

**CDM-EB92-AA**

## Annotated agenda

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# CDM Executive Board ninety-second meeting

Version 01.0

Date of meeting: 31 October to 4 November 2016

Place of meeting: Marrakech, Morocco



**United Nations**  
Framework Convention on  
Climate Change

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## Annotations to the proposed agenda

### Agenda item 1. Agenda and meeting organization

#### Agenda item 1.1. Opening

1. ► **Action:** The Chair of the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) shall ascertain whether: (a) the members present constitute a quorum; and (b) the absence of any member or alternate member is “without proper justification”.<sup>1</sup>

*Background:* According to the Rules of procedure of the Board, at least two-thirds of the members of the Board, representing a majority of members from Parties included in Annex I to the Convention and a majority of members from Parties not included in Annex I must be present to constitute a quorum.

#### Agenda item 1.2. Adoption of the agenda

2. ► **Action:** Members may wish to adopt the proposed agenda for the ninety-second meeting.

*Background:* At its previous meeting, the Board agreed on items to be included in the provisional agenda for its ninety-second meeting. The proposed agenda was transmitted to the Board on 10 October, 2016, and thereafter posted on the UNFCCC CDM website in accordance with rule 21 of the Rules of procedure of the Board.

### Agenda item 2. Governance and management matters

#### Agenda item 2.1. Membership issues

3. ► **Action:** Members of the Board may wish to provide statements on any conflict of interest concerning the issues on the agenda for the meeting, and take action, as appropriate.

*Background:* Following the request by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), through its decision 2/CMP.5, to publish statements of conflict of interest on the UNFCCC CDM website, members and alternate members are requested to disclose whether they have any conflict of interest relating to the work of the Board at each meeting.

#### Agenda item 2.2. Strategic planning and direction

4. ► **Action:** The Board may wish to take note of an oral report on the latest carbon market and policy developments.

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<sup>1</sup> Rule 28 of the “Rules of procedure of the Executive Board of the clean development mechanism”, decision 4/CMP.1 (FCCC/KP/CMP/2005/8/Add.1).

*Background:* The Board, through its management plan (MAP) 2016, agreed to receive regular updates on developments and prospects in the carbon market and related governmental policies from the secretariat.

5. ► **Action:** The Board may wish to provide guidance on a concept note for “Share of proceeds to cover administrative expenses “, as contained in annex 1 to these annotations.

*Background:* With its decision 7/CMP.1, paragraph 37, the CMP provided guidance on accruing resources to cover the administrative expenses for operational functions of the CDM, also known as the share of proceeds (SOP).

6. ► **Action:** The Board may wish to consider an oral report about the decision by the Assembly of the International Civil Aviation Organization (ICAO) to establish a Carbon Offset and Reduction Scheme for International Aviation (CORSIA), and its potential impact on the CDM.

*Background:* In early October 2016, the ICAO Assembly adopted a market based measure (CORSIA) to achieve carbon neutral growth in international aviation. This briefing serves to inform the Board about the decision, the potential impact on demand for Certified Emission Reductions (CERs) from CDM, and measures the Board may wish to consider to further facilitate the use of CERs in international aviation.

### **Agenda item 2.3. Performance management**

7. ► **Action:** The Board may wish to consider an update on the rating system for assessing the performance of designated operational entities (DOEs).

*Background:* The Board, at its ninetieth meeting, requested the secretariat, in consultation with the CDM Accreditation Panel (CDM-AP), to propose improvements in the current rating system for DOE performance monitoring in the procedure for DOE performance monitoring for consideration by the Board at its ninety-second meeting. The Board may wish to consider this update in the context of the annual analysis of the decision to put the procedure for DOE performance monitoring on hold, as well as, the assessment of DOE performance, based on information on requests for registration and issuance.

8. ► **Action:** The Board may wish to consider the updated “CDM Executive Board workplan 2016”, as contained in annex 2 to these annotations.

