CLEAN DEVELOPMENT MECHANISM

CDM-EB79-AA-A09

Revisions of regulatory documents due to introduction of standardized baselines

Version 01.0

United Nations
Framework Convention on
Climate Change

COVER NOTE*

1. Procedural background

1. The implementation of standardized baselines under the clean development mechanism (CDM) has constituted a project under the "CDM management plan 2012", "CDM two-year business plan and management plan 2013–2014" and "CDM two-year business plan 2014–2015 and management plan 2014".

2. At its sixty-eighth and sixty-ninth meetings, the CDM Executive Board (hereinafter referred to as the Board) considered the concept notes and draft revised documents of the "Clean development mechanism project standard" (hereinafter referred to as the PS) and the "Clean development mechanism validation and verification standard" (hereinafter referred to as the VVS), and the draft revised "Guidelines for completing the proposed new baseline and monitoring methodology form" (hereinafter referred to as the PNM guidelines) as a result of standardized baselines, and requested the secretariat to launch a public call for inputs and prepare a final draft for each of the three documents for the Board's consideration at its seventieth meeting.

3. The Board also considered a concept note on the impact of the update of standardized baselines on CDM project activities and requested the secretariat to undertake an analysis of the options related to the impact of update of standardized baselines on new and registered CDM projects, taking into account the public comments received, and to provide a proposal for the consideration of the Board.

4. After reflecting the guidance from the Board at its sixty-ninth meeting in the four draft documents above, the secretariat developed the current package of documents including the "Clean development mechanism project cycle procedure" (hereinafter referred to as the PCP) by incorporating comments and inputs received from a public call for inputs open from 27 September to 17 October 2012 and the sixth CDM Round Table on 12 October 2012.

5. At its seventieth meeting, the Board requested the secretariat to further revise the documents, taking into account the feedback provided by the Board as well as the agreed principles on updates of standardized baselines. The secretariat reflected these in the "Revision of regulatory documents due to introduction of standardized baselines (Version 02.0)" (hereinafter referred to as "this Revision") for the consideration of the Board in 2013.

6. At its seventy-third meeting, the Board considered a concept note on the further revision of the standardized baseline regulatory framework and agreed to develop a standard on the application of standardized baselines. The Board also requested the secretariat to

* Each draft revision of the PS, VVS, PCP and PNM guidelines is published as a separate appendix to this package document to avoid the reduced readability of using an "amendment" to each document. The proposed revisions affect many paragraphs in many chapters in each document. Under these circumstances, the publication of the entire revised documents contributes to the improving readability of the proposed revisions.

explore the possibility of developing a separate chapter on standardized baselines in the PS and VVS. The secretariat assessed that a separate standard on the application of standardized baselines was not necessary, and thus consolidated into this Revision the requirements that were planned to be included in the separate standard such as principles of standardized baselines.

7. At its seventy-fourth meeting, the Board considered the initial draft of this Revision, and requested the secretariat to further revise the documents, taking into account the feedback provided by the Board. The secretariat reflected in the initial draft of this Revision the feedback provided by the Board including removal of standardized baselines with methodology (SBM) and simplification of categories of standardized baselines.

8. At its seventy-fifth meeting, the Board considered the revised draft of the Revision, and requested the secretariat to further revise the documents, taking into account the feedback provided by the Board. The secretariat reflected in the final draft the following feedback provided by the Board:

   (a) The demonstration of prior consideration shall also be required for a project activity using a standardized baselines that standardizes the additionality;

   (b) Project participants shall not select a standardized baseline that standardizes the additionality where the starting dates of the proposed CDM project activity is before the date of approval of the relevant standardized baseline.

9. At its seventy-eighth meeting, the Board considered the concept note on the selection of standardized baselines vis-à-vis approved methodologies and agreed that:

   (a) The application of a standardized baseline within any Party is at the discretion of the designated national authority (DNA) of that Party, including the issue as to whether project activities covered by the standardized baseline may use approved methodologies instead of the standardized baseline;

   (b) In a case where the approval of the standardized baseline could pose a risk to environmental integrity, including as a result of the applicability determined by the DNA, the Board could reject the standardized baseline and engage with the DNA to address the environmental integrity risk.

2. Purpose

10. The objectives of this Revision are to enable:

   (a) Project participants to appropriately design and implement/monitor CDM project activities or programmes of activities (PoAs) using an approved standardized baseline, and designated operational entities (DOEs) to appropriately validate and verify them;

   (b) Proponents to develop a proposed new baseline and monitoring methodology that is used only with a proposed standardized baseline in cases where there are no applicable approved baseline and monitoring methodologies available.

3. Key issues and proposed solutions

11. Key issues and proposed solutions for the Board's consideration are:

    (a) Grace period for the use of applicable methodologies without using applicable standardized baselines in case of adoption of standardized baselines whose selection is required by the standardized baselines:

        (i) Key issue: If an applicable standardized baseline whose selection is required by the standardized baseline (e.g. ASB0001 and ASB0003) becomes effective, there is a risk that project participants have to revise project design documents (PDDs) that do not use the standardized baseline but use an applicable methodology even if they have already published the PDDs for global stakeholder consultation or submitted the notification of the intention to request a renewal of crediting period before the effective date of the standardized baseline;

        (ii) Proposed solution: To ensure fairness to such project participants, it is proposed that a project activity or PoA may still apply the applicable methodology(ies) without using the standardized baseline(s) until the 240th day from the effective date of the standardized baseline(s) in submitting a request for registration or a request for renewal of crediting period, in cases where a PDD or programme of activities design document (PoA-DD) has been published for global stakeholder consultation or has been submitted for the notification of the intention to request a renewal of crediting period before the effective date;

    (b) Application of the standardized baseline emission factor(s) in the standardized baselines that standardize the baseline emissions and that require an ex post application:

        (i) Key issue: Where a registered CDM project activity applies a constant standardized baseline that standardizes baseline emissions and that requires an ex post application of the standardized value(s), the standardized value(s) of the baseline emission factor(s) in the latest approved version of the applied standardized baseline(s), which could be an updated version of the applied standardized baseline(s) in the PDD, should be applied in each monitoring report.

        This is because, for example, the unpredictability of the fuel price in the market requires periodical ex post updates of the standardized value(s) of the fuel price to be reported in the subsequent monitoring reports.

        However, this ex post application of updated standardized baselines deviates from paragraph 45(a) of the report of the seventieth meeting of the Board (EB 70):

        "The updated standardized baseline shall not impact already registered projects up to the end of their first crediting period";

        (ii) Proposed solution: As per the proposal of the Methodologies Panel at its 62nd meeting, the secretariat recommends that the Board agree on the ex post application of the latest standardized value(s) in updated standardized

baselines as a deviation from paragraph 45(a) of the EB 70 report in order to ensure environmental integrity and follow the existing requirements related to ex post grid emission factors, only if the unpredictability of baseline parameters such as fuel price requires periodical ex post updates of the parameters. This ex post application will be stated in approved standardized baselines.

4. Impacts

12. This revision will help reduce the time and cost of PDD preparation and validation services especially in terms of additionality demonstration, baseline scenario establishment and baseline emission estimation while assuring environmental integrity.

13. Without the revised PS, VVS, PCP and PNM guidelines, project participants cannot appropriately design and implement/monitor CDM project activities or PoAs using approved standardized baselines[†] while DOEs cannot appropriately validate and verify them either.

5. Proposed work and timelines

14. If the Board adopts the draft revised PS, VVS, PCP and PNM guidelines at its seventy-ninth meeting in accordance with the recommendation in paragraph 15 below, the secretariat will:

    (a) Publish and put into force the revised PS, VVS and PCP and PNM guidelines on 25 June 2014;

    (b) Publish and put into force on 25 June 2014 the revised relevant forms and checklists to reflect the revisions in the revised PS, VVS and PCP;

    (c) Initiate updating the IT workflow for registration and issuance to include required processes under the revised PS, VVS and PCP. The secretariat expects to complete the essential updates to the IT workflow on 25 June 2014.

6. Recommendations to the Board

15. The secretariat recommends that the Board adopt the draft revised PS, VVS, PCP and PNM guidelines taking into consideration its guidance on the key issues and proposed solutions in paragraph 11 above.

16. If the Board adopts the draft revised PS, VVS, PCP and PNM guidelines, the secretariat recommends that the Board decide that:

    (a) The revised PS, VVS, PCP and PNM guidelines come into force on 25 June 2014 in accordance with paragraph 14(a) above;

    (b) The revised forms and checklists also come into force on 25 June 2014 in accordance with paragraph 14(b) above.

[†] As of 14 May 2014, the Board has approved four standardized baselines (i.e. ASB0001-4)

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Appendix 1 – Draft clean development mechanism project standard (Version 07.0)

CDM-EB79-AA-A09

Draft Standard

Clean development mechanism project 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 (hereinafter referred to as the CMP), at its first session, established the basis of the regulatory framework for the clean development mechanism (hereinafter referred to as the 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;

   (f) Annex to decision 10/CMP.7: Modalities and procedures for carbon dioxide capture and storage in geological formations under the clean development mechanism (hereinafter referred to as the CDM CCS M&Ps).

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 and standardized baselines), 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) 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 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 "Clean development mechanism 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 (PoA), 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 and entry into force

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 chapter 5 and requirements in chapters 6 and 7 of this Standard apply to any type of CDM project activities and PoA.

8. In addition to requirements in chapters 6 and 7, requirements in chapters 8, 9, 10, 11 and 12 specifically apply to small-scale project activities, large-scale afforestation and reforestation (A/R) project activities, small-scale A/R project activities, carbon dioxide capture and storage (CCS) project activities and PoAs, respectively.

9. Therefore, requirements in chapters 6, 7, 8, 9, 10 and 11 applicable to project participants for CDM project activities apply, where applicable, to coordinating/managing entities for CDM PoAs.

10. Requirements in chapter 13 apply to any type of CDM project activities and, as applicable, to CDM PoA. However, as experience with PoA is evolving, the applicability of certain requirements to PoA 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".

2.3. Entry into force

11_{bis}. Version 07.0 of this Standard enters into force on 25 June 2014.

3. Normative references

12. The following referenced documents are indispensable for the application of this Standard:

    (a) "Clean development mechanism project cycle procedure" (hereinafter referred to as the Project cycle procedure);

    (b) "Glossary of CDM terms".

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;

    (d) "Standardized baseline that standardizes additionality" is a standardized baseline established for a Party or a group of Parties to facilitate the determination of additionality (e.g. by providing a positive list of technologies, fuel or feedstock) for CDM project activities or PoAs, while providing assistance for assuring environmental integrity;

    (e) "Standardized baseline that standardizes baseline scenario" is a standardized baseline established for a Party or a group of Parties to facilitate the determination of the baseline scenario (e.g. by providing a description of the baseline scenario) for CDM project activities or PoAs, while providing assistance for assuring environmental integrity;

    (f) "Standardized baseline that standardizes baseline emissions" is a standardized baseline established for a Party or a group of Parties to facilitate the calculation of one or several sources of baseline emissions (e.g. by providing standardized values of parameters such as emission factors) for CDM project activities or PoAs, while providing assistance for assuring environmental integrity.

5. Principles

5.1. General

14. The following principles[1] 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.[2]

5.3. Completeness

16. Include all relevant GHG sources and 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.

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.

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, project participants shall consider and use, in addition to this Standard, all applicable methodologies, standardized baselines, tools and documents adopted by the CMP or the Board.[3]

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[1] 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 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 ISO.

[2] Intended users may include designated operational entities (DOEs), the Executive Board of the CDM, the UNFCCC secretariat, designated national authorities (DNAs) and local and other stakeholders.

[3] These documents are available on the UNFCCC CDM website.

21. Project participants 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.

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

22. Project participants 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) CCS project activity; or

    (f) Programme of activities, either large-scale, small-scale, large-scale A/R or small-scale A/R, or CCS.

6.2$_{bis}$. Selection of methodology

23. Project participants 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, project participants may:

    (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.

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.

6.2$_{ter}$. Selection of standardized baseline

25$_{bis}$. Project participants may select an approved standardized baseline (hereinafter referred to as selected standardized baseline) if the approved standardized baseline is valid and applicable to the proposed CDM project activity or PoA, and is applicable to the selected methodology.

25$_{ter}$. However, project participants shall select an approved standardized baseline (hereinafter referred to as selected standardized baseline) if:

(a) The approved standardized baseline is valid and applicable to the proposed CDM project activity or PoA and is applicable to the selected methodology;

(b) The applicable approved standardized baseline requires its selection.[3bis]

25_{quater}. Notwithstanding the provisions in paragraphs 25_{bis} and 25_{ter} above, project participants shall not select an applicable approved standardized baseline that standardizes additionality if the start date of the proposed CDM project activity or PoA is before the date when the approved standardized baseline becomes valid.

$25_{quinquies}$. If the PDD or PoA-DD using the selected methodology has been published for global stakeholder consultation when no applicable approved standardized baseline that requires its selection has become valid, and if after the publication of the PDD or PoA-DD for global stakeholder consultation but before the submission of a request for registration of the proposed CDM project activity or PoA, an applicable approved standardized baseline that requires its selection has become valid, the request for registration may be submitted using the selected methodology within 240 days after the standardized baseline becomes valid.

25_{sexies}. In their consideration of an approved standardized baseline applicable to the proposed CDM project activity or PoA, project participants shall follow the "Procedure: Development, revision, clarification and update of standardized baselines", if they wish to:

(a) Propose a new standardized baseline;

(b) Request a revision(s) to an approved standardized baseline;

(c) Seek clarification on an approved standardized baseline; or

(d) Propose an updated standardized baseline.

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, 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, project participants shall inform the host Party's designated national authority (DNA) 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, project participants shall demonstrate that the CDM was seriously considered in the decision to

[3bis] Such standardized baselines include ASB0001 and ASB0003 that state that the latest approved and valid values of the standardized baseline are the only values of the CO_2 emission factor(s) that shall be applied for the project electricity system.

implement the proposed project activity. Such demonstration requires the following elements to be satisfied:

(a) 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;[4]

(b) 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;[5]

(c) 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). 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.

7. Design requirements for all project types

7.1. Description of project activity or programme of activities

30. Project participants shall provide a description of the proposed CDM project activity or PoA that provides an understanding of the nature of the project and its implementation.

31. When describing the proposed CDM project activity or PoA, project participants shall:

(a) Provide a title for the project activity or PoA;

(b) Describe the purpose of the project activity, including a summary of the scope of activities/measures that are to be implemented within the project activity;

(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;

[4] 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.

[5] Evidence to support this should include one or more of the following: contracts with consultants for CDM/PDD/methodology/standardized baseline 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 standardized baseline, or requests for clarification or revision of existing methodologies or standardized baselines to the Board; publication in a newspaper; interviews with DNA; earlier correspondence on the project with the DNA or the secretariat.

(e) Describe the technology to be employed by the project activity to enable the identification of the project's scale and type, demonstration of additionality, application of the selected methodology and, where applicable, of the selected standardized baseline, 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);

(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. Project participants shall identify:

(a) Parties involved in the proposed CDM project activity;

(b) Project participants of the proposed CDM project activity.

34. Project participants 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 1 of the United Nations Framework Convention on Climate Change (hereinafter referred to as the Convention) is involved, project participants shall provide an affirmation obtained from Parties included in Annex 1 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 and selected standardized baseline

7.2.1. General

35. Project participants shall use the version(s) of the selected methodology(ies) and, where applicable, of the selected standardized baseline(s), that is(are) valid at the time of submission of the CDM project activity or CPA for registration, in accordance with the Project cycle procedure, taking into account:

(a) The grace period of the methodology(ies) if it(they) has(have) been revised;

(b) The grace period of the standardized baseline(s), where applicable, if it(they) has(have) been revised.

36. Project participants shall apply the selected methodology(ies) and, where applicable, the selected standardized baseline(s), to the proposed CDM project activity or CPA including any tools, standards or guidelines required by the methodology(ies).

7.2.2. Reference of methodology and standardized baseline

37. Project participants shall specify the reference (number, title and version) of the selected methodology(ies) and, where applicable, of the selected standardized baseline(s) that is(are) applied to the proposed CDM project activity or CPA, including any other methodologies or tools to which the selected methodology(ies) refers.

7.2.3. Applicability of methodology and standardized baseline

38. Project participants shall demonstrate why the selected methodology(ies) and, where applicable, the selected standardized baseline(s), is(are) applicable to the proposed CDM project activity or CPA by showing that all applicability conditions of the methodology(ies) and, where applicable, the standardized baseline(s) are met.

7.2.4. Project boundary

39. Project participants shall define the boundary of the proposed CDM project activity or PoA, including the physical delineation of the project activity, and which sources and GHGs are included in the project or CPA boundary, in accordance with the selected methodology(ies) and, where applicable, the selected standardized baseline(s).

40. In cases where the selected methodology(ies) allows project participants to choose whether a source or gas is to be included in the project or CPA boundary, project participants shall explain and justify the choice.

7.2.5. Establishment and description of baseline scenario

41. Project participants shall establish the baseline scenario for the proposed CDM project activity or CPA in accordance with the selected methodology(ies).

42. When establishing the 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", project participants should follow the "Guidelines on the consideration of suppressed demand in CDM methodologies".

43. As a general principle, national and/or sectoral policies and circumstances shall be taken into account in the establishment of a baseline scenario, without creating perverse incentives that may impact host Parties' contributions to the ultimate objective of the Convention.

44. When establishing the baseline scenario, project participants 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;[6]

    (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).[7]

45. Project participants 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 adoption of the Kyoto Protocol by the

[6] Such policies, which increase GHG emissions, are called type E+.

[7] Such policies, which decrease GHG emissions, are called type E-.

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&P (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. Project participants 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.

46_{bis}. The following applies to a proposed CDM project activity or CPA using an approved standardized baseline that standardizes the baseline scenario instead of paragraphs 41–46 above and 115–117 below: Project participants shall describe the baseline scenario(s) as per the selected standardized baseline(s).

7.2.6. Demonstration of additionality

47. 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 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, and if it is required by the selected methodology and/or any tool referenced in the methodology, project participants 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, project participants should also consider the following:

(a) “Guidelines on additionality of first-of-its-kind project activities”;

(b) “Guidelines on common practice”.

49_{bis}. The following applies to a proposed CDM project activity using an approved standardized baseline that standardizes additionality instead of paragraphs 47 above and 96 and 120 below: Project participants shall demonstrate that the proposed CDM project activity meets the additionality criteria (e.g. positive lists of technologies) identified in the selected standardized baseline(s) as well as the requirements relating to prior consideration of the CDM contained in section 6.3 above.

7.2.7. Emission reductions

50. Project participants 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) and, where applicable, the selected standardized baseline(s). Project participants shall describe all steps undertaken for these calculations and provide all results.

51. If the selected methodology(ies) and, where applicable, the selected standardized baseline(s) includes different scenarios or cases or provides different options and/or default values to choose, project participants shall justify which ones are applied to and/or chosen for the proposed CDM project activity or CPA.

52. Project participants shall provide the data and parameters that are not monitored throughout the crediting period but are determined only once 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) and, where applicable, the selected standardized baseline(s) allows the use of sampling for the determination of parameter values for calculating GHG emission reductions, project participants may use sampling. In such cases, project participants shall develop and describe the sampling plan in accordance with the "Standard for sampling and surveys for CDM project activities and programme of activities".

7.2.8. Monitoring plan

7.2.8.1. General

54. Project participants shall develop and describe the monitoring plan for the proposed CDM project activity or CPA in accordance with the selected methodology(ies), where applicable, the selected standardized baseline(s) 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) and, where applicable, the selected standardized baseline(s).

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 measuring equipments. In cases where neither the selected methodology and, where applicable, the selected standardized baseline, nor the Board's guidance specify any requirements for calibration frequency for measuring equipments, project participants 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 of project activity

57. Project participants shall determine the start date of the proposed CDM project activity and provide a description of how this start date has been determined.

58. Project participants shall define the expected operational lifetime of the proposed CDM project activity.

7.3.2. Crediting period

59. 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. Project participants shall determine the start date[8] of the crediting period of the proposed CDM project activity considering that the crediting period shall only start after the date of registration of the proposed project activity as a CDM project activity.

61. 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. 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".

[8] 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.

7.4. Environmental impacts

63. Project participants shall carry out an analysis of the environmental impacts of the proposed CDM project activity or PoA, including transboundary impacts. Project participants shall provide a summary of the analysis and references to all related documentation.

64. If project participants or the host Party considers the environmental impacts of the proposed CDM project activity or PoA significant, project participants shall carry out an environmental impact assessment in accordance with the host Party's procedures. Project participants shall provide all conclusions and references to all related documentation.

7.5. Local stakeholder consultation

65. Project participants shall invite local stakeholders to provide comments on the proposed CDM project activity or PoA and shall demonstrate how due steps/actions were taken to appropriately engage stakeholders and solicit comments.

66. Project participants 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. Project participants 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 of the applicable CDM M&Ps.

67. Project participants shall prepare a summary of the comments provided by local stakeholders.

68. Project participants shall demonstrate that they considered all comments received for the proposed CDM project activity or PoA.

69. Project participants shall complete the local stakeholder consultation process before submitting the proposed CDM project activity or PoA to a DOE for validation.

7.6. Approval and authorization

70. Project participants shall obtain a letter of approval[9] from the DNA of each Party involved in the proposed CDM project activity confirming that:[10]

    (a) The Party is a Party to the Kyoto Protocol;

    (b) Participation in the proposed CDM project activity is voluntary;

[9] 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.

[10] 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 shall be obtained.

(c) 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 shall also confirm that the proposed CDM project activity assists the host Party in achieving sustainable development.

7.7. Modalities of communications

72. Project participants 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. Project participants wishing to submit a CDM project activity for validation shall prepare a PDD using the latest version of the CDM-PDD form applicable to the project activity, taking into account the grace period of the form if it has been revised.[11]

74. When completing the PDD, project participants shall provide all necessary information and documentation to demonstrate 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, project participants should follow the applicable guidelines for completing CDM-PDD forms.

76. 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)[12] of the project activity. Project participants shall have a contractual arrangement with the DOE for the validation.

77. Project participants shall submit the completed PDD of the proposed CDM project activity, together with supporting documentation, to the selected DOE for validation.

[11] All various PDD forms and related guidelines are available on the UNFCCC CDM website.

[12] The list of all 16 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.

78. Information used to demonstrate additionality, describe the application of the selected methodology and, where applicable, the selected standardized baseline, and support an environmental impact assessment shall not be considered proprietary or confidential.

79. Before publishing the PDD for the proposed CDM project activity or CPA for global stakeholder consultation, in accordance with the Project cycle procedure, project participants may request the DOE to seek guidance from the Board on the acceptability of a deviation from

(a) The selected methodology(ies); or

(b) A section (or sections) in the selected methodology that is(are) not standardized by the selected standardized baseline(s), if the proposed CDM project activity uses an approved standardized baseline.

8. Specific design requirements for small-scale project activities

8.1. General requirements

80. Project participants designing a small-scale CDM project activity following the CDM SSC M&Ps shall only use small-scale methodologies and, where applicable, standardized baselines. However, project participants may use a large-scale methodology and, where applicable, a standardized baseline for a project activity that is within the small-scale project activity thresholds if the project activity follows the CDM M&Ps.

