by the project participants and conduct a thorough assessment of all parameters and assumptions used in calculating such financial indicators, and determine the accuracy and suitability of these parameters using available evidence and applying its expertise in relevant accounting practices;
- (b) Cross-check the parameters against third-party or publicly available sources, such as invoices or price indices;
- (c) Review, as appropriate, feasibility reports, public announcements and annual financial reports related to the proposed CDM project activity and the project participants;

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<sup>11</sup> It should be noted ~~the latest~~ **the latest valid version of** the “Guidelines on the assessment of investment analysis”, and the requirements of specific methodologies may preclude the use of one of these options in certain scenarios.

- (d) Assess the correctness of computations carried out and documented by the project participants; and
  - (e) Assess, where applicable, the sensitivity analysis by the project participants to determine under what conditions variations in the result would occur, and the likelihood of these conditions.
121. To confirm the suitability of any benchmark applied in the investment analysis, the DOE shall:
- (a) Determine whether the type of benchmark applied is suitable for the type of financial indicator presented;
  - (b) Ensure that any risk premiums applied in determining the benchmark reflect the risks associated with the project type or activity;
  - (c) Determine whether it is reasonable to assume that no investment would be made at a rate of return lower than the benchmark.
122. Where project participants rely on values from Feasibility Study Reports (FSR) that are approved by national authorities for proposed CDM project activities, the DOE shall determine whether:
- (a) The FSR is the basis for the decision to proceed with the investment in the project, i.e. that the period of time between the finalization of the FSR and the investment decision is sufficiently short that it is unlikely in the context of the underlying project activity that the input values would have materially changed;
  - (b) The values used in the PDD and associated annexes are fully consistent with the FSR, and where inconsistencies occur the DOE shall assess the appropriateness of the values;
  - (c) The input values from the FSR are valid and applicable at the time of investment decision. The DOE shall confirm this on the basis of its specific local and sectoral expertise and by cross-checking or other appropriate means.

#### **7.12.8.4.3. Reporting requirements**

123. The DOE shall:
- (a) Describe in detail how the parameters used in any financial calculations, including those taken from the FSR, if applicable, have been validated;
  - (b) Describe how the suitability of any benchmark applied has been assessed;
  - (c) Confirm whether the underlying assumptions are appropriate and the financial calculations are correct.



**7.12.8.5. Barrier analysis****7.12.8.5.1. Validation requirement**

124. If barrier analysis<sup>12</sup> was used to demonstrate the additionality of the proposed CDM project activity, the DOE shall determine whether the proposed CDM project activity faces barriers that:

- (a) Prevent the implementation of this type of proposed CDM project activity;<sup>13</sup>
- (b) Do not prevent the implementation of at least one of the alternatives.

**7.12.8.5.2. Means of validation**

125. The DOE shall determine whether issues that have a direct impact<sup>14</sup> on the financial returns of the proposed CDM project activity are not considered barriers and shall be assessed by investment analysis. This does not refer to either:

- (a) Risk related barriers, for example risk of technical failure, that could have negative effects on financial performance; or
- (b) Barriers related to the unavailability of sources of finance for the project activity.

126. The DOE shall apply a two-step process to assessing the barrier analysis performed, as follows:

- (a) *Determine whether the barriers are real:* The DOE shall assess the available evidence and/or conduct interviews with relevant individuals (including members of industry associations, government officials or local experts if necessary) to determine whether the barriers listed in the PDD exist. The DOE shall determine whether the existence of barriers is substantiated by independent sources of data such as relevant national legislation, surveys of local conditions and national or international statistics. If the existence of a barrier is substantiated only by the opinions of the project participants, the DOE shall not consider this barrier to be adequately substantiated. If the DOE considers, on the basis of its sectoral or local expertise, that a barrier is not real or is not supported by sufficient evidence, it shall raise a CAR to have reference to this barrier removed from the project documentation;
- (b) *Determine whether the barriers prevent the implementation of the proposed CDM project activity but not the implementation of at least one of the possible alternatives:* Since not all barriers present an insurmountable hurdle to a project activity being implemented, the DOE shall apply its local and sectoral expertise to

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<sup>12</sup> Barriers are issues in project implementation that could prevent a potential investor from pursuing the implementation of the proposed CDM project activity. The identified barriers are only sufficient grounds for demonstration of additionality if they would prevent potential project **proponents participants** from carrying out the proposed CDM project activity undertaken without being registered as a CDM project activity.

<sup>13</sup> See the **latest valid version of** "Guidelines for objective demonstration and assessment of barriers".

<sup>14</sup> Defined in this context as those issues whose impacts can be expressed in monetary terms with reasonable certainty.

judge whether a barrier or set of barriers would prevent the implementation of the proposed CDM project activity and would not equally prevent implementation of at least one of the possible alternatives, in particular the identified baseline scenario.

#### **7.12.8.5.3. Reporting requirements**

127. The DOE shall:

- (a) Provide an assessment of each barrier listed in the PDD, which describes how it has undertaken validation of the barrier;
- (b) Provide an overall determination of the credibility of the barrier analysis performed.

#### **7.12.8.6. Common practice analysis**

##### **7.12.8.6.1. Validation requirement**

128. For proposed large-scale CDM project activities, unless the proposed project type is first-of-its-kind as determined in accordance with the relevant guidelines, the DOE shall assess whether the project participants have conducted a common practice analysis.<sup>15</sup>

##### **7.12.8.6.2. Means of validation**

129. The DOE shall use official sources and its local and sectoral expertise to:

- (a) Assess whether the geographical scope (e.g. the defined region) of the common practice analysis is appropriate for the assessment of common practice related to the project activity's technology or industry type. For certain technologies, the relevant region for assessment will be local and for others it may be transnational/global. If a region other than the entire host country is chosen, the DOE shall assess the explanation of why this region is more appropriate;
- (b) Determine to what extent similar and operational projects (e.g. using similar technology or practice), other than project activities,<sup>16</sup> have been undertaken in the defined region;
- (c) Assess, if similar and operational projects, other than project activities, are already "widely observed and commonly carried out" in the defined region, whether there are essential distinctions between the proposed CDM project activity and the other similar activities.

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<sup>15</sup> This is a test to complement the investment analysis (step 2 of the additionality tool) or barrier analysis (step 3 of the additionality tool) to confirm that the project activity is not widely observed and commonly carried out in the region.

<sup>16</sup> Registered CDM project activities and proposed CDM project activities that have been published on the UNFCCC website for global stakeholder consultation as part of the validation processes.

**7.12.8.6.3. Reporting requirements**

130. The DOE shall:

- (a) Describe how the geographical scope of the common practice analysis has been validated, considering the technology or industry type to which the proposed CDM project activity belongs;
- (b) Describe how it has undertaken an assessment of the existence of similar projects;
- (c) Describe how it has assessed the essential distinctions between the proposed CDM project activity and any similar projects that are widely observed and commonly carried out;
- (d) Confirm whether the proposed CDM project activity is not common practice.

**7.12.8<sup>bis</sup>. Algorithms and/or formulae used to determine emission reductions****7.12.8<sup>bis</sup>.1. Validation requirement**

1. The DOE shall determine whether the steps taken and the equations and parameters applied in the PDD or CPA-DD to calculate project emissions, baseline emissions, leakage and emission reductions comply with the requirements of the selected methodology including applicable tool(s) and, where applicable, "Standard for sampling and surveys for CDM project activities and programme of activities".

**7.12.8<sup>bis</sup>.2. Means of validation**

2. Where the methodology allows for selection between options for equations or parameters, the DOE shall determine whether adequate justification has been provided (based on the choice of the baseline scenario, context of the proposed CDM project activity or CPA and other evidence provided) and that the correct equations and parameters have been used, in accordance with the methodology selected<sup>16bis</sup> including applicable tool(s).
3. The DOE shall verify the justification given in the PDD or CPA-DD for the choice of data and parameters used in the equations.
  - (a) Data and parameters fixed ex ante: If data and parameters will not be monitored throughout the crediting period of the proposed CDM project activity or CPA but have already been determined and will remain fixed throughout the crediting period, the DOE shall determine whether all data sources and assumptions are appropriate and calculations are correct as applicable to the proposed CDM project activity or CPA, and will result in an accurate or otherwise conservative estimate of the emission reductions. If the selected methodology requires that any of these data and parameters be determined in accordance with the "Standard for sampling and surveys for CDM project activities and programme of activities", the DOE shall determine whether the sampling efforts were

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<sup>16bis</sup>

For proposed CDM project activities or CPAs that have both A/R and non-A/R components, in order to avoid double counting of emission sources, the emissions associated with A/R activity shall be accounted for and clearly documented by the proposed A/R CDM project activity or CPA (see EB 25 report paragraphs 38 and 48).

undertaken in accordance with the “Standard for sampling and surveys for CDM project activities and programme of activities”.

- (b) Data and parameters to be monitored: If data and parameters will be monitored or estimated on implementation and hence become available only after validation of the proposed CDM project activity or CPA, the DOE shall determine whether the estimates provided in the PDD or CPA-DD for these data and parameters are reasonable. If the selected methodology requires that any of these estimates be determined in accordance with the “Standard for sampling and surveys for CDM project activities and programme of activities”, the DOE shall determine whether the sampling efforts were undertaken in accordance with the “Standard for sampling and surveys for CDM project activities and programme of activities”.

- 4. The DOE shall determine whether the global warming potentials (GWPs) were correctly applied in the PDD or CPA-DD in accordance with relevant requirements in the Project standard.

#### **7.12.8<sup>bis</sup>.3. Reporting requirements**

- 5. The DOE shall describe the steps taken to assess the requirements and provide an opinion as to whether:
  - (a) All assumptions and data used by the project participants or the coordinating/managing entity are listed in the PDD or CPA-DD, including their references and sources;
  - (b) All documentation used by the project participants or the coordinating/managing entity as the basis for assumptions and source of data is correctly quoted and interpreted in the PDD or CPA-DD;
  - (c) All values used in the PDD or CPA-DD including GWPs are considered reasonable in the context of the proposed CDM project activity or CPA-DD;
  - (d) The baseline methodology and corresponding tool(s) have been applied correctly to calculate project emissions, baseline emissions, leakage and emission reductions;
  - (e) All estimates of the baseline emissions can be replicated using the data and parameter values provided in the PDD or CPA-DD;
  - (f) The sampling efforts were undertaken in accordance with the “Standard for sampling and surveys for CDM project activities and programme of activities”, where the selected methodology requires that the data and parameters be determined in accordance with the “Standard for sampling and surveys for CDM project activities and programme of activities”.
- 6. The DOE shall describe how it has verified the data and parameters used in the equations, including references to any other data sources used.

## 7.12.9. Monitoring plan

### 7.12.9.1. Validation requirement

131. The DOE shall determine whether the description of the monitoring plan included in the PDD or CPA-DD complies with ~~is based on~~ the approved monitoring methodology including applicable tool(s) and, where applicable, “Standard for sampling and surveys for CDM project activities and programme of activities”.

### 7.12.9.2. Means of validation

132. The DOE shall apply a ~~two-three~~ step process to meet the above requirement:

- (a) To assess compliance of the monitoring plan with the approved methodology and the applicable tool(s), the DOE shall:
  - (i) Identify the list of parameters required by the selected approved methodology including applicable tool(s) by means of document review;
  - (ii) Confirm that the description of the monitoring plan contains all necessary parameters, that they are described and that the means of monitoring described in the plan complies with the requirements of the methodology including applicable tool(s).
- (b) To assess the ~~implementation feasibility~~ of the plan the DOE shall, by means of review of the documented procedures, interviews with relevant personnel, project plans and any on-site inspection of the proposed CDM project activity or CPA site, assess whether:
  - (i) The monitoring arrangements described in the monitoring plan are feasible within the project design;
  - (ii) The means of implementation of the monitoring plan, including the data management and quality assurance and quality control procedures, are sufficient to ensure that the emission reductions achieved by/resulting from the proposed CDM project activity or CPA can be reported ex post and verified.
- (c) To determine whether the proposed sampling plan provides parameter value estimates in an unbiased and reliable manner, where the project participants or the coordinating/managing entity applied a sampling approach to determine data and parameters, the DOE shall assess the proposed sampling plan in accordance with the “Standard for sampling and surveys for CDM project activities and programme of activities”.

### 7.12.9.3. Reporting requirements

133. The DOE shall:

- (a) State its opinion on the compliance of the described monitoring plan with the requirements of the methodology including applicable tool(s) and, where applicable, “Standard for sampling and surveys for CDM project activities and programme of activities”;

- (b) Describe the steps undertaken to assess whether the monitoring arrangements in the monitoring plan are feasible within the project design;
- (c) State its opinion on the project participants' or the coordinating/managing entity' ability to implement the described monitoring plan.

#### **7.12<sub>bis</sub>. Duration and crediting period**

##### **7.12<sub>bis</sub>.1. Validation requirement**

1. The DOE shall determine whether the project participants defined the followings on the duration and crediting period of the proposed CDM project activity in accordance with relevant requirements in the Project standard:
  - (a) Start date;
  - (b) Expected operational lifetime;
  - (c) Type and duration of the crediting period;
  - (d) Start date of the crediting period.

##### **7.12<sub>bis</sub>.2. Means of validation**

2. The DOE shall assess the information contained in the PDD by means of a document review, use of official sources and its local and sectoral expertise, interviews with relevant personnel and/or on-site inspection(s).

##### **7.12<sub>bis</sub>.3. Reporting requirements**

3. The DOE shall describe the steps taken to assess, and state its opinion on, the compliance of the information contained in the PDD with the relevant requirements in the Project standard.

#### **7.13. Environmental impacts**

##### **7.13.1. Validation requirement**

134. The DOE shall determine whether the project participants or the coordinating/managing entity conducted an analysis of the environmental impacts of the proposed CDM project activity or PoA, including transboundary impacts, and whether those impacts are considered significant by the project participants, the coordinating/managing entity or the host Party.
135. The DOE shall also determine whether the project participants or the coordinating/managing entity conducted an environmental impact assessment, if required to do so by the host Party, in accordance with the host Party's procedures.

##### **7.13.2. Means of validation**

136. The DOE shall assess the above requirements by means of a document review and/or using local official sources and expertise.

**7.13.3. Reporting requirements**

137. The DOE shall indicate whether the project participants **or the coordinating/managing entity** have undertaken an analysis of environmental impacts and, if **considered significant by the project participants or the coordinating/managing entity or required** by the host Party, an environmental impact assessment in accordance with procedures as required by the host Party.

**7.14. Local stakeholder consultation****7.14.1. Validation requirement**

138. The DOE shall determine whether the project participants **or the coordinating/managing entity** have completed a local stakeholder consultation process and that due steps were taken to engage stakeholders and solicit comments for the proposed CDM project activity **or PoA**.

**7.14.2. Means of validation**

139. The DOE shall, by means of document review and interviews with local stakeholders **and the DNA** as appropriate, determine whether:

- (a) Comments have been invited from local stakeholders that are relevant for the proposed CDM project activity **or PoA**;
- (b) **The summary of the comments received, as provided in the PDD or PoA-DD, is complete;**
- (c) **The project participants or the coordinating/managing entity have taken due account of all comments received, and have described this process in the PDD or PoA-DD;**
- (d) **The consultation process had started and completed in accordance with the relevant requirements in the Project standard.**

- 139<sub>bis</sub>. If the DOE used interviews with local stakeholders and/or the DNA as a means of validation in paragraph 139 above, and if the DOE received no response from the local stakeholders and/or the DNA within 14 days of the request for response, the DOE may proceed with the information available.**

- 139<sub>ter</sub>. The DOE, when validating the letter of approval for the project activity or PoA from the host Party, shall request the DNA to forward any complaints received by the DNA from the local stakeholders after the completion of the local stakeholder consultation in accordance with the Project cycle procedure. If the DOE receives such complaints from the DNA, it shall promptly forward them to the project participants or the coordinating/managing entity and thereafter determine whether the project participants or the coordinating/managing entity have duly taken them into account. The DOE may proceed with the validation with the complaints received within 14 days of the request for forwarding, if any.**

- 139<sub>quater</sub>. The DOE shall determine whether changes to the PDD or PoA-DD are made after the invitation of comments from the local stakeholders. If the DOE identifies such**

changes, the DOE shall assess whether the comments received through the local stakeholder consultation are still valid after the changes.

### 7.14.3. Reporting requirements

140. The DOE shall:

- (a) Describe the steps taken to assess the adequacy of the local stakeholder consultation;
- (b) Provide an opinion on the adequacy of the local stakeholder consultation;
- (c) Provide an opinion on whether the complaints referred to in paragraph 139<sup>ter</sup> above have been duly taken into account;
- (d) Provide an opinion on the validity of the comments received through the local stakeholder consultation in cases referred to in paragraph 139<sup>quater</sup> above.

## 7.15. Validation status and outcomes, opinion, and report

### 7.15.1. Validation status and outcomes

141. ~~For each proposed project activity~~ The DOE shall provide an update of the status of its validation activity as applicable ~~unless the project activity has been submitted for registration, in accordance with the Project cycle procedure 180 days subsequent to the end of the period for the submission of public comments.~~

142. This status update shall indicate one of the following conditions:

- ~~(a) The validation contract has been terminated — in which case a reason for this termination shall be provided to the Board and secretariat on a confidential basis; or~~
- ~~(b) A negative validation opinion has been issued; or~~
- ~~(c) The DOE has raised one or more corrective action requests or clarification requests, to which no response has been received — in which case the DOE shall provide a summary of the issues raised and update or reconfirm the status of its validation activities at three (3) month intervals thereafter; or~~
- ~~(d) The DOE has finalized a positive validation opinion with the exception of the receipt of a valid letter of approval from one or more Parties involved — in which case the DOE shall indicate which Party/Parties involved; or~~
- ~~(e) Validation activities are ongoing and no corrective action or clarification requests have yet been sent to the project participants; in which case the DOE shall provide an explanation for the length of time taken and update or reconfirm the status of its validation activities on three (3) month intervals thereafter.~~

### 7.15.2. Validation opinion

143. The DOE shall include a statement of the likelihood of the proposed CDM project activity ~~or CPA~~ achieving the anticipated emission reductions stated in the CDM-PDD ~~or CPA-DD~~.



144. The DOE shall inform the project participants **or the coordinating/managing entity** of the validation outcome. Notification to the project participants **or the coordinating/managing entity** shall include:
- (a) A confirmation of validation and date of submission of the validation report to the Board; or
  - (b) An explanation of reasons for non-acceptance if the proposed CDM project activity, **PoA or CPA**, as documented, is determined not to fulfil the requirements for validation.
145. The DOE shall provide either:
- (a) A positive validation opinion in its validation report that is submitted as a request for registration **if the DOE determines that the proposed CDM project activity, PoA or CPA complies with the applicable CDM requirements**; or
  - (b) A negative validation opinion in its validation report explaining the reason for its opinion if the DOE determines that the proposed CDM project activity, **PoA or CPA** does not fulfil the applicable CDM requirements<sup>16ter</sup>.
146. The DOE shall include the following in its opinion:
- (a) A summary of the validation methodology and process used and the validation criteria applied;
  - (b) A description of project components or issues not covered by the validation process;
  - (c) A summary of the validation conclusions;
  - (d) A statement on the validation of the expected emission reductions;
  - (e) A statement as to whether the proposed CDM project activity, **PoA or CPA** meets the stated criteria.

### 7.15.3. Validation report

- ~~147. The DOE shall include the final validation opinion in the validation report. In its validation report, the DOE shall:~~
- ~~(a) State its conclusions regarding the proposed project activity's conformity with applicable CDM requirements;~~
  - ~~(b) Give an overview of the validation activities carried out in order to arrive at the final validation conclusions and opinion;~~
  - ~~(c) Include the results of the dialogue between the DOE and the project participants, as well as any adjustments made to the project design following stakeholder~~

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<sup>16ter</sup>

This does not cover the case in which the project participants of a proposed CDM project activity failed to inform the secretariat, or informed it but not within the required timeframe, of the progress of the project activity every subsequent two years after the initial notification of prior consideration of the CDM in accordance with the Project cycle procedure.

~~consultation. It shall reflect the responses to CARs and CLs and discussions on and revisions to project documentation.~~

147<sup>bis</sup>. The DOE shall report the results of its assessment in a validation report.

147<sup>ter</sup>. The DOE shall submit the validation report, along with the supporting documents, to the Board as part of the request for registration of a project activity or PoA as a proposed CDM project activity or PoA.

148. In its validation report, the DOE shall provide the following:

(a) A summary of the validation process and its conclusions;

(a)<sup>bis</sup> Results of the dialogue between the DOE and the project participants or the coordinating/managing entity, as well as any adjustments made to the project design following stakeholder consultation. It shall reflect the responses to CARs and CLs, identification of FARs, and discussions on and revisions to project documentation;

(b) All its applied approaches, findings and conclusions as to requirements described in sections 7.5. to 7.14 above, ~~especially on baseline selection, additionality, emission factors and monitoring~~;

(b)<sup>bis</sup> A validation opinion;

~~(c) Information on the global stakeholder consultation carried out by the DOE prior to submitting the project for validation, including dates and how comments received have been taken into consideration by the DOE;~~

(d) A list of interviewees and documents reviewed;

(e) Details of the validation team, technical experts, internal technical reviewers involved, together with their roles in the validation activity and details of who conducted the on-site inspection;

(f) Information on quality control within the team and in the validation process;

(g) Appointment certificates or curricula vitae of the DOE's validation team members, technical experts and internal technical reviewers for the proposed CDM project activity, PoA or CPA.

148<sup>bis</sup> If the DNA has forwarded complaints from local stakeholders to the DOE during the validation in accordance with the paragraph 139<sup>ter</sup> above, the DOE shall, once the request for registration is published on the UNFCCC CDM website, inform the DNA and the complainants of the publication of the validation report.

## 8. Specific validation requirements

149. For certain specific validation activities such as SSC, A/R, and PoA, the DOE shall comply with the general validation requirements described in the sections above as well as those that follow, including the simplified modalities and procedures for small-scale

project activities, the modalities and procedures for afforestation and reforestation project activities,<sup>17</sup> and Standards for PoA.

## **8.1. Small-scale project activities**

### **8.1.1. Project activity eligibility**

#### **8.1.1.1. Validation requirement**

150. The DOE shall determine whether the proposed CDM project activity meets the small-scale eligibility requirements.<sup>18</sup>

#### **8.1.1.2. Means of validation**

151. For a proposed CDM project activity that is within the small-scale project activity threshold but applies a large-scale approved methodology, the DOE shall determine whether this project activity follows the modalities and procedures for large-scale project activities.

152. The DOE shall determine whether:

- (a) The proposed CDM project activity qualifies within the thresholds of the three possible types of small-scale CDM project activities. It may include more than one component; for example, a type III methane recovery component activity and a type I electricity component activity;<sup>19</sup>
- (b) The proposed CDM project activity conforms to one or more of the approved small-scale methodologies applied in conjunction with the general guidelines to SSC CDM methodologies;<sup>20</sup>
- (c) The proposed small-scale CDM project activity is not a debundled component of a large-scale project<sup>21</sup> activity.

#### **8.1.1.3. Reporting requirements**

153. The DOE shall indicate whether the proposed CDM project activity meets the eligibility criteria for small-scale CDM project activities.

### **8.1.1<sub>bis</sub>. Bundling**

#### **8.1.1<sub>bis</sub> 1. Validation requirement**

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<sup>17</sup> See decision 5/CMP.1, annex.

<sup>18</sup> See the simplified modalities and procedures for small-scale CDM project activities presented under decision 4/CMP.1, annex II.

<sup>19</sup> See EB 28 report, paragraphs 56 and 57, for guidance on size limits for the components.

<sup>20</sup> See EB 54 report, paragraph 37 and the latest valid version of “General guidelines to SSC methodologies” for further clarification.

<sup>21</sup> See Appendix C of the simplified modalities and procedures for small-scale CDM project activities and the “Guidelines on assessment of de-bundling for SSC project activities”.

1. The DOE shall determine whether the bundle of proposed CDM project activities is designed in accordance with the applicable requirements in the “General principles for bundling” if project participants bring together more than one small-scale CDM project activities as a bundle.

2. A single DOE may validate the bundle of proposed CDM project activities.

#### **8.1.1<sub>bis</sub> 2. Means of validation**

3. The DOE shall assess the compliance with the applicable requirements in the “General principles for bundling” by means of a document review, interview with relevant personnel and/or any on-site inspection of the project sites.

#### **8.1.1<sub>bis</sub> 3. Reporting requirements**

4. The DOE shall:

- (a) Report its opinion on the compliance of the bundle of proposed CDM project activities with the applicable requirements in the “General principles for bundling”;
- (b) Describe the steps taken to assess the compliance.

### **8.1.2. Debundling**

#### **8.1.2.1. Validation requirement**

154. The DOE shall determine whether the proposed small-scale CDM project activity is not a debundled component of a large-scale CDM project activity in accordance with the “Guidelines on assessment of debundling for SSC project activities”<sup>22</sup>.

#### **8.1.2.2. Means of validation**

155. The DOE shall determine the proposed small-scale CDM project activity to be a debundled component of a large-scale CDM project activity if there is a registered small-scale CDM project activity or an application to register another small-scale CDM project activity.

156. The DOE shall, where appropriate, take into account specific debundling requirements for Type I project activities and small-scale transport project activities.

#### **8.1.2.3. Reporting requirements**

157. The DOE shall report its conclusion and specific details on how it assessed whether the proposed **small-scale** CDM project activities are not a debundled component of a large scale activity.

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<sup>22</sup> If the proposed small-scale CDM project activity is deemed to be a debundled component but the total size of such an activity combined with the previous registered small-scale CDM project activity does not exceed the limits for small-scale CDM project activities then the project activity can qualify to use simplified modalities and procedures for small-scale project activities.

### 8.1.3. Additionality

#### 8.1.3.1. Validation requirement

158. The DOE shall determine whether the proposed **SSC small-scale** CDM project activity is additional in accordance with CDM requirements applicable for proposed small-scale CDM project activities.

#### 8.1.3.2. Means of validation

159. The DOE shall refer to the **“Guidelines on the demonstration of additionality of small-scale project activities”, specific requirements on demonstration of additionality for proposed small-scale CDM project activities<sup>23</sup> and the “Non-binding best practice examples to demonstrate additionality for SSC project activities” or any applicable additionality tool.**
160. In the case of Type I project activities up to 5 MW **(or an appropriate equivalent)** that employ renewable energy as their primary technology, Type II energy efficiency project activities that aim to achieve energy savings at a scale of no more than 20 GWh per year **(or an appropriate equivalent)**, and Type III project activities that aim to achieve emissions reductions at a scale of no more than 20 kt CO<sub>2</sub>e per year, the DOE shall assess the relevant criteria to establish the automatic additionality for these projects **in accordance with the “Guideline: Demonstrating additionality of microscale project activities”.<sup>24</sup>**

#### 8.1.3.3. Reporting requirements

161. The DOE shall describe all steps taken, and sources of information used to cross-check the information contained in the PDD.

### 8.2. Afforestation and reforestation project activities

162. The DOE shall determine whether specific requirements as defined in the modalities and procedures for A/R project activities have been followed, including:
- (a) Project boundary for proposed A/R CDM project activities;
  - (b) Selection of carbon pools;
  - (c) Eligibility of land;
  - (d) Approach proposed to address non-permanence;
  - (e) Timing of management activities, including harvesting cycles, and verifications;
  - (f) Socio-economic and environmental impacts, including impacts on biodiversity and natural ecosystems.

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<sup>23</sup> — See Attachment A to Appendix B of 4/CMP.1, annex II.

<sup>24</sup> — See the latest “Guidelines for demonstrating additionality of microscale project activities”.

## **8.2.1. Project boundary**

### **8.2.1.1. Validation requirement**

163. The DOE shall confirm whether the PDD contains a description of the project boundary that delineates discrete areas of land planned for the proposed A/R CDM project activity under the control of the project participants.<sup>25</sup>

### **8.2.1.2. Means of validation**

164. The DOE shall, through document review and/or interviews, determine whether the project participants for all areas of land planned for proposed A/R CDM project activity:
- (a) Have already established the control over afforestation or reforestation activities; or
  - (b) Has the control over afforestation or reforestation
165. The DOE shall confirm that the control has included at minimum the exclusive right, defined in a way acceptable under the legal system of the host Party, to perform the A/R activity with the aim of achieving net anthropogenic GHG removals by sinks. If the total number of documents to be reviewed and persons/entities to be interviewed is not less than 10, then the DOE may apply a sampling approach.

### **8.2.1.3. Reporting requirements**

166. The DOE shall describe the documentation assessed and/or oral statements delivered by persons interviewed (if any) and determine their acceptability under the legal system of the host Party. If the DOE has applied a sampling approach, it shall also describe how many sites have been assessed and how these sites were selected.

## **8.2.2. Selection of carbon pools**

### **8.2.2.1. Validation requirement**

167. The DOE shall determine whether the carbon pools to be considered in the proposed A/R CDM project activity were selected in accordance with the requirements of the selected methodology.

### **8.2.2.2. Means of validation**

168. The DOE shall confirm that information has been provided to justify the exclusion of certain carbon pools if the methodology allows for such an option. In doing so, the DOE shall confirm that all documents referred to in the PDD are correctly quoted and interpreted. If relevant, the DOE shall cross-check the information provided in the PDD with other available information from public sources or local experts.