*Background:* The Board, at its eighty-eighth meeting, approved the workplan of the Board for 2016 and requested the secretariat to include in future versions of the workplan, any new mandates arising from meetings, and to provide an update on the status of work at each meeting.

### **Agenda item 2.4. Matters related to the Board and its support structure**

9. ► **Action:** The Board may wish to adopt its CDM management plan (MAP) 2017, as contained in annex 3 to these annotations.

*Background:* By its decision, 6/CMP.11, the CMP requested the Board to ensure the transparent and prudent management of the CDM resources, including spending for those serving on the Board. At its eighty-seventh meeting, the Board adopted its two-year

business plan for 2016-2017. The proposed MAP 2017 is based on the goals and objectives as in the business plan.

10. ► **Action:** The Board may wish to take note of an update on the status of processing requests for registration and issuance.

*Background:* The Board, at its ninetieth meeting, took note of the status of processing submissions for requests for registration and issuance and the waiting time. The Board requested the secretariat to identify ways, and implement measures, to meet the expectation of the CMP, even when the submissions exceed those previously estimated. The Board requested the secretariat to report back on the status of waiting time at a future meeting.

11. ► **Action:** The Board may wish to consider a recommendation from the CDM-AP related to the International Organization for Standardization (ISO).

*Background:* The CDM-AP, at its last meeting, discussed potential areas of interest between the work of the Board and the ISO, and finalized its recommendations to be forwarded to the Board.

12. ► **Action:** The Board may wish to consider launching a call for members for the panels and working groups.

*Background:* In accordance with the terms of reference of the support structure of the Board, the Board shall select members of panels and working groups from those who have submitted their applications in response to public calls for experts. For this purpose, the secretariat shall launch the calls for experts on the UNFCCC CDM website.

## **Agenda item 2.5. Operations of panels and working groups**

### **(a). CDM Accreditation Panel**

13. ► **Action:** The Board may wish to take note the report of the 76<sup>th</sup> meeting of the CDM-AP.<sup>2</sup>

*Background:* The CDM-AP held its 76<sup>th</sup> meeting from 27 to 29 September 2016, in Bonn, Germany.

### **(b). Methodologies Panel**

14. ► **Action:** The Board may wish to take note of the report of the 71<sup>st</sup> meeting of the Methodologies Panel (MP).<sup>3</sup>

*Background:* The MP held its 71<sup>st</sup> meeting from 4 to 7 October 2016, in Bonn, Germany and addressed case-specific issues; methodological clarifications; guidance; and other issues.

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<sup>2</sup> <<https://cdm.unfccc.int/Panels/accreditation/index.html>>.

<sup>3</sup> <<https://cdm.unfccc.int/Panels/meth/index.html>>.

**(c). Small-Scale Working Group**

15. ► **Action:** The Board may wish to take note of the report of the 52<sup>nd</sup> meeting of the Small-Scale Working Group (SSC WG).<sup>4</sup>

*Background:* The SSC WG held its 52<sup>nd</sup> meeting from 4 to 6 October 2016, in Bonn, Germany and addressed case-specific issues, guidance and other issues.

## **Agenda item 3. Rulings (case specific)**

### **Agenda item 3.1. Accreditation**

16. ► **Action:** The Board may wish to:
- (a) Consider a recommendation from the CDM-AP on re-accreditation;
  - (b) Consider recommendations from the CDM-AP on under observation;
  - (c) Consider recommendations from the CDM-AP on suspension;
  - (d) Consider a recommendation from the CDM-AP on withdrawal;
  - (e) Take note of notifications from the CDM-AP on the completion of regular surveillance assessments;
  - (f) Take note of notifications from the CDM-AP on the completion of performance assessments;
  - (g) Take note of notifications from DOEs on partial voluntary withdrawal of their accreditation.

*Background:* In accordance with the accreditation procedure, the accreditation-related recommendations and the supporting documentation will be sent to the Board.