8.2. Project activity eligibility

81. 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);

(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; 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 CO2e 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;

(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)[13], 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,[14] "maximum output" shall be calculated using a conversion factor of 700 Wth/m2 of aperture area of glazed flat plate or evacuated tubular collector, i.e. the eligibility limit in terms of aperture area is 64,000 m2 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. Project participants shall consider that:

(a) The three types of small-scale CDM project activities defined 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) The sum of the size of components of a small-scale CDM project activity belonging to the same type shall not exceed the limits for small-scale project activities.

8.3. Bundling of project activity

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

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

[14] 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. Project participants shall demonstrate that the proposed small-scale CDM project activity is not a debundled component of a large-scale project activity.

88. 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.

8.6. Application of selected baseline and monitoring methodology and selected standardized baseline

8.6.1. General

90. If the proposed small-scale CDM project activity involves more than one component, 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, project participants shall use:

(a) The appropriate value specified in the selected methodology or, where applicable, the selected standardized baseline;

(b) The national standard for the performance of the equipment type (project participants shall identify the standard used) if the value specified in subparagraph (a) 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 (project participants shall identify the standard used) if the value specified in subparagraph (b) is not available;

(d) The manufacturer's specifications, provided that they are tested and certified by national or international certifiers, if the value specified in subparagraph (c) is 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 subparagraph (d) is not available.

92. In cases where leakage is to be considered in the proposed small-scale CDM project activity, project participants shall consider leakage only within the boundaries of non-Annex I Parties.

93. In case of replacement of existing equipments, 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, project participants may disregard the remaining lifetime.

95. Project participants shall consider that norms, specifications, standards and test procedures cited in the selected methodology and, where applicable, the selected standardized baseline refer to the latest 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, project participants shall apply or use one of the following:

(a) "Attachment A of Appendix B". In such cases, project participants should also follow the "Non-binding practice examples to demonstrate additionality for SSC project activities";

(b) Any applicable additionality tool; or

(c) "Guidelines for 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_2e per year.

8.6.3. Monitoring plan

97. In developing the monitoring plan for the proposed small-scale CDM project activity, 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 or, where applicable, the selected standardized baseline;

(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 location/national data and commercial data to ensure consistency.

98. For parameters to be measured in accordance with the selected methodology or, where applicable, the selected standardized baseline, 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 applies 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.

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 and, where applicable, the selected standardized baseline 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, 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. 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. 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 for validation, project participants shall have established the control over afforestation or reforestation for at least two-thirds of the total area of land planned for proposed A/R CDM project activity.

105. When submitting the PDD for validation, 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 for validation, 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. Project participants shall express each of the estimates of baseline net GHG removals by sinks on a per hectare basis. The larger 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 control over the registered A/R CDM project activity has not yet been established when the PDD is submitted for validation, project participants shall provide evidence of control at the latest by the time of submitting the first monitoring report for verification.

109. When submitting the first monitoring report 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. 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 ~~"Procedure to demonstrate the eligibility of lands for afforestation and reforestation CDM project activities".~~ "A/R methodological tool: Demonstration of eligibility of lands for A/R CDM project activities" or, where applicable, the selected standardized baseline. ~~For such demonstration, for both large- and small-scale A/R CDM project activities, it is sufficient to follow this procedure and it is not essential to differentiate between afforestation and reforestation project activities.~~

9.4. Addressing non-permanence

111. 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 approach shall remain fixed for the crediting period including any renewals:

(a) Issuance of tCERs; or

(b) Issuance of lCERs.

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

9.5.1. General

112. 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 project participants do so, they shall justify the exclusion.

114. Project participants shall ensure that the application of default data in estimation of the net anthropogenic GHG removals by sinks for the proposed A/R CDM project activity results in conservative estimates. ~~In this estimation, 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. 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.

117. The following applies instead of paragraph 46 above: 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: 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 and, where applicable, the selected standardized baseline.

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, 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 instead of paragraph 47 above: 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. 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. Project participants shall monitor forest establishment and management, if required for the compliance with the applicability conditions of the selected methodology.

123. Project participants shall describe how the geographic coordinates of the project boundary, including boundaries of strata if any, are determined and recorded.

124. 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. Project participants shall identify measures to minimize potential leakage and describe how these will be implemented.

126. Project participants shall specify the procedures for the periodic review of implementation of activities and measures to minimize leakage, if required by the selected methodology.

9.6. Duration and crediting period

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

128. The following applies 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 a maximum of 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/lCERs as of the starting date.

9.7. Environmental impacts

129. Paragraphs 130–132 below apply instead of paragraphs 63–64 above.

130. 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. Project participants shall provide a summary of the analysis and references to all related documentation.

131. If project participants or the host Party consider the environmental impacts of the proposed A/R CDM project activity significant, project participants shall carry out an environmental impact assessment in accordance with the host Party's procedures. 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, project participants shall provide a description of the planned monitoring and remedial measures to address these significant impacts.

9.8. Socio-economic impacts

133. 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. Project participants shall provide a summary of the analysis and references to all related documentation.

134. If project participants or the host Party consider any negative impact as significant, project participants shall carry out a socio-economic impact assessment, in accordance with the host Party's procedures. 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, 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. 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;

(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. 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 carbon dioxide capture and storage project activities

11.1. Definitions for CCS project activities

138. **Carbon dioxide capture and storage** - the capture and transport of carbon dioxide from anthropogenic sources of emissions, and the injection of the captured carbon dioxide into an underground geological storage site for long-term isolation from the atmosphere;

139. **Geological storage site** - a paired geological formation, or a series of such formations, consisting of an injection formation of relatively high porosity and permeability into which carbon dioxide can be injected, coupled with an overlying cap rock formation of low porosity and permeability and sufficient thickness which can prevent the upward movement of carbon dioxide from the storage formation;

140. **Operational phase** - the period that begins when carbon dioxide injection commences and ends when carbon dioxide injection permanently ceases;

141. **Closure phase** - the phase that follows the operational phase and is the period that begins when carbon dioxide injection permanently ceases and ends when the geological storage site has been closed;

142. **Closure of a geological storage site** - the completion of the sealing of the geological storage site, including the appropriate plugging of wells relating to the geological storage site;

143. **Post-closure phase** - the phase that follows the closure phase and is the period that begins when the geological storage site has been closed;

144. **Seepage** - a transfer of carbon dioxide from beneath the ground surface or seabed ultimately to the atmosphere or ocean;

145. **Site development and management plan** - the documented description of how a geological storage site will be operated and managed;

146. **History matching** - the process of comparing observed results from the monitoring and measurement of a geological storage site with the results of the predictive numerical modelling of the behaviour of carbon dioxide injected into the geological storage site, and the use of the observed results to calibrate and update numerical models and modelling results. It can involve multiple iterations;

147. **Liability** - the legal responsibility arising from the CCS project activity or the relevant geological storage site, with the exception of the obligations arising from a net reversal of storage as set out in section ”Addressing non-permanence in CCS project activities” of the Project cycle procedure but including all obligations related to the operation of the storage site (e.g. monitoring, remedial measures, etc.), to compensate for or remedy any significant damages, including damage to the environment, such as ecosystem damage, other material damages or personal injury;

148. **Remedial measures** - actions and measures intended to stop or control any unintended physical leakage or seepage of carbon dioxide, to restore the integrity of a geological storage site, or to restore long-term environmental quality significantly affected by a CCS project activity;

149. **Net reversal of storage of carbon dioxide** means that:

    (a) For a verification period during the crediting period, the accumulated verified reductions in anthropogenic emissions by sources of greenhouse gases (GHGs) that have occurred as a result of a registered CDM project activity are negative (i.e. the seepage from the geological storage site of the CCS project activity exceeds the remainder of the emission reductions achieved by the CCS project activity);

    (b) For a verification period after the end of the last crediting period, seepage has occurred from the geological storage site of the CCS project activity.

11.2. Description of project activity or programme of activities

150. In addition to the requirements mentioned in section 7.1 above, for CCS project activities the project participants shall:

    (a) Provide a description and analysis of the environmental conditions in the area of the geological storage site prior to any storage of carbon dioxide, including a description of the following:

        (i) The hydrology, aquifer and groundwater properties, such as acidity and dissolved gases;

        (ii) Where appropriate, the soils and soil gas properties, such as a carbon dioxide isotope analysis and carbon dioxide flux rate;

        (iii) The ecosystems and the possible presence of rare or endangered or sensitive species and their habitats;

        (iv) Climatic data;

(b) Demonstrate that the proposed project activity[15] does not involve:

(i) The transport of carbon dioxide from one country to another; and/or

(ii) A geological storage site that is located in more than one country.

11.3. Host Party participation requirements

151. Project participants implementing a CCS project activity shall demonstrate that the host Party of the CCS project activity has:

(a) Submitted an expression of its agreement to the UNFCCC secretariat to allow the implementation of CCS project activities on its territory; and

(b) Established laws or regulations in accordance with the host Party participation requirements set out in section "Participation requirements of host Party for CCS project activities" of the Project cycle procedure, which state that, prior to hosting CDM CCS project activities on its territory, a host Party shall ensure that it has established laws and/or regulations which:

(i) Set procedures that include provisions for the appropriate selection, characterization and development of geological storage sites, recognizing the project requirements for CCS project activities under the CDM set out in section 11.4 below;

(ii) Define means by which rights to store carbon dioxide in, and gain access to, a subsurface pore space can be conferred to project participants;

(iii) Provide for timely and effective redress for affected entities, individuals and communities for any significant damages, such as environmental damage, including damage to ecosystems, other material damages or personal injury, caused by the project activity, including in the post-closure phase;

(iv) Provide for timely and effective remedial measures to stop or control any unintended seepage of carbon dioxide, to restore the integrity of a geological storage site, and to restore long-term environmental quality significantly affected by a CCS project activity;

(v) Establish means for addressing liability arrangements for carbon dioxide geological storage sites, taking into account the provisions set out in section 11.9 below;

(vi) For a host Party that accepts the obligation to address a net reversal of storage, establish measures to fulfil such an obligation.

[15] As per paragraphs 10 and 41 of decision 5/CMP.8; the CMP decided that the eligibility of these types of project activities shall be considered by the Subsidiary Body for Scientific and Technological Advice at its forty-fifth session, and also decided that although these types of project activities would merit inclusion under the CDM, more practical experience of carbon dioxide capture and storage project activities in geological formations under the CDM would be beneficial.

152. In addition to the requirements for approval and authorization set out section 7.6 above, project participants shall seek written confirmation of the following from the DNA of the host Party:

    (a) That the right to store carbon dioxide in, and gain access to, the proposed geological storage site has been conferred to them;

    (b) That the host Party agrees to the financial provision described in the PDD (see section 11.8 below);

    (c) That the host Party accepts the allocation of liability as proposed in the PDD and the transfer of liability (see section 11.9 below);

    (d) Whether the host Party accepts the obligation to address a net reversal of storage in the situation referred to in section “Addressing non-permanence in CCS project activities” of the Project cycle procedure.

11.4. Selection and characterization of the geological storage site

153. The project participants shall describe the selection and characterization of geological storage site. Projects participants shall demonstrate that the they have selected a geological storage site:

    (a) In which, under the proposed conditions of use:

        (i) There is no significant risk of seepage (as evidenced by the results of the risk and safety assessment carried out in accordance with section 11.6 below);

        (ii) No significant environmental or health risks exist (as evidenced by the risk and safety assessment carried out in accordance with section 11.6); and

        (iii) The selected geological storage site complies with all laws and regulations of the host Party, as applicable;

    (b) That is not located in international waters.

154. When selecting a geological storage site, projects participants shall evaluate:

    (a) All available evidence, such as data, analysis and history matching, indicating that the injected carbon dioxide will be completely and permanently stored such that, under the proposed or actual conditions of use, no significant risk of seepage or risk to human health or the environment exists. The results of this evaluation should be supported by, and consistent with, the results of the risk and safety assessment carried out in accordance with section 11.6 below;

    (b) Whether the geological storage site is suitable for potable water supply.

155. If the proposed geological storage site is suitable for potable water supply, a decision about whether the site is eligible for geological storage shall be made by the host Party, taking into account the results of the site characterization and the risk and safety assessment of the proposed geological storage site, following the procedures outlined in the CCS modalities and procedures.

156. When characterizing the geological storage site, project participants shall take the following steps:

(a) Step 1: data and information collection, compilation and evaluation. The project participant shall collect sufficient data and information to characterize the geological storage site and determine potential seepage pathways. The project participant shall evaluate (i) the collected data and information in order to make a preliminary assessment of the site's storage capacity and to assess the viability of monitoring and (ii) the quality of the data and information and, where required, collect new data;

(b) Step 2: characterization of the geological storage site architecture and surrounding domains. The project participant shall assess the known and inferred structures within the injection formation(s) and cap rock formation(s) that would act as barriers to, or facilitators of, the migration of injected carbon dioxide. The project participant shall compile a numerical three-dimensional static earth model (or models) of the geological storage site. The project participant shall assess the uncertainty associated with key parameters used to build the model. The model shall be used by the project participant to characterize, inter alia:

(i) The structure of the geological containment;

(ii) All relevant geological properties of the injection formation(s);

(iii) The cap rock formation(s) and overburden;

(iv) The fracture system;

(v) The areal and vertical extent of the geological storage site (e.g. the injection formation, the cap rock formation, overburden, secondary containment zones and surrounding domains);

(vi) The storage capacity in the injection formation(s);

(vii) The fluid distribution and physical properties;

(viii) Other relevant characteristics;

(c) Step 3: characterization of dynamic behaviour, sensitivity characterization and risk assessment. The project participant shall assess how the injected carbon dioxide can be expected to behave within the geological storage site architecture and surrounding domains, with a particular focus on the risk of seepage. The project participant shall utilize numerical dynamic modelling of the injected carbon dioxide using the static model developed in step 2 above to assess:

(i) Coupled processes (i.e. the interaction between each single process in the model);

(ii) Where possible, reactive processes (e.g. the interaction of injected carbon dioxide with in situ minerals in the numerical model); and

(iii) Short-term and long-term simulations.

Such numerical modelling shall be used to provide insight into the pressure

and extent of carbon dioxide in the geological storage site over time, the risk of fracturing the cap rock formation(s) and the risk of seepage. Multiple simulations shall be conducted to identify the sensitivity of the assessments to assumptions made. The simulations carried out in this step shall form the basis for risk and safety assessments, detailed in section 11.6 below;

(d) Step 4: establishment of a site development and management plan. Drawing on steps 1–3 above, the project participant shall establish a site development and management plan. The development and management plan shall address the proposed conditions of use for the geological storage site and include, inter alia, descriptions of:

(i) The preparation of the site;

(ii) Well construction, such as materials and techniques used, and the location, trajectory and depth of the well;

(iii) Injection rates and the maximum allowable near-wellbore pressure;

(iv) Operating and maintenance programmes and protocols;

(v) The timing and management of the closure phase of the proposed CCS project activity, including site closure and related activities.

157. When characterizing and selecting a geological storage site, project participants shall use a wide range of data and information, including, inter alia:

(a) Geological information, such as descriptions of the overburden and cap rock formation(s) and injection formation(s), locations of mapped faults, subsurface well and wellbore information, permeability and porosity, which are important in determining the injectivity of the injection formation, and the cap rock formation containment capacity, and information about regional tectonics, including the stress field and historical seismic activity;

(b) Geophysical information, such as the thickness and lateral extent of the storage and cap rock formation(s), pressure, temperature, the existence of faults, and reservoir heterogeneity. Sources of data may include, inter alia, well logs, sonic logs and seismic surveys;

(c) Geomechanical information, such as the stress state and the rock fracture pressure within the injection formation(s) and the cap rock formation(s). Sources of data include borehole data, such as breakouts inferred from calliper and televiewer logs, minifrac results, information about anisotropy within the reservoir, and mud loss events;

(d) Geochemical information, such as information on rock and fluid properties and mineralogy. Fluid properties, such as the brine salinity, should also be used to determine dissolution trapping rates;

(e) Hydrogeological information, such as aquifer characteristics and aquifer flow direction and rates within the geological storage site, the overburden and surrounding domains.

158. Project participants shall demonstrate that they have selected and characterized the geological storage site in accordance with the requirements referred to in paragraphs 153–157 above and provide all relevant supporting documents. Project participants shall describe and document transparently the methods, assumptions and models used, the type and sources of information and data used, as well as the process and steps taken to characterize and select the geological storage site, including the findings and outcomes from each step.

11.5. Project boundary

159. The following applies in addition to paragraphs 39 and 40 above [Project standard]: The project participants shall define the boundary of a CCS project activity to include:

(a) Where applicable, the following:

(i) The installation where the carbon dioxide is captured;

(ii) Any treatment facilities;

(iii) Transportation equipment, including pipelines and booster stations along a pipeline, or offloading facilities in the case of transportation by ship, rail or road tanker;

(iv) Any reception facilities or holding tanks at the injection site;

(v) The injection facility;

(vi) Subsurface components, including the geological storage site and all potential sources of seepage, as determined during the characterization and selection of the geological storage site;

(b) The vertical and lateral limits of the carbon dioxide geological storage site that are expected when the carbon dioxide plume stabilizes over the long term during the closure phase and the post-closure phase.

11.6. Risk and safety assessment

160. Project participants shall carry out a comprehensive risk and safety assessment in order to assess the integrity of the geological storage site and potential impacts on human health and ecosystems in proximity to the proposed CCS project activity. The risk and safety assessment shall also be used to inform environmental and socioeconomic impact assessments. The risk and safety assessment shall:

(a) Consider specific risks associated with containment failure resulting in emissions of greenhouse gases from above-ground installations and seepage from subsurface installations, and the potential effects on, inter alia:

(i) The contamination of underground sources of drinking water;

(ii) The chemical properties of seawater;

(iii) Human health and ecosystems (e.g. as a result of carbon dioxide accumulations at dangerous levels in non-turbulent air);

(b) Consider the risk of continuous slow seepage from a geological storage site. This type of event can arise due to, inter alia:

(i) Seepage along injection well(s) or abandoned well(s);

(ii) Seepage along a fault or fracture;

(iii) Seepage through the cap rock formation;

(c) Consider the risk of sudden mass release of carbon dioxide from surface CCS installations, for example due to pipeline rupture;

(d) Cover the full chain of CCS, including surrounding environments;

(e) Provide assurance of safe operational integrity regarding the containment of carbon dioxide, based on site-specific information about the geological storage site, potential seepage pathways, and secondary effects of storing carbon dioxide in the geological storage site, such as brine migration;

(f) Be used to determine operational data for the application of the site development and management plan, such as to set the appropriate maximums of injection pressure that will not compromise the confining cap rock formation(s) and the overburden of the geological storage site;

(g) Take account of the effects of potential induced seismicity or other geological impacts, as well as any other potential consequences for the environment, including on local ecosystems, property and public health, and global environmental effects on the climate directly attributable to the CCS project activity, including effects due to seepage;

(h) Be used to help prioritize locations and approaches for enhanced monitoring activities;

(i) Provide a basis for remedial measures, including plans for responses that can stop or control any unintended emissions from surface CCS installations and seepage of carbon dioxide, restore the integrity of a geological storage site, and restore long-term environmental quality significantly affected by a CCS project activity. Such measures and plans shall accompany monitoring plans;

(j) Include a communication plan.

161. In order to assess the potential risks of carbon dioxide capture, transportation and storage in a geological storage site, project participants shall take the following steps:

(a) Step 1: hazard characterization. The project participant shall analyse the following:

(i) Potential hazards resulting from the capture, transportation and injection of carbon dioxide;

(ii) Potential seepage pathways from the geological storage site;

(iii) The magnitude of potential seepage for identified potential seepage pathways;

(iv) Critical parameters affecting potential seepage, such as the maximums of injection formation pressure, injection rates and temperature;

(v) The sensitivity to various assumptions made during numerical modelling;

(vi) Any other factors which could pose a hazard to human health and the environment;

(b) Step 2: exposure assessment. The project participant shall undertake an exposure assessment based on the characteristics of surrounding populations and ecosystems, the potential fate and behaviour of any seeped carbon dioxide, and other factors;

(c) Step 3: effects assessment. The project participant shall undertake an effects assessment based on the sensitivity of species, communities or habitats linked to potential seepage events identified during the hazard characterization and the effects of elevated carbon dioxide concentrations in the atmosphere, biosphere and hydrosphere;

(d) Step 4: risk characterization. The project participant shall assess the safety and integrity of the geological storage site in the short-, medium- and long-term, including an assessment of the risk of seepage under the proposed conditions of use set out in the site development and management plan;

(e) Step 5: contingency plan for large incidents, including seepage. The project participant shall prepare all the necessary plans that are to be put in place in case of large incidents, including availability of trained personnel, materials and equipment and financial means to mitigate adverse impacts of the incident and teams prepared to act as swiftly as possible.

162. Project participants shall provide:

(a) A detailed description of the risk and safety assessment referred to in paragraphs 160 and 161 above;

(b) A copy of the communications and contingency plans referred to in paragraphs 160 and 161 above; and

(c) References to all relevant supporting documents.

11.7. Monitoring

163. Project participants shall include in the PDD provisions for monitoring the proposed CCS project activity that meet the following objectives:

(a) To provide assurance of the environmental integrity and safety of the geological storage site;

(b) To confirm that the injected carbon dioxide is contained within the geological storage site and within the project boundary;

(c) To ensure that injected carbon dioxide is behaving as predicted in order to minimize the risk of any seepage or other adverse impacts;

(d) To ensure that good site management is taking place, taking account of the proposed conditions of use set out in the site development and management plan, established in step 4 of section 11.4 above;

(e) To detect and estimate the flux rate and total mass of carbon dioxide from any seepage;

(f) To determine whether timely and appropriate remedial measures have been carried out in the event of seepage;

(g) To determine the reductions in anthropogenic emissions by sources of greenhouse gases that have occurred as a result of the registered CCS project activity.

164. In developing the monitoring plan for the proposed CCS project activity, project participants shall meet the objectives set out above by:

(a) Reflecting the principles and criteria of international good practice for the monitoring of geological storage sites and consider the range of technologies described in the relevant sections of the Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines for National Greenhouse Gas Inventories and other good practice guidance;

(b) Transparently specifying which parameters and information will be monitored and collected, and the location and frequency of application of different monitoring techniques during the operational phase, closure phase and post-closure phase;

(c) Providing for specific techniques and methods that can:

(i) Detect and estimate the quantity of the carbon dioxide stored in the geological storage site;

(ii) Detect potential seepage via pathways in the cap rock formation(s) and in the overburden and surrounding domains in the geological storage site;

(iii) Estimate the flux rate and total mass of carbon dioxide from any seepage;

(d) Including provisions for history matching, by using the monitoring results to calibrate and update the numerical models that were used to characterize the geological storage site;

(e) Providing for measurement of the carbon dioxide stream and composition, including impurities, at various points in the carbon dioxide capture, transportation and storage chain, including at the point(s) of injection into the geological storage site, at an appropriate frequency;

(f) Providing for measurement of the temperature and pressure at the top and bottom of the injection well(s) and observation well(s), at an appropriate frequency;

(g) Providing for the monitoring and measurement of various geological, geochemical and geomechanical parameters, such as fluid pressures, displaced fluid characteristics, fluxes and microseismicity, at an appropriate frequency;

(h) Providing for the monitoring and measurement of relevant parameters in the overburden and surrounding domains of the geological storage site, such as the monitoring of groundwater properties, soil gas measurements and measurements of the surface concentrations of carbon dioxide in the air, which shall be calibrated to detect signs of seepage, at an appropriate frequency;

(i) Providing for the detection of corrosion or degradation of the transport and injection facilities;

(j) Providing for an assessment of the effectiveness of any remedial measures taken in the event of seepage.