### **8.2.2.3. Reporting requirements**

169. If the methodology allows for the option to exclude certain pools and this option is selected by project participants, the DOE shall provide a statement as to whether the

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<sup>25</sup> The proposed A/R CDM project activity may contain more than one discrete area of land.

selection of carbon pools complies with the selected methodology, and whether the exclusion is justified.

### **8.2.3. Eligibility of land**

#### **8.2.3.1. Validation requirement**

170. The DOE shall confirm that the land within the planned project boundary is eligible for a proposed A/R CDM project activity.

#### **8.2.3.2. Means of validation**

171. The DOE shall validate the above requirement based on a review of information that reliably discriminates between forest and non-forest land according to the particular thresholds adopted by the host Party (exemplary sources are listed in the above-mentioned procedures) and an on-site inspection.

#### **8.2.3.3. Reporting requirements**

172. The DOE shall describe how the validation of the eligibility of the land has been performed, by detailing the data sources assessed and by describing its observations during the on-site inspection. The DOE shall provide a statement as to whether the entire land within the project boundary is eligible for a proposed A/R CDM project activity.

### **8.2.4. Addressing non-permanence**

#### **8.2.4.1. Validation requirement**

173. The DOE shall confirm that the project participants specified the approach selected to address non-permanence.

#### **8.2.4.2. Means of validation**

174. The DOE shall review the PDD to ensure an approach to address non-permanence is selected according to the relevant provisions of the modalities and procedures for afforestation and reforestation project activities.

#### **8.2.4.3. Reporting requirements**

175. The DOE shall confirm whether the approach selected by the project participants to address non-permanence has been specified in the PDD.

### **8.2.5. Timing of management activities, including harvesting cycles, and verifications**

#### **8.2.5.1. Validation requirement**

176. The DOE shall determine whether the PDD describes the planned management activities, including harvesting cycles, and verifications such that a systematic coincidence of verification and peaks in carbon stocks would be avoided.

#### **8.2.5.2. Means of validation**

177. The DOE shall review the forest management plan and the monitoring plan for the proposed A/R CDM project activity to confirm that a systematic coincidence of verification and peaks in carbon stocks is avoided.

#### **8.2.5.3. Reporting requirements**

178. The DOE shall describe how the project participants have ensured that a systematic coincidence of verification and peaks in carbon stocks would be avoided.

### **8.2.6. Socio-economic and environmental impacts**

#### **8.2.6.1. Validation requirement**

179. The DOE shall validate the documentation received from the project participants on its analysis of the socio-economic and environmental impacts, including impacts on biodiversity and natural ecosystems, and impacts outside the project boundary of the proposed afforestation or reforestation project activity under the CDM.

#### **8.2.6.2. Means of validation**

180. The DOE shall confirm the above requirement by means of a document review and/or using local official sources and expertise.
181. If the above-mentioned analysis leads to the conclusion that a negative impact that may be considered significant by the project participants or the host Party has been detected, then the DOE shall determine whether a socio-economic impact assessment and/or an environmental impact assessment has been undertaken in accordance with relevant host Party regulations, and the outcome of such impact assessment is summarized in the PDD.

#### **8.2.6.3. Reporting requirements**

182. The DOE shall confirm whether the project participants have undertaken an analysis of the socio-economic and environmental impacts and, if required by the host Party, a socio-economic impact assessment and/or an environmental impact assessment in accordance with relevant host Party regulations.
183. The DOE shall also note whether the outcome of such impact assessment has been summarized in the PDD and whether a description of the planned monitoring and remedial measures to address the negative impacts has been included in the PDD.

### **8.3. Small-scale afforestation and reforestation project activities**

184. The DOE shall determine whether:
- (a) The proposed CDM project activity complies with the **thresholds definition and limit** for the small-scale A/R CDM project activities;<sup>26</sup>

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<sup>26</sup> See **decision 9/CMP.3, which revised decision 5/CMP.1, annex, paragraph 1(i).**



- (b) The proposed CDM project activity 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 approved simplified baseline and monitoring methodologies for small-scale afforestation and reforestation project activities;
- (c) The proposed CDM project activity is not a debundled component of a large-scale A/R project activity, in accordance with the rules defined in appendix C of the annex to decision 6/CMP.1;
- (d) The proposed CDM project activity has been developed or implemented by low-income communities and individuals as confirmed by the host Party.<sup>27</sup>

#### **8.4. Programme of activities/~~Component project activities~~**

185. The Board has provided guidance and procedures for registering a programme of activities (PoA) as a single project activity. In validating a proposed CDM PoA and any component project activities (CPAs) proposed to be included in the PoA, the DOE shall, in general, apply the means of validation and reporting requirements described in this Standard. However, there are a number of requirements unique to PoAs for which additional instructions are provided below; the precise extent of validation required in each of these areas will need to be determined by the DOE based on the type of PoA being validated.

##### **8.4.1. ~~Coordinating/managing entity and participants in a PoA~~ Management system**

186. The DOE shall assess the management system described in the PoA design document (CDM-PoA-DD) in accordance with the “Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities”.

##### **8.4.2. Component project activity design document**

187. The DOE shall assess any proposed CPA that a coordinating/managing entity wishes to include in the proposed CDM PoA, to determine whether it complies with the eligibility criteria specified in the CDM-PoA-DD. The means of validation to determine compliance with this requirement will be specific to the PoA.

188. The DOE should consider a desk review of the documentation sufficient to determine compliance in certain instances and also consider follow-up interviews and/or on-site inspection necessary for other types of proposed CDM PoA.

**188<sub>bis</sub>.** If the proposed CDM PoA is implemented in more than one host Party, the DOE shall confirm if the coordinating/managing entity submitted at least one specific-case CPA-DD for each host Party.

##### **8.4.3. Description of programme of activities and component project activities**

189. The DOE shall assess the CDM-PoA-DD and the PoA-specific CDM-CPA-DD that is submitted by the coordinating/managing entity and shall confirm the framework

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<sup>27</sup> See decision 9/CMP.3, which revised decision 5/CMP.1, annex paragraph 1(i).

developed for the implementation of the proposed CDM PoA, and defining a CPA under the PoA.

#### **8.4.4. Application of multiple methodologies**

190. The DOE shall assess the application of multiple methodologies in accordance with the “Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities”.

#### **8.4.5. Boundary for programme of activities in terms of geographical area**

191. The DOE shall assess the boundary of the proposed CDM PoA within which all CPAs included in the PoA will be implemented.
192. The DOE shall determine whether, in establishing the boundary of the proposed CDM PoA, the project participants have taken into consideration all applicable national and/or sectoral policies and regulations within that chosen boundary.

#### **8.4.6. Start date of component project activity**

193. The DOE shall confirm that the start date of any CPA is on or after the start date of the proposed CDM PoA. Exceptions apply in the case of A/R CPAs, i.e. the exceptions indicated for A/R proposed CDM project activities ~~under paragraph 128(c) of~~ in the Project standard also apply to A/R CPAs. Any proposed A/R CDM project activity that started after 1 January 2000 but has not been registered as a CDM project activity may be included as a CPA in an A/R PoA after 31 December 2005 as long as the first verification of the A/R CPA occurs after the date of inclusion of this CPA, and the A/R CPA can accrue temporary certified emission reductions (tCERs) or long-term certified emission reductions (ICERs) as of the starting date.

#### **8.4.7. Prior consideration of the clean development mechanism**

194. If the coordinating/managing entity, for the purpose of determining the start date of the proposed CDM PoA, has chosen to notify the DNA(s) of the host Party(ies) of the PoA and the secretariat in writing of the intention to seek CDM status of the PoA, the DOE shall assess prior consideration of the CDM for the PoA applying the provisions of paragraph 107 above mutatis mutandis.

#### **8.4.8. Demonstration of additionality of programme of activities as a whole**

195. The DOE shall assess the additionality of a proposed CDM PoA in accordance with the “Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities”.

#### **8.4.9. Eligibility criteria for inclusion of component project activities in programme of activities**

196. The DOE shall assess the eligibility criteria for inclusion of a CPA in the proposed CDM PoA in accordance with the “Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities”.

#### **8.4.10. Crediting period of a PoA/CPA Duration of programme of activities**

197. The DOE shall determine whether the start date and duration length of a proposed CDM PoA complies with the relevant provisions set out in the Project standard, i.e. that it does not exceed 60 years for an A/R PoA and 28 years for any other PoA.

#### **8.4.11. Monitoring plan for a PoA/CPA**

198. The DOE shall determine whether the monitoring plan for a CPA is in accordance with the approved monitoring methodology, including applicable tool(s).

#### **8.4.12. Environmental analysis of a PoA**

199. The DOE shall determine whether an analysis of the environmental impacts of the proposed CDM PoA was undertaken as per the requirements of the CDM modalities and procedures.
200. If the analysis was not undertaken for the proposed CDM PoA but conducted at the CPA level, the DOE shall determine whether the analysis of the environmental impacts was conducted as described in the CDM-PoA-DD and the CDM-CPA-DD.

#### **8.4.13. Local stakeholder consultation**

201. The DOE shall determine whether the local stakeholder consultation process was carried out for the whole PoA or at the CPA level. If comments by local stakeholders were invited with regard to the whole PoA, the DOE shall determine how these comments were invited; whether the summary of the comments received is complete and how due account was taken of all comments received.
202. If the local stakeholder consultation is conducted at the CPA level, the DOE shall determine whether it is in accordance with the level of consultation specified by the coordinating/managing entity and whether the local stakeholder comments were taken into account and described in the CDM-PoA-DD and the CDM-CPA-DD.

#### **8.4.14. Determination of occurrences of debundling under programme of activities<sup>28</sup>**

203. The DOE shall ascertain that the proposed small-scale CPA of a proposed CDM PoA is not a debundled component of a large-scale CDM project activity in accordance with the "Guidelines on assessment of debundling for SSC project activities".

#### **8.4.15. Inclusion or renewal of a crediting period of component project activities in programme of activities**

204. The DOE shall assess the CPA and the specific CDM-CPA-DD against the latest version of the registered CDM PoA to determine whether the CPA meets the requirements of the PoA.

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<sup>28</sup> If each of the independent subsystems/measures (e.g. biogas digester, solar home system) included in the CPA of a proposed CDM PoA is no larger than 1% of the small-scale thresholds defined by the methodology applied, i.e. 150 kW installed capacity or 0.6 GWh annual energy savings or 0.6 ktCO<sub>2</sub>e annual emission reductions, then that CPA of the PoA is exempted from the de-bundling check, i.e. is considered as not being a debundled component of a large-scale activity.

## 9. Verification requirements

### 9.1. Objective of verification

205. The DOE shall conduct a thorough, independent assessment of the registered CDM project activities.

### 9.2. General verification approach

206. In carrying out its verification work, the DOE shall determine whether the registered CDM project activity complies with the requirements of paragraph 62 of the CDM modalities and procedures.

207. The DOE shall ensure that only verification activities undertaken after the publication of the monitoring report on the UNFCCC CDM website shall be used as a basis for the DOE to conclude their verification and submit a request for issuance of CERs to the Board.<sup>29</sup>

208. ~~The DOE shall make publicly available the monitoring report received from the project participants in accordance with the Project cycle procedure. Unless the Board has agreed to grant an exception, a DOE shall not perform the verification functions on a project activity for which it has performed the function of validation/registration.<sup>30</sup> If the DOE has performed a validation activity (including the renewal of crediting period and the inclusion of a CPA in a registered PoA) for the CDM project activity or PoA and wishes to perform a verification for the same project activity or PoA, it shall obtain the authorization to do so from the Board in accordance with the Project cycle procedure. However, the same DOE may perform a verification without obtaining the authorization from the Board to do so for:~~

- (a) A registered small-scale CDM project activity and a registered small-scale A/R CDM project activity for which it has performed the validation activity;
- (b) Any registered CDM project activity or PoA for which it performed an assessment of post-registration changes under both cases referred to in paragraphs 249 and 250 below.

- 208<sub>bis</sub> The DOE shall make publicly available the monitoring report received from the project participants in accordance with the Project cycle procedure except when the host Party's DNA withdraws its approval of the registered CDM project activities and/or its authorization of project participants in accordance with the "Procedure: Process for dealing with letters from DNAs that withdraw approval/authorization".

209. The DOE shall assess both quantitative and qualitative information on emission reductions provided in the project documentation.<sup>31</sup>

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<sup>29</sup> See EB 60 report, paragraph 101.

<sup>30</sup> ~~For small-scale CDM project activities, the same DOE may undertake validation, and verification and certification.~~

<sup>31</sup> Quantitative information comprises the reported numbers in the monitoring report. Qualitative information comprises information on internal management controls, calculation procedures, procedures for transfer of data, frequency of the monitoring reports, and review and internal audit of calculations.

210. The DOE shall assess and determine whether the implementation and operation of the registered CDM project activity, and the steps taken to report emission reductions comply with the CDM criteria and relevant guidance provided by the Board. This assessment shall involve a review of relevant documentation as well as, as appropriate, an on-site inspection(s). For an on-site inspection(s), the DOE may apply a sampling approach in accordance with the “Standard for sampling and surveys for CDM project activities and programme of activities”.
211. The DOE shall assess whether the data collection system meets the requirements of the monitoring plan as per the applied methodology including applicable tool(s).
212. In addition to the monitoring documentation the DOE shall review:
- (a) The registered PDD and the monitoring plan, including any approved revised monitoring plan and/or changes from the registered PDD, and the corresponding validation opinion;
  - (b) The validation report;
  - (c) Previous verification reports, if any;
  - (d) The applied monitoring methodology;
  - (e) The monitoring report to verify that it is as per the standardized format;<sup>32</sup>
  - (f) Any other information and references relevant to the project activity’s emission reductions (e.g. IPCC reports, data on electricity generation in the national grid or laboratory analysis and national regulations);
213. In addition to reviewing the monitoring documentation, the DOE shall determine whether the project participants have addressed the FARs identified during validation or previous verification(s).

#### **9.2.1. Quality of evidence**

214. When verifying the reported emission reductions, the DOE shall confirm that there is an audit trail that contains the evidence and records that validate or invalidate the stated figures. It shall include the source documents that form the basis for assumptions and other information underlying the GHG data.
215. When assessing the audit trail, the DOE shall:
- (a) Address whether there is sufficient evidence available, both in terms of frequency (time period between evidence) and coverage (in covering the full monitoring period);
  - (b) Address the source and nature of the evidence (external or internal, oral or documented);

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<sup>32</sup> See EB 54 report, annex 34, where the CDM Executive Board has provided a standardized format for the monitoring report to improve consistency in reporting of the implementation and monitoring of the registered CDM project activity by project participants.

- (c) Cross-check the monitoring report against other sources such as comparable information, where available, from sources other than those used in the monitoring report to determine whether the stated figures are correct.

216. The DOE shall only certify emission reductions that are based on verifiable evidence.

## **9.2.1<sup>bis</sup> Application of materiality**

### **9.2.1<sup>bis</sup>.1. General**

1. The concept of materiality is applicable to the verification of all types of registered CDM project activities. It is not applicable to:
  - (a) The verification of CDM PoAs;
  - (b) Uncertainties related to measurement;
  - (c) Addressing temporary deviations and permanent changes from the registered monitoring plan or applied methodology, regardless of whether corresponding emission reductions or removals are above or below materiality thresholds.
2. A DOE planning and conducting a verification using the concept of materiality shall achieve a reasonable level of assurance that the reported emission reductions is free from material errors, omissions or misstatements in accordance with paragraphs 3–15 of section 9.2.1<sup>bis</sup> below.<sup>32bis</sup>
3. An omission, misstatement, or erroneous reporting of information is material if it might lead, at an aggregated level, to an overestimation of the total emission reductions or removals achieved by a registered CDM project activity equal to or higher than the following thresholds:
  - (a) 0.5 per cent of the emission reductions or removals for registered CDM project activities achieving a total emission reduction or removal of equal to or more than 500,000 tons of carbon dioxide equivalent per year;<sup>32ter</sup>
  - (b) 1 per cent of the emission reductions or removals for registered CDM project activities achieving a total emission reduction or removal between 300,000 and 500,000 tons of carbon dioxide equivalent per year;
  - (c) 2 per cent of the emission reductions or removals for registered large-scale CDM project activities achieving a total emission reduction or removal of 300,000 tons of carbon dioxide equivalent per year or less;
  - (d) 5 per cent of the emission reductions or removals for registered small-scale CDM project activities other than registered CDM project activities covered under subparagraph (e) below;
  - (e) 10 per cent of the emission reductions or removals for the type of registered CDM project activities referred to in decision 3/CMP.6, paragraph 38 (referred to as microscale project activities).

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<sup>32bis</sup> For additional guidance and examples of the application of materiality in the verification, refer to the “Guideline: Application of materiality in verifications”.

<sup>32ter</sup> A year refers to a period of 12 consecutive months.

4. Recognizing that circumstances may exist that could cause the information reported by project participants to be materially misstated, the DOE should plan and perform verifications with an attitude of professional scepticism and rely on their professional judgement while applying the concept of materiality.
5. The application of materiality and reasonable level of assurance imply that some data or information may not be checked. However, the DOE should design their verification and sampling plans to detect all material errors, omissions or misstatements, and any unchecked data or information should not contain any material errors, omissions or misstatements. A DOE's verification opinion applies to 100 per cent of the data and information even if the DOE may not have checked the entire data set and information.
6. Applying materiality does not mean that identified errors are not corrected; if an error, omission or misstatement is identified by the DOE, regardless of whether it is material or not, the DOE shall request project participants to address it.

#### **9.2.1<sup>bis</sup>.2 Consideration of materiality in planning the verification**

7. The DOE should:

- (a) Identify the materiality threshold in paragraph 3 of section 9.2.1<sup>bis</sup>. above that corresponds to the amount of emission reductions or removals the specific type of registered CDM project activity will achieve;
- (b) Understand the environment in which the registered CDM project activity operates, the sources of project emissions within the project boundary and the leakage, the monitoring activities, the equipment used to monitor or measure activity data, the origin and application of data used to calculate or measure the emissions, data flow, the internal quality control system, and the overall organization with respect to monitoring and reporting<sup>32quater</sup>;
- (c) Conduct a risk assessment to identify and assess the risks of individual or aggregated material errors, omissions or misstatements that may occur within the threshold based on elements in paragraph 7 of section 9.2.1<sup>bis</sup>. and subparagraph (a) above;
- (d) Design verification plans, audit procedures<sup>32quinque</sup> and sampling plans whose type, timing<sup>32sexies</sup> and extent are based on and are responsive to the assessed risks of material errors, omissions or misstatements.

9. The materiality thresholds apply to the total emission reductions or removals actually achieved. When planning a verification, the DOE should apply the applicable materiality threshold to the reported total emission reductions or removals. If, as a result of the verification, the initial reported total emission reductions or removals is revised, the DOE

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<sup>32quater</sup> Adapted from European Union. 2007. *Commission Decision of 18 July 2007 establishing guidelines for the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council.*

<sup>32quinque</sup> In accordance with paragraph 217 of this Standard.

<sup>32sexies</sup> For example, timing may refer to the specific time intervals for which the DOE may draw its samples.



should reapply the materiality threshold to the revised total emission reductions or removals and, If needed, make adjustments to its verification plans and sampling plans.

### **9.2.1<sub>bis</sub>.3 Consideration of materiality in conducting the verification**

10. The DOE should:

- (a) Apply verification plans, audit procedures and sampling plans;
- (b) Assess potential errors, omissions and misstatements against the materiality threshold to determine whether they are material individually or in aggregate and whether further audit procedures are needed.

11. If an error, omission or misstatement is detected, the DOE should be aware that it may not be an isolated occurrence and may be a systemic reoccurring error. For example, other errors may exist if the DOE identifies that the error, omission or misstatement arose from a breakdown in the project participants' internal quality control and quality assurance system.

12. In cases where an immaterial error, omission or misstatement is detected, the DOE should determine whether additional audit procedures should be conducted in order to reach a reasonable level of assurance that the claimed emission reductions or removals are free from material error, omission or misstatement.

13. In cases where a material error, omission or misstatement is detected, the DOE may, depending on the circumstances of the error, immediately request project participants to address it, or conduct additional audit procedures to confirm or determine the context and magnitude of the error, omission or misstatement and then request project participants to address it.

14. In both paragraphs 12 and 13 of section 9.2.1<sub>bis</sub>. above, any errors, omissions or misstatements, material or immaterial, are to be addressed.

15. If further audit procedures are necessary, the DOE may consider whether the overall verification plans and sampling plans need to be revised.

## **9.3. Means of verification**

### **9.3.1. Standard auditing techniques**

217. The DOE shall apply standard auditing techniques to assess the quality of the information, including but not limited to:

- (a) Desk review, involving:
  - (i) A review of the data and information presented to verify their completeness;
  - (ii) A review of the monitoring plan and monitoring methodology, including applicable tools, paying particular attention to the frequency of measurements, the quality of metering equipment including calibration requirements, and the quality assurance and quality control procedures;



- (iii) An evaluation of data management and the quality assurance and quality control system in the context of their influence on the generation and reporting of emission reductions.
  - (b) On-site **assessment inspection**, involving:
    - (i) An assessment of the implementation and operation of the registered CDM project activity as per the registered PDD or any approved revised PDD;
    - (ii) A review of information flows for generating, aggregating and reporting the monitoring parameters;
    - (iii) Interviews with relevant personnel to determine whether the operational and data collection procedures are implemented in accordance with the monitoring plan in the PDD;
    - (iv) A cross check between information provided in the monitoring report and data from other sources such as plant logbooks, inventories, purchase records or similar data sources;
    - (v) A check of the monitoring equipment including calibration performance and observations of monitoring practices against the requirements of the PDD and the selected methodology and corresponding tool(s), where applicable;
    - (vi) A review of calculations and assumptions made in determining the GHG data and emission reductions;
    - (vii) An identification of quality control and quality assurance procedures in place to prevent or identify and correct any errors or omissions in the reported monitoring parameters.
  - (c) **Sampling approach in accordance with the “Standard for sampling and surveys for CDM project activities and programme of activities”, including:**
    - (i) **A random sampling for cases where the project participants did not apply a sampling approach;**
    - (ii) **An acceptance sampling or another sampling approach for cases where the project participants applied a sampling approach.**
218. Where no specific means of verification is specified, the DOE should apply the standard auditing techniques described in paragraph 9.3.1 above.
- 9.3.2. Clarification requests, corrective action requests and forward action requests**
219. The DOE shall identify, discuss and conclude in the verification report issues related to the monitoring, implementation and operations of the registered CDM project activity that could impair the capacity of the registered CDM project activity to achieve emission reductions or influence the monitoring and reporting of emission reductions.
220. The DOE shall raise a CAR if one of the following situations occur:
- (a) Non-compliance with the monitoring plan or methodology are found in monitoring and reporting and has not been sufficiently documented by the project participants, or if the evidence provided to prove conformity is insufficient;

- (b) Modifications to the implementation, operation and monitoring of the registered CDM project activity has not been sufficiently documented by the project participants;
  - (c) Mistakes have been made in applying assumptions, data or calculations of emission reductions that will impact the quantity of emission reductions;
  - (d) Issues identified in a FAR during validation to be verified during verification or previous verification(s) have not been resolved by the project participants.
221. The DOE shall raise a CL if information is insufficient or not clear enough to determine whether the applicable CDM requirements have been met.
222. All CARs and CLs raised by the DOE during verification shall be resolved prior to submitting a request for issuance.
223. The DOE shall raise a FAR during verification for actions if the monitoring and reporting require attention and/or adjustment for the next verification period.
224. The DOE shall report on all CARs, CLs and FARs in its verification report. This reporting shall be undertaken in a transparent manner that allows the reader to understand the issue raised, the responses provided by the project participants, the means of verification of such responses and references to any resulting changes in the monitoring report or supporting annexes.

#### **9.4. Verification of compliance**

225. Based on the applicable requirements of paragraph 62 of the CDM modalities and procedures, the DOE shall:
- (a) Determine whether the registered CDM project activity has been implemented and operated as per the registered PDD or any approved revised PDD, and that all physical features (technology, project equipment, and monitoring and metering equipment) of the project are in place;
  - (b) Determine whether the monitoring report and other supporting documents provided are complete in accordance with the ~~latest applicable valid~~ version of the completeness checklist for requests for issuance of CERs, verifiable, and in accordance with applicable CDM requirements;
  - (c) Determine whether actual monitoring systems and procedures comply with the monitoring systems and procedures described in the monitoring plan or any revised approved monitoring plan, and the approved methodology including applicable tool(s);
  - (d) Evaluate the data recorded and stored as per the monitoring methodology including applicable tool(s).

**9.4.1. Compliance of the project implementation with the registered project design document****9.4.1.1. Verification requirement**

226. The DOE shall identify any concerns related to the conformity of the actual project activity and its operation with the registered project design document and determine whether:<sup>33</sup>

- (a) The implementation and operation of the registered CDM project activity has been conducted in accordance with the description contained in the registered PDD; or
- (b) Any deviation or the proposed or actual changes in the implementation or operation of the registered CDM project activity comply with the requirements of the Project Standard.

**9.4.1.2. Means of verification**

227. The DOE shall, by means of an on-site inspection, assess that all physical features of the registered CDM project activity in the registered PDD are in place and that the project participants have operated the registered CDM project activity as per the registered PDD or any approved revised PDD. If an on-site inspection is not conducted, the DOE shall justify the rationale of the decision.

**9.4.1.3. Reporting requirements**

228. For each monitoring period, the DOE shall report:

- (a) The implementation status of the registered CDM project activity. For registered CDM project activities that consist of more than one site, the DOE shall describe the status of implementation and starting date of operation for each site. For registered CDM project activities with phased implementation, the DOE shall state the progress of the ~~proposed~~ project activity achieved in each phase under verification. If the phased implementation is delayed, the DOE shall describe the reasons and present the expected implementation dates;
- (b) The actual operation of the registered CDM project activity;
- (c) Information (data and variables) provided in the monitoring report that is different from that stated in the registered PDD or any approved revised PDD, and has caused an increase in estimates of the emission reductions in the current monitoring period or is highly likely to increase the estimates of emission reductions in the future monitoring periods;<sup>34</sup>
- (d) An opinion on the cause of any increase in the actual GHG emission reductions in the current monitoring period that was reported in monitoring report.

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<sup>33</sup> See decision 3/CMP.1, annex, paragraph 62(g).

<sup>34</sup> Discrepancies may include higher water availability than expected in the PDD, which may increase the electricity output from a hydropower plant, or a higher plant load factor owing to higher bagasse availability during the crushing season, which increases the production of steam and electricity.

**9.4.2. Compliance of the monitoring plan with the monitoring methodology including applicable tool(s)****9.4.2.1. Verification requirement**

229. The DOE shall determine whether the monitoring plan of the registered CDM project activity is in accordance with the applied methodology including applicable tool(s).

**9.4.2.2. Means of verification**

~~230. The DOE shall determine whether the project implementation is in accordance with the provisions of the registered PDD and/or an approved revised PDD.~~

231. For monitoring aspects that are not specified in the methodology, particularly in the case of small-scale methodologies (e.g. additional monitoring parameters, monitoring frequency and calibration frequency), the DOE should bring to the attention of the Board issues which may enhance the level of accuracy and completeness of the monitoring plan.

**9.4.2.3. Reporting requirements**

232. The DOE shall provide a statement whether the monitoring plan is in accordance with the approved methodology applied by the registered CDM project activity or an approved revised PDD.

**9.4.3. Compliance of monitoring activities with the registered monitoring plan****9.4.3.1. Verification requirement**

233. The DOE shall determine whether the monitoring of parameters related to the GHG emissions reductions in the registered CDM project activity has been implemented in accordance with the monitoring plan contained in the registered PDD<sup>35</sup> or any accepted revised monitoring plan (hereinafter referred to as a registered monitoring plan).

**9.4.3.2. Means of verification**

234. The DOE shall determine whether:

- (a) The monitoring plan has been properly implemented and followed by the project participants;
- (b) All parameters stated in the monitoring plan and relevant Board decisions<sup>36</sup> have been monitored and updated as applicable, including:
  - (i) Project emission parameters;

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<sup>35</sup> In accordance with decision 3/CMP.1, annex, paragraph 56: "Project participants shall implement the monitoring plan contained in the registered project design document".

<sup>36</sup> For example, a decision at the thirty-fifth meeting of the CDM Executive Board provides clarification for the project activities that apply the approved methodology AM0001. This asks the DOE to check the value of "w" based on the past one year period during verification, which was not clearly stated in the approved methodology.

- (ii) Baseline emission parameters;
  - (iii) Leakage parameters;
  - (iv) Management and operational system: the responsibilities and authorities for monitoring and reporting are in accordance with the responsibilities and authorities stated in the monitoring plan.
- (c) The equipment used for monitoring is in accordance with section 9.4.4 below and is controlled and calibrated in accordance with the monitoring plan, the applied methodology, the Board guidance, local/national standards, or as per the manufacturer's specification;
- (d) Monitoring results are consistently recorded as per approved frequency;
- (e) Quality assurance and quality control procedures have been applied in accordance with the monitoring plan or the revised monitoring plan;

234<sub>bis</sub>. Where the project participants applied a sampling approach to determine data and parameters monitored, the DOE shall assess the compliance of the sampling efforts and surveys with the validated sampling plan in accordance with the "Standard for sampling and surveys for CDM project activities and programme of activities".