### **Agenda item 3.2. Registration**

17. ► **Action:** The Board may wish to take stock of the progress of registration of project activities and programmes of activities (PoAs).
- Background:* The information available on the UNFCCC CDM website<sup>5</sup> indicates the status of project activities submitted for registration. The information available in the section on “CDM Programmes of Activities” on the UNFCCC CDM website<sup>6</sup> indicates the status of PoAs submitted for registration.
18. ► **Action:** The Board shall consider the documentation for one request for registration as listed in table 1 below, for which a review has commenced.

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<sup>4</sup> <[http://cdm.unfccc.int/Panels/ssc\\_wg/index.htm](http://cdm.unfccc.int/Panels/ssc_wg/index.htm)>.

<sup>5</sup> <<http://cdm.unfccc.int/Projects/projsearch.html>>.

<sup>6</sup> <<http://cdm.unfccc.int/ProgrammeOfActivities/index.html>>.

*Background:* Three or more members of the Board or a Party involved requested a review of the request for registration listed in table 1 below. The subsequent assessments by the secretariat and the Registration and Issuance Team (RIT) contained different proposed decisions (i.e. one to register and the other to reject), or the same proposed decision (either to register or reject) but an objection was received from a member of the Board. In accordance with the “CDM project cycle procedure”, the Board shall decide whether to register the project activity or to reject the request for registration.

**Table 1. Request for registration review case for which assessments by the secretariat and the RIT contain different proposed decisions or an objection by a member of the Board was received**

Ref no.	Title
10258	Clinker Optimization in cement types production at Derba MIDROC cement plant

### **Agenda item 3.3. Issuance**

19. ► **Action:** The Board may wish to take stock of the progress of issuance for project activities, PoAs and the operation of the CDM registry.

*Background:* The information available in the section “Issuance Certified Emission Reduction” on the UNFCCC CDM website indicates the status of requests for issuance of project activities and PoAs.<sup>7</sup>

### **Agenda item 3.4. Other rulings**

20. ► **Action:** The Board may wish to note that no other rulings are to be considered at this meeting.

*Background:* Other rulings considered by the Board, in accordance with the applicable regulations, may include: reviews for requests for authorization for a DOE to perform a verification activity for the same project activity for which it has performed the validation, and reviews for requests for post-registration changes.

## **Agenda item 4. Regulatory matters**

### **Agenda item 4.1. Standards/tools**

#### **(a). Standards for CDM project activities and programmes of activities**

21. ► **Action:** The Board may wish to adopt the draft regulatory documents in “Revision of CDM project standard, validation and verification standard, and project cycle procedure”, the revised “Sampling and surveys for CDM project activities and programme of activities standard”, and the revised “Glossary CDM terms”, as contained in annexes 4, 5 and 6, respectively to these annotations.

<sup>7</sup> <[http://cdm.unfccc.int/Issuance/cers\\_iss.html](http://cdm.unfccc.int/Issuance/cers_iss.html)>.

*Background:* Based on a request from the CMP at its eleventh session<sup>8</sup>, the Board, at its ninety-first meeting requested the secretariat to reflect its guidance related to proposals to simplify and streamline the CDM in the relevant regulatory documents for CDM project activities and PoAs, as appropriate.

22. ► **Action:** The Board may wish to provide guidance on a concept note on “Cost-effective approaches for monitoring”, as contained in annex 13 to the MP 71 report.

*Background:* The Board, at its ninetieth meeting, requested the MP, in consultation with the SSC WG, and the secretariat, to propose revisions to regulatory documents on cost-effective and context-appropriate approaches for monitoring, reporting, and verification, and to provide additional analysis, taking into account the Board’s guidance.

23. ► **Action:** The Board may wish to provide guidance on a concept note on “Further elaboration on the proposed approach in expanding the application of the existing combined tool”, as contained in annex 12 to the MP 71 report.