165. Project participants shall, for each verification period, carry out history matching and, where necessary, update the numerical models used to characterize the geological storage site by conducting new simulations using the monitored data and information. Project participants shall adjust the numerical models if significant deviations (as defined in the approved CCS methodology used by the CCS project activity) occur between observed and predicted behaviour. The project participants shall immediately notify the host Party and the CDM Executive Board in writing if a significant deviation occurs at any stage of the project cycle.

166. Where significant deviations are observed during history matching or when requesting a renewal of the crediting period, the project participants shall, as appropriate:

(a) Recharacterize the geological storage site, in accordance with section 11.4 above;

(b) Revise the project boundary;

(c) Update the risk and safety assessment, in accordance with section 11.6 above;

(d) Update the environmental and socioeconomic impact assessments, referred to in section 11.10 below;

(e) Revise the monitoring plan, in order to improve the accuracy and/or completeness of data and information, taking into account observed deviations determined during history matching, changes to the project boundary, changes to the risk and safety assessment, changes to the environmental and socioeconomic impact assessments, new scientific knowledge and improvements in the best available technology;

(f) Update the site development and management plan, taking account of the results of the activities described in subparagraphs (a–e) above, where appropriate.

167. Where the information prepared in accordance with paragraph 166 above indicates that the geological storage site no longer meets the requirements set out in paragraphs 153 and 154 above, the issuance of CERs shall cease.

168. Project participants shall account for any seepage that occurs during the crediting period(s) of a CCS project activity as project or leakage emissions in the calculation of the monitored reductions in anthropogenic emissions by sources of greenhouse gases that have occurred as a result of the registered CDM CCS project activity. Any seepage that occurs after the end of the last crediting period shall be quantified and reported in monitoring reports.

169. The monitoring of the geological storage site shall:

(a) Begin before injection activities commence, to ensure adequate time for the collection of any required baseline data;

(b) Be conducted at an appropriate frequency during and beyond the crediting period(s) of the proposed CCS project activity;

(c) Not be terminated earlier than 20 years after the end of the last crediting period of the CDM project activity or after the issuance of CERs has ceased, whichever occurs first;

(d) Only be terminated if no seepage has been observed at any time in the past 10 years and if all available evidence from observations and modelling indicates that the stored carbon dioxide will be completely isolated from the atmosphere in the long term. This may be demonstrated through the following evidence:

(i) History matching confirms that there is agreement between the numerical modelling of the carbon dioxide plume distribution in the geological storage site and the monitored behaviour of the carbon dioxide plume;

(ii) Numerical modelling and observations confirm that no future seepage can be expected from the geological storage site.

170. The project participant(s) liable for the geological storage site, or an entity that is under contract to the project participant(s), shall conduct the monitoring of the geological storage site unless and until the transfer of liability to the host Party is effected in accordance with section 11.9 below.

11.8. Requirements for financial provision

171. Project participants shall establish a financial provision that:

(a) Meets all obligations in accordance with the laws and regulations of the host Party arising from the establishment and operation of the proposed CCS project activity;

(b) Allows for the ongoing safe operation of the geological storage site in accordance with the laws and regulations of the host Party;

(c) Addresses the risk of project participant insolvency in accordance with the laws and regulations of the host Party;

(d) Offers a means of redress for affected communities and ecosystems in the event of seepage from a geological storage site of a CCS project activity in accordance with the laws and regulations of the host Party;

(e) Enables the host Party to discharge its obligations arising in connection with the transfer of liability.

172. The financial provision shall cover:

(a) The cost of ongoing monitoring, at an appropriate frequency, of the geological storage site and of verification and certification by a DOE for at least 20 years

after the end of the last crediting period of the CCS project activity or after the issuance of CERs has ceased, whichever occurs first;

(b) In the event of seepage, the cost associated with the obligations set out in section "Addressing non-permanence in CCS project activities" of the Project cycle procedure;

(c) The cost of any remedial measures required by laws and regulations of the host Party;

(d) Any other requirements determined by the host Party that are agreed at the time of the host Party approval and described in the PDD.

173. Project participants shall describe the type and amount of the financial provision and provide a detailed cost estimate for each of the requirements referred to in paragraph 172 above, including underlying assumptions and justifications.

174. The financial provision shall, in accordance with the laws and regulations of the host Party, be transferable to the host Party upon fulfilment of all obligations of the project participants in accordance with the CDM rules and requirements and the laws and regulations of the host Party, or upon insolvency of the project participant(s).

11.9. Liability

175. Project participants shall clearly document in the PDD how the liability obligations arising from the proposed CCS project activity or its geological storage site are allocated during the operational phase, closure phase and post-closure phase.

176. Relevant provisions of laws and regulations of the host Party, including those referred to in section 11.3 above, shall apply to matters related to liability.

177. During the operational phase and any time thereafter until a transfer of liability to the host Party has been effected in accordance with paragraph 178 below, liability shall reside with the project participants.

178. A transfer of liability from a project participant(s) to the host Party shall be effected after:

(a) The monitoring by the project participant of the geological storage site has been terminated in accordance with the conditions for such termination, as set out in section 11.7 above;

(b) The host Party has established that the conditions set out by the DNA in its letter of approval, referred to in section 11.3 above, and those set out in the relevant laws and regulations applicable to the geological storage site, have been complied with.

179. Project participants shall notify the Board in writing, through the relevant DNA, not less than six months before the transfer of liability is scheduled to occur.

11.10. Environmental and socioeconomic impact assessments

180. The following applies instead of paragraphs 63 and 64 above: The project participants shall carry out comprehensive environmental and socioeconomic impact assessments in accordance with the laws and regulations of the host Party, including with regard to

potential transboundary impacts, drawing upon the risk and safety assessment referred to in section 11.6 above. Such assessments shall:

(a) Include a detailed description of the planned monitoring and remedial measures to address any environmental and socioeconomic impacts identified, and be compiled in accordance with procedures as required by the host Party;

(b) Analyse thoroughly and exhaustively air emissions (e.g. nitrogen oxides, sulphur oxides, dust, mercury, polycyclic aromatic hydrocarbons), solid waste generation, and water use associated with current CCS technologies;

(c) Be conducted applying the best available techniques in order to facilitate a high level of protection for the environment as a whole and for communities;

(d) Include at least a comprehensive analysis of the environmental and socioeconomic impacts including consideration of the potential impacts of carbon dioxide storage on potable water supply.

181. Project participants shall provide a detailed summary of the environmental and socioeconomic impact assessment and provide references to all relevant supporting documents.

11.11. Verification and certification

182. Project participants may select the time for the initial verification and certification of a CCS project activity by a DOE, taking into account that subsequent verification and certification reports shall be submitted by the DOE to the Executive Board not later than five years after the end of the previous verification period.

183. Verification and certification of a CCS project activity shall continue, in accordance with paragraph 179 above, beyond the end of the last crediting period by the DOE appointed by project participants and until such time as the monitoring of the geological storage site has been terminated in accordance with the conditions for the termination of monitoring, as set out in paragraph 169 above.

12. Specific design requirements for programme of activities

12.1. Description of programme of activities

184. The coordinating/managing entity shall develop a framework for the implementation of the proposed CDM PoA and inclusion of CPAs under the PoA.

185. The coordinating/managing entity shall describe the policy/measure or stated goal that the proposed CDM PoA seeks to promote.

186. The coordinating/managing entity shall confirm that the proposed CDM PoA is a voluntary action by the coordinating/managing entity.

187. 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.

188. The coordinating/managing entity shall define the boundary for 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.

189. 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.[16]

190. Also as part of the proposed CDM PoA, the coordinating/managing entity shall define a specific CPAs[17] 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. 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 shall be provided for each of the remaining generic CPA-DDs 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.

[16] 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).

[17] Also referred to as actual case or real case CPA-DD.

191. 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 for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities".

12.2. Description of component project activities

192. Each CPA shall have only one host Party.

193. The coordinating/managing entity shall provide the geographic reference or other means of identification[18] of the CPAs.

194. 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's scale and type, demonstration of additionality, application of the selected methodology(ies) and, where applicable, of the selected standardized baseline(s) and calculations of GHG emission reductions or net GHG removals.

195. 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.

196. The coordinating/managing entity shall confirm that the CPA is neither registered as a CDM project activity nor included in another registered PoA.

12.3. Eligibility criteria

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

12.4. Application of selected baseline and monitoring methodologies and selected standardized baselines

12.4.1. General requirements

198. In selecting an approved methodology(ies) and, where applicable, an approved standardized baseline(s), ~~T~~the coordinating/managing entity shall consider that any approved methodology and approved standardized baseline are ~~approved for application~~ applicable to ~~both CDM project activities and~~ CPAs under a PoA[18bis]. ~~Proposed new methodologies submitted for consideration by the Board should clearly define the activity to which the proposed methodology is applicable~~.

[18] For example: the geographic reference for stationary CPAs; the registration number or GPS devices for mobile CPAs.

[18bis] See EB 68 meeting report, paragraph 97.

199. The coordinating/managing entity applying combinations of technologies/measures and/or approved CDM methodologies among CPAs of a PoA shall apply the combinations in accordance with the "Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities" and the Project cycle procedure.

12.4.2. Demonstration of additionality

200. The following applies instead of paragraphs 47 above and 47_{bis} 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".

201. 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.

12.4.3. Sampling

202. 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 for sampling and surveys for CDM project activities and programme of activities".

12.4.4. Monitoring plan

203. 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 and, where applicable, the selected standardized baseline.

12.5. Debundling of small-scale component project activities

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

12.6. Duration and crediting period

12.6.1. Duration of programme of activities and component project activities

205. The following applies 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.

206. The coordinating/managing entity shall specify the duration of the proposed CDM PoA, which shall not exceed 28 years (60 years for an A/R PoA), counting from the start date of the PoA.

207. 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.

208. The coordinating/managing entity shall confirm that the start date of any proposed CPA is on or after the start date of the PoA.[19]

12.6.2. Crediting period

209. Paragraphs 210-214 below apply instead of paragraphs 59–62 above.

210. The coordinating/managing entity shall renew the PoA every seven years (every 20 years for an A/R PoA) counting from the date of its registration.

211. The coordinating/managing entity shall select the type (fixed or renewable) and duration of the crediting period of a proposed CPA, considering that the start date of the crediting period of a CPA shall be on or after:[20]

    (a) The date of registration of the PoA, if the corresponding CPA DD is submitted together with the request for registration;

    (b) The date of approval of the corresponding specific case CPA DD, if the specific case CPA-DD is submitted for approval by the Board in accordance with paragraph 190(b) above;

    (c) The date when the CPA was included in accordance with the Project cycle procedure.

212. The coordinating/managing entity shall select the type (fixed or renewable) and duration of the crediting period of a proposed CPA, considering that:

    (a) If a renewable crediting period type is chosen for a CPA, each renewable crediting period shall be at most seven years (20 years for an A/R CPA) and may be renewed at most two times, for a maximum total length of 21 years (60 years for an 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;

    (b) A fixed crediting period shall be at most 10 years;

[19] 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.

[20] See footnote 18 above.

(c) The duration of the crediting period of a CPA shall not exceed the duration of the PoA, regardless of the crediting period type (renewable or fixed) of the CPA;

(d) Where lCERs are expected to be issued for a 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.

213. The coordinating/managing entity shall determine only one start date for the crediting period of the proposed CDM CPA, even in cases of phased implementation of the CPA.

214. The coordinating/managing entity shall state the start date of the crediting period of the proposed CDM CPA in the format dd/mm/yyyy, and shall not use any qualifications to the start date, such as “expected”.

12.7. Environmental impacts

215. The analysis of the environmental impacts and the environmental impact assessment, as per sections 7.4, 8.7and/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.

12.8. Local stakeholder consultation

216. 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.

217. For the actual CPA part of the proposed CDM PoA, the local stakeholder consultation shall be completed before submission of the PoA for validation. For CPAs to be included in the registered PoA, the local stakeholder consultation shall be completed before inclusion in the PoA.

12.9. Approval and authorization

218. Paragraphs 219–224 below apply instead of paragraphs 70–71 above.

219. 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.

220. 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 286 below, and following the post-registration change process as defined in the Project cycle procedure.

221. In addition to the requirement in paragraph 219, for the coordinating/managing entity from the host Party, the letter of approval shall also confirm that the proposed CDM PoA assists the host Party in achieving sustainable development.

222. The coordinating/managing entity shall obtain from each host Party a letter of authorization of its coordination of the proposed CDM PoA.

223. Each project participant shall be authorized to participate in the proposed CDM PoA by at least one Party involved in the proposed PoA.

224. The operators of individual CPAs are not required to be project participants. CDM project participation is only recorded at the PoA level.

12.10. Modalities of communications

225. The following 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.

12.11. Validation

226. Paragraphs 227–232 below apply instead of paragraphs 73–77 above.

227. A coordinating/managing entity wishing to submit a CDM PoA for validation shall complete a PoA-DD using the latest version of the CDM-PoA-DD form applicable to the PoA, taking into account the grace period of the form if it has been revised.

228. Along with the PoA-DD for the proposed CDM PoA, the coordinating/managing entity shall complete the relevant CPA-DDs in accordance with paragraph 190 above, using the latest version of the CPA-DD form applicable to the CPAs, and taking into account the grace period of the form if it has been revised.

229. 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.

230. When completing a PoA-DD and a CPA-DD, the coordinating/managing entity shall provide all necessary information and documentation to demonstrate the compliance of the proposed CDM PoA and CPA with all applicable requirements in this Standard and other CDM rules and requirements.

231. The coordinating/managing entity and/or project participants shall select a DOE for the validation of the proposed CDM PoA and CPA 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.

232. The coordinating/managing entity shall submit to the selected DOE for validation the completed PoA-DD, the generic CPA-DD and the completed CPA-DD.

12.12. Inclusion of component project activities in programme of activities

233. A 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 234–235 below are met.

234. 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 under the PoA.

235. The coordinating/managing entity shall then submit to a DOE a completed CPA-DD specific to the proposed CPA demonstrating compliance of the CPA with all applicable requirements.

13. Implementation and monitoring requirements for all project types

13.1. General requirements

236. Project participants shall implement the registered CDM project activity in accordance with the description in the registered PDD including all physical features.

237. Project participants shall operate the registered CDM project activity in accordance with the description in the registered PDD.

238. Project participants shall monitor the registered CDM project activity and its GHG emission reductions or net GHG removals in accordance with the monitoring plan as described in the registered PDD (hereinafter referred to as the registered monitoring plan).

13.2. General description

239. Project participants shall provide the following information regarding the implemented registered CDM project activity:

(a) Title and number;

(b) Project participants involved;

(c) Location;

(d) Reference of applied methodology(ies), ~~and~~ tool(s) ~~applied~~ and, where applicable, standardized baseline(s);

(e) Type, duration and start date of the crediting period;

(f) Number and date of the monitoring period.

13.3. Description of implemented registered project activity

240. Project participants shall provide a description of the implemented registered CDM project activity 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 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 and, where applicable, the applied standardized baseline;

(ii) How the issues resulting from these events or situations have been addressed.

241. Project participants shall indicate whether any request for prior approval by the Board of changes to the registered CDM project activity has been submitted, in accordance with the Project cycle procedure, and, if applicable, the date of approval.

13.4. Description of monitoring system

242. Project participants 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.

13.5. Data and parameters

243. Project participants 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 and, where applicable, the applied standardized baseline. Project participants shall provide information on how data and parameters have been monitored.

244. For each parameter, project participants 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, 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.

245. Project participants shall indicate whether any request for temporary deviations or permanent changes from the registered monitoring plan, ~~or~~ applied methodology or applied standardized baseline has been submitted, in accordance with the Project cycle procedure, and, if applicable, include the date of approval.

245$_{bis}$. For a registered CDM project activity using an approved standardized baseline that standardizes baseline emissions, project participants shall apply, in the first monitoring report of the first crediting period, the version of the applied standardized baseline that contains more conservative standardized value(s)[20bis] of the parameter(s) (e.g. emission factors) between the latest version[20ter] applicable at the first day of the first monitoring period and the latest version applicable at the last day of the first monitoring period.[20quater] In the subsequent monitoring reports for the first crediting period, project participants shall apply:

(a) The same version as the one applied in the first monitoring report, where the registered CDM project activity applies:

(i) An approved constant standardized baseline that standardizes baseline emissions and that does not require an ex post application of the standardized values; or

(ii) An approved dynamic standardized baseline[20quinquie] that standardizes baseline emissions; or

[20bis] A more conservative value(s) provides lower baseline emissions. However, if a standardized parameter(s) (e.g. the grid emission factors) as an approved standardized baseline is(are) also used for the purpose of determining the project emissions and/or leakage emissions, a more conservative value(s) provides lower emission reductions.

[20ter] The latest version of the applied standardized baseline(s), referred to in paragraphs 245$_{bis}$ and 245$_{ter}$, does not refer to the previous version(s) that is(are) still valid after a major and/or minor revision(s) in accordance with the "Procedure: Development, revision, clarification and update of standardized baselines" but refers to the latest version only.

[20quater] See EB 70 meeting report, paragraph 45(c). For example, if version 01.0 is the latest version of the applied standardized baseline at the first day of the first monitoring period while version 02.0 is the latest version at the last day of the first monitoring period and contains more conservative values, version 02.0 applies to the first monitoring report. However, if version 0.10 is the latest version both at the first and last days of the first monitoring period, then version 01.0 applies to the first monitoring report.

[20quinquie] See EB70 meeting report, paragraph 45(f). A "constant standardized baseline" refers to a standardized baseline without a dynamic factor(s) such as approved standardized baselines ASB0001, ASB0002, ASB0003 and ASB0004. On the other hand, a "dynamic standardized baseline" refers to a standardized baseline with a dynamic factor(s) (e.g. autonomous improvement factors). For example, one option in the calculation of baseline emissions in the approved methodology AM0070 requires that a specific electricity consumption of a certain class and design of refrigerators be reduced annually by a fixed percentage of autonomous improvement factors. Therefore, a standardized baseline developed using the methodological approach of AM0070 can be a dynamic standardized baseline.

(b) The latest version applicable at the first day of each monitoring period, where the registered CDM project activity applies an approved constant standardized baseline that standardizes baseline emissions and that requires an ex post application of the standardized values.[20septies]

245$_{ter}$. For a registered CDM project activity using an approved standardized baseline that standardizes baseline emissions, if the selected type of crediting period is renewable, project participants shall apply, in the first monitoring report for the second or third crediting period, the version of the applied standardized baseline that contains more conservative standardized value(s) of the parameter(s) (e.g. emission factors) between the latest version applicable on the submission date of the notification of their intention to request a renewal of the crediting period and the latest version applicable on the first day of the first monitoring period in the new crediting period.[20sexies] In the subsequent monitoring reports for the second or third crediting period, project participants shall apply:

(a) The same version as the one applied in the first monitoring report of the respective crediting period, where the registered CDM project activity applies:

(i) An approved constant standardized baseline that standardizes baseline emissions and that does not require an ex post application of the standardized values; or

(ii) An approved dynamic standardized baseline that standardizes baseline emissions; or

(b) The latest version applicable at the first day of each monitoring period, where the registered CDM project activity applies an approved constant standardized baseline that standardizes baseline emissions and that requires an ex post application of the standardized values.

13.6. Calculation of emission reductions or net removals

246. Project participants shall identify the formulae used and provide the calculations of the following for the monitoring period of the registered CDM project activity:

(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.

247. Project participants shall provide a comparison of actual GHG emission reductions or net anthropogenic removal of the registered CDM project activity with estimates in the registered PDD.

[20septies] This refers to an approved standardized baseline that requires project participants to use the latest standardized value(s) of baseline emission parameter(s) in the latest version of the standardized baseline for the monitoring reports subsequent to the first monitoring report.

[20sexies] See EB 70 meeting report, paragraph 45(d).

248. For any registered CDM project activity, except A/R project activities, project participants 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.

13.7. Verification of implemented registered project activity and monitored emission reductions or net removals

249. Project participants wishing to report, for verification and certification, on the GHG emission reductions or net GHG removals of the implemented registered CDM project activity shall prepare a monitoring report for the relevant monitoring period using the latest version of the monitoring report form applicable to the project activity, taking into account the grace period of the form if it has been revised.

250. When completing a monitoring report form, project participants shall provide all necessary information and documentation to demonstrate compliance of the implemented registered CDM project activity and monitored GHG emission reductions or net GHG removals with all applicable requirements in this Standard and other applicable CDM rules and requirements.

251. When completing a monitoring report form, project participants should follow the "Guidelines for completing the monitoring report form (CDM-MR)".

252. Project participants shall select a DOE for the verification of the implemented registered CDM project activity 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. Project participants shall have a contractual arrangement with the DOE for the verification.

253. Project participants shall submit the completed monitoring report of the implemented registered CDM project activity for the relevant monitoring period, together with supporting documentation, to the selected DOE for verification.

254. If the DOE's verification of the implemented registered CDM project activity's monitoring report has been selected by the secretariat as a performance assessment under the "Procedure for accrediting operational entities by the Executive Board of the clean development mechanism (CDM)", project participants shall facilitate access to the project site for the CDM assessment team.

13.8. Post registration changes

13.8.1. General requirements

255. Project participants shall identify and document any actual or proposed changes to the operation, implementation and/or monitoring of the registered CDM project activity 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.

256. 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, project participants shall revise the MoC statement in accordance with the Project cycle procedure.

257. Project participants shall ensure that any DOE referred to in paragraphs 259, 262, 266, 268 and 274 below is accredited for the validation function and sectoral scope(s) of the registered CDM project activity.

13.8.2. Temporary deviations from the registered monitoring plan, ~~or~~ applied methodology or applied standardized baseline

258. If project participants are temporarily unable to monitor the registered CDM project activity in accordance with the registered monitoring plan, ~~or~~ the applied methodology~~,~~ or the applied standardized baseline, project participants shall describe the nature, extent and duration of the non-conforming monitoring and the proposed alternative monitoring of the project activity in the monitoring report.

259. In such cases, project participants 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 in accordance with the registered monitoring plan , ~~or~~ the applied methodology~~,~~ or the applied standardized baseline; 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.

260. Project participants 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.

13.8.3. Permanent changes

13.8.3.1. Corrections

261. If project participants make any corrections to project information or parameters fixed at validation as described in the registered PDD, project participants shall document these corrections in a revised PDD.

262. In such cases project participants 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.

13.8.3.2. Changes to the start date of the crediting period

263. Project participants of a registered CDM project activity for which the start date of the crediting period was prior to the date of registration may not request any changes in the start date of the crediting period.

264. Project participants of a registered CDM project activity may not request any changes to the start date of the crediting period of more than two years – not more than four years for project activities hosted by a Least Developed Country.

265. Project participants of a registered CDM project activity 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, taking into account that the start date shall not be earlier than the effective date of registration of the project activity;

(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.

266. Where the proposed change of the start date of the crediting period of a registered CDM project activity 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 –, project participants shall:

(a) Demonstrate that no changes have occurred to the project activity that would result in a less conservative baseline, and that substantive progress has been made by the project participants to start the project activity;

(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.