#### **9.4.3.3. Reporting requirement**

235. The DOE shall state whether monitoring has been carried out in accordance with the monitoring plan contained in the registered PDD, approved revised PDD or the accepted revised monitoring plan.
236. The DOE shall list each parameter required by the monitoring plan and state how it verified the information flow (from data generation, aggregation, to recording, calculation and reporting) for these parameters including the values in the monitoring reports.

#### **9.4.4. Compliance with the calibration frequency requirements for measuring instruments**

##### **9.4.4.1. Verification requirement**

237. The DOE shall determine whether the calibration of those measuring equipments that have an impact on the claimed emission reductions is conducted by the project participants at a frequency specified in the applied monitoring methodology and/or the monitoring plan.

##### **9.4.4.2. Means of verification**

238. If, during verification of a certain monitoring period, the DOE identifies that the calibration has been delayed and the calibration has been implemented after the monitoring period in consideration (i.e. the results of delayed calibration are available), referring to the illustrative examples in Appendix 1 below, the DOE may conclude its verification, provided the following conservative approach is adopted in the calculation of emission reductions:

- (a) Applying the maximum permissible error<sup>37</sup> of the instrument to the measured values taken during the period between the scheduled date of calibration and the actual date of calibration, if the results of the delayed calibration do not show any errors in the measuring equipment, or if the error is smaller than the maximum permissible error; or
  - (b) Applying the error identified in the delayed calibration test, if the error is beyond the maximum permissible error of the measuring equipment.
239. The DOE shall confirm that the error has been applied:
- (a) In a conservative manner, such that the adjusted measured values of the delayed calibration shall result in fewer claimed emission reductions;
  - (b) For all measured values taken during the period between the scheduled date of calibration and the actual date of calibration.
240. In cases where the results of the delayed calibration are not available, or the calibration has not been conducted at the time of verification, the DOE, prior to finalizing verification, shall request the project participants to conduct the required calibration and shall determine whether the project participants have calculated the emission reductions conservatively using the approach mentioned in paragraph 238 above.
241. In cases where the DOE determines that it is not possible for the project participants to conduct the calibration at a frequency specified by either the applied methodology, guidance provided by the Board, and/or the registered monitoring plan due to reasons beyond the control of project participants,<sup>38</sup> the DOE, shall follow the requirements for post registration changes in section 9.5 of this Standard.
242. In cases where neither the monitoring methodology nor the monitoring plan specify any requirements for calibration frequency for measuring equipments, the DOE shall determine whether the equipments are calibrated either in accordance with the specifications of the local/national standards, or as per the manufacturer's specification. If neither local/national standards nor the manufacturer's specification are available, international standards may be used. Refer to appendix 1 for an illustrative example to apply the above requirements.

#### **9.4.4.3. Reporting requirements**

243. The DOE shall report whether the calibration is conducted at the frequency as specified by the methodology, monitoring plan of the registered PDD or the approved revised monitoring plan.

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<sup>37</sup> The maximum permissible errors of all the measuring instruments are specified by the respective manufacturers as part of their technical specifications.

<sup>38</sup> For example, due to the contractual terms between the project participant and purchasing/selling entities.

**9.4.5. Assessment of data and calculation of emission reductions****9.4.5.1. Verification requirement**

244. The DOE shall assess the data and calculations of GHG emission reductions achieved by/resulting from the registered CDM project activity by the application of the selected approved methodology.

**9.4.5.2. Means of verification**

245. The DOE shall determine whether:

- (a) A complete set of data for the specified monitoring period is available. If only partial data are available because activity levels or non-activity parameters have not been monitored in accordance with the registered monitoring plan, the DOE shall either raise a CAR for the project participants to comply with the requirements of appendix 1 of the Project standard or submit a request for deviation prior to submitting the request for issuance, if appropriate;
- (b) Information provided in the monitoring report has been cross-checked with other sources such as plant logbooks, inventories, purchase records, laboratory analysis;
- (c) Calculations of baseline emissions, and project activity emissions and leakage, as appropriate, have been carried out in accordance with the formulae and methods described in the monitoring plan and the applied methodology document;
- (d) Any assumptions used in emission calculations have been justified;
- (e) Appropriate emission factors,<sup>39</sup> IPCC default values, GWPs and other reference values have been correctly applied;
- (f) The pro-rata approach was correctly applied to the calculations of GHG emission reductions in accordance with the Project standard where the monitoring period starts before 31 December 2012 and ends anytime thereafter;
- (g) The first day when CERs are being claimed is correctly specified in accordance with the Project cycle procedure, if the current monitoring period covers the first day of the renewed crediting period.

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<sup>39</sup>—The Board emphasized that in order to ensure an accurate determination of the ex post grid emission factor during the issuance stage, the project participants should endeavour to use the data vintage for year (y) in which the project generation occurs and report it in the monitoring report submitted to the DOE for verification. If, at the time of the submission of the monitoring report to the DOE, the data vintage from year (y) is not available and data from year (y-1) or (y-2) is being used, the DOE shall, during verification, assess whether more recent data has become publicly available and shall, if appropriate, raise a Corrective Action Request to project participants to incorporate the more recent data into the calculation of grid emission factor.



**9.4.5.3. Reporting requirement**

246. The verification report shall contain:

- (a) An indication of whether data were not available because activity levels or non-activity parameters were not monitored in accordance with the registered monitoring plan as well as any actions taken by the DOE to ensure that the most conservative assumption theoretically possible has been made;
- (b) A description of how the DOE cross-checked reported data;
- (c) A confirmation that appropriate methods and formulae for calculating baseline emissions, project emissions and leakage have been followed; and
- (d) An opinion as to whether assumptions, emission factors and default values that were applied in the calculations have been justified;
- (e) A confirmation that the pro-rata approach was correctly applied to the calculations of GHG emission reductions, where applicable;
- (f) A confirmation that the first day in which CERs are being claimed has been correctly specified, where applicable.

**9.5. Post registration changes****9.5.0. General**

247. The DOE contracted by project participants to validate the post-registration changes shall be accredited to the validation function for the specific CDM sectoral scope.
248. The DOE shall determine whether the changes do not require prior approval by the Board in accordance with appendix 1 of Project standard.
249. Where the changes are identified by or submitted to the DOE contracted to conduct the verification, the DOE shall determine whether the changes are solely of a type(s) listed in appendix 1 of the Project standard and:
- (a) In such cases, the DOE shall submit the changes as part of the request for issuance in accordance with the Project cycle procedure;
  - (b) In all other cases, the DOE shall submit the changes via the request for approval of post registration changes process of the Project cycle procedure.
250. Where the changes are submitted to a DOE prior to the commencement of verification, the DOE shall submit the changes via the request for approval of post registration changes process of the Project Cycle Procedure.

**9.5.1. Temporary deviations from the registered monitoring plan and/or monitoring methodology****9.5.1.1. Verification requirement**

251. The DOE shall determine whether there are deviations from the registered monitoring plan and/or methodology.



**9.5.1.2. Means of verification**

252. If the DOE identifies that the project participants have deviated from the registered monitoring plan and/or methodology, and where the provisions of appendix 1 of the Project standard do not apply, the DOE shall seek prior approval from the Board with respect to the acceptability of the deviations in accordance with the Project cycle procedure.
253. The DOE shall determine whether the deviation is likely to lead to a reduction in the accuracy of the calculation of emission reductions. In cases where the DOE considers that the deviation will lead to a reduction in the accuracy of the calculation of emission reductions, the DOE shall request the project participants to apply conservative assumptions or discount factors to the calculations to the extent required to ensure that emission reductions will not be over-estimated as a result of the deviation.
254. For cases where a deviation from the monitoring plan may be applicable to the monitoring period under verification, and part of the subsequent monitoring period, the DOE shall verify the exact period to which the deviation applies.

**9.5.1.3. Reporting requirements**

255. Where the deviation is identified during verification, the DOE shall indicate in the verification report how the monitoring report reflects the application of the approved guidance from the Board regarding the deviation from the provisions of the registered monitoring plan and/or methodology.
256. Where the deviation is identified prior to verification, the DOE shall state its opinion on whether the deviation reflects the application of the approved guidance from the Board regarding the deviation from the provisions of the registered monitoring plan and/or methodology and as per the applicable provisions of the Project Standard.

**9.5.2. Corrections****9.5.2.1. Verification requirement**

257. The DOE shall verify that any corrections to project information or parameters fixed at validation, as described in the registered PDD, made by project participants in a revised PDD comply with the requirements of the Project standard.

**9.5.2.2. Means of verification**

258. If the DOE identifies that the project participants have made corrections to project information or parameters determined at validation, the DOE shall determine whether:
- (a) The corrected information is an accurate reflection of actual project information; and/or
  - (b) The corrected parameters are in accordance with the applied methodology and/or selected monitoring plan.

**9.5.2.3. Reporting requirements**

259. The DOE shall describe how the corrected information accurately reflects the actual project information and/or how the corrected parameters reflect the application of the applied methodology and/or monitoring plan.

**9.5.3. Changes to the start date of the crediting period****9.5.3.1. Verification requirement**

260. If the project participants wish to change the start date of the crediting period in accordance with **section 12.8 relevant requirements** of the Project standard, the DOE shall determine whether the proposed changes result in a less conservative baseline.

**9.5.3.2. Reporting requirements**

261. The DOE shall indicate if the requirements in the Project standard have been met and shall submit a request for post registration changes in accordance with the Project cycle procedure.

**9.5.4. Permanent changes from the registered monitoring plan or monitoring methodology****9.5.4.1. Verification requirement**

262. The DOE shall verify whether there are permanent changes from the registered monitoring plan and/or methodology.

**9.5.4.2. Means of verification**

263. The DOE shall determine whether the changes to the monitoring plan contained in the registered PDD proposed by the project participants are in compliance with the applied methodology and do not reduce the level of accuracy of the monitoring compared with the requirements contained in the registered monitoring plan.
264. In cases where the proposed changes refer to a later version of the applied methodology in the registered PDD, the DOE shall determine whether the application of any later version of the applied methodology and tools does not impact the conservativeness of the monitoring and verification process, including the related emission reduction calculations.
265. If the DOE identifies 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 registered CDM project activity in accordance with a monitoring plan that would comply with the applied methodology and any applicable tools or the relevant provisions of appendix 1 of the Project standard, the DOE shall request guidance from the Board concerning the acceptability of the permanent changes in accordance with the section on post registration changes in the Project cycle procedure.
266. The DOE shall determine whether the permanent changes are likely to lead to a reduction in the accuracy of the calculation of emission reductions. In cases where the DOE considers that the permanent changes will lead to a reduction in the accuracy of the calculation of emission reductions, the DOE shall request the project participants to

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

#### **9.5.4.3. Reporting requirements**

267. Where permanent changes are identified during verification, the DOE shall indicate in the verification report how the revised PDD reflects the application of the approved guidance from the Board regarding the permanent changes from the provisions of the registered monitoring plan and/or methodology.
268. Where permanent changes are identified prior to verification, the DOE shall state its opinion on whether the permanent changes reflect the application of the approved guidance from the Board regarding the deviation from the provisions of the registered monitoring plan and/or methodology.

#### **9.5.5. Changes to the project design of a registered project activity**

##### **9.5.5.1. Verification requirement**

269. The DOE shall determine whether there are proposed or actual changes to the project design of a registered CDM project activity.

##### **9.5.5.2. Means of verification**

270. If the DOE identifies that the project design in the implementation or operation of the registered CDM project activity does not conform with the description contained in the registered PDD or the relevant provisions of appendix 1 of the Project standard, the DOE shall request guidance from the Board concerning the acceptability of the proposed or actual changes in accordance with the section on post registration changes in the Project cycle procedure.
271. In case of actual changes, the DOE shall, by means of an on-site inspection and review of the submitted revised PDD by the project participants, which describes the nature and extent of the actual changes, determine whether this description accurately reflects the implementation, operation and monitoring of the modified registered CDM project activity.
272. The DOE shall conduct an on-site inspection to assess the impacts of the actual changes on the compliance of the monitoring plan, the applied monitoring methodology and tools and/or the level of accuracy of the monitoring activity.
273. The DOE shall, by means of reviewing the revised PDD against applicable additionality and methodological requirements, determine whether the proposed or actual changes would adversely affect the conclusions of the validation report of the registered PDD with regard to:
- (a) Additionality of the registered CDM project activity;
  - (b) Scale of the registered CDM project activity;
  - (c) Applicability and application of approved baseline methodology under which the CDM project activity has been registered; or

- (d) The compliance of the monitoring plan with the applied monitoring methodology.
274. If the proposed or actual changes affect the additionality of the registered CDM project activity then the DOE shall confirm that:
- (a) In the case of investment analysis, project participants have only modified the key parameters in the original spreadsheet calculations affected by the proposed or actual changes to the project activity;
  - (b) In the case where only barriers have been claimed to demonstrate additionality, project participants have demonstrated that the barriers are still valid under the new circumstances.
275. In cases where the proposed or actual changes impact the implementation of the registered CDM project activity and where the original methodology would no longer be applicable, and where the project participant applies a later version of the methodology or another methodology that is applicable to the project activity, the DOE shall confirm that the applied methodology and tools do not impact the conservativeness of the monitoring and verification process and the related emission reduction calculations.
276. The DOE shall assess whether the revised PDD complies with the applied monitoring methodology and tools or any later version of the methodology or the requirements of another methodology that is applicable to the registered CDM project activity.

#### **9.5.5.3. Reporting requirements**

277. Where the proposed or actual changes are identified during verification, the DOE shall indicate its opinion in the verification report on how the revised PDD reflects the application of the approved guidance from the Board regarding the proposed or actual changes from the provisions of the registered monitoring plan and/or methodology and as per the applicable provisions of the Project Standard.
278. Where the permanent changes are identified prior to verification, the DOE shall state its opinion on whether the permanent changes reflect the application of the approved guidance from the Board regarding the deviation from the provisions of the registered monitoring plan and/or methodology and as per the applicable provisions of the Project Standard.
279. The DOE shall provide an opinion containing:
- (a) A description of the proposed or actual changes as compared to the description in the registered PDD;
  - (b) An assessment on when the changes occurred, reasons for these changes taking place, whether the changes would have been known prior to registration of the registered CDM project activity, and how the changes would impact the overall operation/ability of the project activity to deliver emission reductions as stated in the PDD;
  - (c) An assessment regarding whether the changes would adversely affect the conclusions of the validation report of the registered PDD with regard to:
    - (i) Additionality of the registered CDM project activity;

- (ii) Scale of the registered CDM project activity;
  - (iii) Applicability and application of approved baseline methodology under which the CDM project activity has been registered or the later version of the applied methodology;
  - (iv) The compliance of the monitoring plan with applied monitoring methodology; or
  - (v) The level of accuracy of the monitoring compared with the requirements contained in the registered monitoring plan.
280. In validating the revised PDD containing the proposed and actual changes, and in preparing the validation opinion, the DOE shall include information on how:
- (a) The proposed revisions ensure that the level of accuracy and completeness<sup>40</sup> in the monitoring and verification process is not reduced as a result of the revision. The DOE shall, using objective evidence, assess the accuracy and completeness of each proposed revision to the monitoring plan, including the frequency of measurements, the quality of monitoring equipment (e.g. calibration requirements, and the quality assurance and quality control procedures);
  - (b) The proposed revisions are in accordance with the monitoring methodology. In cases where the proposed revision refers to a later version of the applied methodology, the DOE shall confirm that this application does not compromise the conservativeness in the monitoring and verification process and of the emission reduction calculations;
  - (c) The findings of previous verification reports, if any, have been taken into account.
281. If the DOE determines that the proposed or actual changes to the registered CDM project activity comply with the requirements established in the Project Standard, the DOE shall submit the documents to the Board following the Project cycle procedure for post registration changes.
282. If the DOE determines that the proposed or actual changes to the registered CDM project activity do not comply with the requirements established in the Project Standard, the DOE shall issue a negative validation opinion or should request guidance from the Board.

#### **9.5.5<sub>bis</sub>. Types of changes specific to afforestation or reforestation project activities**

##### **9.5.5<sub>bis</sub>.1. Verification requirements**

1. The DOE shall determine whether there are types of changes specific to registered afforestation or reforestation CDM project activities.

##### **9.5.5<sub>bis</sub>.2. Means of verification**

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<sup>40</sup> Completeness refers to inclusion of all relevant information for assessment of GHG emissions reductions and the information supporting the methods applied as required. For example, if the DOE identifies an on-site generator for emergency use which was not included in the monitoring plan during the verification process, the monitoring of fuel consumption of this generator should be included in the monitoring plan via this procedure.

2. In case of actual changes, the DOE shall, by means of an on-site inspection(s), interview with relevant personnel and/or desk review of the submitted revised PDD by the project participants, which describes the nature and extent of the actual changes, determine whether this description accurately reflects the implementation, operation or monitoring of the modified registered CDM project activity.

### **9.5.5<sup>bis</sup>.3. Reporting requirements**

3. In case of actual changes, the DOE shall determine whether the changes in the revised PDD are complete and accurate reflection of actual project information.
4. Where the changes are identified during verification, the DOE shall indicate in the verification report how the changes in the revised PDD do not require prior approval by the Board in accordance with a relevant requirement in appendix 1 of the Project standard.
5. Where the changes are identified prior to verification, the DOE shall state its opinion on whether the changes do not require prior approval by the Board in accordance with a relevant requirement in appendix 1 of the Project standard.

## **9.6. Verification status, verification report and certification report**

### **9.6.0 Verification status**

1. The DOE shall determine if the project participants or coordinating/ managing entity provided an update of the status of its implementation of the registered CDM project activity or PoA as applicable in accordance with the Project cycle procedure.
2. The DOE shall provide an update of the status of its verification activity as applicable in accordance with the Project cycle procedure.

#### **9.6.1. Verification report**

283. The verification report shall give an overview of the verification process used by the DOE in order to arrive at its verification conclusions. All verification findings shall be identified and justified.
284. The DOE shall report the following:
  - (a) A summary of the verification process, ~~and~~ the scope of verification and the conclusion;
  - (b) Details of the verification team, technical experts, internal reviewers involved, together with their roles in the verification activity and details of who conducted the on-site inspection;
  - (c) Findings of the desk review and on-site inspection. Where the DOE applied a sampling approach to the on-site inspection, the DOE shall include a description of how the sample size was determined and field check was carried out;

- (d) All its applied approaches, of the DOE's findings and conclusions as to whether requirements described in section 9.4 and 9.5 above;
  - (i) The project activity has been implemented and operated in accordance with the registered PDD or any approved revised PDD;
  - (ii) The monitoring plan complies with the monitoring methodology and the actual monitoring complies with the monitoring plan, including compliance with any guidance provided by the Board regarding deviations from the provisions of a registered plan and/or methodology;
  - (iii) The data and calculation of GHG emission reductions have been assessed to correctly support the emission reductions being claimed.
- (e) A list of each parameter specified by the monitoring plan and a statement on how the values in the monitoring report have been verified;
- (f) A statement that identifies any changes to the registered PDD, and their date of approval by the Board;
- (g) An assessment and close-out of any CARs, CLs or FARs issued to the project participants;
- (h) An assessment of remaining issues from the previous verification period, if appropriate;
- (i) A conclusion<sup>40bis</sup> on the verified amount of emission reductions achieved.

284<sup>bis</sup>. Where the DOE applied the concept of materiality in verifying the registered CDM project activity in section 9.2.1.<sup>bis</sup> above, it shall report:

- (a) The risks, the risk assessment undertaken and how the verification plans and sampling plans were designed to respond to these risks and ensure that all material errors, omissions or misstatements were detected;
- (b) Whether and how the verification plans and sampling plans were revised to take into account the need for further audit procedures due to the nature/type of errors, omissions or misstatements detected;
- (c) How materiality was applied in determining whether a detected error, omission or misstatement was material or immaterial either individually or in aggregate.

285. The DOE shall describe all documentation supporting verification and shall make it available on request.

### 9.6.2. Certification Report

286. The DOE shall, based on its verification report, certify in writing that, during the specified time period, the registered CDM project activity achieved the verified amount of

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<sup>40bis</sup> In paragraph 1 of section 9.6.0 above, even if the DOE determines that the project participants or coordinating/ managing entity failed to provide an update of the status of its implementation of the registered CDM project activity or PoA as applicable in accordance with the Project cycle procedure, it does not have any impact on the conclusion of the verification for the CDM project activity or PoA.

reductions in anthropogenic emissions by sources of greenhouse gases that would not have occurred in the absence of the registered CDM project activity.<sup>41</sup>

287. The DOE shall inform the project participants, Parties involved and the Board of its certification decision in writing immediately upon completion of the certification process and shall make the certification report publicly available in accordance with the Project cycle procedure.

## 10. Specific verification requirements

### 10.0. Small-scale project activities

287<sub>bis</sub>. For a Type II or Type III registered small-scale CDM project activity, the DOE shall determine whether the project activity remains within the limit of the type of project activity defined in the relevant requirements in the Project standard. If the project activity exceeds the limit of its type, the DOE shall assess whether the calculated emission reductions were capped at the amount calculated with the limit of its type.

287<sub>ter</sub>. For the bundle of registered CDM project activities, in accordance with the applicable requirements in the “General principles for bundling”, the DOE shall:

- (a) Determine whether the bundle of registered CDM project activities was implemented and monitored;
- (b) Prepare a verification report(s) and a certification report(s).

### 10.1. Afforestation and reforestation project activities

288. At the first verification, the DOE, in accordance with paragraph 34(d) of the CDM modalities and procedures for afforestation and reforestation project activities shall confirm those areas of land for which the control over the registered A/R CDM project activity has been established by the project participants since validation.
289. As a part of these first verification report, the DOE shall confirm that the boundary of the registered A/R CDM project activity geographically delineates exclusively the afforestation or reforestation project activity under the control of the project participants.

### 10.2. Programme of activities

#### 10.2.0. Changes to modalities of communication

290. If, subsequent to the registration of the programme of activities (PoA), the coordinating/managing entity has changed, then the DOE undertaking the next inclusion of a CPA, the DOE that submits the next request for issuance or the DOE that submits the next post-registration change request, whichever is earlier, shall submit a validation opinion regarding the compliance of the new coordinating/managing entity with the requirements in the Project standard to the UNFCCC secretariat in accordance with the Project cycle procedure.

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<sup>41</sup> In accordance with paragraph 64 of the CDM modalities and procedures, the certification report constitutes a request to the Executive Board for issuance of CERs equal to the verified amount of reductions of anthropogenic emissions by sources of greenhouse gases.



- (a) New letter(s) of authorization from each respective host Party stating the change in coordinating/managing entity;
- (b) A confirmation from the new coordinating/managing entity that the registered CDM PoA will be developed and implemented with the same set framework as originally described in the CDM-PoA-DD; and
- (c) A validation opinion regarding the compliance of the new coordinating/managing entity with the requirements of the PoA management system as specified in the "Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities" in the Project standard.

290<sup>bis</sup>. Notwithstanding the case referred to in paragraph 290 above, the DOE contracted by the incoming coordinating/managing entity shall submit the validation opinion to the UNFCCC secretariat in accordance with the Project cycle procedure if the coordinating/managing entity wishes to submit the validation opinion before the next inclusion of a CPA, the next request for issuance or the next post-registration change request.

#### 10.2.1. Post-registration changes to boundary of programme of activities

291. The DOE shall determine whether the registered CDM PoA has been amended post-registration
- (a) To expand the geographic coverage or to include an additional host Parties; or
  - (b) To update the eligibility criteria for the inclusion of CPAs; or
  - (c) To remove methodologies from the registered PoA.
292. If the registered CDM PoA has been amended to expand the geographic coverage or to include an additional host Party, then the DOE shall assess and confirm that:
- (a) The existing registered CDM PoA design document (CDM-PoA-DD) is revised to reflect the changes, in particular the eligibility criteria for inclusion of CPAs;
  - (b) The baseline established in the CDM-PoA-DD is applicable to the extended PoA boundary;
  - (c) In the case of inclusion of additional host Parties:
    - (i) the Each DNAs of the new host Parties issued a letters of approval for the PoA and a letters of authorization for the coordinating/managing entity where the amended PoA boundary includes additional host Parties;
    - (ii) At least one specific-case CPA-DD for each new host Party is submitted.
293. If the registered CDM PoA has been amended to update the eligibility criteria for the inclusion of CPAs, then the DOE shall assess and confirm that:
- (a) The update of the eligibility criteria complies with provisions and conditions set out in the "Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities";

- (b) The updated eligibility criteria meet the requirements of the methodologies applied in the PoA;
  - (c) The existing registered CDM PoA design document (CDM-PoA-DD) is revised appropriately to reflect the updated eligibility criteria for inclusion of CPAs.
294. If the registered CDM PoA has been amended to remove approved baseline and monitoring methodologies, then the DOE shall assess and confirm that:
- (a) The change only involves the removal and no addition of methodologies;
  - (b) The removal of the methodologies does not affect the physical design of and the end-use service provided by the CPAs that apply the approved methodologies that remain (i.e. the methodologies that were not removed).
295. The DOE shall determine whether the registered CDM PoA has been amended post-registration to add specific-case CPA-DDs. Where specific-case CPA-DDs were added, the DOE shall assess and confirm that the specific-case CPA-DDs that were added correspond to generic CPA-DDs for which specific-case CPA-DDs had not been submitted at the time of request for registration of the PoA.
296. The DOE shall determine whether the registered generic CPA and specific CPA have been amended post-registration to change the project design due to modifications to or addition of technologies/measures. Where the project design has been changed, the DOE shall assess and confirm that:
- (a) The applicability conditions of the approved baseline and monitoring methodologies and tools that are applied cover the modified or added technologies/measures (i.e. the modified or added technologies/measure are applicable under the approved baseline and monitoring methodologies);
  - (b) The modified or added technologies/measures were already included in the originally registered PoA-DD and the eligibility criteria for these technologies/measures had been specified in the originally registered PoA-DD;
  - (c) The amendments comply with all the applicable requirements, including those set out in the Project standard, the “Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities”, and the applicable baseline and monitoring methodologies.

#### 10.2.2. Request for issuance ~~of certified emission reductions for a PoA~~

297. ~~A-The DOE that has not performed validation activities for a PoA (i.e. validation of the PoA, inclusion of CPAs, renewal of the PoA, or renewal of crediting period of CPAs)~~<sup>42</sup> shall:
- (a) Identify those CPAs that it shall consider for verification in accordance with the method/procedure to be used for verification of the amount of reductions of

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<sup>42</sup> ~~The same DOE that has performed validation activities for a PoA (validation of the PoA, inclusion of CPAs, renewal of the PoA or renewal of crediting period of CPAs) may also undertake the verification if this has been approved in advance by the Board.~~

anthropogenic emissions by sources or removals by sinks of greenhouse gases achieved by the CPAs under the registered CDM PoA and determined in the PoA-DD. Where the PoA has more than one host Party and the host Party's DNA withdraws its approval of the PoA and/or its authorization of project participants, the DOE shall identify only unaffected CPAs in accordance with the "Procedure: Process for dealing with letters from DNAs that withdraw approval/authorization";

- (b) Take into account the possible existence of CPAs complying with different versions of the registered CDM PoA and the need to account for this in its sampling approach, to ensure that a statistically sound sample of CPAs from each version of the PoA are being verified;
  - (c) Make the monitoring report publicly available immediately in accordance with the Project cycle procedure except when the host Party's DNA withdraws its approval of the registered CDM PoA and/or its authorization of project participants in accordance with the "Procedure: Process for dealing with letters from DNAs that withdraw approval/authorization";
  - (d) Systematically verify and certify the correct implementation and operation of the record-keeping system.
298. The DOE conducting the verification shall include in its verification report a description of how it applied the methods/procedures for the purpose of verification stipulated in the registered CDM-PoA-DD. The DOE shall include in its verification report a description/justification of the on-site inspections undertaken.
299. A DOE shall request issuance of CERs for a registered CDM PoA in accordance with the Project cycle procedure. The request shall correspond to all CPAs included in the PoA when a single monitoring report covering all CPAs of the PoA has been published for the specified monitoring period, a separate request for issuance corresponding to each of the monitoring reports shall be made. The monitoring periods shall be consecutive.
300. A request for issuance shall relate to the certified emission reductions verified as per the above.

### 10.2.3. Review of erroneous inclusion of component project activities<sup>43</sup>

301. The DOE shall confirm that a CPA that has been excluded shall not be re-included again in that or any other PoA, or qualify as a CDM project activity.

## 11. Renewal of crediting period

### 11.1. General validation requirements

#### 11.1.1. Validation requirement

302. When contracted by project participants to validate ~~an existing registered~~ CDM project activity for a second or further renewal of crediting period ~~or renewal of a registered CDM POA~~, the DOE shall determine whether the project participants ~~or the~~

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<sup>43</sup> Erroneous inclusion of a CPA into a PoA registered as a single CDM project activity (PoA) means that the CPA does not meet the eligibility criteria for inclusion as specified in the CDM-PoA-DD.

coordinating/managing entity have updated sections of the PDD or PoA-DD relating to the baseline, estimated emission reductions and the monitoring plan using the ~~most recent valid~~ version of baseline and monitoring methodology applicable for the project activity or the PoA.

### 11.1.2. Means of validation

303. The DOE shall determine whether the project participants have updated the PDD or PoA-DD in accordance with ~~section 12.9 relevant requirements~~ of the Project standard.

304. The DOE shall assess the validity of the original baseline or its update through an assessment of the following issues:

- (a) The impact of new relevant national and/or sectoral policies and circumstances on the baseline taking into account relevant guidance from the Board with regard to renewal of the crediting period at the time of requesting renewal of crediting period;
- (b) The correctness of the application of an approved baseline methodology for the determination of the continued validity of the baseline or its update, and the estimation of emission reductions for the applicable crediting period.