*Background:* At its ninetieth meeting, the Board agreed with the direction of the approach outlined in the gap analysis to the application of the existing combined tool and requested the MP and secretariat to continue working jointly on this issue and revise the concept note, based on the Board’s feedback.

24. ► **Action:** The Board may wish to provide guidance on a concept note on the “Exploration of methodological options for developing ‘agriculture CDM’ (jointly by the MP, SSC WG, and secretariat)”, as contained in annex 7 to these annotations.

*Background:* At its eighty-ninth meeting, the Board requested the secretariat, jointly with the MP and the SSC WG, to prepare a detailed concept note prioritizing areas for new methodological developments, taking into account the criteria provided by the Board, and present it for the consideration of the Board at a future meeting.

25. ► **Action:** The Board may wish to provide guidance on a concept note on the “Establishment of a new CDM project activity in a physical or geographical location of an existing CDM project (jointly by the MP and secretariat)”, as contained in annex 8 to these annotations.

*Background:* At its eighty-ninth meeting, the Board requested the secretariat to prepare a revised concept note, jointly with the MP, taking into account the further guidance provided by the Board.

## **(b). Methodological standards for large-scale CDM project activities**

### **(i). New methodologies and tools (large-scale)**

26. ► **Action:** The Board may wish to consider the recommendation of the MP to adopt the proposed new methodologies:

- (a) "AM00XX: Introduction of a new district cooling system". The new methodology provides emission reductions for activities that reduce energy consumption by utilizing more efficient centralized cooling technologies against a baseline of

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<sup>8</sup> Decision 6/CMP.11, paragraph 18.



isolated cooling technologies. The proposed new methodology is contained in annex 2 to the MP 71 report.

- (b) "AM00XX: Introduction of low resistivity power transmission line". This methodology covers installation of new and efficient low resistivity high voltage alternating current power transmission lines (herein after project transmission line) or replacement of existing power transmission lines with project transmission lines providing the same or higher service as compared to baseline, thereby reducing the power losses and hence emission reductions. The proposed new methodology is contained in annex 3 to the MP 71 report.

*Background:* The recommendations are contained in paragraphs 18 and 19 of the report of the 71<sup>st</sup> meeting of the MP.

## (ii). Revisions to approved methodologies and tools (large-scale)

- 27. ► **Action:** The Board may wish to approve the recommendation of the MP to revise the "Methodological tool: Investment analysis", as contained in annex 11 to the MP 71 report. The revision is being carried out to:

- (a) Identify host countries where the cost of equity may be calculated using the Capital Asset Pricing Model (CAPM); and
- (b) Update the default value of the cost of equity.

*Background:* At its eighty-fifth meeting, the Board approved the "TOOL 27: Investment analysis" and requested the MP to revise the methodological tool to identify the host countries where the cost of equity may be calculated using the CAPM.

- 28. ► **Action:** The Board may wish to approve the recommendation of the MP to revise the "Methodological tool: Project and leakage emissions from biomass", as contained in annex 7 to the MP 71 report. The revision broadens the applicability of the tool to cover biomass cultivated on land where there was a forest plantation at the end of its last rotation.

*Background:* The draft revision is being carried out in response to the mandate received from the Board at its eighty-seventh meeting and further guidance received from the Board at its ninetieth meeting. The MP received input on the draft revision of this methodology from the SSC WG.

- 29. ► **Action:** The Board may wish to approve the recommendation of the MP to revise the methodology "ACM0014: Treatment of wastewater", as contained in annex 4 to the MP 71 report. The revision includes the simplified additionality procedures for existing waste water treatment facilities, as presented in the small-scale methodology AMS-III.H.

*Background:* The draft revision is being carried out in response to the mandate from the Board at its eighty-second meeting to standardize requirements on additionality.