13.8.3.3. Permanent changes from the registered monitoring plan, ~~or~~ applied methodology or applied standardized baseline

267. If project participants are unable to implement the registered monitoring plan 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 and, where applicable, the applied standardized baseline, project participants shall describe the nature and extent of the non-conforming monitoring in a revised PDD and the proposed alternative monitoring of the project activity (unless the registered PDD already contains this description).

268. In such cases, project participants shall either:

(a) Inform the DOE contracted to perform a verification for the monitoring period during which it was identified that the project participants are unable to implement the registered monitoring plan and it will not be possible to monitor the project activity in accordance with a monitoring plan that would comply with the applied methodology and, where applicable, the applied standardized baseline; 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.

269. Project participants 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.

13.8.3.4. Changes to the project design of a registered project activity

270. Where there are changes to the project design of a registered CDM project activity, project participants shall prepare a revised PDD which describes the nature and extent of the proposed or actual changes, including:

(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 project participants differing from the expected parameters;

(e) Any consequential changes to the baseline methodology and/or the standardized baseline resulting from subparagraphs (a)–(d) above, including changing or adding another baseline methodology and/or another standardized baseline or applying a baseline scenario that is more appropriate as a result of the proposed or actual modifications to the project activity.

271. Project participants shall report in the revised PDD the impacts of the proposed or actual changes to the registered CDM project activity on the following:

(a) The applicability and application of the applied methodology and, where applicable, the applied standardized baseline under which the project activity has been registered;

(b) Compliance of the monitoring plan with the applied methodology and, where applicable, the applied standardized baseline;

(c) The level of accuracy and completeness in the monitoring of the project activity;

(d) The additionality of the project activity;

(e) The scale of the project activity.

272. In cases where the proposed or actual changes affect the additionality of the registered CDM project activity, as referred to in paragraph 271(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, project participants shall only modify the key parameters in the original spreadsheet calculations affected by the proposed or actual modifications to the project activity;

(b) In cases where only barriers have been claimed to demonstrate additionality, project participants shall demonstrate that the barriers are still valid under the new circumstances.[21]

[21] 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.

272$_{bis}$. The following applies to a registered CDM project activity using an approved standardized baseline that standardizes additionality instead of paragraph 272 above: In cases where the proposed or actual changes affect the additionality of the registered CDM project activity, as referred to in paragraph 271(d) above, the demonstration of the impacts of changes shall be based on the additionality criteria (e.g. positive lists of technologies) identified in the applied standardized baseline(s).

273. Where project participants cannot demonstrate compliance with the requirements of the applied methodology and, where applicable, the applied standardized baseline under which the CDM project activity has been registered, project participants shall:

(a) ~~r~~Revise the PDD applying:

(i) ~~t~~The latest version of the methodology and/or the standardized baseline; or

(ii) ~~a~~Another methodology and/or another standardized baseline that is(are) applicable to the project activity; and

(b) ~~shall d~~Demonstrate compliance with the requirements of the selected methodology and/or the selected standardized baseline.

274. In such cases, project participants shall either:

(a) Submit the revised PDD, 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.

13.9. Renewal of crediting period

275. Project participants wishing to renew the crediting period of a registered CDM project activity or PoA shall notify the secretariat of their intention in accordance with the Project cycle procedure.

13.9.1. Renewal of crediting period of project activities

276. To support a request for renewal of the crediting period of a registered CDM project activity, project participants shall update the sections of the PDD of the project activity relating to the baseline, estimated GHG emission reductions and the monitoring plan using a baseline and monitoring methodology as follows:

(a) Project participants shall use the ~~latest approved~~ valid version of the methodology applied in the original PDD, i.e. the version that is valid at the time of submission of the revised PDD for the renewal of the crediting period;

(b) If the methodology applied in the original PDD was withdrawn after the registration of the project activity and replaced by a consolidated methodology, project participants shall use the ~~latest approved~~ valid version of the respective consolidated methodology, i.e. the version that is valid at the time of submission of the revised PDD for the renewal of the crediting period; 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, project participants shall either:

(i) Select another applicable methodology; or

(ii) Request, through the DOE, a deviation from a methodology for the purpose of renewal of the crediting period.

276$_{bis}$. In updating the PDD of the registered CDM project activity in accordance with paragraph 276 above, project participants shall consider the application of an approved standardized baseline to the project activity as follows:

(a) Project participants shall use the valid version of an approved standardized baseline if:

(i) An approved standardized baseline is applied in the original PDD; or

(ii) An approved standardized baseline is not applied in the original PDD but the valid version of an applicable approved standardized baseline requires its use;[21bis]

(b) If the project activity does not meet the applicability criteria of the valid version of the standardized baseline applied in the original PDD in subparagraph (a)(i) above due to the revision of the standardized baseline, project participants shall:

(i) Select another applicable approved standardized baseline; or

(ii) Use only the valid version of the methodology that is applied in the original PDD, that is still applicable to the project activity and that can be used independently for estimating emission reductions without the standardized baseline applied in the original PDD;

(c) Project participants shall not use an applicable approved standardized baseline if:

(i) An approved standardized baseline is not applied in the original PDD;

(ii) The applicable approved standardized baseline that standardizes addtionality and/or the baseline scenario does not require its use;

(d) Project participants may use the valid version of an applicable approved standardized baseline if:

(i) An approved standardized baseline is not applied in the original PDD;

(ii) The applicable approved standardized baseline that standardizes baseline emissions does not require its use;

(e) If the updated PDD using the valid version of the applicable methodology applied in accordance with paragraph 276(a)-(c) above has been submitted for the notification of the intention to request a renewal of crediting period when no applicable approved standardized baseline that requires its use has become

[21bis] For an explanation on the standardized baseline that requires its use, see footnote 3$_{bis}$ above.

valid, and if after the submission of the updated PDD for the notification of the intention to request a renewal of crediting period but before the submission of a request for renewal of crediting period, an applicable approved standardized baseline that requires its use has become valid, the request for renewal of crediting period using the valid version of the applicable methodology may be submitted within 240 days after the standardized baseline becomes valid.

277. To demonstrate the validity of the original baseline or its update, project participants are not required to re-assess the baseline scenario. Instead, project participants shall assess the GHG emission reductions that would have resulted from that scenario.

278. Project participants shall assess and incorporate the impact of national and/or sectoral policies and circumstances existing at the time of requesting renewal of the crediting period on the current baseline GHG emissions, without reassessing the baseline scenario.

278$_{bis}$. The requirements contained in paragraph 278 above are not applicable to a registered CDM project activity that:

(a) Uses an approved standardized baseline that standardizes the baseline scenario in the original PDD; or

(b) Used only the selected methodology in the original PDD but, at the renewal of crediting period, used the valid version of an applicable approved standardized baseline that standardizes the baseline scenario and requires its use in accordance with paragraph 276$_{bis}$(a)(ii) above.

279. Where data and parameters used for determining GHG emission reductions that are determined ex ante (and not monitored during the crediting period) are no longer valid, 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".

280. Project participants shall engage a DOE to undertake a validation of the updated PDD of the registered CDM project activity.

13.9.2. Renewal of crediting period of programme of activities

281. 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 276–280 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, where applicable, standardized baseline(s) 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 and/or the standardized baseline has(have) 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(s) of the methodology and/or the standardized baseline.

282. The result of the process presented in paragraph 281 above defines a new version of the PoA-DD and the generic CPA-DD.

283. 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.

284. 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 CPA-DD.

13.10. Specific requirements for programme of activities

13.10.1. Monitoring reports

285. 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 lCERs, 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 paragraph 285 (c)(ii) below; or

(ii) In two separate requests, if originally one monitoring report was published, but during the course of verification the CME 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 CME;

(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.

13.10.2. Changes in programme of activities

286. 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.

13.10.3. Changes of coordinating/managing entity

287. 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 191 above;

288. The new coordinating/managing entity shall submit the documentation referred to in paragraph 287 above to a DOE for validation.

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

1. Corrections

1. Any corrections to project information[1] of a registered CDM project activity that do not affect the design of the project activity do not require prior approval by the Board.

2. Temporary deviations from the registered monitoring plan, ~~or~~ applied methodology or applied standardized baseline

2. If project participants 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 project participants report these parameters as zero.

3. If project participants 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 project participants 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 or applied standardized baseline

4. If the monitoring equipment actually installed has a lower accuracy level than the one stipulated in the applied methodology, where applicable, the applied standardized baseline and/or ~~in~~ the registered monitoring plan, and the monitoring equipment is under the control of the project participants, prior approval by the Board is not required if project participants 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, where applicable, the applied standardized baseline and/or the registered monitoring plan is deducted from the measured value;[2]

   (b) If the parameter is used for calculating project GHG emissions, the difference between the accuracy level of the installed monitoring equipment and the accuracy prescribed by the applied methodology, where applicable, the applied

[1] Such corrections may include typographical errors, location, names and numbers of components, etc.

[2] 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.

standardized baseline and/or the registered monitoring plan is added to the measured value.[3]

5. Changes to the monitoring of the registered CDM project activity 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 project participants;

   (b) Change of accuracy/type/model of meter(s) as per a power purchase agreement (PPA); or

   (c) Change of location of meter(s) as per a power purchase agreement (PPA).

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 and, where applicable, the applied standardized baseline 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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[3] 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

Version	*Date*	*Description*
07.0	14 May 2014	Published within annex 09 to the annotated agenda of EB79 Revision to incorporate requirements related to standardized baselines.
06.0	11 April 2014	Revision to incorporate the amendment to the requirements for carbon dioxide capture and storage in CDM-EB78-A03.
05.0	4 October 2013	Revision to incorporate the amendment to the requirements for programme of activities in CDM-EB75-A04 which includes: • To enable two issuance requests for the same monitoring period.
04.0	29 July 2013	Revision to incorporate the amendment in CDM-EB74-A03 which includes: • Integration of clarification in paragraph 48(a) of the meeting report of the seventy-third meeting of the Board; • Integration of clarification CDM-EB73-A16-CLAR; • An option for proposing changes to CPAs of a registered PoA.
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.
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: • Clean development mechanism validation and verification manual (version 01.2); • Procedures for requesting post-registration changes to the start date of the crediting period (version 02.0); • Procedures for modalities of communication between project participants and the Executive Board (version 01.0); • Procedures for registration of a programme of activities as a single CDM project activity and issuance of certified emission

Version	*Date*	*Description*
		reductions for a programme of activities (version 04.1); • Procedures for renewal of the crediting period of a registered CDM project activity (version 06.0); • Procedures for notifying and requesting approval of changes from the project activity as described in the registered PDD (version 01.0); • Procedures for revising monitoring plans in accordance with paragraph 57 of the modalities and procedures for the CDM (version 02.0); • Guidelines on the demonstration and assessment of prior consideration of the CDM (version 04.0); • Guidance related to monitoring requirements (EB23, paragraph 24); • Guidance related to project activity with more than one component (EB28, paragraph 57); • Guidance on application of the definition of the project boundary to A/R CDM project activities (version 01.0); • Guidance on A/R CDM project activities starting after 1 January 2000 (prompt start) (EB 21, paragraph 64); • Guidance on programme of activities (PoA) (EB35, paragraph 15); • Guidelines on assessment of different types of changes from the project activity as described in the registered PDD (version 01.0); • Guidelines for assessing compliance with the calibration frequency requirements (version 01.0); • Clarification on elements of a written approval (version 01.0); • Clarifications on the consideration of national and/or sectoral policies and circumstances in baseline scenarios (version 02.0); • 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); • Clarifications relating to bundling of small-scale CDM project activities (EB 20, paragraphs 60-62); • Clarification on demonstration of the eligibility of land (applicable for both large- and small-scale A/R CDM project activities) (EB 38, paragraph 28); • National and/or sectoral policies and circumstances in the baseline scenario for afforestation and reforestation project activities (EB23, annex 19); • 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

Version	*Date*	*Description*
		activities (version 01.0); • Clarifications on procedures and documentation which need to be used for the renewal of a crediting period (EB 20, annex 7).
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 2 - Draft clean development mechanism validation and verification standard (Version 07.0)

CDM-EB79-AA-A09

Draft Standard

Clean development mechanism 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 ~~M~~meeting of the Parties to the Kyoto Protocol (hereinafter referred to as the CMP), at its first session, established the basis of the regulatory framework for the clean development mechanism (hereinafter referred to as the 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;

   (f) Decision 10/CMP.7: Modalities and procedures for carbon dioxide capture and storage in geological formations as clean development mechanism project activities.

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 and standardized baselines), 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 “Clean development mechanism 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 and entry into force

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 and/or verify any CDM project activities or programmes of activities (PoAs) based on CDM ~~methodologies~~ rules and requirements ~~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, carbon dioxide capture and storage (CCS) 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".

2.3. Entry into force

8_{bis}. Version 07.0 of this Standard enters into force on 25 June 2014.

3. Normative references

9. The following referenced documents are indispensable for the application of this Standard:

(a) "Clean development mechanism Accreditation standard for operational entities";

(b) "Clean development mechanism project cycle procedure" (hereinafter referred to as the Project cycle procedure);

(c) "Clean development mechanism 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;

(d) "Standardized baseline that standardizes additionality" is a standardized baseline established for a Party or a group of Parties to facilitate the determination of additionality (e.g. by providing a positive list of technologies, fuel or feedstock) for CDM project activities or PoAs, while providing assistance for assuring environmental integrity;

(e) "Standardized baseline that standardizes baseline scenario" is a standardized baseline established for a Party or a group of Parties to facilitate the determination of the baseline scenario (e.g. by providing a description of the baseline scenario) for CDM project activities or PoAs, while providing assistance for assuring environmental integrity;

(f) "Standardized baseline that standardizes baseline emissions" is a standardized baseline established for a Party or a group of Parties to facilitate the calculation of one or several sources of baseline emissions (e.g. by providing standardized values of parameters such as emission factors) for CDM project activities or PoAs, while providing assistance for assuring environmental integrity.

5. Principles for validation and verification

11. The following principles[1] 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).

[1] 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. Copyright remains with ISO.

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.

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 meets all applicable CDM requirements, including those specified in the Project standard, relevant methodologies, tools, standardized baselines and guidelines;

    (d) Assess the accuracy, conservativeness, relevance, completeness, consistency, and transparency of the information provided by project participants;[2]

    (e) Determine whether information provided by the project participants is reliable and credible;[3]

    (f) Apply consistent validation/verification criteria:

        (i) To the requirements of the applicable approved methodology and, where applicable, the applicable approved standardized baseline throughout the crediting period(s);

        (ii) Among project activities with similar characteristics such as a similar application of the approved methodology, the approved standardized baseline, 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;

[2] Principles for each can be found in the Project ~~S~~standard.

[3] 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.

(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 CDM validation

19. The DOE shall conduct a thorough and independent assessment of proposed project activities against the applicable CDM requirements.

7.2. Validation approach

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

(a) Determine whether the proposed project activity complies with the requirements of paragraph 37 of the CDM M&Ps (with the exception of paragraph 37 (c) for CCS project activities), the applicability conditions of the selected methodology, and, where applicable, the selected standardized baseline, and guidance issued by the Board;

(b) Assess the claims and assumptions made in the project design document (PDD). The evidence used in this assessment shall not be limited to that provided by the project participants.

7.3. Means of validation

21. The DOE shall assess the information provided by the project participants.

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 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 visit 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 project activity under validation;

(d) Review, based on the ~~approved~~ selected methodology and, where applicable, the selected standardized baseline ~~being applied~~, of the appropriateness of formulae and accuracy of calculations.

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

7.3.1. Corrective action requests, clarification requests, and forward action requests

24. During the validation of a project activity, if the DOE identifies issues that require further elaboration, research or expansion in order to determine whether the project activity 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 have made mistakes that will influence the ability of the project activity 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 project activity. 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 modify the project design, rectify the PDD or provide additional explanations or evidence that satisfy the DOE’s concerns. If this is not done, the DOE shall not recommend the project activity for registration to the Board.

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, the means of validation of such responses and references to any resulting changes in the PDD 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 comments on the PDD of the proposed project activity submitted in accordance with the Project cycle procedure.

35. The DOE shall take into account all the comments received during the validation of the proposed project activity.

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. However, the DOE is not required to 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.

7.5.1. Reporting requirement

37. The DOE shall report the details of the actions taken to take due account of the comments received during the validation process.

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 project activity contributes to the sustainable development of the country;

    (d) It refers to the precise proposed project activity title in the PDD being submitted for registration.

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

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 project activity under validation.[4]

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.

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.

[4] A list of DNAs is available on the UNFCCC CDM website.

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 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 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 project 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 CDM PoAs, 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 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 CPA-DD was completed using the latest version of the PDD or PoA-DD and CPA-DD form appropriate to the type of project activity or PoA.

7.10.2. Reporting requirements

63. The DOE shall provide a statement regarding the compliance of the PDD with relevant forms and guidance.

7.11. Description of project activity

7.11.1. Validation requirement

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

7.11.2. Means of validation

65. Unless other means are specified in the methodology, the DOE shall conduct a physical site inspection for the following proposed project activities in existing facilities or utilizing existing equipments:

(a) Large-scale projects;

(b) Non-bundled small-scale projects with emission reductions exceeding 15,000 tonnes per year;

(c) Bundled small-scale projects, each with emission reductions not exceeding 15,000 tonnes per year; in such cases the number of physical site visits may, however, be based on sampling, if the sampling size is justified through statistical analysis.

66. For other individual proposed small-scale CDM project activities with emission reductions not exceeding 15,000 tonnes per year, the DOE should conduct a physical site visit as appropriate. For proposed CDM project activities for which the DOE does not undertake a physical 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 not referred to in paragraphs 65–66, 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 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 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 a site visit.

7.12. Application of ~~the~~ selected baseline and monitoring methodology and selected standardized baseline

7.12.1. General requirements

70. The DOE shall determine whether the baseline and monitoring methodologies and, where applicable, the standardized baseline selected by the project participants are the valid versions 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, any applicable tools, and/or the approved standardized baseline that is(are) selected by the project participants.

72. The DOE shall determine whether the selected methodology and, where applicable, the selected standardized baseline applies (apply) to the project activity 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 and selected standardized baseline to the project activity

7.12.2.1. Validation requirement

73. The DOE shall validate that the selected baseline and monitoring methodology and, where applicable, the selected standardized baseline is(are) applicable to the project activity and that the selected version(s) is(are) valid at the time of submission of the proposed project activity for registration.

7.12.2.2. Means of validation

74. The DOE shall determine whether the methodology and, where applicable, the standardized baseline is(are) correctly quoted and applied by comparing it(them) with the actual text of the applicable version of the methodology and, where applicable, of the

standardized baseline,[5] and relevant requirements in the Project standard and any other applicable standard or guideline.

75. If the PDD of a proposed project activity is based on a previous version(s) of a methodology and, where applicable, a standardized baseline and was(were) published for global stakeholder consultation but was(were) not submitted for registration within the grace period, the DOE shall request the project participants to provide a revised PDD in accordance with the Project cycle procedure.

75bis. The DOE shall request the project participants to provide a revised PDD in accordance with the Project cycle procedure if:

(a) The PDD or PoA-DD using the selected methodology has been published for global stakeholder consultation when no applicable approved standardized baseline that requires its selection has become valid;

(b) An applicable approved standardized baseline that requires its selection has become valid after the publication of the PDD or PoA-DD for global stakeholder consultation but before the submission of a request for registration of the proposed CDM project activity or PoA;

(c) The request for registration has not been submitted within 240 days after the standardized baseline becomes valid.

76. The DOE shall determine whether the project activity meets each of the applicability conditions of the approved methodology, ~~or~~ any tool, ~~or~~ other methodology component referred to therein and, where applicable, the approved standardized baseline. This shall be done by validating the documentation referred to in the PDD and by verifying that the documentation content is correctly quoted and interpreted in the PDD. 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, then the DOE shall cross-check the PDD against other sources to confirm that the project activity meets the applicability conditions of the methodology and, where applicable, the standardized baseline.

7.12.2.3. Reporting requirements

77. For each applicability condition listed in the ~~approved~~ selected methodology ~~selected~~ and, where applicable, the selected standardized baseline, the DOE shall describe the steps taken to assess the relevant information contained in the PDD against these criteria. The DOE shall provide a validation opinion regarding the applicability of the selected methodology and, where applicable, the selected standardized baseline to the proposed CDM project activity.

7.12.3. Deviation from an approved methodology

78. ~~If project participants requested a deviation before the publication of the PDD when applying an approved methodology to a proposed project activity, or if a DOE finds at validation that project participants deviated from an approved methodology and the DOE considers that the deviation was due to a project-specific issue implying that a revision of~~

[5] An ~~selected~~ approved methodology and, where applicable, an approved standardized baseline applies to the project activity if the applicability conditions of the methodology and, where applicable, the standardized baseline are met.

~~the methodology would not be required to address the issue, it may seek guidance on the acceptability of the deviation from the Board prior to requesting registration of the proposed project activity.~~ The DOE may seek guidance from the Board on the acceptability of a deviation prior to the submission of a request for registration or publication of the PDD of the proposed CDM project activity, if the DOE, when performing validation for a proposed CDM project activity, or upon request from the project participants before the publication of the PDD, finds that, due to a project-specific issue[6] implying that a revision of the methodology would not be required to address the issue, the project participants or the coordinating/managing entity deviated from:

(a) An approved baseline and monitoring methodology; or

(b) A section (or sections) in the selected methodology that is(are) not standardized by the selected standardized baseline, if the proposed CDM project activity uses an approved standardized baseline.

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 project activity.

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 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 standardized baseline

81. If the DOE cannot make a determination regarding the applicability of the selected methodology and/or the selected standardized baseline to the proposed project activity, then the DOE shall request clarification of the methodology and/or the standardized

[6] Examples of project-specific issues may include, but are not limited to, the following:

1. The methodology requires measurements using instrumentation of certain specifications or using a certain method. The project proponents of the proposed project activity 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;
2. A proposed project activity 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 to estimate the parameter with equal reliability and accuracy;
3. 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 never 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;
4. 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.

baseline. The DOE shall conduct an assessment to ensure that the request is not submitted with the intention of revising an approved methodology and/or an approved standardized baseline 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 project activity and other relevant project and baseline emission sources covered in the methodology and, where applicable, the standardized baseline are included within the project boundary for the purpose of calculating project and baseline emissions for the proposed project activity.

7.12.5.2. Means of validation

83. The DOE shall confirm the project boundary based on documented evidence and shall corroborate it by a site visit where required.

84. If the methodology allows project participants to choose whether a source or gas is to be included within the project boundary, the DOE shall determine whether the project participants 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 and corroborated by observations if required.

85. For the project activities 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.

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 site visit 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 project activity. Should the DOE identify emission sources that will be affected by the implementation of the proposed project activity 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 and, where applicable, the selected standardized baseline, the DOE shall request clarification of, revision to, or deviation from the methodology and, where applicable, the standardized baseline, 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 project activity is the scenario that reasonably represents the anthropogenic emissions by sources of GHGs that would occur in the absence of the proposed project activity.

88$_{bis}$. The following applies to a proposed CDM project activity using an approved standardized baseline that standardizes the baseline scenario instead of paragraph 88 above: The DOE shall determine whether the baseline scenario for the proposed CDM project activity described in the PDD is the scenario identified by the selected standardized baseline.