305. The DOE shall check that the names of the project participants included in the request for renewal of crediting period are consistent with the names of the registered project participants for the CDM project activity or the CDM PoA.

~~305<sub>bis</sub>~~ If the project participants or the coordinating/managing entity selected another methodology for the purpose of renewal of crediting period due to the inapplicability of the valid version of the methodology (including a consolidated methodology thereof) applied to the registered PDD or PoA-DD, the DOE shall assess whether the updated PDD or PoA-DD complies with all the requirements in the selected methodology except for additionality demonstration. Regarding the baseline, the DOE shall follow the step referred to in paragraph 304 above.

~~305<sub>ter</sub>~~ If the project participants or the coordinating/managing entity requested a deviation from the valid version of the methodology (including a consolidated methodology thereof) applied in the registered PDD or PoA-DD, or from any other selected methodology for the purpose of renewal of crediting period, or if the DOE finds at validation that updated PDD or PoA-DD deviated from the valid version of the methodology applied in the registered PDD or PoA-DD or from any other selected methodology, paragraphs 78 and 79 above shall apply mutatis mutandis.

~~305<sub>quater</sub>~~ If the project participants or the coordinating/managing entity requested post-registration changes together with the request for renewal of crediting period, the DOE shall assess the post-registration changes in accordance with relevant requirements in section 9.5 above and the Project cycle procedure.

### 11.1.3. Reporting requirement

306. The DOE shall ~~report on the renewal of the crediting period on:~~

- (a) Describe the steps undertaken to assess, and state its opinion on, the compliance of ~~whether~~ the validity of the original baseline or its update, the

estimated emission reductions and the updated monitoring plan are in line with the latest applicable valid version of the methodology applicable for the registered CDM project activity or the registered CDM PoA;

- (b) Provide a confirmation on the consistency of the names of project participants included in the request for renewal of crediting period;
- (c) If the project participants or the coordinating/managing entity selected another methodology for the purpose of renewal of crediting period, describe the steps undertaken to assess, and state its opinion on, the compliance of the updated PDD or PoA-DD with the requirements of that methodology.

## **11.2. ~~Renewal of a crediting period of CPAs under a registered~~ Specific validation requirements for programme of activities**

### **11.2.1. Renewal of programme of activities**

306<sup>bis</sup>. The DOE shall determine whether the coordinating/ managing entity, in accordance with the relevant requirements in the Project standard, updated the eligibility criteria for inclusion of CPAs in the PoA, prepared a new completed PoA-DD and a new version of the generic CPA-DD, and renewed the CDM PoA seven years after the approval of the revised version of the methodology if the version of the PoA has been revised.

### **11.2.2. Renewal of crediting period of component project activities**

307. The DOE shall assess the information in the CDM-CPA-DD against the latest version of the registered CDM PoA and documentation requirements and, if consistency is confirmed, shall renew the crediting period of the existing CPA in accordance with the Project cycle procedure.

## Appendix 1. Calibration

1. The following provides an illustrative example for applying the provisions in paragraph 238 (a) and (b).
2. An electricity energy meter with a maximum permissible error ( $\pm 5\%$ ), which may be used for measuring the electricity export for baseline emissions and electricity import for project emission calculations, is required to be calibrated every year. If the calibration is delayed and instead of after one year it is conducted after one and a half years, and the result of the delayed calibration is available at the time of verification, to account for the delayed calibration the measured values shall be corrected as demonstrated in the following Table 1 and Table 2 for situations stipulated in paragraph 238 (a) and (b).

**Table 1. Sample calculation for the cases where the error identified in the delayed calibration is smaller than the maximum permissible error**

Measured value	Parameter	Error identified during delayed calibration	Corrected Values
100 MWh	Electricity Export	$\pm 2\%$	$100 (1 - \text{Max . permissible error}\%/100) = 95 \text{ MWh}$
100 MWh	Electricity Import	$\pm 2\%$	$100 (1 + \text{Max . permissible error}\%/100) = 105 \text{ MWh}$

**Table 2. Sample calculation for the cases where the error identified in the delayed calibration is larger than the maximum permissible error**

Measured value	Parameter	Error identified during delayed calibration	Corrected Values
100 MWh	Electricity Export	$\pm 7\%$	$100 (1 - \text{error}\%/100) = 93 \text{ MWh}$
100 MWh	Electricity Import	$\pm 7\%$	$100 (1 + \text{error}\%/100) = 107 \text{ MWh}$

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**Document information**

<i>Version</i>	<i>Date</i>	<i>Description</i>
07.0	19 May 2014	<p>Revision to:</p> <ul style="list-style-type: none"> <li>• Introduce a paragraph on the effective date of this standard;</li> <li>• Align the language with the “CDM project standard” for the cases where the environmental impact assessment is conducted for a proposed CDM project activity or programme of activities;</li> <li>• Reflect editorial improvements.</li> </ul>
06.0	14 May 2014	<p>Publish within annex 14 to the annotated agenda of EB79.</p> <p>Revisions to:</p> <ul style="list-style-type: none"> <li>• Introduce new or revise requirements based on the inputs from stakeholders and experience of the Board and the secretariat;</li> <li>• Improve the clarity of this document and consistency with the “CDM project standard” and the “CDM project cycle procedure”;</li> <li>• Reflect editorial improvement;</li> <li>• Supersede and replace the following documents, along with the “CDM project standard” and/or the “CDM project cycle procedure”, on the date when these three documents above enter into force: <ul style="list-style-type: none"> <li>• “Standard for application of the global warming potentials to clean development mechanism project activities and programmes of activities for the second commitment period of the Kyoto Protocol” (EB 69 report, Annex 3); <ul style="list-style-type: none"> <li>• “Clarification: Verification of reporting of the status of registered project activity or programme of activities” (CDM-EB77-A13-CLAR)</li> <li>• “Clarification: Validation of post-registration changes and verification by the same DOE for the same project activity or programme of activities” (CDM-EB77-A12-CLAR)</li> <li>• “Clarification: Validation of informing about the progress of a project activity after notification of prior consideration of the CDM” (CDM-EB73-A15-CLAR);</li> <li>• “Clarification: Implementation of the prior consideration of the CDM requirement in the absence of the host Party DNA” (CDM-EB72-A05-CLAR);</li> <li>• “Clarification: Host Party for project activities and bundled project activities” (CDM-EB70-A38-CLAR).</li> </ul> </li> </ul> </li> </ul>
05.0	4 October 2013	<p>Revision to incorporate the requirements for programme of activities in the amendment in CDM-EB75-A05 which includes:</p> <ul style="list-style-type: none"> <li>• To enable two issuance requests for the same monitoring period;</li> <li>• To eliminate the requirement of minimum 90 days period between two issuance requests.</li> </ul>

<i>Version</i>	<i>Date</i>	<i>Description</i>
04.0	29 July 2013	<p>Revision to incorporate the amendment in CDM-EB74-A04 which includes:</p> <ul style="list-style-type: none"> <li>• Integration of clarification CDM-EB72-A06-CLAR and CDM-EB73-A16-CLAR;</li> <li>• Clarification on the situations in which prior consideration of PoAs need to be validated;</li> <li>• Clarification on the validation of post registration changes in the context of PoAs and CPAs.</li> </ul>
03.0	23 November 2012	<p>EB 70, Annex 3</p> <p>Revision to reflect revised requirements for PoAs.</p>
02.0	25 November 2011	<p>EB 65, Annex 4</p> <p>The document title has changed. This document, along with the “Clean development mechanism project standard” and the “Clean development mechanism project cycle procedure”, supersedes and replaces the following documents on the date when these three documents above enter into force:</p> <ul style="list-style-type: none"> <li>• Clean development mechanism validation and verification manual (version 01.2)</li> <li>• Procedures for requesting post-registration changes to the start date of the crediting period (version 02.0)</li> <li>• Procedures for modalities of communication between project participants and the Executive Board (version 01.0)</li> <li>• 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 (version 04.1)</li> <li>• Procedures for processing and reporting on validation of CDM project activities (version 03.0)</li> <li>• Procedures for requests to the Executive Board for deviation from an approved methodology (version 01.0)</li> <li>• Procedures for approval of the application of multiple methodologies to a programme of activities (version 01.0)</li> <li>• Procedure for requests for registration of proposed CDM project activities (version 2.0)</li> <li>• Procedures for review of erroneous inclusion of a CPA (version 03.0)</li> <li>• Procedures for withdrawal of a request for registration (version 01.0)</li> <li>• Procedures for renewal of the crediting period of a registered CDM project activity (version 06.0)</li> <li>• Making the monitoring report available to the public in accordance with § 62 of the modalities and procedures for the CDM (version 01.0)</li> <li>• Procedure for requests for issuance of CERs (version 01.2)</li> <li>• Procedures for withdrawal of a request for issuance of certified</li> </ul>



<i>Version</i>	<i>Date</i>	<i>Description</i>
		<p>emission reductions (version 01.0)</p> <ul style="list-style-type: none"> <li>• Procedures for notifying and requesting approval of changes from the project activity as described in the registered PDD (version 01.0)</li> <li>• Procedures for revising monitoring plans in accordance with paragraph 57 of the modalities and procedures for the CDM (version 02.0)</li> <li>• Procedures for requests for deviation prior to submitting request for issuance (version 01.0)</li> <li>• Guidelines on the demonstration and assessment of prior consideration of the CDM (version 04.0)</li> <li>• Guidance related to monitoring requirements (EB23, paragraph 24)</li> <li>• Guidance on application of the definition of the project boundary to A/R CDM project activities (version 01.0)</li> <li>• Guidelines on assessment of different types of changes from the project activity as described in the registered PDD (version 01.0)</li> <li>• Guidelines for assessing compliance with the calibration frequency requirements (version 01.0)</li> <li>• Clarifications on the consideration of national and/or sectoral policies and circumstances in baseline scenarios (version 02.0)</li> <li>• 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 (version 01.0)</li> <li>• 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 (version 01.0)</li> <li>• Additional clarifications to the validation requirements to be checked by a designated operational entity” (EB 11 annex 6)</li> </ul>
01.2	30 July 2010	<p>EB 55, Annex 1</p> <ul style="list-style-type: none"> <li>• Incorporation of applicable decisions of the Board from EB 51 to EB 54;</li> <li>• Revision of references to the procedures, tools and guidance documents;</li> <li>• Editorial review.</li> </ul>
01.1	4 December 2009	<p>EB 51, Annex 3</p> <ul style="list-style-type: none"> <li>• Incorporation of applicable decisions of the Board from EB 44 to EB 50;</li> <li>• Revision of references to the procedures, tools and guidance documents;</li> <li>• Editorial review.</li> </ul>

CDM-EB79-AA-A14

Revision of CDM project standard, validation and verification standard, and project cycle procedure

Version 02.0

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<i>Version</i>	<i>Date</i>	<i>Description</i>
01.0	28 November 2008	EB 44, Annex 3 Initial adoption.

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Decision Class: Regulatory  
Document Type: Standard  
Business Function: Issuance, Registration  
Keywords: crediting period, validation, verification

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DRAFT

## **Appendix 5. Draft Procedure. CDM project cycle procedure (version 06.1)**

## **CDM-EB79-A14**

# Draft Procedure

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## CDM project cycle procedure

Version 06.1

DRAFT

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# 1. Introduction

## 1.1. Background

0. The Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP), at its first session, established the basis of a regulatory framework of the clean development mechanism (CDM) to implement Article 12 of the Kyoto Protocol through the annex to decision 3/CMP.1, the annexes II, III and IV to decision 4/CMP.1, the annex to decision 5/CMP.1 and the annex to decision 6/CMP.1. The CMP revised provisions in these decisions through new decisions in subsequent sessions, and ~~revoked annexes III and IV to decision 4/CMP.1.~~ In addition, the Executive Board of the clean development mechanism (hereinafter referred to as the Board) operationalized the CDM process by adopting various standards, procedures and guidelines and revised them, as appropriate, with a view to improving the CDM process.
1. This document, ~~developed in accordance with the “CDM management plan 2011” under its objective 3(b) “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”,~~ consolidates all procedural provisions relating to the project cycle under the CDM: from prior consideration of seeking CDM status, the publication of project design document (PDD) regarding a CDM project activity or programme design document (PoA-DD) regarding a CDM programme of activities (PoA) up to the issuance of certified emission reductions (CERs) for the CDM project activity or PoA and the renewal of crediting period.
- ~~2. The document information section at the end of this document lists all documents that are superseded by this document individually or in conjunction with the “CDM project standard” and the “CDM validation and verification standard”.~~

## 1.2. Objectives

3. The objectives of the “CDM project cycle procedure” (hereinafter referred to as this procedure) are to:
  - (a) Improve the consistency and clarity in processing by the Board and the UNFCCC secretariat (hereinafter referred to as the secretariat) of the submissions of documents relating to the registration of a proposed CDM project activity or PoA and issuance of CERs;
  - (b) Enhance the overall efficiency and integrity of the CDM.

# 2. Scope and applicability

4. This procedure describes the administrative steps to follow for project participants, coordinating/managing entities for PoAs, designated operational entities (DOEs), other stakeholders, the Board and the secretariat for registration of a CDM project activity or PoA, issuance of CERs and related actions.

<sup>4</sup><sub>bis</sub> Version 06.1 of this procedure enters into force on XXX.



### 3. Terms and definitions

5. In addition to the definitions in the “Glossary of CDM terms”, the following terms apply in this procedure:
- (a) “Shall” is used to indicate requirements to be followed;
  - (b) “Should” is used to indicate that among several possibilities, one course of action is recommended as particularly suitable;
  - (c) “May” is used to indicate what is permitted.

### 4. Pre-registration activities

#### 4.1. Prior consideration of the clean development mechanism

6. For project activities with a start date on or after 2 August 2008, the project participants shall notify the designated national authority(ies) (DNAs) of the host Party(ies) of the project activity, **if the DNA exists**, and the secretariat in writing of the commencement of the project activity and their intention to seek the CDM status within 180 days of the start date of the project activity as defined in the “Glossary of CDM terms”, by using the “Prior consideration of the CDM form” (F-CDM-PC). Such notification is not necessary if:

(a) ~~—~~ **A a PDD regarding the project activity has been published for global stakeholder consultation in accordance with paragraph 16 below; or 13-17 below.**

(b) ~~—~~ **A new baseline and monitoring methodology is proposed or a revision of an approved baseline and monitoring methodology is requested for the project activity before the start date in accordance with relevant procedures.**

**7<sub>bis</sub> The notification to be submitted according to paragraph 6 above shall include information on: the location of the project activity, indicating country, region and the precise geographical location(s) (geo-coordinates, or other adequate means to identify the project location); and the technology under consideration for the project activity.**

**7<sub>ter</sub> The secretariat shall conduct a completeness check to determine whether the information submitted by the project participant is complete. If, during the completeness check, the secretariat identifies that information is missing, the secretariat shall request this information to the project participants. The project participants shall submit the requested information within 14 days of receipt of the request. The secretariat shall notify the project participants whether the notification submitted is considered complete.**

**8. The secretariat shall maintain a publicly available list of such notifications on the UNFCCC CDM website. Once the secretariat has determined that the notification is complete, it shall publish it on the UNFCCC CDM website.**

**9. For Project participants for project activities referred to in paragraph 7 above, until they meet a condition in paragraph 7(a) or 7(b) above, the project participants shall inform the secretariat of the progress of the project activity every subsequent two (2) years after the initial notification, using the “Prior consideration of the CDM form” (F-CDM-PC) until the PDD regarding the project activity has been published for global stakeholder consultation.**

10. For project activities with a start date before 2 August 2008, for which the PDD has not been published for global stakeholder consultation or the start date is prior to the date of publication of the PDD for global stakeholder consultation in accordance with paragraph 17 below, the project participants shall provide information to demonstrate that the CDM was seriously considered in the decision to implement the project activity in accordance with the “CDM project standard” to the DOE that performs validation of the proposed CDM project activity.
11. Provisions in paragraphs 7–10 above shall not apply to PoAs. However, the coordinating/managing entity may notify to the DNA(s) of the host Party(ies) of the PoA and the secretariat in writing of the intention to seek the CDM status for the PoA, using the “CDM programme of activities prior consideration” form (CDM-PoAP-FORM) for the purpose of determining the start date of the PoA.

## **4.2. Publication of project design document**

### **4.2.1. Submission of project design document**

12. The project participants of a proposed CDM project activity shall complete a PDD, or the coordinating/managing entity of a proposed CDM PoA shall complete a PoA-DD and the PoA-specific component project activity design document(s) (CPA-DDDs), in accordance with the “CDM project standard”, and submit it/them together with supporting documentation, to the designated operational entity (DOE) contracted by the project participants or the coordinating/managing entity to perform validation of the project activity or PoA.
13. The DOE shall make the PDD or PoA-DD and CPA-DD publicly available through a dedicated interface on the UNFCCC CDM website for global stakeholder consultation. The duration of the period for submission of comments for the global stakeholder consultation shall be 30 days except with respect to large-scale afforestation and reforestation (A/R) project activities or large-scale A/R PoAs, for which the duration shall be 45 days.
14. When submitting the PDD or PoA-DD, the DOE shall, through a dedicated interface on the UNFCCC CDM website, also submit the following information to be made publicly available:
  - (a) The name of the proposed CDM project activity or PoA;
  - (b) The host Party(ies) of the proposed CDM project activity or PoA;
  - (c) The names of the project participants listed in the PDD or PoA-DD. The DOE shall indicate with which of the project participants the DOE has a contractual relationship for validation of the proposed CDM project activity or PoA, as well as the name of the coordinating/managing entity in the case of PoA;
  - (d) The estimated annual greenhouse gas (GHG) emission reductions or removal enhancements indicated in the PDD or, in the case of a PoA, the estimated total annual GHG emission reductions or removal enhancements of all component project activities (CPAs) expected to be included in the PoA for which CPA-DDs were submitted with the PoA-DD at the time of its publication;
  - (e) The approved baseline and monitoring methodology(ies) being applied to the proposed CDM project activity or PoA;

- (f) Reference to any previous publication of the PDD or PoA-DD for public comments on the UNFCCC CDM website;
- (g) The proposed start date of the CDM project activity and length of ~~theits~~ first crediting period and the proposed start date of the PoA and the start date and the length of the first crediting period of each of the CPAs published.
- (h) The report on the feedback provided by stakeholders during the local stakeholder consultation;
- (i) A summary of the Environmental Impact Assessment report of the CDM project activity or PoA (if applicable).
- (j) In the case of a PoA, in addition to (a)–(g) above:
  - (i) The generic CPA-DDs part of the PoA-DD, which specify the generic information relevant to all CPAs that may be included in the PoA. ~~Whereif the POA applies more than one technology/measure or more than one methodology—is applied,—a, the~~ generic CPA-DD part of the PoA-DD shall be completed for each technology/measure, each methodology and each combination thereof.
  - (ii) In case where all specific case CPA-DDs to cover all generic CPA-DDs cannot be provided at the time of publication of the PoA-DD for global stakeholder consultation, at least one specific case CPA-DD corresponding to any of the generic CPA-DDs shall be provided at the time of publication of the PoA-DD for global stakeholder consultation. In this case, for each of the remaining generic CPA-DDs, one specific case CPA-DD shall be provided at the time of request for registration of the PoA or after the registration of the PoA. In the latter case, the specific case CPA-DD shall be provided for approval by the Board in accordance with the post-registration change process as defined in section 6.2 below.
  - (iii) If the PoA is hosted in more than one host Party, a specific case CPA-DD shall also be provided for each host Party at the time of publication of the PoA-DD for global stakeholder consultation. In this case, if the PoA-DD defines more than one generic CPA-DD, the specific-case CPA-DD may correspond to any generic CPA-DD.

~~15. When submitting a request for registration of the proposed CDM project activity or PoA, all project participants with a contractual relationship with the DOE for validation of the proposed CDM project activity or PoA shall be listed in the PDD or PoA-DD, unless they have provided a letter of voluntary withdrawal from the project activity or PoA. The DOE may remove project participants that are listed in the PDD or PoA-DD published for global stakeholder consultation but do not have a contractual relationship with the DOE for validation from the PDD or PoA-DD at the time of the request for registration.~~

~~16. The DOE may recommence the validation activity through a new or revised contract with a different set of project participants or a different coordinating/managing entity by:~~

- ~~(a) Indicating that the first validation contract has been terminated in accordance with paragraph 22(a) below; and~~
- ~~(b) Republishing the PDD or PoA-DD or a revised version thereof for global stakeholder consultation in accordance with paragraphs 13 and 14 above.~~

17. If the DOE is accredited for the validation function in all sectoral scope(s)<sup>1</sup> to which the proposed CDM project activity or PoA is linked through the application of baseline and monitoring methodology(ies), the secretariat, through the CDM information system, shall make the PDD or PoA-DD publicly available on the UNFCCC CDM website. The period for submission of comments for global stakeholder consultation on the PDD or PoA-DD shall commence at midnight GMT subsequent to the publication of the PDD or PoA-DD. The CDM information system shall inform the DOE of the location of the PDD or PoA-DD on the UNFCCC CDM website and the opening and closing dates **and time** of the period for submission of comments.
18. If the PDD or PoA-DD applies the previous version of an approved baseline and monitoring methodology, and a request for registration of the proposed CDM project activity or PoA has not been submitted within the grace period for the use of the previous version as defined in the procedure “Development, revision and clarification of baseline and monitoring methodologies and methodological tools”, the project participants shall revise the PDD, or the coordinating/managing entity shall revise the PoA-DD, applying the revised version of the methodology in its entirety or elements of it as required (e.g. in the case of an approved deviation). In this case, the DOE shall not publish the revised PDD or PoA-DD for global stakeholder consultation, but shall submit it when it submits a request for registration in accordance with paragraph 56 below, unless otherwise decided by the Board when it approves the revised methodology.

#### **4.2.1<sub>bis</sub> Changes after publication of the project design document**

##### **4.2.1<sub>bis</sub>1 Changes in project participants or coordinating managing/entity**

18<sub>bis</sub> When submitting a request for registration of the proposed CDM project activity, all project participants shall be listed in the PDD, and all project participants and the coordinating/managing entity shall be listed in the PoA-DD. The list shall specify which project participants have a contractual relationship with the DOE for validation of the proposed CDM project activity or PoA.

18<sub>ter</sub> If all project participants or the coordinating/managing entity that have a contractual relationship with the DOE for validation at the time of the publication of the PDD or PoA-DD for global stakeholder consultation have been replaced, the revised PDD or PoA-DD shall be published for global stakeholder consultation in accordance with paragraphs 13 and 14 above.

##### **4.2.1<sub>bis</sub>2 Change of the DOE**

18<sub>quater</sub> If the project participants or the coordinating/managing entity wish to change the DOE after the publication of the PDD or PoA-DD, they shall notify the change to the secretariat by email informing of the name of the newly appointed DOE before the submission of the request for registration of the CDM project activity or PoA. This DOE will not need to republish the PDD or the PoA-DD in accordance with paragraphs 13 and 14 above but shall take into account the comments received during the global stakeholder consultation of the PDD or PoA-DD in its validation.

##### **4.2.1<sub>bis</sub>3 Changes in the design of the project activity or programme of activities**

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<sup>1</sup> 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.

18<sup>quinquies</sup> If the design of the CDM project activity or PoA has undergone changes, the PDD or PoA-DD will not need to be republished for global stakeholder consultation in accordance with paragraphs 13 and 14 above unless the environmental impact assessment conducted for the proposed CDM project activity or PoA or the national or local environmental permissions are no longer valid due to the changes.

#### 4.2.1<sup>bis</sup> 4 Changes in the approved baseline and monitoring methodology

19. If the project participants or the coordinating/managing entity wish to change the approved baseline and monitoring methodology or combination of approved baseline and monitoring methodologies applied in the PDD or PoA-DD that has already been published for global stakeholder consultation, then:
- (a) The project participants or the coordinating/managing entity shall revise the PDD or PoA-DD accordingly;
  - (b) The DOE shall subsequently publish the revised PDD or PoA-DD for global stakeholder consultation in accordance with paragraphs 13–14 above, except when the following conditions apply to a PoA:
    - (i) The change only involves the removal and no addition of approved baseline and monitoring methodologies;
    - (ii) The removal of the approved baseline and monitoring methodologies does not affect the physical design of and the end-use services provided by the CPAs that apply the methodologies that remain (i.e. the methodologies that were not removed).

#### 4.2.2. Submission and treatment of public comments

20. Parties, stakeholders<sup>2</sup> and UNFCCC accredited observers may submit comments, in English, on the validation requirements for the proposed CDM project activity or PoA to the DOE through the secretariat via a dedicated interface on the UNFCCC CDM website. The submitters of the comments shall provide the name and contact details of the individual or organization on whose behalf the comments are submitted. ~~The DOE shall check the authenticity of this information in case of doubt.~~ Comments from stakeholders shall:
- (a) Be specific to the proposed CDM project activity or PoA;
  - (b) Provide objective and verifiable information;
  - (c) Be limited to the additionality of the emissions reductions generated by the project, its claimed sustainable development benefits and any impact it may have on the environment and on local communities.
21. The secretariat shall make the comments that the DOE has deemed appropriate for publication, publicly available on the UNFCCC CDM website where the PDD or PoA-DD is displayed, and shall remove those that the DOE has determined to be unauthentic in accordance with paragraph 20 above.

21<sup>bis</sup> After the completion of the local stakeholder consultation, local stakeholders may submit a complaint to the DNA(s) of the host Party(ies) if they find that the outcome of the local

<sup>2</sup> For the purpose of this procedure all members of the public are considered to be stakeholders.

stakeholder consultation is not appropriately taken into account. The DOE shall request the DNA(s) to forward such complaints, if any, to the DOE and promptly forward them to the project participants or the coordinating/managing entity during the validation in accordance with the “CDM validation and verification standard”.

### 4.3. Reporting of validation status

22. At 180 days subsequent to the end of the period for submission of comments on the PDD or PoA-DD, the DOE shall provide, through a dedicated interface on the UNFCCC CDM website, an update on the status of its validation activity, unless it has submitted a request for registration of the proposed CDM project activity or PoA in accordance with paragraph 56 below. The DOE shall include one of the following statuses in the update:

- (a) The validation contract has been terminated. In this case the DOE shall also provide a reason for the termination to the Board through the secretariat on a confidential basis;
- (b) The DOE has issued a negative validation opinion;
- (c) The DOE has raised one or more corrective action requests or clarification requests, to which no response has been received from the project participants or the coordinating/managing entity, or the DOE is seeking further clarification to the responses received from the project participants or the coordinating/managing entity. In this case the DOE shall also provide a summary of the issues raised and update or reconfirm the status of the validation activities at 90-day intervals thereafter;
- (d) The DOE has finalized a positive validation opinion with the exception of the receipt of a valid letter of approval from one or more Party(ies) involved. In this case the DOE shall also indicate from which Party(ies) involved a valid letter of approval has not been received;
- (e) The DOE is performing validation activities and it has not yet sent any corrective action or clarification requests to the project participants or the coordinating/managing entity. In this case the DOE shall also provide an explanation on the length of time taken and update or reconfirm the status of the validation activities at 90-day intervals thereafter.

22<sub>bis</sub> The secretariat shall inform stakeholders that submitted comments that were considered authentic during the global stakeholder consultation process about the update provided by the DOE by sending them an email to the address provided when they submitted comments.

### 4.3<sub>bis</sub> Withdrawing of the published design documents

22<sub>ter</sub> At any time before the submission of a request for registration, the project participant or the coordinating/managing entity may instruct the DOE to withdraw the PDD or PoA-DD. In such a case, the DOE shall request the secretariat, by using form [NEW FORM], the withdrawal of the PDD or PoA-DD. If the form contains all required information, the secretariat shall mark the PDD or PoA-DD in the UNFCCC CDM website as “withdrawn”.



#### **4.4. Modalities of communication**

23. The project participants of a CDM project activity or PoA shall designate one or more focal point entities (hereinafter referred to as focal points) to communicate on their behalf with the Board and the secretariat within the defined scopes of authority referred to in paragraph 26 below and include this information in a modalities of communication (MoC) statement.
24. After the submission of a request for registration of a proposed CDM project activity or PoA in accordance with paragraph 56 below, all official communication between the project participants and the Board or the secretariat for the specific project activity or PoA shall be conducted in accordance with the MoC statement with the exception of communications undertaken in accordance with paragraph 159 and 168(b) below.
25. The project participants or the coordinating/managing entity shall submit to the DOE at the time of validation of the proposed CDM project activity or PoA an MoC statement using the latest version of the form for the “Modalities of communication statement” (F-CDM-MOC), including its annex 1. The contact details of the focal points shall be included in the F-CDM-MOC and the contact details of the project participants in its annex 1.
26. The project participants shall grant the focal points the authority to:
  - (a) Communicate in relation to requests for forwarding of CERs to individual accounts of project participants (scope (a)); and/or
  - (b) Communicate in relation to requests for addition and/or voluntary withdrawal of project participants and focal points, as well as changes to company names, legal status, contact details and specimen signatures (scope (b)); and/or
  - (c) Communicate on all other project or programme-related matters not covered by (a) or (b) above (scope (c)).
27. The project participants may designate separate entities for each scope of authority either in a sole, shared or joint focal point role and shall designate two or more focal points for a shared or joint focal point role.
28. The project participants and the focal points may designate one primary authorized signatory and one alternate authorized signatory. The signature of either the primary or alternate authorized signatory shall suffice for authenticating the project participant's or the focal point's consent or instruction(s).
29. A project participant that is also a focal point for the same CDM project activity or PoA may designate different authorized signatories for the project participant status and for the focal point status.
30. For CDM PoAs, the coordinating/managing entity shall be either the sole or a joint focal point for each scope of authority. The number of joint focal points for a PoA shall be limited to five (5), or equal to the number of host Parties if greater than five (5).
31. The project participants shall not include or refer to private contractual arrangements in an MoC statement such as the establishment of conditions for the designation or change of focal points or the purchase and/or sale of CERs. The project participants and focal points shall be solely responsible for honouring such arrangements.