- 30. ► **Action:** The Board may wish to approve the recommendations of the MP to revise the methodology "ACM0001: Flaring or use of landfill gas", as contained in annex 5 to the MP 71 report. The revision includes:

- (a) Additional clarity on the application of simplified additionality provisions in the methodology to new greenfield solid waste disposal sites recovering landfill gas;

- (b) Aligning the landfill gas monitoring with the provision contained in the methodological tool "Tool to determine the mass flow of a greenhouse gas in a gaseous stream";
- (c) Extension of the validity of the simplified additionality provisions for next three years.

*Background:* The draft revision is based on the mandate provided by the Board at its eighty-seventh meeting to include clarity on the applicable baseline including for situations under a suppressed demand scenario and to improve the clarity on simplified additionality provisions.

31. ► **Action:** The Board may wish to approve the recommendations of the MP to revise the following approved methodologies:

- (a) "AM0048: New cogeneration project activities supplying electricity and heat to multiple customers" as contained in annex 8 to the MP 71 report;
- (b) "AM0107: New natural gas based cogeneration plant" as contained in annex 9 to the MP 71 report;
- (c) "ACM0026: Fossil fuel based cogeneration for identified recipient facility(ies)" as contained in annex 10 to the MP 71 report.

*Background:* The draft revisions include the flowchart, applicability of sectoral scopes and editorial improvements. The revision is being carried out in response to the mandate from the Board at its eighty-ninth meeting.

### (iii). Clarifications (large-scale)

32. ► **Action:** The Board may wish to approve the recommendation of the MP regarding the response prepared for a request for clarification to an approved tool:

- (a) CLA\_TOOL\_0025: TOOL 04, Clarification on use of first order decay model for monthly emission calculation. The recommendations agreed by the MP are contained in table 5 in paragraph 29 of the report of its 71<sup>st</sup> meeting. Information on requests for clarifications on application of approved methodological tools is available on the UNFCCC CDM website.<sup>9</sup>

33. ► **Action:** The Board may wish to consider the recommendation by the MP to provide a mandate to revise the tool "Emissions from solid waste disposal sites", to allow estimation of emission reductions either monthly or yearly during the monitoring period and thereby to provide full flexibility to the project participants.

*Background:* The MP considered the clarification request for the use of first-order decay model for monthly emission calculation (CLA\_TOOL\_0025) and recognized that the current version of the tool "Emissions from solid waste disposal sites" limits the choice to select the basis of estimating the emission reductions to be either on monthly or yearly at registration, even though there are no differences between the calculation methods. The recommendation by the MP is contained in paragraph 30 of the report of the MP 71 meeting.

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<sup>9</sup> <<http://cdm.unfccc.int/methodologies/PAmethodologies/tools-clarifications/pending>>.

**(c). Methodological standards for small-scale CDM project activities**

**(i). Revisions to approved methodologies and tools (small-scale)**

34. ► **Action:** The Board may wish to approve the recommendation of the SSC WG to revise the following approved methodologies:

- (a) “AMS-III.Y: Methane avoidance through separation of solids from wastewater or manure treatment systems”, as contained in annex 1 to the SSC WG 52 report;
- (b) “AMS-III.F: Avoidance of methane emissions through composting”, as contained in annex 2 to the SSC WG 52 report.

*Background:* At its eighty-ninth meeting, the Board requested the SSC WG, in consultation with the MP and the secretariat, to initiate the work on the proposed revisions of approved methodologies (i.e. AMS-III.BK, AMS-III.Y and AMS-III.F), with the SSC WG to lead the work and the MP to provide input.

**Agenda item 4.2. Procedures**

35. ► **Action:** The Board may wish to adopt the draft revised “CDM accreditation procedure”, as contained in annex 9 to these annotations.

*Background:* The revised accreditation procedure addresses mandates received from the Board, including, an analysis on the impact of mandatory performance assessment on the performance of DOEs and costs of assessments, and, the decision to distribute DOE application fees for accreditation/ reaccreditation/ extension of scope.

**Agenda item 4.3. Policy issues**

36. ► **Action:** The Board may wish to consider any policy issues triggered by the consideration of registration and issuance cases.