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 and any scenarios that are supplementary to those required by the methodology, are realistic and credible in the context of the proposed project activity 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. It shall determine whether documents and sources referred to in the PDD are correctly quoted and interpreted. The DOE shall cross-check the information provided in the PDD with other verifiable and credible sources, such as local expert opinion, if available.

92. The DOE shall determine whether the PDD 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 project activity.

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 project activity, 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).

93$_{bis}$. The following applies to a proposed CDM project activity using an approved standardized baseline that standardizes the baseline scenario instead of paragraphs 89–93 above: The DOE shall determine whether the description of the identified baseline scenario in the PDD is in accordance with the selected standardized baseline.

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 are listed in the PDD, including their references and sources;

(b) All documentation used is relevant for establishing the baseline scenario and correctly quoted and interpreted in the PDD;

(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;

(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 project activity.

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

95$_{bis}$. The following applies to a proposed CDM project activity using an approved standardized baseline that standardizes the baseline scenario instead of paragraphs 94 and 95 above: The DOE shall provide an opinion as to whether the description of the identified baseline scenario in the PDD is in accordance with the selected standardized baseline.

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) and, where applicable, the selected standardized baseline.

7.12.7.2. Means of validation

97. Where the methodology and, where applicable, the standardized baseline 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 selected methodology ~~selected~~[7] including applicable tool(s) and, where applicable, the selected standardized baseline.

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 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~~ any applicable tool(s) and, where applicable, the standardized baseline 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] 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).

7.12.8. Additionality of a project activity

7.12.8.1. General

7.12.8.1.1. Validation requirement

101. The DOE shall determine whether the proposed project activity is additional as demonstrated in the PDD.[8]

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 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 project activities. The DOE shall also consider specific complementary or alternative requirements included in the methodology for demonstrating the additionality of the proposed project activity.

103_{bis}. The following applies to a proposed CDM project activity using an approved standardized baseline that standardizes additionality instead of paragraphs 102 and 103 above and 117–130 below: The DOE shall assess whether the proposed CDM project activity meets the additionality criteria (e.g. positive lists of technologies) in the selected standardized baseline.

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 project activity if the starting date of the proposed project activity is prior to the start of validation, which is the date of publication of the PDD for global stakeholder consultation.

[8] 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 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.

7.12.8.2.2. Means of validation

106. The DOE shall determine whether the start date of the 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.[9] For 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 project activity with a start date:

    (a) On or after 2 August 2008; or

    (b) Before 2 August 2008.

107. For a 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, the secretariat and the host Party DNA regarding the commencement of a new project activity.[10] If such notification has not been provided by the project participants within 180 days of the project activity start date, the DOE shall determine that the CDM was not seriously considered in the decision to implement the project activity.

108. For a 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 project activity;

    (b) Demonstrated that real and continuing actions were taken to secure CDM status for the project in parallel with its implementation. Evidence to support this could include one or more of the following: contracts with consultants for CDM/PDD/methodology/standardized baseline 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 standardized baseline or requests for clarification or revision of existing methodologies or standardized baselines to the Board, publication in a newspaper, interviews with the DNA, and earlier correspondence on the project with the DNA or the secretariat.

[9] See the "Glossary of CDM terms" for additional information related to the start dates of other types of CDM project activities and PoAs.

[10] See EB 48, annex 62, "Prior consideration of the CDM form".

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 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 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 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 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 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 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.

116$_{bis}$. The requirements contained in paragraphs 113–116 above are not applicable to a proposed CDM project activity using an approved standardized baseline that standardizes the baseline scenario.

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 project activity, the DOE shall determine whether the proposed 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 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 project activity is not the most economically or financially attractive alternative, or that it is not economically or financially feasible without CDM:[11]

(a) The proposed 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 project activity and the

[11] It should be noted the latest 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.

alternatives identified demonstrate that there is at least one alternative which is less costly than the proposed project activity;

(b) The proposed project activity is less economically or financially attractive than at least one other credible and realistic alternative;

(c) The financial returns of the proposed 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 project activity and the project participants;

(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 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[12] was used to demonstrate the additionality of the proposed project activity, the DOE shall determine whether the proposed project activity faces barriers that:

(a) Prevent the implementation of this type of proposed project activity;[13]

(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[14] on the financial returns of the 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.

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

[13] See the latest “Guidelines for objective demonstration and assessment of barriers”.

[14] Defined in this context as those issues whose impacts can be expressed in monetary terms with reasonable certainty.

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 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 judge whether a barrier or set of barriers would prevent the implementation of the proposed 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 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.[15]

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

[15] 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.

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,[16] 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 project activity and the other similar activities.

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 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 project activity and any similar projects that are widely observed and commonly carried out;

(d) Confirm whether the proposed project activity is not common practice.

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 is based on the approved monitoring methodology including applicable tool(s) and, where applicable, the approved standardized baseline.

7.12.9.2. Means of validation

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

(a) To assess compliance of the monitoring plan with the approved methodology ~~and the~~ including applicable tool(s) and, where applicable, the approved standardized baseline, the DOE shall:

(i) Identify the list of parameters required by the selected ~~approved~~ methodology including applicable tool(s) and, where applicable, the selected standardized baseline by means of document review;

[16] Registered CDM project activities and CDM project activities that have been published on the UNFCCC website for global stakeholder consultation as part of the validation processes.

(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) and, where applicable, the standardized baseline;

(b) To assess the implementation of the plan the DOE shall, by means of review of the documented procedures, interviews with relevant personnel, project plans and any physical inspection of the proposed project activity 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 project activity can be reported ex post and verified.

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, the standardized baseline;

(b) Describe the steps undertaken to assess whether the monitoring arrangements described in the monitoring plan are feasible within the project design;

(c) State its opinion on the project participants' ability to implement the described monitoring plan.

7.13. Environmental impacts

7.13.1. Validation requirement

134. The DOE shall determine whether the project participants conducted an analysis of the environmental impacts of the proposed project activity, including transboundary impacts, and whether those impacts are considered significant by the project participants or the host Party.

135. The DOE shall also determine whether the project participants 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 have undertaken an analysis of environmental impacts and, if 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 have completed a local stakeholder consultation process and that due steps were taken to engage stakeholders and solicit comments for the proposed project activity.

7.14.2. Means of validation

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

(a) Comments have been invited from local stakeholders that are relevant for the proposed project activity;

(b) The summary of the comments received as provided in the PDD is complete;

(c) The project participants have taken due account of all comments received and have described this process in the PDD.

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.

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, unless the project activity has been submitted for registration 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 on-going 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 project activity achieving the anticipated emission reductions stated in the CDM-PDD.

144. The DOE shall inform the project participants of the validation outcome. Notification to the project participants 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 project activity, 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; or

(b) A negative validation opinion in its validation report explaining the reason for its opinion if the DOE determines that the proposed project activity does not fulfil the applicable CDM requirements.

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

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

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

(b) All its applied approaches, "findings and conclusions, especially on baseline selection, additionality, emission factors and monitoring";

(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 visit;

(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 project activity.

8. Specific validation requirements

149. For certain specific validation activities such as proposed small-scale CDM project activities~~SSC~~, afforestation and reforestation CDM project activities~~A/R~~ and CDM programmes of activities~~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,[17] the modalities and procedures for carbon dioxide capture and storage in geological formations as clean development mechanism project activities[18], and the ~~"Standards for~~ ~~PoA~~ "Standard: Demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programmes of activities".

[17] See decision 5/CMP.1, annex.

[18] See decision 10/CMP.7, annex.

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 project activity meets the small-scale eligibility requirements.[19]

8.1.1.2. Means of validation

151. For a 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 project activity qualifies within the thresholds of the three possible types of small-scale 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;[20]

(b) The project activity conforms to one or more of the approved small-scale methodologies applied in conjunction with the general guidelines to SSC CDM methodologies;[21]

(c) The proposed small-scale project activity is not a debundled component of a large-scale project[22] activity.

8.1.1.3. Reporting requirements

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

8.1.2. Debundling

8.1.2.1. Validation requirement

154. The DOE shall determine whether the proposed small-scale project activity is not a debundled component of a large-scale project activity in accordance with the "Guidelines on assessment of debundling for SSC project activities".[23]

[19] See the simplified modalities and procedures for small-scale CDM project activities presented under decision 4/CMP.1, annex II.

[20] See EB 28 report, paragraphs 56 and 57, for guidance on size limits for the components.

[21] See EB 54 report, paragraph 37 and the latest "General guidelines to SSC methodologies" for further clarification.

[22] 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".

8.1.2.2. Means of validation

155. The DOE shall determine the proposed small-scale project activity to be a debundled component of a large-scale project activity if there is a registered small-scale project activity or an application to register another small-scale 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 project activities are not a debundled component of a large scale activity.

8.1.3. Additionality

8.1.3.1. Validation requirement

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

158_{bis}. Paragraph 101 above applies to a proposed small-scale CDM project activity using an approved standardized baseline that standardizes additionality instead of paragraph 158 above.

8.1.3.2. Means of validation

159. The DOE shall refer to the specific requirements on demonstration of additionality for small-scale project activities [24] and the "Non-binding best practice examples to demonstrate additionality for SSC project activities".

160. In the case of Type I project activities up to 5 MW 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, and Type III project activities that aim to achieve emissions reductions at a scale of no more than 20 kt CO_2e per year, the DOE shall assess the relevant criteria to establish the automatic additionality for these projects.[25]

160_{bis}. Paragraph 103_{bis} above applies to a proposed small-scale CDM project activity using an approved standardized baseline that standardizes additionality instead of paragraphs 159 and 160 above.

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

[24] See Attachment A to Appendix B of 4/CMP.1, annex II.

[25] See the latest "Guidelines for demonstrating additionality of microscale project activities".

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 or 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 A/R 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.

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 afforestation or reforestation CDM project activity under the control of the project participants.[26]

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 A/R 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

[26] The proposed A/R CDM project activity may contain more than one discrete area of land.

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 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 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 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 a site visit.

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 site visit. The DOE shall provide a statement as to whether the entire land within the project boundary is eligible for a proposed A/R 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 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 or reforestation project activities

184. The DOE shall determine whether:

(a) The project activity complies with the thresholds for the small-scale A/R project activities;[27]

(b) The project activity complies with one of the types of small-scale A/R 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 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 project activity has been developed or implemented by low-income communities and individuals as confirmed by the host Party.[28]

8.4. CCS project activities

185. The DOE shall determine whether specific requirements as defined in the modalities and procedures for CCS project activities have been followed, including:

(a) Participation requirements for CCS project activities;

(b) Selection and characterization of the geological storage site;

(c) Risk and safety assessment;

(d) Environmental and socioeconomic impact assessment;

(e) Liability;

(f) Requirements for financial provision;

(g) Monitoring for CCS project activities;

(h) Project boundary for CCS project activities;

[27] See decision 5/CMP.1, annex paragraph 1(i).

[28] See decision 5/CMP.1, annex paragraph 1(i).

(i) Authorization for CCS project activities.

8.4.1. Participation requirements for CCS project activities

8.4.1.1. Validation requirement

186. The DOE shall determine whether the participation requirements as set out in section "Participation requirements of host Party for CCS project activities" of the Project cycle procedure are satisfied.

8.4.1.2. Means of validation

187. The DOE shall determine whether:

(a) The host Party has submitted the expression of its agreement to the UNFCCC secretariat to allow the implementation of CCS project activities on its territory;

(b) The host Party has established laws and/or regulations which meet the requirements set out in section "Participation requirements of host Party for CCS project activities" of the Project cycle procedure.

8.4.1.3. Reporting requirements

188. The DOE shall describe how the host Party's laws and/or regulations meet the requirements set out in section "Laws and regulations of host Party for CCS project activities" of the Project cycle procedure.

8.4.2. Selection and characterization of the geological storage site

8.4.2.1. Validation requirement

189. The DOE shall determine whether:

(a) The geological storage site has been characterized and selected in accordance with section "Selection and characterization of the geological storage site" of the Project standard; and

(b) The conditions set out in section "Selection and characterization of the geological storage site" of the Project standard have been fulfilled.

8.4.2.2. Means of validation

190. The DOE shall, determine whether:

(a) The selection and characterization of the geological storage site fulfils the requirements set out in section "Selection and characterization of the geological storage site" of the Project standard;

(b) All the steps mentioned in section "Selection and characterization of the geological storage site" of the Project standard have been performed for the project activity;

(c) Relevant information is used for the selection and characterization of the geological storage site, in accordance with section "Selection and characterization of the geological storage site" of the Project standard.

8.4.2.3. Reporting requirements

191. The DOE shall describe all the steps taken, and sources of information used to validate the PDD. The DOE shall describe how it has determined that the evidence assessed is credible, where appropriate.

192. The DOE shall also describe how the requirements set out in section "Selection and characterization of the geological storage site" of the Project standard have been fulfilled.

8.4.3. Risk and safety assessment

8.4.3.1. Validation requirement

193. The DOE shall determine whether the risk and safety assessment has been carried out:

(a) In accordance with the laws and regulations of the host Party, as applicable; and

(b) The provisions set out in section "Risk and safety assessment" of the Project standard.

8.4.3.2. Means of validation

194. The DOE shall determine whether:

(a) The risk and safety assessment has been carried out in accordance with the laws and regulations of the host Party;

(b) All the requirements set out in section "Risk and safety assessment" of the Project standard have been met for the project activity;

(c) The five steps for assessing the potential risk of the CCS project activity, as set out in section "Risk and safety assessment" of the Project standard, have been followed.

8.4.3.3. Reporting requirements

195. The DOE shall indicate whether the project participants have undertaken a risk and safety assessment in accordance with the laws and regulations as required by the host Party.

196. The DOE shall describe how the requirements set out in section "Risk and safety assessment" of the Project standard have been fulfilled.

8.4.4. Environmental and socioeconomic impact assessment

8.4.4.1. Validation requirement

197. The DOE shall confirm that the environmental and socioeconomic impact assessment has been carried out:

(a) In accordance with the laws and regulations of the host Party, as applicable; and

(b) In accordance with the provisions set out in section "Environmental and socioeconomic impact assessments" of the Project standard.

198. The DOE shall determine whether the results of the assessments referred to in paragraphs 193 and 197 above confirm the technical and environmental viability of the proposed CCS project activity.

8.4.4.2. Means of validation

199. The DOE shall:

(a) Determine whether the environmental and socioeconomic impact assessment has been carried out as per the requirements mentioned in the paragraphs above;

(b) Determine whether the results of the risk and safety assessment and environmental and socioeconomic impact assessment confirm the technical and environmental viability of the proposed CCS project activity.

8.4.4.3. Reporting requirements

200. The DOE shall:

(a) Describe how the environmental and socioeconomic impact assessment complies with the laws and regulations of the host Party;

(b) Describe how it has assessed the requirements set out in section "Environmental and socioeconomic impact assessments" of the Project standard are met for the project activity;

(c) Describe how it has validated the compliance of the detailed description of the planned monitoring and remedial measures to address any environmental and socioeconomic impacts identified in accordance with the procedures as required by the host Party;

(d) State whether the results of the assessments confirm the technical and environmental viability of the proposed CCS project activity.

8.4.5. Liability

8.4.5.1. Validation requirement

201. The DOE shall determine whether the allocation and transfer of liability have been agreed:

(a) In accordance with the laws and regulations of the host Party, as applicable; and

(b) In accordance with the requirements set out in section “Liability” of the Project standard.

8.4.5.2. Means of validation

202. The DOE shall determine whether, in accordance with the requirements mentioned above:

(a) The allocation and transfer of liability has been agreed;

(b) The proposed allocation and transfer of liability is feasible and implementable.

8.4.5.3. Reporting requirements

203. The DOE shall:

(a) Describe how the proposed allocation and transfer of liability complies with the requirements mentioned in section “Liability” in the Project standard;

(b) Describe how it assessed whether the allocation and transfer of liability is feasible and implementable;

(c) Confirm that the obligation of liability shall reside with the project participant(s) during the operational phase and any time thereafter until a transfer of liability to the host Party has been effected.

8.4.6. Requirements for financial provision

8.4.6.1. Validation requirement

204. The DOE shall determine whether financial provisions have been put in place by the project participants in accordance with the requirements set out in section “Requirements for financial provision” of the Project standard.

8.4.6.2. Means of validation

205. The DOE shall:

(a) Confirm that the project participants have established financial provisions in accordance with the requirements mentioned above;

(b) Confirm that the financial provision is sufficient to cover all aspects defined in section “Requirements for financial provision” of the Project standard;

(c) Confirm that the type and amount of financial provision is described in the PDD;

(d) Confirm that the financial provision shall, in accordance with the laws and regulations of the host Party, be transferable to the host Party upon fulfilment of all obligations of the project participants in accordance with the CCS-related requirements in the Project standard and the laws and regulations of the host Party, or upon insolvency of the project participants.

8.4.6.3. Reporting requirements

206. The DOE shall:

(a) Describe the steps taken to assess the relevant information contained in the PDD against the criteria set out in section “Requirements for financial provision” of the Project standard;

(b) Describe how the financial provision is sufficient to cover all aspects defined in section “Requirements for financial provision” of the Project standard;

(c) Describe the type and amount of the financial provision;

(d) Describe the sources of information used to confirm how the financial provision shall be transferred to the host Party, upon fulfilment of all obligations of the project participants in accordance with CCS-related requirements in the Project standard and the laws and regulations of the host Party, or upon insolvency of the project participants;

(e) Confirm that the financial provision is guaranteed to be transferable to the host Party upon insolvency of the project participant(s).

8.4.7. Monitoring for CCS project activities

8.4.7.1. Validation requirements

207. The following applies instead of paragraph in sub-section “General” in sub-section “Monitoring plan” in section “Design requirements for all project types” of the Project standard:

208. The DOE shall confirm that the provisions in the PDD for monitoring, including the monitoring plan, are in accordance with the selected methodology, the requirements set out in section “Monitoring” of the Project standard and all other applicable CDM rules and requirements.

8.4.7.2. Means of validation

209. The DOE shall apply a two-step process to meet the requirement mentioned in paragraph 208 above:

(a) In order to assess the compliance of the monitoring plan with the CCS modalities and procedures, the DOE shall:

(i) Identify the list of parameters, information, provisions for history matching and numerical models used to characterize the geological storage site required as set out in section “Monitoring” of the Project standard by means of a document review;

(ii) Confirm that the description of the monitoring plan contains all necessary parameters, information, provisions for history matching and numerical models used to characterize the geological storage site and that the means of monitoring described in the plan complies with the requirements of section “Monitoring” of the Project standard;

(b) In order to assess the implementation of the plan the DOE shall, by means of reviewing the documented procedure, interviewing relevant personnel, reviewing project plans and any physical inspection of the proposed project activity site, determine 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 monitoring plan is in accordance with section "Monitoring" of the Project standard and in all other CDM rules and requirements and the parameters can be reported ex post and verified.

210. The DOE shall use official sources and its local and sectoral expertise to confirm that the project participants have provided the description and analysis of the environmental conditions in the area of geological storage site prior to any storage of carbon dioxide in accordance with paragraph 209 above.

8.4.7.3. Reporting requirements

211. The DOE shall:

(a) State its opinion on the compliance of the described monitoring plan with the requirements of section "Monitoring" of the Project standard;

(b) Describe the steps taken to assess whether the monitoring arrangements described in the monitoring plan are feasible within the project design;

(c) State its opinion on the project participants' ability to implement the described monitoring plan;

(d) State its opinion on the description and analysis of environmental conditions in the area of the geological storage site prior to any storage of carbon dioxide.

8.4.8. Project boundary for CCS project activities

8.4.8.1. Validation requirement

212. The DOE shall confirm that the PDD description of the project boundary of a CCS project activity includes all above-ground components, including, where applicable, the following:

(a) The installation where the carbon dioxide is captured;

(b) Any treatment facilities;

(c) Transportation equipment, including pipelines and booster stations along a pipeline, or offloading facilities in the case of transportation by ship, rail or road tanker;

(d) Any reception facilities or holding tanks at the injection site;

(e) The injection facility;

(f) Subsurface components, including the geological storage site and all potential sources of seepage, as determined during the characterization and selection of the geological storage site.

213. The DOE shall also confirm that the project boundary of a CCS project activity also encompasses the vertical and lateral limits of the carbon dioxide geological storage site that are expected when the carbon dioxide plume stabilizes over the long term during the closure phase and the post-closure phase.

8.4.8.2. Means of validation

214. The DOE shall confirm the project boundary based on the documented evidence and shall corroborate it by a site visit.

215. The DOE shall confirm that the project boundary covers all the relevant elements in accordance with section “Project boundary” of the Project standard.

8.4.8.3. Reporting requirements

216. The DOE shall describe how the validation of the project boundary has been performed, by detailing the documentation assessed (e.g. an engineering design report) and by describing its observations during the site visit undertaken (i.e. observations of the physical site or equipment used in the process).

8.4.9. Approval and authorization for CCS project activities

8.4.9.1. Validation requirement

217. The DOE shall determine whether the project participants have received written confirmation by the DNA of the host Party of the following:

(a) That the right to store carbon dioxide in, and gain access to, the proposed geological storage site has been conferred to the relevant project participants;

(b) That the host Party agrees to the financial provision, in accordance with section “Requirements for financial provision” of the Project standard, described in the project design document;

(c) That the host Party accepts the allocation of liability as proposed in the project design document and the transfer of liability referred to in section “Liability” of the Project standard;

(d) Whether the host Party accepts the obligation to address a net reversal of storage in the situation referred to in section “Addressing non-permanence in CCS project activities” of the Project cycle procedure.

8.4.9.2. Means of validation

218. The DOE shall confirm that the approval of participation has been issued from the relevant DNA and covers all the points mentioned in paragraph 217 above. If the DOE is in doubt, it shall verify with the DNA that the approval is valid for the proposed CDM project participants.

8.4.9.3. Reporting requirements

219. The validation report shall, for each participant:

(a) Indicate whether the participation has been authorized by a host Party mentioning all the conditions as specified in the paragraph above;

(b) Describe the means of validation employed to support the conclusions.

8.5. Programme of activities/Component project activities

220. The Board has provided guidance and procedures for registering a programme of activities (PoA) as a single project activity. In validating a 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.

8.5.1. Coordinating/managing entity and participants in a PoA

221. 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''.

8.5.2. CPA design document

222. The DOE shall assess any proposed CPA that a coordinating/managing entity wishes to include in the 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.

223. 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 site visits necessary for other types of PoA.

8.5.3. Description of a PoA/CPAs

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

8.5.4. Application of multiple methodologies

225. 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''.

8.5.5. Boundary for the PoA in terms of geographical area

226. The DOE shall assess the boundary of the PoA within which all CPAs included in the PoA will be implemented.

227. The DOE shall determine whether, in establishing the boundary of the PoA, the project participants have taken into consideration all applicable national and/or sectoral policies and regulations within that chosen boundary.

8.5.6. Start date of a CPA

228. The DOE shall confirm that the start date of any CPA is on or after the start date of the PoA. Exceptions apply in the case of A/R CPAs, i.e. the exceptions indicated for A/R project activities under paragraph 128(c) of the "Clean Development Mechanism project standard" also apply to A/R CPAs. 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.

8.5.7. Prior consideration of the CDM

229. If the CME, for the purpose of determining the start date of the 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.

8.5.8. Demonstration of additionality of the PoA as a whole

230. The DOE shall assess the additionality of a PoA in accordance with the "Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities''.

8.5.9. Eligibility criteria for inclusion of a CPA in the PoA

231. The DOE shall assess the eligibility criteria for inclusion of a CPA in the PoA in accordance with the "Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities''.