32. The secretariat shall, when conducting the completeness check of the request for registration submission in accordance with paragraph 61 below, consider the contact details included in annex 1 of the F-CDM-MOC to be the valid contact details of the project participants whenever such details differ from the details of the project participants and their representatives included in annex 1 of the PDD or PoA-DD for the CDM project activity or PoA.
33. The secretariat shall publish the F-CDM-MOC together with its annex 1 on the respective CDM project activity or PoA webpage on the UNFCCC CDM website following the registration of the project activity or PoA.
34. The secretariat shall not make available specimen signatures, contact details and other personal information to anyone other than members of the Board, the project participants, the focal points and the DOE involved in the CDM project activity or PoA.

#### **4.5. Request for deviation from approved methodology**

##### **4.5.1. Submission of request for deviation**

35. If the DOE, when performing validation for a proposed CDM project activity or PoA, or upon request from the project participants or coordinating/managing entity before the publication of the PDD or PoA-DD, finds that the project participants or the coordinating/managing entity deviated from an approved baseline and monitoring methodology when applying it to the proposed project activity or PoA, and the DOE considers that the deviation was due to a project- or programme-specific issue implying that a revision of the methodology would not be required to address the issue, it may seek guidance from the Board on the acceptability of the deviation prior to submission of a request for registration or publication of the PDD or PoA-DD of the proposed CDM project activity or PoA.
36. Alternatively, if the DOE considers that a revision of the methodology would be required to address the project or programme situation, it shall follow the procedure "Development, revision and clarification of baseline and monitoring methodologies and methodological tools".
37. If the DOE cannot determine the applicability of the selected methodology to the proposed CDM project activity or PoA, the DOE shall request clarification on the applicability in accordance with the procedure "Development, revision and clarification of baseline and monitoring methodologies and methodological tools".
38. To seek guidance from the Board on the acceptability of the deviation, the DOE shall submit the "Deviation from approved methodology request form" (F-CDM-DEV) through a dedicated interface on the UNFCCC CDM website. In the submission the DOE shall provide:
  - (a) Clear and precise assessment of the case including demonstration that the deviation does not imply revision of an approved methodology;
  - (b) A description of the impact of the deviation on the GHG emission reductions or removal enhancements from the project activity or PoA for the Board to evaluate.



**4.5.2. Processing request for deviation**

39. The secretariat shall maintain a publicly available list of all submitted requests for deviation on the UNFCCC CDM website, excluding supporting documentation provided by the DOE as confidential. The secretariat shall make publicly available the schedule of processing the requests for deviation, including the expected date of commencement. The secretariat shall schedule the commencement of the processing of the requests for deviation in accordance with the secretariat's operational plans, i.e. monthly quotas, which shall also incorporate any relevant instructions from the Board.
40. The secretariat shall commence the processing of the request for deviation in accordance with the schedule. Upon commencement of the processing of the request for deviation the secretariat shall conduct within seven (7) days a completeness check to determine whether the request submission is complete in accordance with paragraph 38 above.
41. If the secretariat, during the completeness check, identifies issues of an editorial nature, it shall request the DOE by e-mail to submit the missing or revised documents and/or information. In this case, the DOE shall submit the requested documents and/or information within two (2) days of receipt of the request. If the DOE does not submit the requested documents and/or information by this deadline, the secretariat shall conclude that the request submission is incomplete.
42. Upon conclusion of the completeness check, the secretariat shall notify the DOE of the conclusion of the completeness check. If the request submission is found incomplete, the secretariat shall also communicate the underlying reasons to the DOE and make them publicly available on the UNFCCC CDM website. In this case, the DOE may re-submit a request for deviation with revised documentation. Upon submission of the revised documentation the request shall be treated as a new submission of a request for deviation.
43. Upon determination by the secretariat that the request submission is complete, the secretariat shall, within 14 days, prepare and send to the Board a summary note on the request including a recommendation on the course of action, or with a notification that the case will be placed on the agenda of the next Board meeting.
44. If the secretariat, during the preparation of the summary note, identifies issues that require clarifications from the DOE, it shall request the DOE to submit revised documents and/or information to clarify the issues within 14 days of receipt of the request. In this case, the secretariat shall, notwithstanding the provision in paragraph 43 above, finalize the summary note and send it to the Board within 14 days of receipt of the requested documents and/or information from the DOE. If the DOE does not submit the requested documents and/or information by this deadline, the secretariat shall not process the request submission any further.
45. If the request submission is removed from processing in accordance with paragraph 44 above, the DOE may request the secretariat, by e-mail through a dedicated e-mail address, to make a telephone call to the DOE to provide clarifications on the issues identified if they are not sufficiently clear to it. Only one such request shall be allowed per request for deviation. In this case, the DOE shall provide the contact details of the person to be called with preferred time slots. The secretariat shall fix a call appointment within three (3) days of receipt of the request. The secretariat shall record the call.

46. If the secretariat, during the preparation of the summary note, identifies issues that require inputs from a relevant panel or working group, it shall place the case on the agenda of the next meeting of the panel or working group. In this case, the secretariat shall, notwithstanding the provisions in paragraphs 43 and 44 above, finalize the summary note and send it to the Board within 14 days of receipt of the inputs from the panel or working group.
47. If no member of the Board objects to the secretariat's recommendation on the course of action referred to in paragraph 43 above within 20 days of receipt of the summary note, the recommended course of action shall be deemed to be the decision adopted by the Board.
48. An objection by a member of the Board shall be made by notifying the Chair of the Board through the secretariat, giving reasons in writing. The secretariat shall acknowledge receipt of the objection and make it available to the Board.
49. If a member of the Board objects to the secretariat's recommendation on the course of action more than 14 days prior to the next Board meeting, the case shall be placed on the agenda of the next Board meeting; otherwise it shall be placed on the agenda of the subsequent Board meeting.
50. If the Board considers the case at its meeting in accordance with paragraph 43 or 49 above, it shall decide on the course of action at the meeting.
51. The course of action referred to in paragraph 43 above shall be:
- (a) Approve the deviation and allow submission of a request for registration with the deviation; or
  - (b) Decide that the deviation requires a revision of an approved baseline and monitoring methodology before submitting a request for registration.
  - (c) Reject the request.
52. Once a decision has been made by the Board, the secretariat shall inform the DOE of the decision, the reasons thereof and any guidance provided by the Board as applicable, and make the decision, reasons and guidance publicly available on the UNFCCC CDM website by publishing a ruling note within three (3) days after the decision of the Board was adopted.

#### **4.6. Application of multiple methodologies in programme of activities**

53. If the proposed CDM PoA applies more than one approved baseline and monitoring methodology and/or technology or measure in the PoA, the DOE that performs its validation and the coordinating/managing entity shall follow the process in paragraph 54 or 55 below as applicable.
54. If the PoA applies only small-scale methodologies, and if "cross effects" as defined in the "Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities" exist between the technologies or measures applied, the coordinating/managing entity shall propose methods to account for such cross effects and request approval by the Board using the process in section 4.5 above mutatis mutandis. Before submitting such request, the coordinating/managing entity may seek clarification from the Board on cross effects in the proposed combination of technologies or measures, using the procedure

“Development, revision and clarification of baseline and monitoring methodologies and methodological tools” by submitting the PoA-DD ~~and generic CPA-DD~~ with completed sections for detailed technical descriptions. Where possible, such clarification requests shall be treated under the “fast track” of the procedure and the clarification shall be provided within 28 days.

55. If the PoA applies only large-scale methodologies, or both large-scale and small-scale methodologies, and if the combination is explicitly permitted in the methodologies, the DOE may proceed with the publication of the PoA-DD or the request for registration without pre-approval by the Board of the application of the multiple methodologies. If the combination is not explicitly permitted in the methodologies, the coordinating/managing entity shall seek clarification from the Board on the eligibility of the proposed combination, using the procedure “Development, revision and clarification of baseline and monitoring methodologies and methodological tools”.

## **5. Registration of project activity or programme of activities**

### **5.1. Request for registration**

#### **5.1.1. Submission of request for registration**

56. The DOE, after determining that a proposed CDM project activity or PoA meets all relevant requirements in the “CDM project standard” by following the relevant provisions of the “CDM validation and verification standard” and other CDM requirements, shall submit, through a dedicated interface on the UNFCCC CDM website, a request for registration of the proposed CDM project activity or PoA by using the “CDM project activity registration request form” (F-CDM-REG) or the “CDM programme of activities registration request form” (F-CDM-PoA-REG), respectively, and all the required documents listed in the completeness checklist for requests for registration.
57. The secretariat shall issue a unique reference number for the submission of the request for registration and a statement of the registration fee due, or confirmation that no registration fee is due, determined in accordance with the provisions on the registration fee, as contained in appendix 1, and shall communicate these to the DOE.
58. The DOE shall communicate to the project participants or the coordinating/managing entity the unique reference number, and the registration fee due or a confirmation that no registration fee is due.
- 58<sub>bis</sub>** The secretariat shall communicate stakeholders that submitted comments that were considered authentic during the global stakeholder consultation that a request for registration has been submitted for the CDM project activity or PoA.
59. The project participants or the coordinating/managing entity shall pay the registration fee by bank transfer, quoting the unique reference number. The DOE shall submit proof of payment (e.g. bank transfer record) through a dedicated interface on the UNFCCC CDM website. If the proposed project activity or PoA applies a methodology that has been revised, withdrawn, or suspended by the Board, either proof of payment must be uploaded within 20 days or payment must be received within 40 days of the end of the grace period for revision or the date of withdrawal or suspension, as defined in the

procedure “Development, revision and clarification of baseline and monitoring methodologies and methodological tools”.

### 5.1.2. Processing request for registration

60. The secretariat shall maintain a publicly available list of all submitted requests for registration for which the applicable registration fee has been received on the UNFCCC CDM website. The secretariat shall make publicly available the schedule of processing the requests for registration, including the expected date of commencement. The secretariat shall schedule the commencement of the processing of the requests for registration in accordance with the secretariat's operational plans, i.e. monthly quotas, which shall also incorporate any relevant instructions from the Board.
61. The secretariat shall commence the completeness check stage in accordance with the schedule. Upon commencement of the completeness check stage, the secretariat shall, subject to the guidance of the Board, conduct within seven (7) days a completeness check to determine whether the request for registration submission is complete in accordance with the completeness checklist for requests for registration.
62. If, during the completeness check, the secretariat identifies issues of an editorial nature, it shall request the DOE by e-mail, copying the project participants or the coordinating/managing entity, to submit the missing or revised documents and/or information. In this case, the DOE shall submit the requested documents and/or information within two (2) days of receipt of the request. If the DOE does not submit the requested documents and/or information by this deadline, the secretariat shall conclude that the request submission is incomplete.
63. Upon conclusion of the completeness check stage, the secretariat shall notify the project participants or the coordinating/managing entity, and the DOE, of the conclusion of the completeness check stage. If the request submission does not meet the requirements of the completeness check, the secretariat shall also communicate the underlying reasons to the project participants or the coordinating/managing entity, and the DOE, and make them publicly available on the UNFCCC CDM website. In this case, the DOE may re-submit the request for registration with revised documentation. Upon submission of the revised documentation, the request shall be treated as a new submission of a request for registration.
64. Upon conclusion of the completeness check stage, the secretariat shall, subject to the guidance of the Board, conduct within 23 days an information and reporting check in accordance with the information and reporting checklist for requests for registration.
65. If, during the information and reporting check, the secretariat identifies issues of an editorial nature, it shall request the DOE by e-mail, copying the project participants or the coordinating/managing entity, to submit the missing or revised documents and/or information. In this case, the DOE shall submit the requested documents and/or information within two (2) days of receipt of the request. If the DOE does not submit the requested documents and/or information by this deadline, the secretariat shall conclude that the request **[submission is incomplete] [cannot be processed any further]**.
66. Upon conclusion of the information and reporting check stage, the secretariat shall notify the project participants or the coordinating/managing entity, and the DOE, of the conclusion of the information and reporting check stage. If the request submission for which the secretariat conducted an information and reporting check does not meet the requirements of the information and reporting check, the secretariat shall conclude that

- the request [submission is incomplete] [cannot be processed any further] and communicate the underlying reasons to the project participants or the coordinating/managing entity, and the DOE, and make them publicly available on the UNFCCC CDM website. In this case, the DOE may re-submit the request for registration with revised documentation. Upon submission of the revised documentation, the request shall be [treated as a new submission of a request for registration] [processed further].
67. Upon positive conclusion of the information and reporting check stage, the secretariat shall publish the request for registration on the UNFCCC CDM website, and the request for registration shall be deemed received by the Board for consideration.
68. If the [request submission is found incomplete as a result of the information and reporting check] [request cannot be processed any further in accordance with paragraph 66 above], the DOE, or the project participants or the coordinating/managing entity, may request the secretariat, by e-mail through a dedicated e-mail address, to make a telephone call to them to provide clarifications on the issues identified if they are not sufficiently clear to them. Only one such request, regardless of the requesting party, shall be allowed per request for registration. In this case, the DOE, or the project participants or the coordinating/managing entity, shall provide the contact details of the person to be called with preferred time slots. The secretariat shall fix a call appointment within three (3) days of receipt of the request. The secretariat shall record the call.
69. If the secretariat notifies the project participants or the coordinating/managing entity, and the DOE, that the request for registration is incomplete, in accordance with paragraph 63 [or 66 above], more than 45 days after the submission of the request for registration, and the request for registration was submitted more than 45 days prior to the expiry of the grace period of the previous version of a baseline and monitoring methodology, then for re-submission purposes, the DOE shall be granted an extension of the validity of the methodology by the number of days in excess of the 45 days elapsed before the notification on incompleteness is made.
70. The secretariat shall notify the project participants or the coordinating/managing entity, the DNA(s) of the Party(ies) involved, and the DOE: that the Board has received the request for registration for consideration of registration; that the secretariat has published the request for registration on the UNFCCC CDM website; and the last day by which members of the Board or a Party involved may request a review of the request for registration, as referred to in paragraph 72 below.
71. The secretariat shall, subject to the guidance of the Board, prepare and send to the Board a summary note on the request for registration within 14 days of the date of publication of the request for registration.

### 5.1.3. Requesting review of request for registration

72. A Party involved in the proposed CDM project activity or PoA and/or any member of the Board may request a review of the request for registration within 28 days after the date of publication of the request for registration. If a Party involved wishes to request a review, the relevant DNA shall send ~~the request by email to the Board, through the secretariat, using~~ the “CDM project activity/programme of activities registration request review form” (F-CDM-RR) ~~by official means of communication (such as a letter with recognized official letterhead and signature or an e-mail sent from an official dedicated e-mail account).~~ If a member of the Board wishes to request a review, he/she shall communicate the request to the Board through the secretariat, using the “CDM project

activity/programme of activities registration request review form” (F-CDM-RR) and in accordance with appendix 2.

73. The secretariat shall acknowledge receipt of a request for review and promptly make it available to the Board.
74. A request for review shall be deemed to be received by the Board on the date it has been received by the secretariat. A request for review shall not be recognized by the Board if it is received after 5 p.m. GMT of the last day of the 28-day period following the publication of the request for registration.
75. A request for review shall provide, inter alia, the reasons for the request for review based on the “CDM project standard”, “CDM validation and verification standard” or any other applicable CDM requirements.

#### **5.1.4. Finalizing request for registration if no request for review**

76. The Board shall register the proposed project activity or PoA as a CDM project activity or PoA if the secretariat does not receive a request for review from a Party involved or at least three members of the Board in accordance with paragraphs 72–75 above.
77. For requests for registration, for which the initial submission was made on or after 11 December 2010, the effective date of registration in the case referred to in paragraph 76 above shall be the date on which the DOE submitted a complete request for registration. **This date shall be one of the following:**

##### **Option 1:**

- (a) The date when the deposit of the fee has been received by the secretariat in accordance with paragraph 59 above, if the request for registration was concluded as complete both after the completeness check and the information and reporting check thereafter;
- (b) The date when the information was resubmitted during the completeness check in accordance with paragraph 63 above, if the request for registration was concluded as complete both after that submission of information and after the information and reporting check thereafter; or
- (c) The date when the information was resubmitted during the information and reporting check in accordance with paragraph 66 above if the request for registration was concluded as complete after the information and reporting check.

##### **Option 2:**

- (a) The date when the deposit of the fee has been received by the secretariat in accordance with paragraph 59, if the request for registration was concluded as complete after the completeness check thereafter; or
  - (b) The date when the information was resubmitted during the completeness check in accordance with paragraph 63 above, if the request for registration was concluded as complete after the completeness check.
78. For requests for registration, for which the initial submission was made before 11 December 2010, the effective date of registration in the case referred to in paragraph



76 above shall be the next day after the 28-day review request period referred to in paragraph 72 above.

## **5.2. Review of request for registration**

### **5.2.1. Commencement of review**

79. If a Party involved in a proposed CDM project activity or PoA, or at least three members of the Board request a review of the request for registration, the secretariat shall:
- (a) Notify the project participants or the coordinating/managing entity, and the DOE, that validated the proposed CDM project activity or PoA, that a Party involved in a proposed CDM project activity or PoA, or at least three members of the Board have requested a review of the request for registration;
  - (b) Mark the request for registration as “under review” on the UNFCCC CDM website and make publicly available an anonymous version of each “CDM project activity/programme of activities registration request review form” (F-CDM-RR);
  - (c) Establish a team comprising two experts selected from the Registration and Issuance Team (RIT Team) to conduct an assessment of the request for review. The secretariat shall appoint one of the RIT Team members to serve as the lead, who shall be responsible for all communications with the secretariat.
80. The DOE, or the project participants or the coordinating/managing entity, may request the secretariat, by e-mail through a dedicated e-mail address, to make a telephone call to them to provide clarifications on the issues identified if they are not sufficiently clear to them. Only one such request, regardless of the requesting party, shall be allowed per review of the request for registration. In this case, the DOE, or the project participants or the coordinating/managing entity, shall provide the contact details of the person to be called with preferred time slots. The secretariat shall fix a call appointment within three (3) days of receipt of the request. The secretariat shall record the call.
81. The project participants or the coordinating/managing entity, and the DOE, shall provide responses to the issues identified in the request for review no later than 28 days after the notification of the request for review.
82. For each issue (or sub-issue) raised in the request for review, the project participants or the coordinating/managing entity, and the DOE, shall either:
- (a) Respond by making any revisions to the PDD or PoA-DD and/or validation report, that they deem necessary to ensure, inter alia, that all facts are clearly stated and sufficiently validated; or
  - (b) Respond in writing by addressing why no revisions to the PDD and/or validation report are necessary.
83. The secretariat shall schedule the commencement of the review of the request for registration in accordance with its operational plans and any relevant instructions by the Board. The secretariat shall make the schedule of reviews publicly available on the UNFCCC CDM website. Upon scheduling the commencement date, or altering it as applicable, the secretariat shall inform the project participants or the coordinating/managing entity, and the DOE, of the scheduled or altered commencement date, respectively.

84. The date of commencement of the review shall be defined as the date on which the secretariat notifies the project participants or the coordinating/managing entity, and the DOE, that the review has commenced.

#### **5.2.2. Assessment**

85. The secretariat shall conduct an assessment of the request for registration in the context of the reasons for the request for review provided in the “CDM project activity/programme of activities registration request review form” (F-CDM-RR) and the CDM requirements, taking into account the responses from the project participants or the coordinating/managing entity, and the DOE.
86. Concurrently and independently from the secretariat’s assessment referred to in paragraph 85 above, the RIT Team established in accordance with paragraph 79(c) above shall conduct an assessment of the request for registration in accordance with the terms of reference of the RIT, and in the context of the reasons for the request for review provided in the “CDM project activity/programme of activities registration request review form” (F-CDM-RR) and the CDM requirements, taking into account the responses of the project participants or the coordinating/managing entity, and the DOE.
87. Both the secretariat and the RIT Team shall finalize their assessments no later than 14 days after the commencement of the review.
88. Both the secretariat and the RIT Team shall, in each of their assessments, include a proposed decision taking into account appendix 2. Each proposed decision shall suggest either to:
- (a) Register the proposed project activity or PoA; or
  - (b) Reject the request for registration.
89. If a proposed decision is to reject the request for registration, then the assessment report shall include a proposed ruling. The proposed ruling shall contain an explanation of the reasons and rationale for the proposed decision, including, but not limited to:
- (a) The facts and any interpretation of the facts that formed the basis of the proposed decision;
  - (b) The CDM requirements applied to the facts;
  - (c) The interpretation of the CDM requirements as applied to the facts.
90. In addition, both the secretariat and the RIT Team shall, in their assessment reports, highlight any issues of significant importance related to the policies and goals of the CDM arising from the assessment. The secretariat, in consultation with the Chair of the Board, shall bring these issues to the attention of the Board by preparing background notes and policy options and presenting them to the Board at its meetings.
91. The RIT Team shall submit its assessment report to the Board through the secretariat.
92. The secretariat shall inform the Board of the availability of each assessment report, and make each assessment report available to the Board, together with any responses from the project participants or the coordinating/managing entity, and the DOE and any revision to the PDD and/or validation report and other relevant documentation.



**5.2.3. Consideration by the Board**

93. If the respective assessment reports of the secretariat and the RIT Team contain the same proposed decision (i.e. both are to register the proposed CDM project activity or PoA, or both are to reject the request for registration), then the proposed decision shall become the final decision of the Board 20 days after the date when the availability of the assessment reports of the secretariat and the RIT Team was communicated to the Board, unless a member of the Board objects to the proposed decision.
94. An objection by a member of the Board shall be made by notifying the Chair of the Board through the secretariat, giving reasons in writing and in accordance with appendix 2. The secretariat shall acknowledge receipt of the objection and make it available to the Board.
95. If a member of the Board objects to the proposed decision more than 14 days prior to the next Board meeting, the case shall be placed on the agenda of the next Board meeting; otherwise it shall be placed on the agenda of the subsequent Board meeting.
96. If the assessment reports of the secretariat and the RIT Team contain different proposed decisions (i.e. one is to register the proposed CDM project activity or PoA, and the other is to reject the request for registration) and the Board receives both proposed decisions more than 14 days prior to the next Board meeting, the case shall be placed on the agenda of the next Board meeting; otherwise, it shall be placed on the agenda of the subsequent Board meeting.
97. At the Board meeting for which the case is placed on the agenda, the Board shall, in accordance with appendix 2, decide to either:
  - (a) Register the proposed CDM project activity or PoA; or
  - (b) Reject the request for registration.

**5.2.4. Finalization and implementation of the ruling**

98. If a Board's final decision made in accordance with paragraph 93 or 97 above is to register the proposed CDM project activity or PoA, the secretariat shall register it as a CDM project activity or PoA on the first working day subsequent to the finalization of the decision. The effective date of registration in such cases shall be the day on which the latest revisions to the validation report and/or supporting documentation were submitted.
99. If a Board's final decision made in accordance with paragraph 93 or 97 above is to reject the request for registration, the secretariat shall update the information accordingly on the UNFCCC CDM website on the first working day subsequent to the finalization of the decision. Furthermore, within 21 days of the finalization of the decision, the secretariat shall provide the Chair of the Board with an information note containing a proposed ruling incorporating the final decision.
100. The proposed ruling shall contain an explanation of the reasons and rationale for the final decision, including, but not limited to:
  - (a) The facts and any interpretation of the facts that formed the basis of the proposed ruling;
  - (b) The CDM requirements applied to the facts;
  - (c) The interpretation of the CDM requirements as applied to the facts.

101. Once approved by the Chair of the Board, the secretariat shall immediately make the proposed ruling available to the Board. The proposed ruling shall become the final ruling of the Board 10 days after the date when the proposed ruling was made available to the Board, unless a member of the Board objects to the proposed ruling.
102. An objection by a member of the Board shall be made by notifying the Chair of the Board through the secretariat, giving reasons in writing and in accordance with appendix 2. The secretariat shall acknowledge receipt of the objection and make it available to the Board.
103. If a member of the Board objects to the proposed ruling more than 14 days prior to the next Board meeting, the case shall be placed on the agenda of the next Board meeting; otherwise it shall be placed on the agenda of the subsequent Board meeting.
104. At the Board meeting for which the case is placed on the agenda, the Board shall, in accordance with appendix 2, finalize the ruling.
105. The secretariat shall ~~make the final~~ publish a ruling ~~publicly available note~~ on the UNFCCC CDM website ~~no later than three (3) days after the ruling was finalized.~~
- 105<sup>bis</sup> After the publication of the ruling, the DOE, the project participants or the coordinating/managing entity may request the secretariat, by e-mail through a dedicated e-mail address, to make a telephone call to them to provide clarifications on the ruling. Only one such request shall be allowed per ruling. In this case, the project participants, the coordinating/managing entity or the DOE shall provide the contact details of the person to be called with preferred time slots. The secretariat shall fix a call appointment within three (3) days of receipt of the request. The secretariat shall record the call.
- 105<sup>ter</sup> If project participants or the coordinating/managing entity want to request the registration of a project activity or PoA that has been rejected by the Board, the validation activity for the project activity or PoA shall recommence, including the publication of the revised PDD or PoA-DD for global stakeholder consultation in accordance with paragraphs 13 and 14 above.

### 5.3. Withdrawal of request for registration

#### 5.3.1. Submission of request for withdrawal

106. For the following cases, the DOE shall submit a request for withdrawal of a request for registration by using the "Registration request withdrawal form" (F-CDM-RW) and uploading it through a dedicated interface on the UNFCCC CDM website:
  - (a) The project participants or the coordinating/managing entity voluntarily wish to withdraw a proposed CDM project activity or PoA, of which the DOE is requesting for registration<sup>3</sup>;
  - (b) The DOE has revised its validation opinion based on new insights or information and has determined that the proposed project activity or PoA does not meet all relevant requirements for a CDM project activity or PoA.

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<sup>3</sup> In such cases the DOE shall process the request expeditiously.

### 5.3.2. Processing request for withdrawal

107. Upon receipt of the request for withdrawal, the secretariat shall as soon as possible check the documents submitted:

108. (a) **Type 1:** If the DOE requests the withdrawal prior to the publication of the request for registration in accordance with paragraph 67 above, the registration fee shall be reimbursed in full to the project participants or the coordinating/managing entity. In this case, the project activity or PoA shall not be marked as “withdrawn”, but the unique reference number assigned to the withdrawn project activity or PoA shall be blocked from further use.

109. (b) **Type 2:** If the DOE requests the withdrawal **during** the 28-day period for requesting a review of the request for registration in accordance with paragraph 72 above, any registration fee paid above USD 30,000 shall be reimbursed to the project participants or the coordinating/managing entity, and the proposed CDM project activity or PoA shall be marked as “withdrawn” on the UNFCCC CDM website.

110. **Type 3:** If the DOE requests the withdrawal subsequent to being notified a request for review of the request for registration in accordance with paragraph 79(a) above, any registration fee paid above USD 30,000 shall be reimbursed to the project participants or the coordinating/managing entity, and the proposed CDM project activity or PoA shall be marked as “withdrawn” on the UNFCCC CDM website.

111. Submissions of requests for withdrawal shall feed into the framework for performance monitoring of DOEs.

## 6. Post-registration activities

### 6.1. Inclusion of component project activities in programme of activities

#### 6.1.1. Submission of component project activity design documents

112. To include a CPA in a registered CDM PoA, the coordinating/managing entity shall forward the completed specific case CPA-DD to **any a** DOE, after having ensured that the CPA and the specific case CPA-DD meet the eligibility criteria for inclusion in the PoA defined in the PoA-DD and its generic CPA-DD. The coordinating/managing entity may forward more than one specific case CPA-DD at one time. Only upon the approval of the first specific case CPA-DD corresponding to a generic CPA-DD by the Board, CPAs corresponding to that generic CPA-DD may be included in the registered CDM PoA.

113. If the DOE confirms that the CPA meets the eligibility criteria for inclusion in the PoA, it shall include the CPA in the PoA by **submitting the specific CPA-DD to the Board via** uploading **it** the specific CPA-DD through a dedicated interface on the UNFCCC CDM website. Such uploads shall be grouped and not occur more frequently than once per month.

114. The CPA identified in the specific CPA-DD uploaded by the DOE will be automatically included in the registered CDM PoA and displayed on the view page of that PoA. The secretariat shall automatically notify the DOE, the coordinating/managing entity and the DNA of the change in the status of the PoA.