*Background:* Following a request by the Board, policy issues that come up from the discussions during this meeting may be included for consideration, including policy issues encountered through the experience of the assessment of cases.

**Agenda item 5. Relations with forums and other stakeholders**

37. ► **Action:** The Board may wish to take note of a report on the results of an annual survey conducted among project participants on the status of CDM project activities.

*Background:* The Board, at its eighty-sixth meeting, requested the secretariat to conduct the survey on an annual basis.

38. ► **Action:** The Board may wish to take note of the “Annual report to the CDM EB on communications and feedback received from stakeholders” as contained in annex 10 to these annotations.

*Background:* In accordance with the “Procedure for direct communication with stakeholders”, the secretariat shall prepare an annual report on all communications

received through the dedicated interface on the UNFCCC CDM website and inputs received during workshops and events.

39. ► **Action:** The Board may wish to take note of external inputs to the annotated agenda of this Board meeting.

*Background:* Following the “Procedure: Direct communication with stakeholders”, stakeholders have the opportunity to provide comments on the annotated agenda. Comments received will be posted on the UNFCCC CDM website.

40. ► **Action:** The Board may wish to interact with the co-chairs of the global Designated National Authorities Forum (DNA Forum).

*Background:* In accordance with the “Procedure: Direct communication with stakeholders”, the Board shall allocate time twice a year during Board meetings for interaction with the global DNA Forum through its co-chairs.

41. ► **Action:** The Board may wish to interact with the DOE/accredited independent entity (AIE) Coordination Forum Chair.

*Background* The “Procedure: Direct communication with stakeholders” provides for the DOE/AIE Coordination Forum Chair to interact with the Board at each meeting.

42. ► **Action:** The Board may wish to take note of activities undertaken with regard to stakeholders, designated national authorities (DNAs), applicant entities (AEs) and DOEs.

*Background:* Following the “Procedure: Direct communication with stakeholders”, the Board and its support structure are to provide avenues for interaction with stakeholders, such as designated national authorities (DNAs), AEs, and DOEs, as well as to provide them with information and capacity-building.

43. ► **Action:** The Board may wish to interact with the registered observers.

*Background:* In accordance with the “Procedure: Direct communication with stakeholders”, the Board shall allocate a time slot for interaction with registered observers to the meeting. Such interactions should be limited to discussion on policy and general issues, and not on case-specific matters relating to the agenda items of that meeting.

## Agenda item 6. Other matters

44. ► **Action:** The Board may wish to agree tentatively on its calendar of meetings for 2017.

*Background:* Together with the consideration of the MAP 2017, the Board is also to consider a tentative calendar of meetings for 2017.

45. ► **Action:** The Board may wish to consider any other business it deems necessary.

## Agenda item 7. Conclusion of the meeting

46. ► **Action:** The Board may wish to adopt the report of the ninety-second meeting.

*Background:* The Chair will summarize the meeting and adopt the report, including references to any decisions taken.

## Annexes to the annotations

- Annex 1 - Concept note: Share of proceeds to cover administrative expenses
- Annex 2 - CDM Executive Board workplan 2016
- Annex 3 - Draft CDM management plan 2017
- Annex 4 - Revision of CDM project standard, validation and verification standard, and project cycle procedure
- Annex 5 - Draft Standard: Sampling and surveys for CDM project activities and programmes of activities standard
- Annex 6 - Draft Glossary: CDM terms
- Annex 7 - Concept note: Exploration of methodological options for developing 'agriculture CDM' (jointly by the MP, SSC WG, and secretariat)
- Annex 8 - Concept note: Establishment of a new CDM project activity in a physical or geographical location of an existing CDM project CDM' (jointly by the MP and secretariat)
- Annex 9 - Draft procedure: CDM accreditation procedure
- Annex 10 - Annual report on communications and feedback from stakeholders

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### Document information

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