8.5.10. Crediting period of a PoA/CPA

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

8.5.11. Monitoring plan for a PoA/CPA

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

8.5.12. Environmental analysis of a PoA

234. The DOE shall determine whether an analysis of the environmental impacts of the PoA was undertaken as per the requirements of the CDM modalities and procedures.

235. If the analysis was not undertaken for the 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.

8.5.13. Local stakeholder consultation

236. 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.

237. 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.

8.5.14. Determination of occurrences of debundling under a PoA[29]

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

8.5.15. Inclusion or renewal of a crediting period of a CPA under a registered PoA

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

9. Verification requirements

9.1. Objective of CDM verification

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

9.2. General verification approach

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

242. 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.[30]

[29] If each of the independent subsystems/measures (e.g. biogas digester, solar home system) included in the CPA of a 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 ktCO2e annual emission reductions, then that CPA of PoA is exempted from the de-bundling check, i.e. is considered as not being a debundled component of a large-scale activity.

[30] See EB 60 report, paragraph 101.

243. 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 verification functions on a project activity for which it has performed the function of validation/registration.[31]

244. The DOE shall assess both quantitative and qualitative information on emission reductions provided in the project documentation.[32]

245. The DOE shall assess and determine whether the implementation and operation of the 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 an on-site visit(s).

246. 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) and, where applicable, the applied standardized baseline.

247. 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 and, where applicable, the applied standardized baseline;

    (e) The monitoring report to verify that it is as per the standardized format;[33]

    (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).

248. 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).

[31] For small-scale CDM project activities, the same DOE may undertake validation, and verification and certification.

[32] 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.

[33] 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 project activity by project participants.

9.2.1. Quality of evidence

249. 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.

250. 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);

(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.

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

9.3. Means of verification

252. 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~~ the monitoring methodology including applicable tool(s) and, where applicable, the applied standardized baseline, 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, involving:

(i) An assessment of the implementation and operation of the registered 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~~ applied methodology ~~and~~ including applicable ~~corresponding~~ tool(s), ~~where applicable~~ and, where applicable, the applied standardized baseline;

(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.

253. Where no specific means of verification is specified, the DOE should apply the standard auditing techniques described in paragraph 252 above.

9.3.1. Clarification requests, corrective action requests and forward action requests

254. The DOE shall identify, discuss and conclude in the verification report issues related to the monitoring, implementation and operations of the registered project activity that could impair the capacity of the registered project activity to achieve emission reductions or influence the monitoring and reporting of emission reductions.

255. The DOE shall raise a CAR if one of the following situations occur:

(a) Non-compliance with the monitoring plan, ~~or~~ the methodology or the standardized baseline 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 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.

256. The DOE shall raise a CL if information is insufficient or not clear enough to determine whether the applicable CDM requirements have been met.

257. All CARs and CLs raised by the DOE during verification shall be resolved prior to submitting a request for issuance.

258. 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.

259. 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

260. Based on the applicable requirements of paragraph 62 of the CDM modalities and procedures, the DOE shall:

(a) Determine whether the 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 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) and/or, where applicable, the approved standardized baseline;

(d) Evaluate the data recorded and stored as per the monitoring methodology including applicable tool(s) and, where applicable, the standardized baseline.

9.4.1. Compliance of the project implementation with the registered project design document

9.4.1.1. Verification requirement

261. 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:[34]

(a) The implementation and operation of the 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 project activity comply with the requirements of the Project ~~S~~standard.

9.4.1.2. Means of verification

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

[34] See decision 3/CMP.1, annex, paragraph 62(g).

9.4.1.3. Reporting requirements

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

(a) The implementation status of the project. For 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 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 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.[35]

9.4.2. Compliance of the monitoring plan with the monitoring methodology including applicable tool(s) and the standardized baseline

9.4.2.1. Verification requirement

264. The DOE shall determine whether the monitoring plan of the project activity is in accordance with the applied methodology including applicable tool(s) and, where applicable, the applied standardized baseline.

9.4.2.2. Means of verification

265. The DOE shall determine whether the project implementation is in accordance with the provisions of the registered PDD and/or an approved revised PDD.

266. For monitoring aspects that are not specified in the methodology and, where applicable, the standardized baseline, 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

267. The DOE shall provide a statement whether the monitoring plan is in accordance with the approved methodology and, where applicable, the approved standardized baseline applied by the registered CDM project activity or an approved revised PDD.

[35] 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.

9.4.3. Compliance of monitoring activities with the registered monitoring plan

9.4.3.1. Verification requirement

268. The DOE shall determine whether the monitoring of parameters related to the GHG emissions reductions in the project activity has been implemented in accordance with the monitoring plan contained in the registered PDD[36] or any accepted revised monitoring plan.

9.4.3.2. Means of verification

269. 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[37] have been monitored and updated as applicable, including:

(i) Project emission parameters;

(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 applied standardized baseline, 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.

9.4.3.3. Reporting requirement

270. 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.

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[36] In accordance with decision 3/CMP.1, annex, paragraph 56: "Project participants shall implement the monitoring plan contained in the registered project design document".

[37] 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.

271. 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

272. 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, the applied standardized baseline and/or the monitoring plan.

9.4.4.2. Means of verification

273. 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), 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[38] 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.

274. 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.

275. 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 273 above.

276. 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, the applied standardized baseline, guidance provided by the Board, and/or the registered

[38] The maximum permissible errors of all the measuring instruments are specified by the respective manufacturers as part of their technical specifications.

monitoring plan due to reasons beyond the control of project participants,[39] the DOE, shall follow the requirements for post registration changes in section 9.5 of this Standard.

277. In cases where neither the applied monitoring methodology, where applicable, the applied standardized baseline 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

278. The DOE shall report whether the calibration is conducted at the frequency as specified by the methodology, the standardized baseline, the monitoring plan of the registered PDD and/or the approved revised monitoring plan.

9.4.5. Assessment of data and calculation of emission reductions

9.4.5.1. Verification requirement

279. The DOE shall assess the data and calculations of GHG emission reductions achieved by/resulting from the project activity by the application of the selected ~~approved~~ methodology and, where applicable, the selected standardized baseline.

9.4.5.2. Means of verification

280. 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~~and, where applicable, the applied standardized baseline;

(d) Any assumptions used in emission calculations have been justified;

(e) Appropriate emission factors,[40] IPCC default values and other reference values have been correctly applied.

[39] For example, due to the contractual terms between the project participant and purchasing/selling entities.

280$_{bis}$. For a registered CDM project activity using an approved standardized baseline that standardizes baseline emissions, the DOE shall determine whether standardized value(s) of the parameter(s) was(were) applied using a correct version of the applied standardized baseline in accordance with the Project standard.

9.4.5.3. Reporting requirement

281. 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.

9.5. Post registration changes

282. 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.

283. The DOE shall determine whether the changes do not require prior approval by the Board in accordance with appendix 1 of the Project standard.

284. 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.

285. 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 ~~C~~cycle ~~P~~procedure.

[40] 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.

9.5.1. Temporary deviations from the registered monitoring plan, ~~and/or~~ monitoring methodology and/or standardized baseline

9.5.1.1. Verification requirement

286. The DOE shall determine whether there are deviations from the registered monitoring plan, ~~and/or~~ the applied methodology and/or the applied standardized baseline.

9.5.1.2. Means of verification

287. If the DOE identifies that the project participants have deviated from the registered monitoring plan, ~~and/or~~ the applied methodology, and/or the applied standardized baseline, 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.

288. 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.

289. 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

290. 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~~ the applied methodology and/or the applied standardized baseline.

291. 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~~ the applied methodology and/or the applied standardized baseline and as per the applicable provisions of the Project ~~S~~standard.

9.5.2. Corrections

9.5.2.1. Verification requirement

292. 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

293. 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~~ the monitoring plan and/or the applied standardized baseline.

9.5.2.3. Reporting requirements

294. 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~~ the monitoring plan and/or the applied standardized baseline.

9.5.3. Changes to the start date of the crediting period

9.5.3.1. Verification requirement

295. If the project participants wish to change the start date of the crediting period in accordance with section 12.8 of the Project standard, the DOE shall determine whether the proposed changes result in a less conservative baseline.

9.5.3.2. Reporting requirements

296. 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 or standardized baseline

9.5.4.1. Verification requirement

297. The DOE shall verify whether there are permanent changes from the registered monitoring plan, ~~and/or~~ the applied methodology and/or the standardized baseline.

9.5.4.2. Means of verification

298. 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, where applicable, the applied standardized baseline and do not reduce the level of accuracy of the monitoring compared with the requirements contained in the registered monitoring plan.

299. In cases where the proposed changes refer to a later version of the applied methodology and/or the applied standardized baseline in the registered PDD, the DOE shall determine whether the application of any later version of the applied methodology, ~~and~~ any applicable tool(s) and/or the applied standardized baseline does not impact the

conservativeness of the monitoring and verification process, including the related emission reduction calculations.

300. 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 tool(s), and, where applicable, the applied standardized baseline 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.

301. 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

302. 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~~ the applied methodology and/or the applied standardized baseline.

303. 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~~ the applied methodology and/or the standardized baseline.

9.5.5. Changes to the project design of a registered project activity

9.5.5.1. Verification requirement

304. 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

305. If the DOE identifies that the project design in the implementation or operation of the 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.

306. In case of actual changes, the DOE shall, by means of an on-site visit 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 project activity.

307. The DOE shall conduct an on-site inspection to assess the impacts of the actual changes on the compliance of the monitoring plan, the level of accuracy of the monitoring activity, the applied monitoring methodology ~~and~~ including applicable tool(s) and/or, where applicable, the applied standardized baseline.

308. 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 project activity;

(b) Scale of the project activity;

(c) Applicability and application of the approved baseline methodology and, where applicable, the approved standardized baseline under which the project activity has been registered; or

(d) The compliance of the monitoring plan with the applied monitoring methodology and, where applicable, the applied standardized baseline.

309. If the proposed or actual changes affect the additionality of the 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.

309$_{bis}$. The following applies to a registered CDM project activity using an approved standardized baseline that standardizes additionality instead of paragraph 309 above: If the proposed or actual changes affect the additionality of the project activity then the DOE shall confirm that the project activity complies with the positive list of the applied standardized baseline in the registered PDD.

310. The DOE shall confirm that the applied methodology ~~and~~ including applied tools and/or the applied standardized baseline do not impact the conservativeness of the monitoring and verification process and the related emission reduction calculations ~~i~~in cases where:

(a) ~~t~~The proposed or actual changes impact the implementation of the project activity;

(b) ~~and where~~ ~~t~~The original methodology and/or the original standardized baseline would no longer be applicable; and

(c) ~~where~~ ~~t~~The project participant applies:

(i) ~~a~~A later version of the methodology and/or the standardized baseline; or

(ii) ~~a~~Another methodology and/or another standardized baseline that is(are) applicable to the project activity.

311. The DOE shall assess whether the revised PDD complies with:

(a) ~~t~~The applied ~~monitoring~~ methodology, ~~and~~ tools and/or standardized baseline;

(b) ~~a~~Any later version of the methodology and/or the standardized baseline; or

(c) ~~t~~The requirements of another methodology and/or another standardized baseline that is(are) applicable to the project activity.

9.5.5.3. Reporting requirements

312. 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~~ the applied methodology and/or the applied standardized baseline and as per the applicable provisions of the Project ~~S~~standard.

313. 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~~ the applied methodology and/or the applied standardized baseline and as per the applicable provisions of the Project ~~S~~standard.

314. 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 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 project activity;

(ii) Scale of the project activity;

(iii) Applicability and application of approved baseline methodology and, where applicable, the approved standardized baseline under which the project activity has been registered or the later version of the applied methodology and/or the applied standardized baseline;

(iv) The compliance of the monitoring plan with the applied monitoring methodology and, where applicable, the applied standardized baseline; or

(v) The level of accuracy of the monitoring compared with the requirements contained in the registered monitoring plan.

315. 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[41] 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~~ applied methodology and, where applicable, the applied standardized baseline. In cases where the proposed revision refers to a later version of the applied methodology and/or the applied standardized baseline, 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.

316. If the DOE determines that the proposed or actual changes to the project activity comply with the requirements established in the Project ~~S~~standard, the DOE shall submit the documents to the Board following the Project cycle procedure for post registration changes.

317. If the DOE determines that the proposed or actual changes to the project activity do not comply with the requirements established in the Project ~~S~~standard, the DOE shall issue a negative validation opinion or should request guidance from the Board.

9.6. Verification report and certification report

9.6.1. Verification report

318. 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.

319. The DOE shall report the following:

(a) A summary of the verification process and the scope of verification;

(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 visit;

(c) Findings of the desk review and site visit;

[41] 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.

(d) All of the DOE's findings and conclusions as to whether:

(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 applied monitoring methodology and, where applicable, the applied standardized baseline; ~~and~~

(iii) ~~t~~The actual monitoring complies with the monitoring plan, including compliance with any guidance provided by the Board regarding deviations from the provisions of ~~a~~ the registered monitoring plan, ~~and/or~~ the applied methodology and/or the applied standardized baseline;

(iv) 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 on the verified amount of emission reductions achieved.

320. The DOE shall describe all documentation supporting verification and shall make it available on request.

9.6.2. Certification ~~R~~report

321. The DOE shall, based on its verification report, certify in writing that, during the specified time period, the project activity achieved the verified amount of reductions in anthropogenic emissions by sources of greenhouse gases that would not have occurred in the absence of the project activity.[42]

322. 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.

[42] 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.

10. Specific verification requirements

10.1. Afforestation or reforestation project activities

323. 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 A/R project activity has been established by the project participants since validation.

324. As a part of the first verification report, the DOE shall confirm that the boundary of the A/R project activity geographically delineates exclusively the afforestation or reforestation project activity under the control of the project participants.

10.2. CCS project activities

325. In accordance with section “verification and certification” of the Project standard, the DOE contracted by the project participants to perform the verification shall:

(a) Determine whether monitoring was conducted in accordance with the monitoring plan and the provisions for monitoring set out in section “Monitoring” of the Project standard;

(b) Determine whether the site development and management plan is being adhered to;

(c) Determine whether any significant deviations were observed during history matching and whether, in such a case, a recharacterization of the geological storage site, an update of the risk and safety assessment, an update of the environmental and socioeconomic impact assessments, a revision to the project boundary, and a revision to the monitoring plan have been conducted, as necessary, in accordance with the CCS-related provisions set out in the Project standard;

(d) Determine whether seepage occurred from the geological storage site of the CCS project activity during the verification period;

(e) In the case that such seepage occurred:

(i) Determine whether the remedial measures and plans described in the risk and safety assessment were implemented and effective;

(ii) Determine whether a net reversal of storage occurred as a result of the seepage;

(f) In the case that a net reversal of storage occurred, quantify the amount of the net reversal of storage that occurred as a result of the seepage;

(g) Determine whether there have been any unintentional transboundary effects;

(h) Where applicable, determine whether the geological storage site has been successfully closed.

326. The DOE shall check, for each verification period, whether the project participants have carried out history matching and, where necessary, updated the numerical models used

to characterize the geological storage site by conducting new simulations using the monitored data and information. The numerical models shall be adjusted in the event of significant deviations between observed and predicted behaviour.

327. Where the information prepared in accordance with section "Monitoring" of the Project standard indicates that the geological storage site no longer meets the requirements set out in section "Selection and characterization of the geological storage site" of the Project standard, the DOE shall provide a negative opinion on validation and/or verification.

328. The initial verification and certification of a CCS project activity may be undertaken at a time selected by the project participants. Subsequent verification and certification reports shall be submitted to the Executive Board not later than five years after the end of the previous verification period. Verification and certification shall continue beyond the end of the last crediting period of the proposed CCS project activity and shall only cease after the monitoring of the geological storage site has been terminated in accordance with the conditions for the termination of monitoring, as set out in section "Monitoring" of the Project standard.

10.2.1. Issuance of certified emission reductions for CCS project activities

329. A certification report submitted for a verification period during the crediting period shall constitute a request to the Executive Board for issuance of certified emission reductions (CERs) equal to the verified reductions in anthropogenic emissions by sources of GHGs that have occurred as a result of the registered CCS project activity.

330. A certification report submitted for a verification period after the end of the last crediting period shall not constitute a request for issuance but shall provide, where applicable, information on the amount of any net reversal of storage that occurred during the verification period as a result of seepage from the geological storage site of a CCS project activity, in accordance with the Project standard and Project cycle procedure and any decisions of the Executive Board.

331. The last certification report, submitted after the monitoring of the geological storage site has been terminated in accordance with the conditions for the termination of monitoring, as set out in section "Monitoring" of the Project standard, may constitute a request to forward any remaining CERs in the reserve account established for the purpose of accounting for any net reversal of storage to the registry accounts of the Parties and project participants involved.

10.3. Programme of activities

332. If, subsequent to the registration of the programme of activities (PoA), the coordinating/managing entity has changed, then the DOE shall submit to the UNFCCC secretariat:

(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 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".

10.3.1. Post-registration change to boundary of programme of activities

333. The DOE shall determine whether the 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 and/or standardized baselines from the registered PoA.

334. If the 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 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, the DNAs of the new host Parties issued letters of approval for the PoA and letters of authorization for the coordinating/managing entity where the amended PoA boundary includes additional host Parties.

335. If the 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 and, where applicable, the standardized baselines that are applied in the PoA;

(c) The existing registered PoA design document (CDM-PoA-DD) is revised appropriately to reflect the updated eligibility criteria for inclusion of CPAs.

336. If the PoA has been amended to remove approved baseline and monitoring methodologies and/or standardized baselines, then the DOE shall assess and confirm that:

(a) The change only involves the removal and no addition of methodologies and/or standardized baselines;

(b) The removal of the methodologies and/or standardized baselines does not affect the physical design of and the end-use service provided by the CPAs that apply the approved methodologiesand/or, standardized baseline that remain (i.e. the methodologies and/or standardized baselines that were not removed).

337. The DOE shall determine whether the 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.

338. 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~~ applied methodologies ~~and~~ including applied tools and, where applicable, the applied standardized baselines ~~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~~ applied methodologies including applied tools and, where applicable, the applied standardized baselines);

(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 ~~"Clean development mechanism~~ pProject 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~~ applied methodologies and, where applicable, the applied standardized baselines.

10.3.2. Request for issuance of certified emission reductions for a PoA

339. A DOE that has not performed validation activities for a PoA (validation of the PoA, inclusion of CPAs, renewal of the PoA, or renewal of crediting period of CPAs)[43] 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 anthropogenic emissions by sources or removals by sinks of greenhouse gases achieved by the CPAs under the PoA and determined in the PoA-DD;

(b) Take into account the possible existence of CPAs complying with different versions of the 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;

[43] 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.

(d) Systematically verify and certify the correct implementation and operation of the record-keeping system.

340. 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 site visits undertaken.

341. A DOE shall request issuance of CERs for a 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.

342. A request for issuance shall relate to the certified emission reductions verified as per the above.

10.3.3. Review of erroneous inclusion of a CPA[44]

343. 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 project activity.

11. Renewal of crediting period

11.1. General requirements

11.1.1. Validation requirement

344. When contracted by project participants to validate an existing project activity for a second or further renewal of crediting period, the DOE shall determine whether the project participants have updated sections of the PDD relating to the baseline, estimated emission reductions and the monitoring plan using the ~~most recent~~ valid version(s) of the approved baseline and monitoring methodology and, where applicable, the approved standardized baseline that is(are) applicable for the project activity.

11.1.2. Means of validation

345. The DOE shall determine whether the project participants have updated the PDD in accordance with section 12.9 of the Project standard.

346. 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;

[44] 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.

(b) The correctness of the application of ~~an~~ the approved ~~baseline~~ methodology and, where applicable, the approved standardized baseline for the determination of the continued validity of the baseline or its update, and the estimation of emission reductions for the applicable crediting period.

346$_{bis}$ The requirements contained in paragraph 346(a) above are not applicable to a registered CDM project activity that:

(a) Uses an approved standardized baseline that standardizes the baseline scenario in the original PDD; or

(b) Used only the selected methodology in the original PDD but, at the renewal of crediting period, used the valid version of an applicable approved standardized baseline that standardizes the baseline scenario and requires its use.

347. 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 project activity or the PoA.

347$_{bis}$. The DOE shall request the project participants to provide a revised updated PDD, applying the valid version of an applicable approved standardized baseline that requires its use, if:

(a) The updated PDD using the valid version of the applicable methodology has been submitted for the notification of the intention to request a renewal of crediting period when no applicable approved standardized baseline that requires its use has become valid;

(b) An applicable approved standardized baseline that requires its use has become valid after the submission of the updated PDD for the notification of the intention to request a renewal of crediting period but before the submission of a request for renewal of crediting period;

(c) The request for renewal of crediting period has not been submitted within 240 days after the standardized baseline becomes valid.

11.1.3. Reporting requirement

348. The DOE shall report on the renewal of the crediting period on how it has reassessed the validity of the original baseline and whether the emission reductions are in line with the ~~latest~~ valid version of the applicable methodology and, where applicable, the applicable standardized baseline.

11.2. Renewal of crediting period of CCS project activities

349. In accordance with section “Monitoring” of the Project standard, the DOE shall determine whether the project participants have carried out the following updates to ensure that they meet the requirements related to CCS project activities:

(a) Recharacterize the geological storage site, in accordance with section “Selection and characterization of the geological storage site” of the Project standard;

(b) Revise the project boundary;

(c) Update the risk and safety assessment, in accordance with section “Risk and safety assessment” of the Project standard;

(d) Update the environmental and socioeconomic impact assessments;

(e) Revise the monitoring plan, in order to improve the accuracy and/or completeness of data and information, taking into account observed deviations determined during history matching, changes to the project boundary, changes to the risk and safety assessment, changes to the environmental and socioeconomic impact assessments, new scientific knowledge and improvements in the best available technology;

(f) Update the site development and management plan, taking account of the results of the activities described in subparagraphs a–e above, where appropriate.

350. Where the information prepared in accordance with paragraph 349 above indicates that the geological storage site no longer meets the requirements set out in section “Selection and characterization of the geological storage site” of the Project standard, the issuance of CERs shall cease and the DOE shall issue a negative validation opinion.

11.3. Renewal of a crediting period of CPAs under a registered PoA

351. The DOE shall assess the information in the CDM-CPA-DD against the latest version of the 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 273 (a) and (b).

2. An electricity energy meter with a maximum permissible error (±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 273 (a) and (b).

Table 1.

Measured value	Parameter	Error identified during delayed calibration	Corrected Values
100 MWh	Electricity Export	±2%	100 (1-Max. permissible error%/100) = 95 MWh
100 MWh	Electricity Import	±2%	100 (1+Max. permissible error%/100) = 105 MWh

Table 2.