115. If an approved baseline and monitoring methodology that is applied to the PoA is put on hold or withdrawn for any reason other than for the purpose of inclusion in a consolidated methodology, no new CPAs shall be included in the PoA, in accordance with the timelines indicated in the procedure “Development, revision and clarification of baseline and monitoring methodologies and methodological tools”.
116. If the methodology, subsequent to being placed on hold, is revised, the coordinating/managing entity shall revise the PoA-DD including updating the eligibility criteria for inclusion of CPAs in the PoA to be in line with the revised methodology, and the generic CPA-DD applying the updated eligibility criteria following the process described in paragraph 134 below. Such revisions to the PoA-DD and its generic CPA-DD part are not required in cases where the methodology is revised or withdrawn to be included in a consolidated methodology without being placed on hold, unless otherwise indicated in the report of the Board meeting at which the Board approved the revised or consolidated methodology.
117. Once the revised PoA-DD **with and** its generic CPA-DD part has been approved by the Board, the inclusion of all new CPAs shall be based on the new version of the generic CPA-DD.
118. The CPAs that were included before the methodology was put on hold shall apply the latest version of the generic CPA-DD at the time of the **request for** renewal of the crediting period.

#### **6.1.2. Review of erroneous inclusion or renewal of crediting period of component project activities**

119. If a DNA involved in the PoA or a Board member identifies information that may disqualify the CPA from inclusion in the PoA or renewal of its crediting period, it/he/she shall request a review of the inclusion of the CPA by notifying the Secretary of the Board within one (1) year after the inclusion of the CPA into the PoA or renewal of the crediting period of the CPA, or within 180 days after the first issuance of CERs for that CPA, by submitting a completed “Component project activity inclusion review form” (F-CDM-CPAR). Such a request for review shall be related to issues associated with the compliance of the CPA with the eligibility criteria specified in the PoA-DD.
120. If the request is received from a Board member, the Chair of the Board, in consultation with the secretariat, shall assess the information referred to in paragraph 119 above and decide, within 14 days, whether to add the request for review to the agenda of the next Board meeting.
121. If the Chair of the Board decides not to add the request to the agenda of the next Board meeting, the secretariat shall inform the relevant Board member of the reasons for this decision.
122. If the Chair of the Board decides to add the request to the agenda of the next Board meeting, or if the request has been received from a **DNA from a** Party involved, the secretariat shall accordingly notify the coordinating/managing entity, the DOE that included the CPA in the PoA (hereinafter referred to as including DOE) and the DNAs of all Parties involved. The coordinating/managing entity and the including DOE shall provide initial comments on the request for review no later than 28 days from the date of notification of the review.

123. If the request for review is added to the agenda of the next Board meeting in accordance with paragraph 120 or 122 above, the Board shall, at that meeting, taking into account any comments received from the coordinating/managing entity and the including DOE:
- (a) Exclude the CPA from the PoA with immediate effect if it determines that the CPA was erroneously included in the PoA; and
  - (b) Initiate a full review if it determines that the consideration of the request for review raises concerns regarding the processes used to include CPAs in the PoA.
124. If the Board initiates the full review referred to in paragraph 123(b) above, it shall request the secretariat to contract a DOE, that has not performed validation, registration, CPA inclusion or verification functions with regard to this PoA, to review the CPAs that have been included in the PoA in the one (1) year period or have had their first issuance in the 180-day period preceding the request for review. The DOE shall submit a review report to the secretariat within 30 days.
125. The Board shall establish an assessment team to analyse the DOE's review report referred to in paragraph 124 above and provide findings and recommendations to the Board within 14 days. The assessment team may discuss the findings of the DOE's review report and seek comments from the coordinating/managing entity and including DOE, as appropriate. Based on this assessment, the assessment team shall make a finding as to:
- (a) Whether any CPAs have been erroneously included in the PoA; and
  - (b) Whether the compliance of each of the CPAs reviewed with the eligibility criteria for inclusion in the PoA was adequately assessed by the including DOE in accordance with the validation requirements established by the Board and applicable at the time of the inclusion and, if any, validation requirements established in the CDM-PoA-DD.
126. The Board shall consider the DOE's review report and the assessment team's finding at the next Board meeting for which the report and the finding have been made available by the 14-day document deadline.
127. The Board shall decide to exclude any of the CPAs from the PoA if it concludes that they have been erroneously included.
128. Any CPA that has been excluded shall not be re-included in that or any other PoA, or qualify as a CDM project activity.
129. Where, for any of the CPAs excluded in accordance with paragraph 123(a) or 127 above, the Board determines that the including DOE failed to adequately assess their compliance with the eligibility criteria in accordance with the "CDM validation and verification standard", the DOE shall acquire and transfer, within 30 days of the exclusion of the CPAs, an amount of reduced tonnes of carbon dioxide equivalent to the amount of CERs issued for the CPAs as a result of the CPAs having been included, to a cancellation account in the CDM registry maintained by the Board.

**6.2. Changes to registered CDM project activity or programme of activities****6.2.1. Submission of request for approval of changes**

130. A request for approval of changes may be submitted in respect of the following changes that have occurred or are expected to occur to a registered CDM project activity or PoA:
- (a) Temporary deviation from the monitoring plan as described in the registered PDD, PoA-DD, CPA-DD or the monitoring methodology;
  - (b) Permanent changes:
    - (i) Corrections;
    - (ii) Changes to the start date of the crediting period of the project activity or CPA;
    - (iii) Permanent changes to the monitoring plan as described in the registered PDD, PoA-DD, CPA-DD or the monitoring methodology, including changes to apply the provisions of the most recent version of the “Standard for sampling and surveys for CDM project activities and programme of activities”;
    - (iv) Changes to the project or programme design in the registered CDM project activity or PoA;
    - (v) Changes to the project design in the registered generic CPA or specific CPA.
131. For CDM PoAs, with regard to the changes referred to in paragraph 130(b)(iv) above, only the following changes shall be allowed:
- (a) Changes to programme boundary to expand geographical coverage or to include additional host Parties;
  - (b) Updates to the eligibility criteria under the circumstances indicated in the “Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities” (e.g. to implement changes decided by the Board if an issue related to environment integrity is identified);
  - (c) If a PoA includes more than one generic CPA-DD, addition of specific case CPA-DDs corresponding to generic CPA-DDs for which a specific case CPA-DD has not been submitted at the time of request for registration of the PoA;
  - (d) Removal of methodologies from the registered PoA.
132. For the generic and specific CPAs of the registered CDM PoA, with regard to the changes referred to in paragraph 130(b) (v) above, the following conditions have to be met to modify or add technologies/measures:
- (a) The applicability conditions of the approved baseline and monitoring methodologies and tools that are applied cover the modified or added technologies/measures (i.e. the modified or added technologies/measure are applicable under the approved baseline and monitoring methodologies);



- (b) The modified or added technologies/measures were already included in the originally registered PoA-DD and the eligibility criteria for these technologies/measures had been specified in the originally registered PoA-DD.
- 133. In the cases described in paragraph 131 above, the coordinating/managing entity shall update the eligibility criteria for inclusion of CPAs in the PoA to reflect the change, and include them in new versions of PoA-DD and its generic CPA-DD part, to be validated by the DOE and approved by the Board in accordance with paragraph 134 below.
- 134. In the following circumstances, the DOE shall submit a request for approval by the Board prior to the submission of the request for issuance in accordance with paragraph 139 below:
  - (a) The DOE, when performing a verification for a registered CDM project activity or PoA, determines that one or more of the changes referred to in paragraph 130 above have occurred or are expected to occur to the project activity or PoA after its registration, and the changes require “prior approval” by the Board in accordance with the “CDM project standard”;
  - (b) The project participants or the coordinating/managing entity have requested a DOE at any time prior to the commencement of a verification, to conduct a validation of one or more of the changes referred to in paragraph 130 above that have occurred or are expected to occur to the project activity or PoA after its registration.
- 134<sub>bis</sub> Project participants may appoint any DOE for the assessment of the changes. This DOE may also be appointed to perform verification functions in the same project activity or PoA if it has not performed validation functions for the CDM project activity or PoA (including the inclusion of CPA in a registered PoA).
- 135. In the cases referred to in paragraph 134 above, where more than one of the changes referred to in paragraph 130 above have occurred or are expected to occur to the project activity or PoA after its registration, the DOE shall, wherever possible, combine such changes into one request for approval.
- 136. In all other cases, the DOE that performs a verification of a registered CDM project activity or PoA shall submit the changes for acceptance by the Board as part of the request for issuance in accordance with section 8 below.
- 137. In both cases referred to in paragraphs 134 and 136 above, the DOE shall be accredited for the validation function in the sectoral scope(s) of the project activity or PoA in question.
- 138. For the change referred to in paragraph 130 (b) (ii), the request for approval of change may be made only once for each registered CDM project activity or CPA.
- 139. To obtain approval from the Board for the changes, the DOE shall submit a request for approval of changes to the secretariat through a dedicated interface on the UNFCCC CDM website.
- 140. The request for approval of changes shall contain:
  - (a) A duly completed “Post-registration changes request form” (F-CDM-PRC);

- (b) An assessment opinion on the changes by the DOE prepared in accordance with the “CDM validation and verification standard”;
- (c) A revised PDD, or revised PoA-DD, with its revised generic CPA-DD part, and specific CPA-DD (in both clean and track-change versions), as applicable;
- (d) Letters of approval by the DNAs of the additionally included host Parties in the CDM PoA, as applicable;
- (e) Supplemental documentation, as appropriate.

#### **6.2.2. Processing request for approval of changes**

- 141. The secretariat shall maintain a publicly available list of all submitted requests for approval of changes on the UNFCCC CDM website. The secretariat shall make publicly available the schedule of processing the requests for approval of changes, including the expected date of commencement. The secretariat shall schedule the commencement of the processing of the requests for approval of changes in accordance with the secretariat’s operational plans, i.e. monthly quotas, which shall also incorporate any relevant instructions from the Board.
- 142. The secretariat shall commence the processing of the request for approval of changes in accordance with the schedule. Upon commencement of the processing of the request for approval of changes, the secretariat shall conduct within seven (7) days the completeness check to determine whether the request submission is complete in accordance with paragraph 140 above.
- 143. If the secretariat, during the completeness check, identifies issues of an editorial nature, it shall request the DOE by e-mail, copying the project participants or the coordinating/managing entity, to submit the missing or revised documents and/or information. In this case, the DOE shall submit the requested documents and/or information within two (2) days of the receipt of the request. If the DOE does not submit the requested documents and/or information by this deadline, the secretariat shall conclude that the request submission is incomplete.
- 144. Upon conclusion of the completeness check, the secretariat shall notify the project participants or the coordinating/managing entity, and the DOE, of the conclusion of the completeness check. If the request submission is found incomplete, the secretariat shall also communicate the underlying reasons to the project participants or the coordinating/managing entity, and the DOE, and make them publicly available on the UNFCCC CDM website. In this case, the DOE may re-submit a request for approval of changes with revised documentation. Upon submission of the revised documentation the request shall be treated as a new submission of a request for approval of changes.
- 144<sup>bis</sup>. Upon positive conclusion of the completeness check, the secretariat shall publish the request for approval of changes on the UNFCCC CDM website, and the request shall be deemed received by the Board for consideration.
- 145. Upon determination by the secretariat that the request submission is complete, the secretariat shall, within 14 days, prepare and send to the Board a summary note on the request including a recommendation on the course of action, or with a notification that the case will be placed on the agenda of the next Board meeting.



146. If the secretariat, during the preparation of the summary note, identifies issues that require clarifications from the DOE, or project participants or the coordinating/managing entity, it shall request the DOE to submit revised documents and/or information to clarify the issues within 14 days of the receipt of the request. In this case, the secretariat shall, notwithstanding the provision in paragraph 145 above, finalize the summary note and send it to the Board within 14 days of receipt of the requested documents and/or information from the DOE. If the DOE does not submit the requested documents and/or information by this deadline, the secretariat shall not process the request submission any further.
147. If the request submission is removed from processing in accordance with paragraph 146 above, the DOE, or the project participants or the coordinating/managing entity, may request the secretariat, by e-mail through a dedicated e-mail address, to make a telephone call to them to provide clarifications on the issues identified if they are not sufficiently clear to them. Only one such request, regardless of the requesting party, shall be allowed per request for approval of changes. In this case, the DOE, or the project participants or the coordinating/managing entity, shall provide the contact details of the person to be called with preferred time slots. The secretariat shall fix a call appointment within three (3) days of receipt of the request. The secretariat shall record the call.
148. If the secretariat, during the preparation of the summary note, identifies issues that require inputs from a relevant panel or working group, it shall place the case on the agenda of the next meeting of the panel or working group. In this case, the secretariat shall, notwithstanding the provisions in paragraphs 145 and 146 above, finalize the summary note and send it to the Board within 14 days of receipt of the inputs from the panel or working group.
149. If no member of the Board objects to the secretariat's recommendation on the course of action referred to in paragraph 145 above within 20 days of receipt of the summary note, the recommended course action shall be deemed to be the decision adopted by the Board.
150. An objection by a member of the Board shall be made by notifying the Chair of the Board through the secretariat, giving reasons in writing. The secretariat shall acknowledge receipt of the objection and make it available to the Board.
151. If a member of the Board objects to the secretariat's recommendation on the course of action more than 14 days prior to the next Board meeting, the case shall be placed on the agenda of the next Board meeting; otherwise it shall be placed on the agenda of the subsequent Board meeting.

#### **6.2.2<sub>bis</sub> Finalizing the request for approval of changes**

152. If the Board considers the case at its meeting in accordance with paragraph 145 or 151 above, it shall decide on the course of action at the meeting.
153. For the changes referred to in paragraph 130 (b) (iv), the course of action shall be:
- (a) Approve the changes and allow subsequent requests for issuance for the project activity or PoA;

- (b) Approve the changes and allow subsequent requests for issuance for the project activity or PoA, but, for the case of a project activity, limit the CERs up to the level estimated in the originally registered PDD;
  - (c) Reject the proposed changes but allow subsequent requests for issuance for the project activity or PoA only if it is implemented as described in the registered PDD or PoA-DD.
- 154. For the changes referred to in paragraphs 130 (a) and (b) (i)-(iii) above, the course of action shall be:
  - (a) Approve the changes;
  - (b) Reject the changes.
- 154<sub>bis</sub> If the request for post-registration changes combines several changes, the Board may decide on different courses of action for each change according to paragraphs 153 and 154 above.
- 155. Once a decision has been made by the Board, the secretariat shall inform the DOE of the decision, the reasons thereof, and any guidance provided by the Board as applicable, and make the decision, reasons and guidance publicly available on the UNFCCC CDM website by publishing a ruling note within three (3) days of the decision of the Board.
- 155<sub>bis</sub> After the publication of the ruling note on the UNFCCC CDM website, the DOE, the project participants or the coordinating/managing entity, may request the secretariat, by e-mail through a dedicated e-mail address, to make a telephone call to the DOE, the project participants or the coordinating/managing entity, to provide clarifications on the decision of the Board. Only one such request shall be allowed for each decision on a post-registration change request. In this case, the DOE, the project participants or the coordinating/managing entity, shall provide the contact details of the person to be called with preferred time slots. The secretariat shall fix a call appointment within three (3) days of receipt of the request. The secretariat shall record the call.
- 155<sub>ter</sub> If the Board does not decide the same course of action for every change requested in the request for post registration changes, the project participants, through the DOE, shall submit a revised PDD or PoA-DD covering the changes approved by the Board 30 days after the secretariat has informed the DOE of the decision of the Board. When uploading the revised PDD or PoA-DD, the DOE shall confirm that it reflects the changes approved by the Board.
- 156. The secretariat shall make the revised PDD, or revised PoA-DD, ~~and revised generic CPA-DD~~ and the validation or assessment opinion by the DOE, as applicable, publicly available on the UNFCCC CDM website. This version of the PDD, or PoA-DD and generic CPA-DD, shall be applied for future requests for issuance or for inclusion of new CPAs in the PoA.
- 157. The CPAs that were included before the changes to the programme boundary shall apply the latest version of the generic CPA-DD only at the time of the renewal of its crediting period.

**6.2.2<sub>ter</sub> Withdrawal of the request for approval of changes**

157<sub>bis</sub> At any time before the adoption of the decision on the post-registration change request, the project participants or the coordinating/managing entity, through the DOE, may withdraw the request for post-registration change. The DOE shall submit form [NEW FORM] duly signed by the projects participants or the coordinating/managing entity to the secretariat. If the form contains all required information, the secretariat request for approval shall be considered withdrawn. If the DOE requests the withdrawal after the publication of the request, the secretariat shall mark the request for approval of post-registration changes in the UNFCCC CDM website as “withdrawn”.

**6.3. Changes to modalities of communication****6.3.1. General requirements**

158. The focal point(s) for scope (b) of the CDM project activity or PoA referred to in paragraph 26 above shall request changes to any modalities of the MoC statement to the secretariat ~~as soon as possible~~ within three (3) months after the changes become effective.
159. The authorized signatories or the legal representatives of the project participants, ~~the focal points, or the DNAs of the involved Parties~~ may directly notify the secretariat on any issues regarding the F-CDM-MOC or its annexes through a dedicated e-mail account made available on the CDM Registry section of the UNFCCC CDM website. In this case, the secretariat may request additional clarifications ~~and shall advise on further actions to the notifying party from the notifying party~~. The secretariat may contact any of the focal point entities or project participants in the respective CDM project activity or PoA or, in the case of insolvency, liquidators/administrators in order to request additional clarifications from these entities. The secretariat shall advise on further ~~actions to the parties involved including as per section 6.3.1<sub>bis</sub> below~~.
160. The secretariat shall request a new submission of an F-CDM-MOC and its annex 1 through the validating DOE whenever the secretariat identifies inconsistencies or inaccuracies in an initial MoC statement ~~or when inconsistencies or inaccuracies are reported to the secretariat~~. The secretariat may provide specific guidance for the re-submission and may, following notice to the focal points and project participants, temporarily put on hold forwarding of CERs if the inconsistencies or inaccuracies prevent the secretariat from establishing the focal point(s) for scope of authority (a). For any other inconsistencies or inaccuracies, the secretariat may temporarily put on hold forwarding of CERs, following notice to the focal points and project participants, if the new submission requested by the secretariat is not received within three (3) months of the notification from the secretariat that such a submission is required.
161. The secretariat may seek agreement from the project participants to submit a new F-CDM-MOC in cases where the existing MoC statement was submitted prior to the introduction of the F-CDM-MOC and does not clearly define the role(s) of focal point(s) and their respective scopes of authority.
162. Focal point(s) shall use the latest version of the form for the F-CDM-MOC and its annexes to request changes to MoC statements and shall submit them to the secretariat through a dedicated interface on the UNFCCC CDM website. Project participants shall use the same interface to submit F-CDM-MOCs in accordance with paragraph 168(b) below.

163. Focal point(s) for scope (b) or project participants who submit F-CDM-MOCs in accordance with paragraph 168(b) below shall ensure that:
- (a) Supporting documentation, including powers of attorney, or extracts from board meeting minutes or company association documentation, or extracts/certificates from national company registries that cannot be verified online, is dated or notarized within two (2) years from the time of submission of a request for change to established modalities of communication. This time limitation does not apply to letters of approval issued by DNAs nor to copies of national personal identity documents;
  - (b) To the extent possible, changes applicable to more than one CDM project activity or PoA or multiple changes affecting the same CDM project activity or PoA, are consolidated in a single form in accordance with the instructions provided in the CDM Registry section of the UNFCCC CDM website.
164. Legal representatives signing on behalf of entities shall provide written evidence that they are authorized to sign on behalf of the respective entities.
165. The secretariat may request additional clarification and/or documentation if submissions do not clearly provide evidence in support of a specific request.
166. The secretariat shall make detailed guidance available on the CDM Registry section of the UNFCCC CDM website on how to request changes to project participants and focal points.
167. The secretariat shall display the effective dates of updated F-CDM-MOCs on the corresponding CDM project activity and PoA view pages.

#### **6.3.1<sub>bis</sub> Specific requirements related to reported disputes on modalities of communication and issues resulting from insolvency**

- 167<sub>bis</sub> In accordance with paragraph 159 above, project participants or focal points may notify the secretariat of any issues regarding the F-CDM-MOC or its annexes, including of issues resulting from insolvency and of disputes in relation to the F-CDM-MOC or its annexes between any of the project participants or focal points with regard to the designation or changes in the designation of focal points.
- 167<sub>ter</sub> The secretariat may engage the DNA(s) of the Parties involved in the respective project activity or PoA whenever issues resulting from insolvency or disputes referred to in 167<sub>bis</sub> above over the designation of focal points are notified to the secretariat. The secretariat may provide information, subject to the confidentiality of such information, and/or administrative assistance as may be requested by the respective DNA.
- 167<sub>quater</sub> The CDM registry administrator may, following notice to the focal point and project participants, temporarily put on hold forwarding of CERs for a CDM project activity or a PoA where project participants or focal points have notified a case of insolvency or a dispute in relation to the F-CDM-MOC or its annexes, pending resolution of the issues resulting from insolvency or resolution of the dispute.
- 167<sub>quinquies</sub> The secretariat shall display indicative information, subject to confidentiality, on the respective project activity or PoA page on the UNFCCC CDM website related to notifications to the Board or to the secretariat of disputes or issues resulting from

insolvency and where forwarding of CERs has been temporarily put on hold pending the resolution of notified disputes or issues resulting from insolvency.

### 6.3.2. Specific requirements on changes to focal points

168. The project participants for a registered CDM project activity may change the designation of any of the focal points for any reason and at any time by submitting a new F-CDM-MOC duly signed by all project participants, either through:
- (a) The focal point(s) for scope of authority (b); or
  - (b) Any of the project participants directly.
169. The project participants for a registered CDM PoA may change the designation of any of the focal points for any reason and at any time by submitting a new F-CDM-MOC duly signed by and through the coordinating/managing entity. ~~When the coordinating/managing entity is changing, the incoming coordinating/managing entity shall sign and submit the F-CDM-MOC.~~
170. The focal point(s) for scope of authority (b) shall submit:
- (a) A new F-CDM-MOC for changes related to designation of focal points with the exception of changes affecting only contact details and specimen signatures;
  - (b) Annex 2 of the F-CDM-MOC, for changes related only to contact details and specimen signatures.
171. When a focal point that is not a project participant is added to represent the project participants for any or for all scopes of authority in accordance with paragraph 169 (a) above, the focal point(s) for scope of authority (b) or the project participant that makes the submission in accordance with paragraph 168(b) above shall provide written evidence of:
- (a) The new focal point's corporate identity, and
  - (b) The personal identity and employment status of the new focal point's authorized signatory(ies), including their specimen signature(s).
172. The legal representative of a project participant may sign an F-CDM-MOC submitted in accordance with paragraph 170(b) above.
173. The legal representative of a focal point for scope of authority (b) may submit annex 2 of the F-CDM-MOC in accordance with paragraph 168(b) above if the authorized signatory(ies) of the focal point concerned is(are) no longer available.

### 6.3.3. Specific requirements on changes of coordinating/managing entity for programme of activities

- 173<sub>bis</sub> When the coordinating/managing entity is changing, the incoming coordinating/managing entity shall sign and submit the F-CDM-MOC to the secretariat. The incoming coordinating/managing entity shall also attach letter(s) of authorization from each respective host Party stating the change of coordinating/managing entity; ~~A~~ and a confirmation from the new coordinating/managing entity that the PoA will be developed and implemented with the same set framework as originally described in the PoA-DD; ~~and.~~

174. In addition to the requirements as referred to in paragraphs 158–173<sup>bis</sup> above, if the coordinating/managing entity for a registered CDM PoA has changed after the registration of the PoA, the DOE undertaking the next inclusion of a CPA, the DOE that submits the next request for issuance or the DOE that submits the next post-registration change request, whichever is earlier, shall submit a validation opinion from a DOE regarding the compliance of the new coordinating/managing entity with the relevant requirements in the “CDM project standard”.

174<sup>bis</sup> The coordinating/managing entity may also contract a DOE only for the purpose of issuing a validation opinion on the change of the coordinating/managing entity, if it wants to submit the validation opinion before the next inclusion of a CPA under the CDM-PoA, the next request for issuance or before a request for post-registration changes takes place in the CDM-PoA. In such case, the DOE shall send the documentation to the secretariat through a dedicated email address or through a dedicated interface.

174<sup>ter</sup> The secretariat shall assess the validation opinion and, after determining compliance of the new coordinating/managing entity with the relevant requirements in the “CDM project standard”, shall upload it to the UNFCCC website.

#### 6.3.4. Specific requirements on changes to project participants

175. If the project participants of a registered CDM project activity or PoA have changed after the registration of the project activity or PoA, the focal point(s) for scope of authority (b) shall submit annex 2 of the F-CDM-MOC for each of the following changes:

- (a) Addition of a project participant. The submission shall be accompanied by a new letter of approval from the DNA authorizing participation;
- (b) Changes related to entity names/legal status. The submission shall be accompanied by a letter of approval or validating letter that includes reference to both the old and the new name/legal status of the project participant from the DNA authorizing participation;
- (c) Withdrawal of a project participant. If a project participant has ceased operations due to bankruptcy or other reasons and is unable to sign annex 2 of the F-CDM-MOC, the submission shall be accompanied by documented evidence of the cessation;
- (d) Changes related only to contact details and specimen signatures.

176. A project participant added to a registered CDM project activity or PoA shall accept the existing MoC statement unless a new MoC statement is submitted simultaneously.

## 7. Pre-issuance activities

### 7.1. Publication of monitoring report

177. The project participants of a registered CDM project activity or the coordinating/managing entity of a registered CDM PoA shall prepare (a) monitoring report(s) in accordance with the “Clean development mechanism-CDM project standard”, and submit it/them together with supporting documentation to the DOE contracted by the project participants or the coordinating/managing entity to perform verification of the monitored GHG emission reductions or removal enhancements.



177<sup>bis</sup> If a DOE that has performed a validation activity (including the renewal of crediting period and the inclusion of a CPA in a registered PoA) for the CDM project activity or PoA wishes to perform a verification for the same project activity or PoA, it shall submit a request for authorization to do so from the Board by completing (NEW FORM) to the secretariat providing the following information:

- (a) Availability of, and access to, DOEs that are accredited to undertake verification activities in the region where the CDM project activity or PoA is located;
- (b) Impacts of the same DOE undertaking both validation and verification activities on the transaction costs of the CDM project activity or PoA;
- (c) Measures that the DOE proposes to implement to safeguard impartiality and integrity of the DOE in undertaking the verification;
- (d) Total estimated size of the CDM project activity or PoA.

177<sup>ter</sup> The requirement in paragraph 177<sup>bis</sup> above shall not apply for small-scale CDM project activities or small-scale A/R CDM project activities.

177<sup>quater</sup> If the request is received by the secretariat more than 14 days prior to the next Board meeting, the request shall be placed on the agenda of the next Board meeting; otherwise it shall be placed on the agenda of the subsequent Board meeting.

177<sup>quinquies</sup> The decision of the Board on the request shall be recorded in the meeting report.

178. The DOE shall make the monitoring report publicly available through a dedicated interface on the UNFCCC CDM website ~~no later than 14 days before undertaking the~~. The on-site visit inspection for the verification shall take place, at the earliest, 21 days after the publication of the monitoring report.

178<sup>bis</sup> After publication of the monitoring report, the project participants or the coordinating/managing entity, through the DOE, may request the secretariat by e-mail to withdraw the monitoring report. The DOE shall provide an evidence of the agreement of the project participants or the coordinating/management entity with the withdrawal. The secretariat shall process the request no later than 10 days after the receipt of the request with the required information. After the withdrawal of the monitoring report, the project participants or the coordinating/managing entity, through the same or a different DOE, may submit other monitoring report for the period covered by the monitoring report withdrawn in order to restart the verification or may change the monitoring period.

179. When submitting the monitoring report, the DOE shall, through a dedicated interface of the UNFCCC CDM website:

- (a) Select the CDM project activity or PoA that the monitoring report concerns from a list of registered CDM project activities or PoAs;
- (b) Specify the start and end dates of the monitoring period covered by the monitoring report.

180. If the DOE is accredited for the verification function in all sectoral scopes to which the CDM project activity or PoA is linked through the application of baseline and monitoring methodology(ies), the secretariat, through the CDM information system, shall make the monitoring report publicly available on the UNFCCC website.

181. UNFCCC CDM web page where the monitoring report is made available shall contain the following information:

- (a) The name and reference number of the CDM project activity or PoA;
- (b) A link to the monitoring report;
- (c) The name of the DOE contracted by the project participants or the coordinating/managing entity for the verification;
- (d) The name of the DOE that performed the validation of the CDM project activity or PoA; and, if this DOE has been authorised by the Board to perform verification of the CDM project activity or PoA, a reference to the meeting report where the authorisation was granted.

## 7.2. Reporting of status of registered project activity or programme

182. At two (2) years subsequent to the registration of a CDM project activity or PoA, the project participants or the coordinating/managing entity shall provide, ~~through a dedicated interface on the UNFCCC CDM website,~~ an update of the status of its implementation of the project activity or PoA, unless a DOE contracted by the project participants or the coordinating/managing entity to perform a verification has made a monitoring report for the project activity or PoA publicly available in accordance with paragraph 178 above. The project participants or the coordinating/managing entity shall provide the information by answering, within five (5) days of its receipt, to the email that the secretariat shall send to them requesting the update. The information shall include at least one of the following statuses in the update:

- (a) The project activity or PoA is under implementation, but has not reached the stage of monitoring of GHG emission reductions or removal enhancements. In this case the project participants or the coordinating/managing entity shall also provide an update of the status at 180-day intervals thereafter;
- (b) The project activity or PoA has not yet been implemented, but is still planned to be implemented. In this case the project participants or the coordinating/managing entity shall also provide an update of the status at 180-day intervals thereafter;
- (c) The project activity or PoA has been implemented, but the project participants or the coordinating/managing entity have not yet decided to proceed with the request for issuance stage;
- (d) The implementation of the project activity or PoA has been cancelled;
- (e) Any other reason for not having submitted a monitoring report for the project activity or PoA.

183. At 180 days subsequent to the publication of the monitoring report, the DOE shall provide, through a dedicated interface on the UNFCCC CDM website, an update of the status of its verification activity, unless it has submitted a request for issuance of CERs for the registered CDM project activity or PoA in accordance with paragraph 184 below. The DOE shall include at least one of the following statuses in the update:



- (a) The verification contract has been terminated. In this case the DOE shall also provide a reason for the termination to the ~~Board through the~~ secretariat on a confidential basis;
- (b) The DOE has issued a negative verification opinion;
- (c) The DOE has raised one or more corrective action requests or clarification requests, for which no response has been received from the project participants or the coordinating/managing entity. In this case the DOE shall also provide a summary of the issues raised and update or reconfirm the status of the verification activities at 90-day intervals thereafter;
- (d) The DOE is performing verification activities and it has not yet sent any corrective action or clarification requests to the project participants or the coordinating/managing entity. In this case the DOE shall also provide an explanation on the length of time taken and update or reconfirm the status of the verification activities at 90-day intervals thereafter.

## 8. Issuance of certified emission reductions

### 8.1. Request for issuance

#### 8.1.1. Submission request for issuance

- 184. The DOE shall submit a request for issuance of CERs by using the “CDM project activity issuance request form” (F-CDM-ISS) or “CDM programme of activities issuance request form” (F-CDM-PoA-ISS), as applicable, only after it verifies that the monitored GHG emission reductions or removal enhancements meet the relevant requirements in the “CDM project standard” and certifies the quantity of CERs claimed in the monitoring report, by following the relevant provisions of the “CDM validation and verification standard” and other CDM requirements.
- 185. The DOE shall submit the required documents listed in the completeness checklist for requests for issuance. The DOE shall submit the required documents through a dedicated interface on the UNFCCC CDM website.
- 185<sup>bis</sup>. For CDM project activities, if the monitoring report submitted together with the request for issuance covers a different monitoring period than the period covered by the monitoring report uploaded to the UNFCCC CDM website in accordance with paragraph 178, the secretariat shall reflect the dates of the revised monitoring report in the view page of that project activity.
- 186. The following applies to the requests for issuance for a PoA:
  - (a) The request for issuance for a specified monitoring period shall either:
    - (i) Relate to all CPAs included in the PoA; or
    - (ii) In the case of two separate monitoring reports for a monitoring period, relate to all CPAs included in the batch of CPAs that the request covers, out of the two batches of CPAs in the PoA. In this case the same DOE shall submit the request for the two batches;

- (b) In the case of two separate monitoring reports for a specified monitoring period, a request for issuance for the subsequent monitoring period shall not be submitted before the CERs, tCERs or ICERs were issued for both requests for issuance for the specified monitoring period;
  - (c) The monitoring periods shall be consecutive. A request for issuance shall relate to the CERs verified as per above.
187. For a PoA, the coordinating/managing entity shall submit a request for forwarding of CERs issued in accordance with the modalities of communication as agreed between project participants.
188. If the DOE submits the changes to a registered CDM project activity or PoA for the acceptance of the Board in accordance with paragraph 136 above, it shall also submit the documentation and information listed in paragraph 140 above, in addition to those referred to in paragraph 185 above.

#### **8.1.2. Processing request for issuance**

189. The secretariat shall maintain a publicly available list of all submitted requests for issuance on the UNFCCC CDM website. The secretariat shall make publicly available the schedule of processing the requests for issuance, including the expected date of commencement. The secretariat shall schedule the commencement of the processing of the requests for issuance in accordance with the secretariat's operational plans, i.e. monthly quotas, which shall also incorporate any relevant instructions from the Board.
190. The secretariat shall commence the completeness check stage in accordance with the schedule. Upon commencement of the completeness check stage, the secretariat shall, subject to the guidance of the Board, conduct within seven (7) days a completeness check to determine whether the request for issuance submission is complete in accordance with the completeness checklist for requests for issuance.
191. If the secretariat, during the completeness check, identifies issues of an editorial nature, it shall request the DOE by e-mail, copying the project participants or the coordinating/managing entity, to submit the missing or revised documents and/or information. In this case, the DOE shall submit the requested documents and/or information within two (2) days of receipt of the request. If the DOE does not submit the requested documents and/or information by this deadline, the secretariat shall conclude that the request submission is incomplete.
192. Upon conclusion of the completeness check stage, the secretariat shall notify the project participants or the coordinating/managing entity, and the DOE, of the conclusion of the completeness check stage. If the request submission does not meet the requirements of the completeness check, the secretariat shall also communicate the underlying reasons to the project participants or the coordinating/managing entity, and the DOE, and make them publicly available on the UNFCCC CDM website. In this case, the DOE may re-submit the request for issuance with revised documentation. Upon submission of the revised documentation, the request shall be treated as a new submission of a request for issuance.
193. Upon conclusion of the completeness check stage, the secretariat shall, subject to the guidance of the Board, conduct within 23 days an information and reporting check in accordance with the information and reporting checklist for requests for issuance.

194. If the secretariat, during the information and reporting check, identifies issues of an editorial nature, it shall request the DOE by e-mail, copying the project participants or the coordinating/managing entity, to submit the missing or revised documents and/or information. In this case, the DOE shall submit the requested documents and/or information within two (2) days of receipt of the request. If the DOE does not submit the requested documents and/or information by this deadline, the secretariat shall conclude that the request submission is incomplete.
195. Upon conclusion of the information and reporting check stage, the secretariat shall notify the project participants or the coordinating/managing entity, and the DOE, of the conclusion of the information and reporting check stage. If the request submission for which the secretariat conducted an information and reporting check does not meet the requirements of the information and reporting check, the secretariat shall conclude that the request submission is incomplete and communicate the underlying reasons to the project participants or the coordinating/managing entity, and the DOE, and make them publicly available on the UNFCCC CDM website. In this case, the DOE may re-submit the request for issuance with revised documentation. Upon submission of the revised documentation, the request shall be treated as a new submission of a request for issuance.
196. Upon positive conclusion of the information and reporting check stage, the secretariat shall publish the request for issuance on the UNFCCC CDM website, and the request for issuance shall be deemed received by the Board for consideration.
197. If the request submission is found incomplete as a result of the information and reporting check, the DOE, or the project participants or the coordinating/managing entity, may request the secretariat, by e-mail through a dedicated e-mail address, to make a telephone call to them to provide clarifications on the issues identified if they are not sufficiently clear to them. Only one such request, regardless of the requesting party, shall be allowed per request for issuance. In this case, the DOE, or the project participants or the coordinating/managing entity, shall provide the contact details of the person to be called with preferred time slots. The secretariat shall fix a call appointment within three (3) days of receipt of the request. The secretariat shall record the call.
198. The secretariat shall notify the project participants or the coordinating/managing entity, the DNA(s) of the Party(ies) involved, and the DOE that: the Board has received the request for issuance for consideration of issuance; the secretariat has published the request for issuance on the UNFCCC CDM website; and the last day by which members of the Board or a Party involved may request a review of request for issuance, as referred to in paragraph 200 below.
199. The secretariat shall, subject to the guidance of the Board, prepare and send to the Board a summary note on the request for issuance within 14 days of the date of publication of the request for issuance.

#### **8.1.3. Requesting review of request for issuance**

200. A Party involved in the CDM project activity or PoA and/or any member of the Board may request a review of the request for issuance within 28 days of the date of publication of the request for issuance for the project activity or within 42 days of the date of publication of the request for issuance for the PoA, respectively. If a Party involved wishes to request a review, the relevant DNA shall send **the request** by email to **the Board, through** the secretariat, **using** the "CDM project activity/programme of activities

issuance request review form" (F-CDM-IR) ~~by official means of communication (such as a letter with recognized official letterhead and signature or an e-mail sent from official dedicated e-mail account).~~ If a member of the Board wishes to request a review, he/she shall communicate the request to the Board through the secretariat, using the "CDM project activity/programme of activities issuance request review form" (F-CDM-IR) and in accordance with appendix 2.

201. The secretariat shall acknowledge receipt of a request for review and promptly make it available to the Board.
202. A request for review shall be considered to be received by the Board on the date it has been received by the secretariat. A request for review shall not be recognized by the Board if it is received after 5 p.m. GMT of the last day of the request for review period referred to in paragraph 200 above following the publication of the request for issuance.
203. A request for review shall provide, inter alia, the reasons for the request for review based on the "CDM project standard", "CDM validation and verification standard" or any other applicable CDM requirements.

#### **8.1.4. Finalizing request for issuance if no request for review**

204. If the secretariat does not receive a request for review from a Party involved or at least three members of the Board in accordance with the modalities described in paragraphs 200–203 above, the Board shall instruct the CDM registry administrator to issue a quantity of CERs claimed in the request for issuance into the pending account of the Board in the CDM registry, in accordance with decision 3/CMP.1, annex, paragraph 66.
205. The secretariat shall inform the project participants or the coordinating/managing entity of the Board's instruction to the CDM registry administrator and of any share of proceeds payable by the project participants or the coordinating/managing entity to cover administrative expenses of the CDM in accordance with the provisions contained in appendix 1. The secretariat shall update the status of the request for issuance on the UNFCCC CDM website accordingly.
206. The project participants or the coordinating/managing entity shall pay the share of proceeds and instruct the CDM registry administrator on the distribution of the CERs using the "Certified emission reductions forwarding request form" (F-CDM-FWD). After receiving the share of proceeds and the instruction from the project participants, the secretariat shall forward the CERs to the project participants or the coordinating/managing entity accordingly.

## **8.2. Review of request for issuance**

### **8.2.1. Commencement of review**

207. If a Party involved in a registered CDM project activity or PoA, or at least three members of the Board request a review of the request for issuance, the secretariat shall:
  - (a) Notify the project participants or the coordinating/managing entity, and the DOE, that verified and certified the claimed CERs, that a Party involved in a proposed CDM project activity or PoA, or at least three members of the Board have requested a review of the request for issuance;

- (b) Mark the request for issuance as “under review” on the UNFCCC CDM website and make publicly available an anonymous version of each “CDM project activity/programme of activities issuance request review form” (F-CDM-IR);
  - (c) Establish a team comprising two experts selected from the Registration and Issuance Team (RIT Team) to conduct an assessment of the request for review. The secretariat shall appoint one of the RIT Team members to serve as the lead, who shall be responsible for all communications with the secretariat.
208. The DOE, or the project participants or the coordinating/managing entity, may request the secretariat, by e-mail through a dedicated e-mail address, to make a telephone call to them to provide clarifications on the issues identified if they are not sufficiently clear to them. Only one such request, regardless of the requesting party, shall be allowed per review of the request for issuance. In this case, the DOE, or the project participants or the coordinating/managing entity, shall provide the contact details of the person to be called with preferred time slots. The secretariat shall fix a call appointment within three (3) days of receipt of the request. The secretariat shall record the call.
209. The project participants or the coordinating/managing entity, and the DOE, shall provide responses to the issues identified in the request for review no later than 28 days after the notification of the request for review.
210. For each issue (or sub-issue) raised in the request for review, the project participants or the coordinating/managing entity, and the DOE, shall either:
- (a) Respond by making any revisions that they deem necessary to the monitoring report and attached spreadsheets, verification report, and/or certification report, and where there is a change in the number of CERs requested, a new request for issuance form, to ensure, *inter alia*, that all facts are clearly stated and sufficiently verified; or
  - (b) Respond in writing by addressing why no revisions to the monitoring report, verification report, and/or certification report are necessary.
211. The secretariat shall schedule the commencement of the review of the request for issuance in accordance with its operational plans and any relevant instructions from the Board. The secretariat shall make the schedule of review publicly available on the UNFCCC CDM website. Upon scheduling the commencement date, or altering it as applicable, the secretariat shall inform the project participants or the coordinating/managing entity, and the DOE, of the scheduled or altered commencement date, respectively;
212. The date of commencement of the review shall be defined as the date on which the secretariat notifies the project participants or the coordinating/managing entity, and the DOE, that the review has commenced.

### **8.2.2. Assessment**

213. The secretariat shall conduct an assessment of the request for issuance in the context of the reasons for the request for review provided in the “CDM project activity/programme of activities issuance request review form” (F-CDM-IR) and the CDM requirements, taking into account the responses from the project participants or the coordinating/managing entity, and the DOE.

214. Concurrently and independently from the secretariat's assessment referred to in paragraph 213 above, the RIT Team established in accordance with paragraph 207(c) above shall conduct an assessment of the request for issuance in accordance with the terms of reference of the RIT, and in the context of the reasons for the request for review provided in the "CDM project activity/programme of activities issuance request review form" (F-CDM-IR), taking into account the responses of the project participants or the coordinating/managing entity, and the DOE.
215. Both the secretariat and the RIT Team shall finalize their assessments no later than 14 days after the commencement of the review.
216. Both the secretariat and the RIT Team shall, in their assessment reports, include a proposed decision taking into account appendix 2. Each proposed decision shall suggest either to:
- (a) Issue the CERs; or
  - (b) Reject the request for issuance.
217. If a proposed decision is to reject the request for issuance, then the assessment report shall include a proposed ruling. The proposed ruling shall contain an explanation of the reasons and rationale for the proposed decision, including, but not limited to:
- (a) The facts and any interpretation of the facts that formed the basis of the proposed decision;
  - (b) The CDM requirements applied to the facts;
  - (c) The interpretation of the CDM requirements as applied to the facts.
218. In addition, both the secretariat and the RIT Team shall, in their assessment reports, highlight any issues of significant importance related to the policies and goals of the CDM arising from the assessment. The secretariat, in consultation with the Chair of the Board, shall bring these issues to the attention of the Board by preparing background notes and policy options and presenting them to the Board at its meetings.
219. The RIT Team shall submit its assessment report to the Board through the secretariat.
220. The secretariat shall inform the Board of the availability of each assessment report, and make each assessment report available to the Board, together with any responses from the project participants or the coordinating/managing entity, and the DOE, and any revision to the monitoring report and/or verification report.

### **8.2.3. Consideration by the Board**

221. If the assessment reports of the secretariat and the RIT Team contain the same proposed decision (i.e. both are to issue the CERs, or both are to reject the request), then the proposed decision shall become the final decision of the Board 20 days after the date when the availability of the assessment report of the secretariat or the RIT Team, whichever the later, was communicated to the Board, unless a member of the Board objects to the proposed decision.
222. An objection by a member of the Board shall be made by notifying the Chair of the Board, through the secretariat, giving reasons in writing and in accordance with

appendix 2. The secretariat shall acknowledge receipt of the objection and make it available to the Board.

223. If a member of the Board objects to the proposed decision more than 14 days prior to the next Board meeting, the case shall be placed on the agenda of the next Board meeting; otherwise it shall be placed on the agenda of the subsequent Board meeting.
224. If the assessment reports of the secretariat and the RIT Team contain different proposed decisions (i.e. one is to issue the claimed CERs and the other is to reject the request for issuance) and the Board receives both proposed decisions more than 14 days prior to the next Board meeting, the case shall be placed on the agenda of the next Board meeting; otherwise, the case shall be placed on the agenda of the subsequent Board meeting.
225. At the Board meeting for which the case is placed on the agenda, the Board shall, in accordance with appendix 2, decide either to:
- (a) Issue the CERs; or
  - (b) Reject the request for issuance.

#### **8.2.4. Finalization and implementation of the ruling**

226. If the Board's final decision made in accordance with paragraph 221 or 225 above is to issue the CERs, the Board shall instruct the CDM registry administrator to issue a specified quantity of CERs into the pending account of the Board in the CDM registry, in accordance with decision 3/CMP.1, annex, and paragraph 66.
227. The secretariat shall inform the project participants or the coordinating/managing entity of the Board's instruction to the CDM registry administrator and of any share of proceeds payable by the project participants or the coordinating/managing entity to cover administrative expenses of the CDM. The secretariat shall update the status of the request for issuance on the UNFCCC CDM website accordingly.
228. The project participants or the coordinating/managing entity shall pay the share of proceeds and instruct the CDM registry administrator on the distribution of the CERs using the "Certified emission reductions forwarding request form" (F-CDM-FWD). After receiving the share of proceeds and the instruction from the project participants or the coordinating/managing entity, the secretariat shall forward the CERs to the project participants or the coordinating/managing entity accordingly.
229. If the Board's final decision made in accordance with paragraph 221 or 225 above is to reject the request for issuance, the secretariat shall update the information on the UNFCCC CDM website accordingly on the first working day subsequent to the finalization of the decision. Furthermore, within 21 days of the finalization of the decision, the secretariat shall provide the Chair of the Board with an information note containing a proposed ruling incorporating the final decision.
230. The proposed ruling shall contain an explanation of the reasons and rationale for the final decision, including, but not limited to:
- (a) The facts and any interpretation of the facts that formed the basis of the proposed ruling;
  - (b) The CDM requirements applied to the facts;

- (c) The interpretation of the CDM requirements as applied to the facts.
231. Once approved by the Chair of the Board, the secretariat shall immediately make the proposed ruling available to the Board. The proposed ruling shall become the final ruling of the Board 10 days after the date when the proposed ruling was made available to the Board, unless a member of the Board objects to the proposed ruling.
232. An objection by a member of the Board shall be made by notifying the Chair of the Board through the secretariat, giving reasons in writing and in accordance with appendix 2. The secretariat shall acknowledge receipt of the objection and make it available to the Board.
233. If a member of the Board objects to the proposed ruling more than 14 days prior to the next Board meeting, the case shall be placed on the agenda of the next Board meeting; otherwise it shall be placed on the agenda of the subsequent Board meeting.
234. At the Board meeting for which the case is placed on the agenda, the Board shall, in accordance with appendix 2, finalize the ruling.
235. The secretariat shall ~~make the final~~ publish a ruling ~~publicly available note~~ on the UNFCCC CDM website ~~no later than three (3) after the ruling was finalized~~.
- 235<sup>bis</sup> After the publication of the ruling note, the DOE, the project participants or the coordinating/managing entity may request the secretariat, by e-mail through a dedicated e-mail address, to make a telephone call to them to provide clarifications on the ruling. Only one such request shall be allowed per ruling. In this case, the DOE, the project participants or the coordinating/managing entity shall provide the contact details of the person to be called with preferred time slots. The secretariat shall fix a call appointment within three (3) days of receipt of the request. The secretariat shall record the call.
236. If the request for issuance is rejected in accordance with paragraph 221 or 225 above, the DOE may re-submit the request for issuance with revised documentation if the reasons for the rejection can be addressed by means of a revised verification report, based on a revised monitoring report as appropriate.

### **8.3. Withdrawal of request for issuance**

#### **8.3.1. Submission of request for withdrawal**

237. For the following cases, the DOE shall submit a request for withdrawal of a request for issuance by using the "Issuance request withdrawal form" (F-CDM-IW) and uploading it through a dedicated interface on the UNFCCC CDM website:
- (a) The project participants or the coordinating/managing entity voluntarily wish to withdraw a request for issuance for the specified monitoring period<sup>4</sup>;
  - (b) The DOE has revised its verification report and/or certification report based on new insights or information.

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<sup>4</sup> In such cases the DOE shall process the request expeditiously.



### 8.3.2. Processing request for withdrawal

238. Upon receipt of the request for withdrawal, the secretariat shall as soon as possible check the documents submitted. ~~Type 1:~~ and, if the request is complete, update the information in the project view page of the relevant project activity or PoA. If the DOE requests the withdrawal ~~prior to~~ after the publication of the request for issuance in accordance with paragraph 196 above, the request for issuance ~~for the specified monitoring period will not be~~ shall be marked as “withdrawn”. ~~If the DOE may re-submits~~ submit the request for issuance ~~for the same monitoring period after such withdrawal, the request for issuance shall be treated as a new submission at any time.~~

238<sup>bis</sup> If the project participants or the coordinating/managing entity wish to change the monitoring period covered by the monitoring report associated to the request for issuance withdrawn, the DOE shall request the withdrawal of the published monitoring report according to paragraph 178<sup>bis</sup> above. The DOE shall publish and verify the revised monitoring report. If the final date covered by the revised monitoring period is after the date of the on-site inspection of the DOE as per paragraph 178 above, the DOE shall perform an additional on-site inspection; otherwise, the DOE shall decide whether a new on-site inspection is necessary in order to duly perform its verification. After the verification, the DOE may resubmit its request for issuance.

~~239. Type 1 If the DOE requests the withdrawal prior to the publication of the request for issuance in accordance with paragraph 196 above, the request for issuance for the specified monitoring period will not be marked as “withdrawn”. If the DOE submits for the same monitoring period after such withdrawal, the request for issuance shall be treated as a new submission at any time.~~

~~240. Type 2: If the DOE requests the withdrawal during the 28-day period for requesting a review of the request for issuance in accordance with paragraph 200 above, the request for issuance for the specified monitoring period will be marked as “withdrawn”. The DOE may re-submit the request for issuance without requesting permission from the Board.~~

~~241. Type 3: If the DOE requests the withdrawal subsequent to being notified a request for review of the request for issuance in accordance with paragraph 207(a) above, the request for issuance for the specified monitoring period shall be marked as “withdrawn”. The DOE may re-submit the request for issuance for the same monitoring period after such withdrawal. In this case, the DOE shall request permission from the Board to re-submit such request.~~

~~242. Submissions of requests for withdrawal shall feed into the framework for monitoring performance of DOEs.~~

## 9. Renewal of crediting period

### 9.1. Preparation of revised project or programme design document and notification to the secretariat of the intention to renew the crediting period

243. Project participants or the coordinating/managing entity wishing to renew the crediting period of a registered CDM project activity or PoA (~~hereinafter~~ in section 9 “renew/renewal of crediting period of PoA” shall be read as “renew/renewal of PoA” in the context of PoAs) shall update the PDD or ~~prepare a new~~ PoA-DD ~~and new generic CPA-DD~~, in accordance with the “CDM project standard”.

## **9.2. Request for renewal of crediting period**

### **9.2.1. Submission of request for renewal of crediting period**

244. ~~The project participants or the coordinating/managing entity shall notify the secretariat, by e-mail or through a dedicated interface on the UNFCCC CDM website, of their intention to request a renewal of crediting period of the registered CDM project activity or PoA by submitting an updated PDD, or new PoA-DD and new generic CPA-DDs, and informing the secretariat of their selection of a DOE to request the renewal of crediting period and to perform related tasks referred to in paragraph 249 below, within 270 to 180 days prior to the date of expiration of the current crediting period. For this purpose, the project participants or the coordinating/managing entity may select any DOE.~~
245. ~~No fee is due for requests of a renewal of crediting period.~~
246. ~~When submitting the request for renewal of crediting period, the~~ The project participants or the coordinating/managing entity shall ensure that any changes to the list of project participants in the PDD or PoA-DD have been notified to the secretariat in accordance with section 6.3 above.
247. ~~For the purpose of renewal of crediting period it is not necessary to obtain a new letter of approval from Parties involved.~~
248. ~~The project participants or the coordinating/managing entity shall notify the secretariat, by sending the "Notification of intention to renew crediting period form" (NEW FORM) and an updated PDD, or updated PoA-DD, by e-mail or through a dedicated interface on the UNFCCC CDM website, within 270 to 180 days prior to the date of expiration of the current crediting period. The secretariat shall make every effort to inform the project participants or the coordinating/managing entity in advance of the period for requesting renewal of crediting period in accordance with the registered modalities of communication. It remains the responsibility of the project participants or the coordinating/managing entity to ensure that all actions are taken in accordance with the current section of this procedure in a timely manner. If the notification of the intention to request a renewal of crediting period is not received by the secretariat 180 days prior to the date of expiration of the current crediting period, the project participants or the coordinating/managing entity shall not be entitled to claim the issuance of CERs for the period from the expiration date of the current crediting period until the last date before the crediting period is deemed renewed.~~
- 248<sub>bis</sub> The secretariat shall publish the notifications of the intention to renew the crediting period on the UNFCCC CDM website stating the date when the notification was received.
249. For the purpose of renewal of crediting period it is not necessary to obtain a new letter of approval from Parties involved.
250. No fee is due for requests of a renewal of crediting period.

**9.2. Request for renewal of crediting period****9.2.1. Submission of request for renewal of crediting period**

251. In order to request the renewal of the crediting period, the project participants or the coordinating/managing entity shall send the updated PDD or PoA-DD to a DOE for its validation.
252. If the updated PDD or PoA-DD cannot apply the methodology applied in the original PDD or PoA-DD because the registered project activity or PoA does not meet the applicability conditions of the valid version of that methodology at the time of the submission of the request for renewal of the crediting period, or, if applicable, of the consolidated methodology, the project participants or the coordinating/managing entity may select another methodology or, request, through the DOE, a deviation from the methodology for the purpose of the renewal of the crediting period in accordance with section 4.5 mutatis mutandis.
253. The DOE, after determining that the updated PDD or PoA-DD meets all relevant requirements in the “CDM project standard” by following the relevant provisions of the “CDM validation and verification standard” and other CDM requirements, shall submit, through a dedicated interface on the UNFCCC CDM website, a request for renewal of crediting period of a registered CDM project activity or PoA using the “Renewal of crediting period request form” (F-CDM-REN) along with the updated PDD or PoA-DD, and updated validation report.
254. For renewal ~~of crediting period~~ of a registered PoA every seven years after the registration of the PoA, the coordinating/managing entity shall update the eligibility criteria for inclusion of CPAs in the PoA in accordance with the “CDM project standard”, and include them in new versions of the PoA-DD ~~and CPA-DD(s)~~, to be validated by the DOE and approved by the Board in accordance with paragraphs 257–265 below.
255. For renewal of crediting period of CPAs in a registered PoA, if the DOE confirms that the information in the CPA-DD of a CPA included in the PoA complies with the latest version of the PoA and applicable requirements, it shall renew the crediting period of the CPA ~~by submitting the CPA-DD to the Board~~ by uploading ~~it the CPA-DD~~ through a dedicated interface on the UNFCCC CDM website. Such uploads shall be grouped and shall not occur more frequently than once per month.
256. The CPA-DDs uploaded by the DOE will automatically have their crediting periods renewed and displayed on the view page of that PoA. The DOE, the coordinating/managing entity and the DNA are automatically notified of the change in the status of the PoA.

**9.2.2. Processing of request for renewal of crediting period**

257. For processing of the request for renewal of crediting period, the provisions in section 5.1.2 above shall apply mutatis mutandis.

**9.2.3. Requesting review of request for renewal of crediting period**

258. A Party involved in the CDM project activity or PoA and/or any member of the Board may request a review of the request for renewal of crediting period within 28 days after the date of publication of the request for renewal of crediting period. If a Party involved wishes to request a review, the relevant DNA shall send ~~the request by email to the~~

Board, through the secretariat, using the “Renewal of crediting period request review form” (F-CDM-RENR) by official means of communication (such as a letter with recognized official letterhead and signature or an e-mail sent from an official dedicated e-mail account). If a member of the Board wishes to request a review, he/she shall communicate the request to the Board through the secretariat, using the “Renewal of crediting period request review form” (F-CDM-RENR) and in accordance with appendix 2.

259. The secretariat shall acknowledge receipt of a request for review and promptly make it available to the Board.
260. A request for review shall be deemed to be received by the Board on the date it has been received by the secretariat. A request for review shall not be recognized by the Board if it is received after 5 p.m. GMT of the last day of the 28-day period following the publication of the request for registration.
261. A request for review shall provide, inter alia, the reasons for the request for review based on the “CDM project standard”, “CDM validation and verification standard” or any other applicable CDM requirements.

#### **9.2.4. Finalizing request for renewal of crediting period ~~if no request for review~~**

262. The next crediting period shall commence on the day immediately after the expiration of the current crediting period.
263. The crediting period of the registered CDM project activity or PoA shall be deemed renewed 28 days after the publication of the request for renewal on the UNFCCC CDM website, unless a Party involved or at least three members of the Board request a review of the request for renewal, in which case, the date when the crediting period is deemed renewed is the date when the Board adopted the relevant decision.
264. If the notification of the intention to request a renewal of crediting period was not received by the secretariat by 180 days prior to the date of expiration of the current crediting period, and if the date when the crediting period is deemed renewed is after the expiration of the current crediting period, the project participants or the coordinating/managing entity shall not be entitled to claim the issuance of CERs from the first day of the next crediting period until the last day before the crediting period is deemed renewed or until the number of days equivalent to the delay in the notification have elapsed since the notification submission deadline, whichever is earlier.

### **9.3. Review of request for renewal of crediting period**

265. For reviews of the request for renewal of crediting period, the provisions in section 5.2 above shall apply mutatis mutandis.

#### **9.3<sup>bis</sup> Withdrawal of the request for renewal of crediting period**

266. At any time before the adoption of the decision on the request of renewal of crediting period, the project participants or the coordinating/managing entity, through the DOE, may withdraw the request for renewal of crediting period. The DOE shall submit form [NEW FORM] to the secretariat. If the DOE requests the withdrawal after the publication of the request, the secretariat shall mark the request for renewal of crediting period in the UNFCCC CDM website as “withdrawn”.

267. For withdrawals of the request for renewal of crediting period, the provisions in section 5.3 above shall apply mutatis mutandis.