Measured value	Parameter	Error identified during delayed calibration	Corrected Values
100 MWh	Electricity Export	±7%	100 (1-error%/100) = 93 MWh
100 MWh	Electricity Import	±7%	100 (1+error%/100) =107 MWh

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Document information

Version	*Date*	*Description*
07.0	14 May 2014	Published within annex 09 to the annotated agenda of EB79 Revision to incorporate requirements related to standardized baselines.
06.0	11 April 2014	Revision to incorporate the amendment to the requirements for carbon dioxide capture and storage in CDM-EB78-A04.
05.0	4 October 2013	Revision to incorporate the requirements for programme of activities in the amendment in CDM-EB75-A05 which includes: • To enable two issuance requests for the same monitoring period; • To eliminate the requirement of minimum 90 days period between two issuance requests.
04.0	29 July 2013	Revision to incorporate the amendment in CDM-EB74-A04 which includes: • Integration of clarification CDM-EB72-A06-CLAR and CDM-EB73-A16-CLAR; • Clarification on the situations in which prior consideration of PoAs need to be validated; • Clarification on the validation of post registration changes in the context of PoAs and CPAs.
03.0	23 November 2012	EB 70, Annex 3 Revision to reflect revised requirements for PoAs.
02.0	25 November 2011	EB 65, Annex 4 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: • Clean development mechanism validation and verification manual (version 01.2); • Procedures for requesting post-registration changes to the start date of the crediting period (version 02.0); • Procedures for modalities of communication between project participants and the Executive Board (version 01.0); • 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); • Procedures for processing and reporting on validation of CDM project activities (version 03.0); • Procedures for requests to the Executive Board for deviation from an approved methodology (version 01.0); • Procedures for approval of the application of multiple

Version	*Date*	*Description*
		methodologies to a programme of activities (version 01.0); Procedure for requests for registration of proposed CDM project activities (version 2.0); • Procedures for review of erroneous inclusion of a CPA (version 03.0); • Procedures for withdrawal of a request for registration (version 01.0); • Procedures for renewal of the crediting period of a registered CDM project activity (version 06.0); • Making the monitoring report available to the public in accordance with § 62 of the modalities and procedures for the CDM (version 01.0); • Procedure for requests for issuance of CERs (version 01.2); • Procedures for withdrawal of a request for issuance of certified emission reductions (version 01.0); • Procedures for notifying and requesting approval of changes from the project activity as described in the registered PDD (version 01.0); • Procedures for revising monitoring plans in accordance with paragraph 57 of the modalities and procedures for the CDM (version 02.0); • Procedures for requests for deviation prior to submitting request for issuance (version 01.0); • Guidelines on the demonstration and assessment of prior consideration of the CDM (version 04.0); • Guidance related to monitoring requirements (EB23, paragraph 24); • Guidance on application of the definition of the project boundary to A/R CDM project activities (version 01.0); • Guidelines on assessment of different types of changes from the project activity as described in the registered PDD (version 01.0); • Guidelines for assessing compliance with the calibration frequency requirements (version 01.0); • Clarifications on the consideration of national and/or sectoral policies and circumstances in baseline scenarios (version 02.0); • 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); • 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); • Additional clarifications to the validation requirements to be checked by a designated operational entity” (EB 11 annex 6).

Version	*Date*	*Description*
01.2	30 July 2010	EB 55, Annex 1 • Incorporation of applicable decisions of the Board from EB 51 to EB 54; • Revision of references to the procedures, tools and guidance documents; • Editorial review.
01.1	4 December 2009	EB 51, Annex 3 • Incorporation of applicable decisions of the Board from EB 44 to EB 50; • Revision of references to the procedures, tools and guidance documents; • Editorial review.
01.0	28 November 2008	EB 44, Annex 3 Initial adoption.

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Appendix 3 - Draft clean development mechanism project cycle procedure (Version 07.0)

CDM-EB79-AA-A09

Draft Procedure

Clean development mechanism project cycle procedure

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 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, the annex to decision 6/CMP.1 and the annex to decision 10/CMP.7. The CMP revised provisions in these decisions through new decisions in subsequent sessions. 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.

2. 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.

3. 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 "Clean development mechanism project standard" and the "Clean development mechanism validation and verification standard".

1.2. Objectives

4. The objectives of the "Clean development mechanism 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 and entry into force

2.1. General

5. 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.

2.2. Entry into force

5_{bis}. Version 07.0 of this procedure enters into force on 25 June 2014.

3. Terms and definitions

6. 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

7. 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 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 PDD regarding the project activity has been published for global stakeholder consultation in accordance with paragraph 20 below; or

   (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.

8. The secretariat shall maintain a publicly available list of such notifications on the UNFCCC CDM website.

9. 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).

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 20 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 "Clean development mechanism 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. Participation requirements of host Party for CCS project activities

4.2.1. Expression of host Party agreement for CCS project activities

12. If a Party wishes to host CDM CCS project activities on its territory, it shall submit to the UNFCCC secretariat, through its DNA, an expression of its agreement (EoA) to allow the implementation of CCS project activities on its territory. A host Party's EoA shall be submitted prior to the PDD for the first proposed CCS project activity on the host Party's territory being published for global stakeholder consultation. A DNA shall submit the EoA by email to [Moderator-DNA@unfccc.int].

13. A host Party's EoA shall apply to all CCS project activities implemented on its territory.

14. The EoA should list the host Party's laws and regulations that satisfy the requirements set out in section 4.2.2 below as an appendix.

4.2.2. Laws and regulations of host Party for CCS project activities

15. Prior to the publication of the PDD for global stakeholder consultation for the first proposed CCS project activities on its territory, a host Party shall ensure that it has established laws and/or regulations that:

    (a) Set procedures that include provisions for the appropriate selection, characterization and development of geological storage sites, recognizing the project requirements for CCS project activities under the CDM set out in section ‘’Selection and characterization of the geological storage site’’ of the Project standard;

    (b) Define means by which rights to store carbon dioxide in, and gain access to, a subsurface pore space can be conferred to project participants;

    (c) Provide for timely and effective redress for affected entities, individuals and communities for any significant damage, such as environmental damage, including damage to ecosystems, other material damage or personal injury, caused by the project activity, including in the post-closure phase;

    (d) Provide for timely and effective remedial measures to stop or control any unintended seepage of carbon dioxide, to restore the integrity of a geological storage site, and to restore long-term environmental quality significantly affected by a CCS project activity;

    (e) Establish a means for addressing liability arrangements for carbon dioxide geological storage sites, taking into account the provisions set out in section ‘’Liability’’ of the Project standard;

    (f) For a host Party that accepts the obligation to address a net reversal of storage, establish measures to fulfil such an obligation.

4.3. Publication of project design document

4.3.1. Submission of project design document

16. 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 (CPA-DD), in accordance with the "Clean development mechanism 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.

17. The DOE shall make the PDD or PoA-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.

18. 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 with which 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;

    (e) The approved baseline and monitoring methodology(ies) and, where applicable, the approved standardized baseline(s) that is(are) ~~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 and length of the first crediting period;

    (h) In the case of a PoA, in addition to (a)–(g) above:

        (i) The generic CPA-DDs, which specify the generic information relevant to all CPAs that may be included in the PoA. Where more than one technology/measure or more than one methodology is applied, a generic CPA-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.

19. 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.

20. 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 26(a) below; and

(b) Republishing the PDD or PoA-DD or a revised version thereof for global stakeholder consultation in accordance with paragraphs 17 and 18 above.

21. If the DOE is accredited for the validation function in all sectoral scope(s)[1] 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 of the period for submission of comments.

22. If the PDD or PoA-DD applies the previous version of an approved baseline and monitoring methodology and/or an approved standardized baseline, 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" and/or the procedure "Development, revision, clarification and update of standardized baselines", the project participants shall revise the PDD, or the coordinating/managing entity shall revise the PoA-DD, applying the revised version of the methodology and/or the standardized baseline 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

[1] There are 16 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.

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 60 below, unless otherwise decided by the Board when it approves the revised methodology and/or the revised standardized baseline.

22$_{bis}$. If the PDD or PoA-DD using the selected methodology has been published for global stakeholder consultation when no applicable approved standardized baseline that requires its selection has become valid, if an applicable approved standardized baseline that requires its selection has become valid after the publication of the PDD or PoA-DD for global stakeholder consultation but before the submission of a request for registration of the proposed CDM project activity or PoA, and if the request for registration has not been submitted within 240 days after the standardized baseline becomes valid, the project participants shall revise the PDD, or the coordinating/managing entity shall revise the PoA-DD, applying the applicable approved standardized baseline. In this case, the DOE shall publish the revised PDD or PoA-DD for global stakeholder consultation in accordance with paragraph 17 above.

23. If the project participants or the coordinating/managing entity wish to change the approved baseline and monitoring methodology, approved standardized baseline and/or combination of approved baseline and monitoring methodologies that is(are) 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 17–18 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 and/or approved standardized baselines;

(ii) The removal of the approved baseline and monitoring methodologies and/or the approved standardized baselines does not affect the physical design of and the end-use services provided by the CPAs that apply the methodologies and, where applicable, the standardized baselines that remain (i.e. the methodologies that were not removed).

4.3.2. Submission and treatment of public comments

24. Parties, stakeholders[2] 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.

[2] For the purpose of this procedure all members of the public are considered to be stakeholders.

25. The secretariat shall make the comments 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 24 above.

4.4. Reporting of validation status

26. 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 60 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.

4.5. Modalities of communication

27. 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 30 below and include this information in a modalities of communication (MoC) statement.

28. After the submission of a request for registration of a proposed CDM project activity or PoA in accordance with paragraph 60 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 163 and 172(b) below.

29. 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.

30. 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)).

31. 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.

32. 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).

33. 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.

34. 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).

35. 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.

36. The secretariat shall, when conducting the completeness check of the request for registration submission in accordance with paragraph 65 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.

37. 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.

38. 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.

4.6. Request for deviation from approved methodology

4.6.1. Submission of request for deviation

39. ~~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.~~ The DOE may seek guidance from the Board on the acceptability of a deviation prior to the submission of a request for registration or publication of the PDD or PoA-DD of the proposed CDM project activity or PoA 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, due to a project- or programme-specific issue implying that a revision of the methodology would not be required to address the issue, the project participants or the coordinating/managing entity deviated from:

    (a) An approved baseline and monitoring methodology; or

    (b) A section (or sections) in the selected methodology that is(are) not standardized by the selected standardized baseline(s), if the proposed CDM project activity or PoA uses standardized baselines.

40. 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”.

41. If the DOE cannot determine the applicability of the selected methodology and/or the selected standardized baseline 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” and/or the procedure “Development, revision, clarification and update of standardized baselines”.

42. 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.

4.6.2. Processing request for deviation

43. 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.

44. 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 42 above.

45. 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.

46. 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.

47. 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.

48. 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 47 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.

49. If the request submission is removed from processing in accordance with paragraph 48 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.

50. 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 47 and 48 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.

51. If no member of the Board objects to the secretariat's recommendation on the course of action referred to in paragraph 47 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.

52. 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.

53. 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.

54. If the Board considers the case at its meeting in accordance with paragraph 47 or 53 above, it shall decide on the course of action at the meeting.

55. The course of action referred to in paragraph 47 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.

56. Once a decision has been made by the Board, the secretariat shall inform the DOE of the decision and any guidance provided by the Board as applicable, and make the decision and guidance publicly available on the UNFCCC CDM website.

4.7. Application of multiple methodologies in programme of activities

57. 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 58 or 59 below as applicable.

58. If the PoA applies only small-scale methodologies and, where applicable, standardized baselines, 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 4.6 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.

59. If the PoA applies only large-scale methodologies and, where applicable, standardized baselines, or both large-scale and small-scale methodologies and, where applicable, standardized baselines, 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

60. The DOE, after determining that a proposed CDM project activity or PoA meets all relevant requirements in the "Clean development mechanism project standard" by following the relevant provisions of the "Clean development mechanism 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.

61. 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.

62. 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.

63. 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) ~~a~~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"; and/or

(b) A standardized baseline that has been revised, suspended or has expired, 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, the date of suspension or the expiry date, as defined in the procedure "Development, revision, clarification and update of standardized baselines".

5.1.2. Processing request for registration

64. 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.

65. 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.

66. 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.

67. 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.

68. 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.

69. 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.

70. 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 registration with revised documentation. Upon submission of the revised documentation, the request shall be treated as a new submission of a request for registration.

71. 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.

72. 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 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.

73. For re-submission purposes, the DOE shall be granted an extension of the validity of the methodology and/or the standardized baseline by the number of days in excess of the 45 days elapsed before the notification on incompleteness is made, 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 67 or 70 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:

    (a) The grace period of the previous version of a baseline and monitoring methodology and/or a standardized baseline; or

    (b) The validity of the previous version of a standardized baseline.

74. 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 76 below.

75. 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

76. 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 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.

77. The secretariat shall acknowledge receipt of a request for review and promptly make it available to the Board.

78. 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.

79. 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.

5.1.4. Finalizing request for registration if no request for review

80. 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 76–79 above.

81. 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 80 above shall be the date on which the DOE submitted a complete request for registration.

82. 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 80 above shall be the next day after the 28-day review request period referred to in paragraph 76 above.

5.2. Review of request for registration

5.2.1. Commencement of review

83. 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.

84. 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.

85. 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.

86. 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.

87. 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.

88. 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

89. 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.

90. Concurrently and independently from the secretariat's assessment referred to in paragraph 89 above, the RIT Team established in accordance with paragraph 83(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.

91. Both the secretariat and the RIT Team shall finalize their assessments no later than 14 days after the commencement of the review.

92. 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.

93. 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.

94. 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.

95. The RIT Team shall submit its assessment report to the Board through the secretariat.

96. 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

97. 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.

98. 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.

99. 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.

100. 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.

101. 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

102. If a Board's final decision made in accordance with paragraph 97 or 101 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.

103. If a Board's final decision made in accordance with paragraph 97 or 101 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.

104. 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.

105. 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.

106. 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.

107. 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.

108. At the Board meeting for which the case is placed on the agenda, the Board shall, in accordance with appendix 2, finalize the ruling.

109. The secretariat shall make the final ruling publicly available on the UNFCCC CDM website.

5.3. Withdrawal of request for registration

5.3.1. Submission of request for withdrawal

110. 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;[3]

(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.

5.3.2. Processing request for withdrawal

111. Upon receipt of the request for withdrawal, the secretariat shall as soon as possible check the documents submitted.

112. Type 1: If the DOE requests the withdrawal prior to the publication of the request for registration in accordance with paragraph 71 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.

113. 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 76 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.

114. 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 83(a) above, any registration fee paid above USD 30,000 shall be reimbursed to the project participants or

[3] In such cases the DOE shall process the request expeditiously.

the coordinating/managing entity, and the proposed CDM project activity or PoA shall be marked as “withdrawn” on the UNFCCC CDM website.

115. 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

116. To include a CPA in a registered CDM PoA, the coordinating/managing entity shall forward the completed specific case CPA-DD to any 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.

117. 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 through a dedicated interface on the UNFCCC CDM website. Such uploads shall be grouped and not occur more frequently than once per month.

118. 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.

119. If an approved baseline and monitoring methodology and/or an approved standardized baseline that is(are) applied to the PoA is(are) put on hold or withdrawn for any reason other than for the purpose of inclusiondingthe methodology 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” and/or the procedure “Development, revision, clarification and update of standardized baselines”.

120. If the methodology and/or the standardized baseline, subsequent to being placed on hold, is(are) 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/or the revised standardized baseline, and the generic CPA-DD applying the updated eligibility criteria following the process described in paragraph 138 below. Such revisions to the PoA-DD and the generic CPA-DD 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.

121. Once the revised PoA-DD and generic CPA-DD have been approved by the Board, the inclusion of all new CPAs shall be based on the new version of the generic CPA-DD.

122. The CPAs that were included before the methodology and/or the standardized baseline was put on hold shall apply the latest version of the generic CPA-DD at the time of the renewal of the crediting period.

6.1.2. Review of erroneous inclusion or renewal of crediting period of component project activities

123. 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.

124. 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 123 above and decide, within 14 days, whether to add the request for review to the agenda of the next Board meeting.

125. 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.

126. 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 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.

127. If the request for review is added to the agenda of the next Board meeting in accordance with paragraph 124 or 126 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.

128. If the Board initiates the full review referred to in paragraph 127(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.

129. The Board shall establish an assessment team to analyse the DOE's review report referred to in paragraph 128 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.

130. 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.

131. The Board shall decide to exclude any of the CPAs from the PoA if it concludes that they have been erroneously included.

132. Any CPA that has been excluded shall not be re-included in that or any other PoA, or qualify as a CDM project activity.

133. Where, for any of the CPAs excluded in accordance with paragraph 127(a) or 131 above, the Board determines that the including DOE failed to adequately assess their compliance with the eligibility criteria in accordance with the "Clean development mechanism 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

134. 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, ~~or~~ the monitoring methodology or the standardized baseline;

(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, ~~or~~ the monitoring methodology or the standardized baseline, 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.

135. For CDM PoAs, with regard to the changes referred to in paragraph 134(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 and/or standardized baselines from the registered PoA.

136. For the generic and specific CPAs of the registered CDM PoA, with regard to the changes referred to in paragraph 134(b)(v) above, the following conditions have to be met to modify[4] or add technologies/measures:

(a) The applicability conditions of the applied ~~approved~~ baseline and monitoring methodologies and tools and, where applicable, the applied standardized baselines ~~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 and, where applicable, the approved standardized baselines);

(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.[5]

137. In the cases described in paragraph 134 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 generic CPA-DD, to be validated by the DOE and approved by the Board in accordance with paragraph 138 below.

[4] Modifications to technologies/measures may include changes to the effective output capacity.

[5] An example is the case of a CPA that included portable LED lamps that are charged by mechanical energy whereas charging from other renewable energy sources such as solar PV electricity is also required during project implementation; PV electricity to charge the lamps would be eligible if the registered PoA-DD had included it.

138. 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 143 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 134 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 "Clean development mechanism 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 134 above that have occurred or are expected to occur to the project activity or PoA after its registration.

139. In the cases referred to in paragraph 138 above, where more than one of the changes referred to in paragraph 134 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.

140. 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 7.3 below.

141. In both cases referred to in paragraphs 138 and 140 above, the DOE shall be accredited for the validation function in the sectoral scope(s) of the project activity or PoA in question.

142. For the change referred to in paragraph 134 (b) (ii), the request for approval of change may be made only once for each registered CDM project activity or CPA.

143. 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.

144. 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 "Clean development mechanism validation and verification standard";

    (c) A revised PDD, or revised PoA-DD, and revised generic CPA-DD 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

145. 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.

146. 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 144 above.

147. 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.

148. 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.

149. 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.

150. 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 149 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.

151. If the request submission is removed from processing in accordance with paragraph 150 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.

152. 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 149 and 150 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.

153. If no member of the Board objects to the secretariat's recommendation on the course of action referred to in paragraph 149 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.

154. 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.

155. 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.

156. If the Board considers the case at its meeting in accordance with paragraph 149 or 155 above, it shall decide on the course of action at the meeting.

157. For the changes referred to in paragraph 134 (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.

158. For the changes referred to in paragraphs 134 (a) and (b) (i)-(iii) above, the course of action shall be:

    (a) Approve the changes;

    (b) Reject the changes.

159. Once a decision has been made by the Board, the secretariat shall inform the DOE of the decision and any guidance provided by the Board as applicable, and make the decision and guidance publicly available on the UNFCCC CDM website.

160. 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.

161. The CPAs that were included before the change 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.

6.3. Changes to modalities of communication

6.3.1. General requirements

162. The focal point(s) for scope (b) of the CDM project activity or PoA referred to in paragraph 30 above shall request changes to any modalities of the MoC statement to the secretariat as soon as possible after the changes become effective.

163. The authorized signatories or the legal representatives of the project participants 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.

164. 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. The secretariat may provide specific guidance for the re-submission.

165. 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.

166. 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 172(b) below.

167. Focal point(s) for scope (b) or project participants who submit F-CDM-MOCs in accordance with paragraph 172(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.

168. Legal representatives signing on behalf of entities shall provide written evidence that they are authorized to sign on behalf of the respective entities.

169. The secretariat may request additional clarification and/or documentation if submissions do not clearly provide evidence in support of a specific request.

170. 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.

171. The secretariat shall display the effective dates of updated F-CDM-MOCs on the corresponding CDM project activity and PoA view pages.

6.3.2. Specific requirements on changes to focal points

172. 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.

173. 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.

174. 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.

175. 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 174(a) above, the focal point(s) for scope of authority (b) or the project participant that makes the submission in accordance with paragraph 172(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).

176. The legal representative of a project participant may sign an F-CDM-MOC submitted in accordance with paragraph 174(b) above.

177. 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 172(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

178. In addition to the requirements as referred to in paragraphs 162–177 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 shall submit:

(a) New letter(s) of authorization from each respective host Party stating the change of coordinating/managing entity;

(b) 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

(c) A validation opinion from a DOE regarding the compliance of the new coordinating/managing entity with the relevant requirements in the "Clean development mechanism project standard".

6.3.4. Specific requirements on changes to project participants

179. 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.

180. 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

181. 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 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.

182. 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 site-visit for the verification.

183. 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**.**

184. 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.

185. 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.

7.2. Reporting of status of registered project activity or programme

186. 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 182 above. The project participants or the coordinating/managing entity shall include 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.

187. 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 190 below. The DOE shall include 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.

7.3. History matching and significant deviation for CCS project activities

188. The project participants shall, for each verification period, carry out history matching in accordance with the Project standard. If during history matching a significant deviation is observed (as defined by the methodology used by the project activity), the project participant shall immediately notify the host Party and CDM Executive Board in writing.

189. The project participants shall follow the procedure for "changes to registered CDM project activity or programme of activities" as set out in section 6.2 above for changes that require the prior approval of the Board.

8. Issuance of certified emission reductions

8.1. Request for issuance

8.1.1. Submission request for issuance

190. 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 "Clean development mechanism project standard" and certifies the quantity of CERs claimed in the monitoring report, by following the relevant provisions of the "Clean development mechanism validation and verification standard" and other CDM requirements.

191. 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.

192. 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 lCERs 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.

193. 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.

194. If the DOE submits the changes to a registered CDM project activity or PoA for the acceptance of the Board in accordance with paragraph 140 above, it shall also submit the documentation and information listed in paragraph 144 above, in addition to those referred to in paragraph 191 above.

8.1.2. Processing request for issuance

195. 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.

196. 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.

197. 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.

198. 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.

199. 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.

200. 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.

201. 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.

202. 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.

203. 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.

204. 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 206 below.

205. 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

206. 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 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.

207. The secretariat shall acknowledge receipt of a request for review and promptly make it available to the Board.

208. 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 206 above following the publication of the request for issuance.

209. 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.

8.1.4. Finalizing request for issuance if no request for review

210. 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 206–209 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:

(a) For project activities other than CCS: in accordance with decision 3/CMP.1, annex, paragraph 66;

(b) For CCS project activities: in accordance with decision 7/CMP.1, annex, paragraph 21 which requires that for CCS project activities upon such issuance, the CDM Registry Administrator shall promptly:

(i) Forward the quantity of CERs corresponding to the share of proceeds to cover administrative expenses and to assist in meeting the costs of adaptation, respectively, in accordance with Article 12, paragraph 8, of the Kyoto Protocol, to the appropriate accounts in the CDM registry for the management of the share of proceeds;

(ii) Forward 5 per cent of the CERs issued to a reserve account of the CDM registry, established for the CCS project activity for the purpose of accounting for any net reversal of storage;

(iii) Forward the remaining CERs to the registry accounts of the Parties and project participants involved, in accordance with their request.

211. 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.

212. 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

213. 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.

214. 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.

215. 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.

216. 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.

217. 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;

218. 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

219. 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.

220. Concurrently and independently from the secretariat's assessment referred to in paragraph 219 above, the RIT Team established in accordance with paragraph 213(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.