### **9.3<sup>ter</sup> Submission of a request for post-registration changes together with the request for renewal of crediting period**

268. The project participants or the coordinating/managing entity may combine a request for approval of changes to the project activity or PoA with the request for renewal of the crediting period, so that the changes proposed can be effective as from the first day of the next crediting period. In this case, the DOE contracted for this purpose shall submit the following documentation:

- (a) A duly completed "Post-registration changes request form" (F-CDM-PRC);
- (b) A duly completed "Renewal of crediting period request form" (F-CDM-REN);
- (c) A revised PDD, or revised PoA-DD, and specific CPA-DD (in both clean and track-change versions), as applicable;
- (d) A validation report on the changes and on the renewal of crediting period request prepared by the DOE in accordance with the "CDM validation and verification standard";
- (e) Letters of approval by the DNAs of the added host Parties in the CDM PoA, as applicable;
- (f) Supplemental documentation, as appropriate.

269. The secretariat shall process the submission according to the procedure in section 9.2 above, mutatis mutandis.

270. The decision of the Board shall be to:

- (a) Approve the renewal of crediting period with all requested post-registration changes;
- (b) Approve the renewal of crediting period with some of the requested post-registration changes;
- (c) Approve the renewal of crediting period without any of the requested post-registration changes; or
- (d) Reject the renewal of crediting period.

271. If the Board's decision is paragraph 270 (b) or (c) above, the project participants or the coordinating/managing entity shall, through the DOE, submit an updated PDD or PoA-DD and CPA-DD(s), covering the changes approved by the Board, and the DOE shall confirm that the PDD or the PoA-DD and CPA-DD(s) have been correctly updated.

272. No monitoring report may be published for the renewed crediting period until the DOE submits to the secretariat the updated PDD or PoA-DD and its confirmation in accordance with paragraph 271 above.

### **Option 1: No process for deregistration of project activity**

### **Option 2: Paragraphs 269-285 below**

## **9.4. De-registration of project activity**

### **9.4.1. Submission of request for de-registration**

273. The project participants of a registered CDM project activity may submit, anytime after the registration, through the focal point for scope (c), a request for de-registration of the project activity to the secretariat through a dedicated e-mail account made available on the UNFCCC CDM website, by using the [NEW FORM].

274. When submitting the request for de-registration, the project participants shall also submit the following:

- (a) Written agreement of all project participants on the de-registration;
- (b) Written no-objection of the DNAs of all Parties involved in the de-registration.

### **9.4.2. Processing of request for de-registration**

275. The secretariat shall [as soon as possible] [within X days of receipt of the request] conduct a completeness check of the documents submitted.

276. If the secretariat, during the completeness check, identifies missing documents and/or information, it shall request the project participants by e-mail to submit the missing or revised documents and/or information. In this case, the project participants shall submit the requested documents and/or information within [30] days of receipt of the request. If the project participants do not submit the requested documents and/or information by this deadline, the secretariat shall conclude that the request submission is incomplete.

277. Upon conclusion of the completeness check, the secretariat shall notify the project participants of the conclusion of the completeness check. If the conclusion is negative (i.e. that the request submission is incomplete), the project participants may re-submit the request for de-registration with revised documentation.

278. Upon positive conclusion of the completeness check, the secretariat shall publish the request for de-registration on the UNFCCC CDM website, and the request for de-registration shall be deemed received by the Board for consideration.

279. The secretariat shall promptly send the request submission to the Board.

### **9.4.3. Consideration by the Board**

280. Any member of the Board may request a review of the request for de-registration within 28 days after the date of publication of the request for de-registration, providing the reasons for the request of review [, which shall be based on the relevant CDM requirements].

281. If [a member of the Board requests] [at least three members of the Board request] a review of the request for de-registration, the Board shall review the request at the next Board meeting.

### **9.4.4. Finalizing request for de-registration**

282. The Board shall de-register the project activity if the secretariat does not receive a request for review from [a member] [at least three members] of the Board in accordance with paragraph 280 above.

283. If the Board reviews the request for de-registration in accordance with paragraph 281 above, it shall decide, at the Board meeting for which the case is placed on the agenda, either to:

- (a) De-register the project activity; or
- (b) Reject the request for de-registration.

284. If the Board decides to de-register the project activity in accordance with paragraph 282 or 283(a) above, the secretariat shall mark the project activity as “de-registered” on the UNFCCC CDM website.

285. If the Board decides to reject the request for de-registration in accordance with paragraph 283(b) above, it shall provide the reasons for the rejection, which shall be based on the relevant CDM requirements. In this case, the project participants may re-submit the request with revised documentation.

#### **9.4.5. Effects of de-registration**

286. The effective date of de-registration shall be [the next day of the decision by the Board in accordance with paragraph 282 or 283(a) above] [the date when the secretariat received complete submission of the request for de-registration].

287. A DOE may publish a monitoring report in accordance with section 7.1 above, or submit a request for issuance in accordance with section 8.1.1 above, for the de-registered project activity for the period prior to the effective date of de-registration.

288. The secretariat, acting as the CDM registry administration, shall not issue CERs for the de-registered project activity for the period from the effective date of de-registration.

289. The project participants of the de-registered project activity may seek re-registration of the project activity. In this case, provisions in sections 4.2–5.3 above shall apply.



## Appendix 1. Fee schedule

### 1. Background

1. The registration fee schedule set forth in this appendix is adopted in accordance with decisions 4/CMP.1, annex II, paragraph 21; 6/CMP.1, annex, paragraph 13; 7/CMP.1, paragraph 37; 2/CMP.3, paragraph 31; and 2/CMP.5, paragraph 47.
2. This appendix supersedes contains the "Guidelines on the registration fee schedule for proposed project activities under the clean development mechanism" (EB 54 report, annex 29).

### 2. Registration fee schedule

3. The registration fee schedule applies rules that apply to submissions of request for registration of proposed project activities and PoAs and establishes specific rules applicable to A/R project activities and PoAs under the CDM.
4. The share of proceeds to cover administrative expenses is: for project activities and PoAs is:
  - (a) USD 0.10 per CER issued for the first 15,000 tonnes of CO<sub>2</sub> equivalent for which issuance is requested in a given calendar year;
  - (b) USD 0.20 per CER issued for any amount in excess of 15,000 tonnes of CO<sub>2</sub> equivalent for which issuance is requested in a given calendar year;
  - (c) No share of proceeds shall be due for project activities and PoAs hosted in least developed countries. In the case of PoAs hosted not exclusively in least developed countries, the exemption from the share of proceeds applies to the issuance of CERs for the emission reductions occurring in CPAs hosted in least developed countries. The application of this exemption from the share of proceeds shall be based on the status of the country on the date of the publication of the request for issuance of CERs.
5. The registration fee for a project activity shall be the share of proceeds applied to the expected average annual CERs for the proposed project activity over its crediting period, as identified in the PDD and as validated by the DOE.
6. The registration fee for a PoA shall be the share of proceeds applied to the total expected average annual CERs of the specific case CPA(s) submitted together with the request for registration of the PoA. The average annual emission reductions for each specific case CPA are calculated over its crediting period. For each CPA which is included subsequently, no registration fee is to be paid. Fees are to be paid by the coordinating/managing entity to the secretariat.
7. Upon re-submission of a request for registration directly following a determination by the secretariat that the submission is incomplete, no registration fee shall be payable unless the re-submission results in an increase in the expected average annual CERs for the proposed project activity, or for the "actual case" CPA submitted together with the request for registration of the PoA, over its crediting period. If the re-submission results in an increase in the expected average annual CERs, then the registration fee due shall



be re-calculated upon re-submission. The registration fee due upon re-submission shall be the difference between the re-calculated registration fee and the registration fee previously paid.

8. ~~For the purpose of calculating the registration fee for proposed A/R project activities or A/R PoAs, CERs shall mean the net GHG removals by sinks.~~
9. The maximum registration fee payable based on this calculation shall be USD 350,000.
10. No registration fee shall be payable for proposed project activities, or proposed PoAs with the “specific case” CPA submitted together with the request for registration of the PoA, with expected average annual CERs over its crediting period, below 15,000 tonnes of CO<sub>2</sub> equivalent.
11. No registration fee shall be payable for proposed project activities or PoAs hosted exclusively in least developed countries. The registration fee for PoAs hosted not exclusively in least developed countries shall be based on the sum of expected average annual CERs of specific case CPAs that are not hosted in a least developed country. The application of this exemption shall be based on the status of the country on the date of the publication of the request for registration.
12. No registration fee shall be payable until after the date of the first issuance of CERs in countries with fewer than 10 registered CDM project activities. PoAs hosted in these countries shall also be counted towards the calculation of the 10 registered CDM project activities.<sup>5</sup> The application of this exemption shall be based on the number of registered CDM project activities in the country on the date of the submission of the request for registration.
13. The registration fee shall be reimbursed in full if the DOE withdraws the request for registration of the proposed project activity or PoA prior to the date on which the secretariat publishes the request for registration on the UNFCCC CDM website.
14. Any portion in excess of USD 30,000 of the registration fee shall be reimbursed if the DOE withdraws the request for registration of the proposed project activity or PoA subsequent to the date on which the secretariat publishes the request for registration on the UNFCCC CDM website, or if the Board rejects the request for registration of the proposed project activity or PoA. Should the registration fee be USD 30,000 or less, no reimbursement shall be made in these cases.
15. The registration fee shall be deducted from the share of proceeds due for the issuance of CERs. In effect, the registration fee is an advance payment of the share of proceeds due for the issuance of CERs likely to be achieved during the first year.
- 15<sub>bis</sub> No reimbursement of the registration fee shall be made in any circumstances.

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<sup>5</sup> PoAs hosted in more than one country will count as one CDM project activity in each of the countries where it is hosted; host Parties added to the PoA post-registration will also be considered for the calculation.

**3. Specific provisions for afforestation/reforestation project activities**

16. For the purpose of calculating the registration fee for proposed A/R project activities or A/R PoAs, CERs shall mean the net GHG removals by sinks. Paragraphs 17 to 19 below apply instead of paragraph 4 and 6 of this appendix.
17. The share of proceeds to cover administrative expenses for A/R project activities and PoAs shall be calculated based on one of the following:
- (a) If the selected approach for addressing non-permanence is Temporary CERs (tCERs), the share of proceeds is based on the difference between the tCERs for which issuance is requested for a given verification period and the highest amount of tCERs previously issued in a verification period;
  - (b) If the selected approach for addressing non-permanence is Long-Term CERs (ICERs), the share of proceeds is based on the difference between the ICERs for which issuance is requested for a given verification period added to the sum of all previous issuances and reversals<sup>6</sup>, and the highest among the sums of the issuances and reversals since the start of the project calculated for each previous verification period.
18. The share of proceeds to cover administrative expenses for A/R project activities is due only if the amount calculated according to paragraph 16 above is positive. In that case, the share of proceeds is calculated follows:
- (a) USD 0.10 for the first 15,000 t CO<sub>2</sub> e;
  - (b) USD 0.20 in excess of 15,000 t CO<sub>2</sub> e.
19. The registration fee shall be calculated based on the expected average annual net GHG removals by sinks for the project activity over its crediting period:
- (a) USD 0.10 per expected average annual net GHG removals by sinks for the first 15,000 t CO<sub>2</sub> e;
  - (b) USD 0.20 per expected average annual net GHG removals by sinks for any amount in excess of 15,000 t CO<sub>2</sub> e.

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<sup>6</sup> All reversals mentioned are negative numbers.

## **Appendix 2. Requesting a review and making decisions and objections regarding review assessments**

### **1. Background**

1. The purpose of this appendix is to provide the Board with a framework to maintain the consistency and objectivity of its decisions and rulings and to provide greater transparency to CDM stakeholders regarding the criteria applied by the Board in deciding upon case specific matters related to registration and issuance.
2. This appendix also serves to provide direction to the secretariat and members of the RIT in performing assessments and making recommendations as required by the relevant provisions in this procedure.
3. This appendix replaces the “Guidelines for requesting a review and making decisions and objections regarding review assessments” (EB 59 report, annex 14).

### **2. Authorization of alternate member**

4. In cases where a member of the Board is unable to carry out his or her functions for a period of time, he/she may decide to delegate the authority to request reviews, object to assessments and object to proposed rulings to his/her alternate member. This delegation of authority shall be for a defined period of time to be notified by the member to the Secretary to the Board. All Board members shall be informed of this delegation of authority via the Board listserv. To simplify the text in the following sections of this appendix, “member(s) of the Board” includes alternate members duly authorized in this manner, unless “alternate members of the Board” is explicitly mentioned.

### **3. Requesting a review**

#### **3.1. General**

5. In accordance with paragraphs 72, 200 and 258 of this procedure, any members of the Board may request a review of any request for registration, issuance or renewal of crediting period.
6. In accordance with paragraphs 71, 199 and 257 of this procedure, the Board may be provided by the secretariat with a summary note on the request for registration, issuance or renewal of crediting period for its consideration of the request. It remains the responsibility of individual members of the Board to determine whether a request for review is appropriate.

#### **3.2. Grounds for requesting a review**

7. It is expected that members of the Board will request a review when the request for registration, issuance or renewal of crediting period would raise the concern of a reasonable reader regarding whether the proposed project activity or PoA, or registered CDM project activity or PoA for the new crediting period, complies with the applicable CDM rules and requirements.

8. A request for review would imply that the information contained in the request for registration, issuance or renewal of crediting period does not demonstrate that the project activity or PoA meets the applicable CDM rules and requirements for registration, issuance or for the new crediting period, respectively. It is therefore expected that members of the Board would be specific regarding the nature of the concern and, where appropriate, include references to the source of the concern within the submitted documentation.

#### **4. Matters to be considered in taking decisions regarding a review**

##### **4.1. General**

9. In considering a request for review of request for registration, issuance or renewal of crediting period, the Board will only consider the information contained in the request for registration, issuance or renewal of crediting period, including any responses by the DOE or the project participants, a summary note prepared by the secretariat, assessment reports prepared by the secretariat and RIT Team, and the applicable CDM rules and requirements.

##### **4.2. Requests for registration**

10. In accordance with paragraph 97 of this procedure, the Board shall, at its meeting where the case of request for registration is placed on the agenda, decide on the registration.
11. The Board shall reject the request for registration of the proposed project activity or PoA in situations where the request for registration does not contain sufficient information to demonstrate to a reasonable reader that the proposed project activity or PoA complies with the applicable CDM rules and requirements for the registration of proposed project activities or PoAs.
12. The Board shall reject the request for registration if it:
  - (a) Contains information which indicates that the proposed project activity or PoA does not comply with the applicable requirements;
  - (b) Contains information which indicates that the validation activity has not been conducted in a manner that complies with the relevant requirements of either the “CDM accreditation standard” or the “CDM validation and verification standard”;
  - (c) Contains contradictory facts regarding the compliance of the proposed project activity or PoA with the applicable CDM rules and requirements;
  - (d) Does not contain sufficient facts or evidence to confirm compliance with the applicable CDM rules and requirements;
  - (e) Contains facts relevant to demonstrating compliance with an applicable CDM rule or requirement, put forward by the project participant(s) within the PDD, but without evidence regarding whether or how such facts have been validated.
13. The reason for rejection of a request for registration should be limited to the requirements specified in the request for review. In exceptional cases, the Board may reject the request for registration when the response(s) by the DOE or the project participants to the request for review raise(s) new critical concern(s) of the Board regarding whether the request for registration complies with other applicable CDM rules

and requirements to register the proposed project activity or PoA. Prior to rejecting a request for registration based on exceptional circumstances, the Board may, at its prerogative, have a teleconference with the DOE and/or project participant(s) during the Board meeting at which it considers the request for registration, in an attempt to clarify the concern(s).

#### **4.3. Requests for issuance**

14. In accordance with paragraph 225 of this procedure, the Board shall, at its meeting where the case of request for issuance is placed on the agenda, decide on the issuance.
15. The Board shall reject the request for issuance in situations where the request for issuance does not contain sufficient information to demonstrate to a reasonable reader that the request for issuance complies with the applicable CDM rules and requirements for the issuance of CERs.
16. The Board shall reject the request for issuance if it:
  - (a) Contains information which indicates that the project activity or PoA has not complied with the applicable requirements for operating and monitoring registered CDM project activities or PoAs;
  - (b) Contains information which indicates that the verification activity has not been conducted in a manner that complies with the relevant requirements of either the "CDM accreditation standard" or the "CDM validation and verification standard";
  - (c) Contains contradictory facts regarding the compliance of the monitoring or operation of the CDM project activity or PoA with the applicable CDM rules and requirements;
  - (d) Does not contain sufficient facts or evidence to confirm compliance with the applicable CDM rules and requirements;
  - (e) Contains facts relevant to demonstrating compliance with an applicable CDM rule or requirement, put forward by the project participant(s) within the monitoring report, but without evidence regarding whether or how such facts have been verified.
17. The reason for rejection of a request for issuance should be limited to the requirements specified in the request for review. In exceptional cases, the Board may reject the request for issuance when the response(s) by the DOE or the project participants to the request for review raises new critical concern(s) of the Board regarding whether the request for issuance complies with other applicable CDM rules and requirements for the issuance of CERs. Prior to rejecting a request for issuance based on exceptional circumstances, the Board may, at its prerogative, have a teleconference with the DOE and/or project participant(s) during the Board meeting at which it considers the request for issuance, in an attempt to clarify the concern(s).

#### **4.4. Requests for renewal of crediting period**

18. In accordance with paragraph 97 effected by paragraph 265 of this procedure, the Board shall, at its meeting where the case of request for renewal of crediting period is placed on the agenda, decide on the renewal of crediting period.

19. The Board shall reject the request for renewal of crediting period in situations where the request for renewal of crediting period does not contain sufficient information to demonstrate to a reasonable reader that the registered CDM project activity or PoA complies with the applicable CDM rules and requirements for the registration of project activities or PoAs for the new crediting period.
20. The Board shall reject the request for renewal of crediting period if it:
  - (a) Contains information which indicates that the registered CDM project activity or PoA does not comply with the applicable requirements for the new crediting period;
  - (b) Contains information which indicates that the validation activity has not been conducted in a manner that complies with the relevant requirements of either the "CDM accreditation standard" or the "CDM validation and verification standard";
  - (c) Contains contradictory facts regarding the compliance of the registered CDM project activity or PoA with the applicable CDM rules and requirements in the new crediting period;
  - (d) Does not contain sufficient facts or evidence to confirm compliance with the applicable CDM rules and requirements;
  - (e) Contains facts relevant to demonstrating compliance with an applicable CDM rule or requirement, put forward by the project participant(s) within the updated PDD, or new PoA-DD and its the new generic CPA-DD part, but without evidence regarding whether or how such facts have been validated.
21. The reason for rejection of a request for registration should be limited to the requirements specified in the request for review. In exceptional cases, the Board may reject the request for renewal of crediting period when the response(s) by the DOE or the project participants to the request for review raise(s) new critical concern(s) of the Board regarding whether the request for renewal of crediting period complies with other applicable CDM rules and requirements to renew the crediting period of registered CDM project activities or PoAs. Prior to rejecting a request for renewal of crediting period based on exceptional circumstances, the Board may, at its prerogative, conduct a teleconference with the DOE and/or project participant(s) during the Board meeting at which it considers the request for renewal of crediting period, in an attempt to clarify the concern(s).

## **5. Objections to proposed decisions in assessments**

22. In accordance with paragraphs 94 and 222 of this procedure, any members of the Board may object to a proposed decision contained in the assessment reports prepared by the secretariat and the RIT Team regarding the request for registration or issuance under review.
23. It is expected that members of the Board will only object to a proposed decision contained in the assessment reports prepared by the secretariat and the RIT Team in situations where both assessments:
  - (a) Did not consider a fact (or set of facts) that, if considered, would result in different proposed decision;

- (b) Contain an erroneous finding of fact (or set of facts) that, if corrected, would result in a different proposed decision;
- (c) Contain an unreasonable interpretation of an applicable CDM rule or requirement that, if corrected, would result in a different proposed decision; or
- (d) Contain an unreasonable application of an applicable CDM rule or requirement to the facts that, if corrected, would result in a different proposed decision.

## **6. Objections to proposed rulings**

- 24. In accordance with paragraphs 102 and 232 of this procedure, any members of the Board may object to a proposed ruling prepared by the secretariat subsequent to a decision by the Board to reject a request for registration or issuance.
- 25. It is expected that members of the Board will only object to the proposed ruling prepared by the secretariat in the following situations:
  - (a) The proposed ruling does not contain a sufficient basis or explanation for the decision contained in the ruling; and
  - (b) The ruling differs from the assessment that formed the basis of the decision. These differences include the following:
    - (i) The findings of fact;
    - (ii) The interpretation of an applicable CDM rule or requirement;
    - (iii) The application of a CDM rule or requirement as applied to the facts.

## **7. Consideration of review cases at Board meetings**

### **7.1. Consideration of reviews placed on the agenda without objection**

- 26. In accordance with paragraphs 96 and 224 of this procedure, if the proposed decisions contained in the assessment reports prepared by the secretariat and the RIT Team differ, the case shall be considered at a Board meeting.
- 27. The Board should apply the following process to its consideration of the case:
  - (a) First, the secretariat will present whichever assessment has recommended the rejection of the proposed project activity or PoA, outlining the requirement being questioned and the facts considered in the assessment;
  - (b) Members and alternate members of the Board may seek clarifications regarding the facts and evidence contained in the relevant request for registration or issuance, including the response by the DOE or the project participants to the request for review; and the applicable requirements;
  - (c) Once members of the Board have received the necessary clarifications the Chair of the Board should invite its members and alternate members to express their opinions regarding the recommendation;
  - (d) On the basis of the opinions expressed the Chair of the Board shall propose to the Board either to accept the recommendation or not;

- (e) If consensus with the Chair's proposal is not achieved, the Chair of the Board may proceed to seek adoption of a decision via a vote in accordance with the "Rules of procedure of the Executive Board of the clean development mechanism".

## **8. Consideration of reviews placed on the agenda due to an objection**

- 28. In accordance with paragraphs 95 and 223 of this procedure, if a member of the Board objects to the proposed decision contained in the assessment reports prepared by the secretariat and the RIT Team, the case shall be considered at a Board meeting.
- 29. The Board should apply the following process to its consideration of the case:
  - (a) First, the member(s) of the Board who made an objection should present the reasons for the objection, making reference to the additional facts or interpretations relied on beyond the assessments;
  - (b) Members and alternate members of the Board may seek clarifications regarding the presentation;
  - (c) The secretariat may provide any clarifications of the facts and evidence contained in the relevant request for registration or issuance, including the response by the DOE or the project participants to the request for review; and the applicable requirements;
  - (d) Once members have received the necessary clarifications the Chair of the Board should invite its members and alternate members to express their opinion regarding the objection;
  - (e) After this discussion, the Chair of the Board shall determine and propose to the Board whether the objection should be further considered;
  - (f) If consensus with the Chair's proposal is not achieved, the Chair of the Board may proceed to seek adoption of a decision via a vote in accordance with the "Rules of procedure of the Executive Board of the clean development mechanism".

## **9. Consideration of objections to proposed rulings at Board meetings**

- 30. In accordance with paragraphs 104 and 234 of this procedure, the Board shall, at its meeting where the case of a proposed ruling is placed on the agenda, finalize the ruling.
- 31. The Board should apply the following process to its consideration of the case:
  - (a) First, the member(s) of the Board who made an objection should present the reasons for the objection, making reference to the precise areas of concern within the draft and proposing an alternative;
  - (b) Members and alternate members may seek clarifications regarding the presentation;
  - (c) The secretariat may provide any clarifications of a factual nature;



- (d) Once members have received the necessary clarifications the Chair of the Board should invite its members and alternate members to express their opinion regarding the objection;
- (e) After this discussion, the Chair of the Board shall determine and propose to the Board whether the objection should be accounted for in the final revision;
- (f) If the objection is upheld by the Board, the Chair of the Board shall request the secretariat to revise the ruling for adoption at the same meeting of the Board.

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### Document information

<i>Version</i>	<i>Date</i>	<i>Description</i>
06.1	19 May 2014	Revision to reflect editorial improvements.
06.0	14 May 2014	<p>Publish within annex 14 to the annotated agenda of EB79.</p> <p>Revisions to:</p> <ul style="list-style-type: none"> <li>• Introduce new or revise requirements based on the inputs from stakeholders and experience of the Board and the secretariat;</li> <li>• Improve the clarity of this document and consistency with the “CDM project standard” and the “CDM validation and verification standard”;</li> <li>• Reflect editorial improvement;</li> <li>• Supersede and replace the following documents, along with the “CDM project standard” and/or the “CDM project cycle procedure”, on the date when these three documents above enter into force: <ul style="list-style-type: none"> <li>• “Further guidance related to the registration fee for proposed A/R clean development mechanism project activities” (EB 36 report, Annex 21);</li> <li>• “Clarification: Host Party for project activities and bundled project activities” (CDM-EB70-A38-CLAR);</li> <li>• “Clarification: Validation of post-registration changes and verification by the same DOE for the same project activity or programme of activities” (CDM-EB77-A12-CLAR).</li> </ul> </li> </ul>
05.0	4 October 2013	<p>Revision to incorporate the amendment to the requirements for programme of activities in CDM-EB75-A06 which includes:</p> <ul style="list-style-type: none"> <li>• To enable two issuance requests for the same monitoring period;</li> <li>• To eliminate the requirement of minimum 90 days period between two issuance requests.</li> </ul>
04.0	29 July 2013	<p>Revision to incorporate the amendment in CDM-EB74-A11 which includes:</p> <ul style="list-style-type: none"> <li>• Integration of clarification CDM-EB72-A06-CLAR;</li> <li>• Clarification on the eligible post registration changes in the context of PoAs and CPAs;</li> </ul>

Version	Date	Description
		<ul style="list-style-type: none"> <li>Clarification on the fee schedule;</li> </ul>
03.2	1 April 2013	Editorial revision to replace the expired procedures with <i>“Procedure: Development, revision and clarification of baseline and monitoring methodologies and methodological tools”</i> (CDM-EB70-A36-PROC) in paragraphs 18, 36, 37, 54, 55, 59, and 115.
03.1	3 December 2012	Editorial changes at paragraphs 12, 14(b) and 137.
03.0	23 November 2012	EB 70, Annex 4 Revision to reflect revised requirements for PoAs.
02.0	2 March 2012	EB 66, Annex 64 Revision to: <ul style="list-style-type: none"> <li>Add a clarification on the necessity of publishing a revised PDD or PoA-DD for global stakeholder consultation if the project participants wish to change an approved baseline and monitoring methodology applied in the PDD or PoA-DD published already</li> <li>Add a provision on the extension of the validity period of the methodology applied in a request for registration for the re-submission of a request for registration, based on the related provision in the “Guidelines on completeness check of requests for registration”, which has been withdrawn</li> <li>Correct or modify the titles of referred documents</li> </ul>
01.0	25 November 2011	EB 65, Annex 32 Initial adoption. This document, along with the “Clean development mechanism project standard” and the “Clean development mechanism validation and verification standard”, supersedes and replaces the following documents on the date when these three document above enter into force: <ul style="list-style-type: none"> <li>Clean development mechanism validation and verification manual (version 01.2)</li> <li>Procedures for requesting post-registration changes to the start date of the crediting period (version 02.0)</li> <li>Procedures for modalities of communication between project participants and the Executive Board (version 01.0)</li> <li>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 (version 04.1)</li> <li>Procedures for processing and reporting on validation of CDM project activities (version 03.0)</li> <li>Procedures for requests to the Executive Board for deviation from an approved methodology (version 01.0)</li> <li>Procedures for approval of the application of multiple methodologies to a programme of activities (version 01.0)</li> <li>Procedure for requests for registration of proposed CDM project activities (version 2.0)</li> <li>Procedures for review of erroneous inclusion of a CPA</li> </ul>

<i>Version</i>	<i>Date</i>	<i>Description</i>
		(version 03.0)
		<ul style="list-style-type: none"> <li>• Procedures for withdrawal of a request for registration (version 01.0)</li> <li>• Procedure for review of requests for registration (version 01.2)</li> <li>• Procedures for renewal of the crediting period of a registered CDM project activity (version 06.0)</li> <li>• Making the monitoring report available to the public in accordance with § 62 of the modalities and procedures for the CDM (version 01.0)</li> <li>• Procedure for requests for issuance of CERs (version 01.2)</li> <li>• Procedures for withdrawal of a request for issuance of certified emission reductions (version 01.0)</li> <li>• Procedure for review of requests for issuance of CERs (version 01.3)</li> <li>• Procedures for notifying and requesting approval of changes from the project activity as described in the registered PDD (version 01.0)</li> <li>• Procedures for revising monitoring plans in accordance with paragraph 57 of the modalities and procedures for the CDM (version 02.0)</li> <li>• Procedures for requests for deviation prior to submitting request for issuance (version 01.0)</li> <li>• Guidelines on the demonstration and assessment of prior consideration of the CDM (version 04.0)</li> <li>• Guidelines on the registration fee schedule for proposed project activities under the clean development mechanism (02.0)</li> <li>• Guidelines for requesting a review and making decisions and objections regarding review assessments (version 02.0)</li> <li>• 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 (version 01.0)</li> <li>• Form to submit request for revision of monitoring plan (F-CDM-REVM) (version 01.0)</li> <li>• Form for submission of requests for deviation prior to submitting request for issuance (F-CDM-DEV-ISS) (version 01.0)</li> </ul>