221. Both the secretariat and the RIT Team shall finalize their assessments no later than 14 days after the commencement of the review.

222. 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.

223. 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.

224. 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.

225. The RIT Team shall submit its assessment report to the Board through the secretariat.

226. 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

227. 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.

228. 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.

229. 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.

230. 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.

231. 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

232. If the Board's final decision made in accordance with paragraph 227 or 231 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:

(a) For project activities other than CCS: in accordance with decision 3/CMP.1, annex, paragraph 66;

(b) For CCS project activities: in accordance with decision 7/CMP.1, annex, paragraph 21 which requires that for CCS project activities upon such issuance, the CDM Registry Administrator shall promptly:

(i) Forward the quantity of CERs corresponding to the share of proceeds to cover administrative expenses and to assist in meeting the costs of adaptation, respectively, to the appropriate accounts in the CDM registry for the management of the share of proceeds;

(ii) Forward 5 per cent of the CERs issued to a reserve account of the CDM registry, established for the CCS project activity for the purpose of accounting for any net reversal of storage;

(iii) Forward the remaining CERs to the registry accounts of the Parties and project participants involved, in accordance with their request.

233. 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.

234. 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.

235. If the Board’s final decision made in accordance with paragraph 227 or 231 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.

236. 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.

237. 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.

238. 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.

239. 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.

240. At the Board meeting for which the case is placed on the agenda, the Board shall, in accordance with appendix 2, finalize the ruling.

241. The secretariat shall make the final ruling publicly available on the UNFCCC CDM website.

242. If the request for issuance is rejected in accordance with paragraph 227 or 231 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. In this case, the DOE shall submit a request for re-submission of the request for issuance, justifying that the re-submission falls under such case. The Board shall consider such request at its subsequent meeting following receipt of the request and decide whether to allow the re-submission on a case-by-case basis. The Board may provide further guidance, as appropriate. In cases where the re-submitted request for issuance is also rejected by the Board, further re-submission of a request for issuance for the same monitoring period shall not be allowed.

8.3. Withdrawal of request for issuance

8.3.1. Submission of request for withdrawal

243. 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;[6]

(b) The DOE has revised its verification report and/or certification report based on new insights or information.

8.3.2. Processing request for withdrawal

244. Upon receipt of the request for withdrawal, the secretariat shall as soon as possible check the documents submitted.

245. Type 1: If the DOE requests the withdrawal prior to the publication of the request for issuance in accordance with paragraph 202 above, the request for issuance for the specified monitoring period will not be marked as "withdrawn". If the DOE re-submits the request for issuance for the same monitoring period after such withdrawal, the request for issuance shall be treated as a new submission.

246. 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 206 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.

247. 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 213(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.

248. Submissions of requests for withdrawal shall feed into the framework for monitoring performance of DOEs.

8.4. Addressing non-permanence in CCS project activities

249. To address the non-permanence in CCS project activities, the monitoring of the geological storage site shall follow the criteria specified in section ''Monitoring'' of the Project standard. The monitoring shall not be terminated earlier than 20 years after the end of the last crediting period of the CCS project activity or after the issuance of the CERs has ceased, whichever occurs first.

250. The monitoring of the geological storage site shall be conducted by the entity or Party that is liable for the geological storage site, or by an entity that is under contractual arrangement with the liable entity or Party.

[6] In such cases the DOE shall process the request expeditiously.

251. A certification report submitted for a verification period after the end of the last crediting period shall not constitute a request for issuance but shall provide, where applicable, information on the amount of any net reversal of storage that occurred during the verification period as a result of seepage from the geological storage site of a CCS project activity.

252. The last certification report, submitted after the monitoring of the geological storage site has been terminated in accordance with the conditions for the termination of monitoring, as set out in section ''Monitoring'' of the Project standard, may constitute a request to forward any remaining CERs in the reserve account established for the purpose of accounting for any net reversal of storage to the registry accounts of the Parties and project participants involved.

253. Upon submission of the last certification report, referred to in paragraph 252 above, and upon finalization of the consideration of the certification report by the Executive Board, the CDM Registry Administrator shall promptly forward any CERs remaining in the reserve account established for the purpose of accounting for any net reversal of storage to the registry accounts of the Parties and project participants involved, in accordance with their request.

254. Where a verification report determines that a net reversal of storage occurred during the verification period as a result of seepage from the geological storage site of a CCS project activity, the Executive Board shall:

    (a) Notify the CDM Registry Administrator to cancel, up to the amount of the net reversal of storage, the CERs issued for the CCS project activity held in the CDM registry:

        (i) Firstly, from the reserve account established for the purpose of accounting for any net reversal of storage;

        (ii) Secondly, from the pending account;

        (iii) Finally, from the holding accounts of the project participants, proportional to the amount of CERs for the CCS project activity held in each holding account;

    (b) Determine any outstanding amount of the net reversal of storage for which no units were cancelled under paragraph 254 (a) above and, where such an amount is outstanding, request the project participants to transfer, within 30 days after the notification, an amount of assigned amount units (AAUs), CERs, emission reductions units (ERUs) or removal units (RMUs) equivalent to the outstanding amount to a cancellation account of the CDM registry established for this purpose or a cancellation account of the national registry of any Party.

255. Where a verification report is not submitted within the time frame specified in section ''Verification and certification'' of the Project standard, the Executive Board shall forthwith request the project participants to provide the outstanding verification report. If the verification report is not received within six months of the receipt of the request by the project participants, the Executive Board shall:

    (a) Instruct the CDM Registry Administrator to cancel all CERs that were issued for the CCS project activity and are being held in the CDM registry;

(b) Subsequently request the project participants to cancel, within one year after the request, an amount of AAUs, CERs, ERUs or RMUs equivalent to the amount of CERs issued from the start of the CCS project activity:

(i) Minus any AAUs, CERs, ERUs or RMUs that were transferred to a cancellation account for the purpose of compensating for a net reversal of storage, prior to the request to the CDM Registry Administrator referred to in paragraph 254 (a) above;

(ii) Minus any CERs issued for the CCS project activity that were cancelled in accordance with paragraph 254(a) above.

256. If the project participants do not fully comply with the requirements set out in paragraphs 254 or 255(b) above, the outstanding amount of units shall be transferred to a cancellation account of the national registry of a Party included in Annex I to the Convention (Annex I Party) or the CDM registry, within one year of the request by the Executive Board, by:

(a) The host Party, if the host Party has accepted the obligation to address a net reversal of storage in such a situation in its letter of approval;

(b) The Annex I Parties which hold CERs issued for the CCS project activity in accounts of their national registries, if the host Party has not accepted the obligation to address a net reversal of storage in such a situation in its letter of approval.

257. If the host Party has accepted the obligation to address a net reversal of storage in such a situation in its letter of approval, the Executive Board shall determine the outstanding amount of units that must be cancelled and notify the host Party concerned of the requirement for cancellation. To meet this requirement, the host Party shall transfer an amount of AAUs, CERs, ERUs or RMUs equivalent to the outstanding amount to the cancellation account established for this purpose in the CDM registry or a cancellation account of the national registry of any Party.

258. If the host Party has not accepted the obligation to address a net reversal of storage in such a situation in its letter of approval, the Executive Board shall:

(a) Determine the outstanding amount of units that must be cancelled;

(b) Request the international transaction log administrator to identify the quantity of CERs issued for the CCS project activity held in each national registry, distinguishing between units in holding accounts and other accounts, for the current and previous commitment periods;

(c) Immediately notify the international transaction log that the CERs identified as being in holding accounts are ineligible for transfers other than for the purpose of the requirement set out in paragraph 256 above. When the requirement for cancellation, as set out in paragraph 256 above, has been satisfied, the CERs issued for the CCS project activity in holding accounts shall be again eligible for transfer;

(d) Determine the outstanding amount of units that must be cancelled by each Annex I Party proportionally, by dividing the amount identified in paragraph 258(b) above by the total outstanding amount;

(e) Notify each Annex I Party that holds CERs issued for the CCS project activity in accounts of its national registry of the requirement for cancellation, as determined in paragraph 258(d) above. To meet this requirement, the relevant Annex I Parties shall transfer an amount of AAUs, CERs, ERUs or RMUs equivalent to the outstanding amount to the cancellation account established for this purpose in the CDM registry or a cancellation account of their national registries.

9. Renewal of crediting period

9.1. Preparation of revised project or programme design document

259. 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 "Clean development mechanism project standard".

9.2. Request for renewal of crediting period

9.2.1. Submission of request for renewal of crediting period

260. 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 265 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.

261. No fee is due for requests of a renewal of crediting period.

262. When submitting the request for renewal of crediting period, 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.

263. For the purpose of renewal of crediting period it is not necessary to obtain a new letter of approval from Parties involved.

264. The secretariat shall make every effort to inform 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 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.

265. The DOE shall submit 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 new PoA-DD and new generic CPA-DD, and updated validation report.

266. For renewal of crediting period of a registered CDM PoA, the coordinating/managing entity shall update the eligibility criteria for inclusion of CPAs in the PoA in accordance with the "Clean development mechanism project standard", and include them in new versions of the PoA-DD and generic CPA-DD, to be validated by the DOE and approved by the Board in accordance with paragraphs 269–276 below.

267. For renewal of crediting period of CPAs in a registered CDM 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 through a dedicated interface on the UNFCCC CDM website. Such uploads shall be grouped and shall not occur more frequently than once per month.

268. 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

269. 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

270. 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 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.

271. The secretariat shall acknowledge receipt of a request for review and promptly make it available to the Board.

272. 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.

273. 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.

9.2.4. Finalizing request for renewal of crediting period if no request for review

274. 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.

9.3. Review of request for renewal of crediting period

275. For reviews of the request for renewal of crediting period, the provisions in section 5.2 above shall apply mutatis mutandis.

276. The start date of the renewed crediting period shall be the first day after the end date of the previous crediting period, provided that the project participants or the coordinating/managing entity have complied with the notification step referred to in paragraph 260 above.

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 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 to submissions of request for registration of proposed project activities and PoAs under the CDM.

4. The share of proceeds to cover administrative expenses is:

    (a) USD 0.10 per CER issued for the first 15,000 tonnes of CO_2 equivalent for which issuance is requested in a given year;

    (b) USD 0.20 per CER issued for any amount in excess of 15,000 tonnes of CO_2 equivalent for which issuance is requested in a given 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_2 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.[1] 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.

[1] 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.

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 76, 206 and 270 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 75, 205 and 269 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 101 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 for operational entities” or the “Clean development mechanism 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 231 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 for operational entities" or the "Clean development mechanism 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 101 effected by paragraph 275 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 for operational entities" or the "Clean development mechanism 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 the new generic CPA-DD, 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 98 and 228 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 106 and 238 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 100 and 230 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 99 and 229 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 108 and 240 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

Version	*Date*	*Description*
07.0	14 May 2014	Published within annex 09 to the annotated agenda of EB79 Revision to incorporate requirements related to standardized baselines.
06.0	11 April 2014	Revision to incorporate the amendment to the requirements for carbon dioxide capture and storage in CDM-EB78-A05.
05.0	4 October 2013	Revision to incorporate the amendment to the requirements for programme of activities in CDM-EB75-A06 which includes: • To enable two issuance requests for the same monitoring period; • To eliminate the requirement of minimum 90 days period between two issuance requests.
04.0	29 July 2013	Revision to incorporate the amendment in CDM-EB74-A11 which includes: • Integration of clarification CDM-EB72-A06-CLAR; • Clarification on the eligible post registration changes in the context of PoAs and CPAs; • Clarification on the fee schedule;
03.2	1 April 2013	Editorial revision to replace the expired procedures with "*Procedure: Development, revision and clarification of baseline and monitoring methodologies and methodological tools*" (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: • 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 • 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 • Correct or modify the titles of referred documents
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: • Clean development mechanism validation and verification manual (version 01.2); • Procedures for requesting post-registration changes to the start date of the crediting period (version 02.0); • Procedures for modalities of communication between project participants and the Executive Board (version 01.0); • 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); • Procedures for processing and reporting on validation of CDM project activities (version 03.0); • Procedures for requests to the Executive Board for deviation from an approved methodology (version 01.0); • Procedures for approval of the application of multiple methodologies to a programme of activities (version 01.0); • Procedure for requests for registration of proposed CDM project activities (version 2.0); • Procedures for review of erroneous inclusion of a CPA (version 03.0); • Procedures for withdrawal of a request for registration (version 01.0); • Procedure for review of requests for registration (version 01.2); • Procedures for renewal of the crediting period of a registered CDM project activity (version 06.0); • Making the monitoring report available to the public in accordance with § 62 of the modalities and procedures for the CDM (version 01.0);

- Procedure for requests for issuance of CERs (version 01.2);
- Procedures for withdrawal of a request for issuance of certified emission reductions (version 01.0);
- Procedure for review of requests for issuance of CERs (version 01.3);
- Procedures for notifying and requesting approval of changes from the project activity as described in the registered PDD (version 01.0);
- Procedures for revising monitoring plans in accordance with paragraph 57 of the modalities and procedures for the CDM (version 02.0);
- Procedures for requests for deviation prior to submitting request for issuance (version 01.0);
- Guidelines on the demonstration and assessment of prior consideration of the CDM (version 04.0);
- Guidelines on the registration fee schedule for proposed project activities under the clean development mechanism (02.0);
- Guidelines for requesting a review and making decisions and objections regarding review assessments (version 02.0);
- 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);
- Form to submit request for revision of monitoring plan (F-CDM-REVMP) (version 01.0);
- Form for submission of requests for deviation prior to submitting request for issuance (F-CDM-DEV-ISS) (version 01.0).

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Appendix 4 – Draft guidelines for completing the proposed new baseline and monitoring methodology form (Version 02.0)

CDM-EB79-AA-A09

Draft Guideline

Guidelines for completing the proposed new baseline and monitoring methodology form

Version 02.0

TABLE OF CONTENTS **Page**

1. Introduction

1.1. Background

1. The procedure “Development, revision and clarification of baseline and monitoring methodologies and methodological tools” (EB70, Annex 36) requires that ~~the submission of~~a new proposed new methodology be submitted using the duly completed “New baseline and monitoring methodology proposal” form (CDM-PNM-FORM). This guideline assists the project participants of a planned CDM project activity, the coordinating/managing entity of a planned CDM PoA, a DOE, a designated national authority (DNA) or any other stakeholder (hereinafter referred to as the proponent) to complete the above referred form.

1.2. Objectives

2. The objective of these guidelines ~~the “Guidelines for completing the proposed new baseline and monitoring methodology form”~~ is to assist the proponent in completing the “Proposed new baseline and monitoring methodology form” (CDM-P-NM-FORM).

2. Scope and applicability

3. This guideline is applicable for the development of a proposed new methodology for a clean development mechanism (CDM) project activity.

3. General guidelines

3.1. PART I. General information on completing the Proposed new baseline and monitoring methodology form

~~1. These guidelines seek to assist project participants in completing the Proposed new baseline and monitoring methodology form (CDM-NM-FORM).~~

4. If ~~project participants~~ the proponents~~)~~ wish to propose new baseline and monitoring methodologies they shall complete and submit the ~~CDM-NM-FORM~~CDM-PNM-FORM and a draft CDM-PDD with only sections A-C filled along with the completed “New baseline and monitoring methodology proposal form” (hereafter referred to as CDM-PNM-FORM) in accordance with the procedure “Development, revision and clarification of baseline and monitoring methodologies and methodological tools”. If the ~~relevant~~ proponents wish to propose a new baseline and monitoring methodology for the purpose of applying it only with (an) approved standardized baseline(s), they shall also complete and submit the CDM-PNM-FORM, taking into consideration the specific provisions on standardized baselines in this document, and a draft CDM-PDD with only sections A-C filled along with a completed CDM-PNM-FORM in accordance with the procedure “Development, revision and clarification of baseline and monitoring methodologies and methodological tools”.

5. The ~~CDM-NM-FORM~~CDM-PNM-FORM may be obtained electronically from the UNFCCC CDM website <http://unfccc.int/cdm>, by e-mail <cdm-info@unfccc.int> or in printed format from the UNFCCC secretariat (~~F~~fax: +49–228–8151999).

6. Terms, which are underlined with a broken line in the ~~CDM-NM-FORM~~CDM-PNM-FORM, are explained in the "Glossary of CDM terms" available on the CDM UNFCCC website. It is strongly recommended that before or during the completion of the forms ~~that~~ project participants consult the most recent version of the "Glossary of CDM terms".

7. ~~participants~~ The proponents should also consult the section "Guidance – clarifications" on the UNFCCC CDM website <http://unfccc.int/cdm>. It is also available from the UNFCCC secretariat by e-mail <cdm-info@unfccc.int> or in print via fax (+49–228–8151999).

8. The Executive Board may revise the ~~CDM-NM-FORM~~CDM-PNM-FORM.

9. Revisions to the ~~CDM-NM-FORM~~CDM-PNM-FORM do not affect proposed new baseline and monitoring methodologies:

   (a) Submitted ~~to the DOEs~~ prior to the adoption of the revised ~~CDM-NM-FORM~~CDM-PNM-FORM;

   (b) Submitted ~~to the DOEs~~ within ~~a~~ three months following the adoption of the revised ~~CDM-NM-FORM~~CDM-PNM-FORM;

~~10. The Executive Board will not accept documentation using a previous version of the CDM-NM-FORM three months after the adoption of the new version.~~

11. In accordance with the CDM modalities and procedures, the working language of the Board is English. The ~~CDM-NM-FORM~~CDM-PNM-FORM shall therefore be completed and submitted in ~~English language~~ to the Executive Board in English. For reference purposes, ~~of consultation~~, the ~~CDM-NM-FORM~~CDM-PNM-FORM is, however, available for consultation in all six official languages of the United Nations on the UNFCCC CDM website ~~for consultation in all six official languages of the United Nations~~.

12. The ~~CDM-NM-FORM~~CDM-PNM-FORM templates shall not be altered, that is, shall be completed using the same font without modifying its format, font, headings or logo.

13. Tables and their columns shall not be modified or deleted. Rows may be added, as needed.

14. The ~~CDM-NM-FORM~~CDM-PNM-FORM shall include in section A.1 the version number and the date of the document.

15. If sections of the ~~CDM-NM-FORM~~CDM-PNM-FORM are not applicable, it shall be explicitly stated that the section is left blank on purpose.

16. The ~~CDM-NM-FORM~~CDM-PNM-FORM is not applicable to afforestation and reforestation CDM project activities. The documentation for afforestation and reforestation project activities is available on the UNFCCC CDM website.

17. The presentation of values in the ~~CDM-NM-FORM~~CDM-PNM-FORM, including those used for the calculation of emission reductions, should be in international standard format e.g. 1,000 representing one thousand and 1.0 representing one. The units used for weights/currency ~~(Lakh/crore etc)~~ should be accompanied by their equivalent S.I. units/norms (thousand/million) as part of the requirement to ensure transparency and clarity.

3.2. PART II. Technical guidelines for the development of proposed new baseline and monitoring methodologies

~~Note: The document is prepared with the aim to facilitate the development of new methodologies and as such is a guidance document. The decisions/guidance provided by either by the Board or COP are legally valid and this document does not replace such decisions or guidance provided. The document is a living document and shall be revised, as and when required, to accommodate EB and/or COP/MOP decisions.~~
~~Please note this document is not mandatory and as such is for guidance~~

3.2.1. General guidance on proposed new baseline and monitoring methodologies

3.2.1.1. Analysis of the existing approved methodologies

18. Before considering the proposal of a new baseline and monitoring methodology, the list of approved methodologies should be checked by the project proponents to verify whether an approved baseline and monitoring methodology could be used, or used with modifications, for the proposed project activity. In case modifications are required, please, refer to the guidance provided by the Executive Board on criteria for the consolidation and revision of approved methodologies (EB 27 report, Aannex 10) and when to request a revision, clarification or deviation to an approved methodology (EB 31 report, Annex 12). This guidance is available at <http://cdm.unfccc.int/EB/index.html>.

3.2.1.2. Forms to be used for submitting new methodologies

19. The new baseline and monitoring methodologies shall be proposed and approved together. The form “Proposed New Baseline and Monitoring Methodology form” (~~CDM-NM-FORM~~CDM-PNM-FORM) is to be used to propose a new baseline and monitoring methodology. This form shall fully and completely describe the methodology. The form should be accompanied by a draft project design document (CDM-PDD) with sections A-C completed, including relevant annexes, in order to demonstrate the application of the proposed new methodologies to a proposed project activity. Each proposed new baseline and monitoring methodology should use a separate “CDM Proposed New Baseline and Monitoring Methodology form” (~~CDM-NM-FORM~~CDM-PNM-FORM). The ~~CDM-NM-FORM~~CDM-PNM-FORM for several new methodologies may be submitted together with the same CDM-PDD for several components of a proposed project;

20. The forms shall be submitted to the Executive Board in accordance with the procedure “Development, revision and clarification of baseline and monitoring methodologies and methodological tools”. The most recent versions of these forms and procedures may be obtained from the UNFCCC CDM website <http://unfccc.int/cdm> or from the UNFCCC secretariat by e-mail (cdm-info@unfccc.int) or in print via fax (+49–228–8151999);

21. The ~~CDM-NM-FORM~~CDM-PNM-FORM and the CDM-PDD shall include in sections B and A respectively the version number and the date of the document. If specific sections of the ~~CDM-NM-FORM~~CDM-PNM-FORM and CDM-PDD are not applicable, it shall be explicitly stated that the section is left blank on purpose. Tables and their columns shall not be modified or deleted. Rows may be added, as needed;

22. ~~Project participants~~ The proponents shall refrain from providing glossaries or using key terminology not used in the documents of the Conference of the Parties (COP), the ~~COP/MOP~~ Conference of the Parties serving as the meeting of the Parties to the Kyoto

Protocol (CMP), the "Glossary of CDM terms", or the "Definitions relevant to CDM baseline and monitoring methodologies" (Annex 2 of this document), and they shall refrain from rewriting these instructions.

3.2.2. General guidance for completing the proposed new baseline and monitoring methodology form (~~CDM-NM-FORM~~CDM-PNM-FORM)

23. The "Proposed new baseline and monitoring methodology" form sections shall:

(a) Be completed in a fashion that can be readily used as an approved methodology. This requires use of appropriate format, tone, and level of specificity. Text shall be clear and succinct, well-written, and logically sequenced. It shall describe the procedures in a manner that is sufficiently explicit to enable the methodology to carried out by a methodology user, applied to projects unambiguously, and reproduced by a third party. It shall be possible for projects following the methodology to be subjected to a validation and/or verification study. Methodology developers should review and be familiar with methodologies approved by the CDM Executive Board (please refer to the section on methodologies in the UNFCCC CDM website <http://cdm.unfccc.int/methodologies/PAmethodologies>);

(b) Be generally appropriate for the entire group of project activities that satisfy the specified applicability conditions. A new methodology should, therefore, stand independently from the specific project activity proposed in the draft CDM-PDD with which the new methodology is being submitted. The methodology should not make direct reference to, or depend on characteristics of, the specific project activity being proposed in the draft CDM-PDD. It should not refer to specific project activities or locations, project-specific conditions or project-specific parameters. This project-specific information should be described in the draft CDM-PDD, however, it can be referred to in the explanation/justification section to help describe the methodology;

(c) Present methodology steps as one might present a recipe. It should include all algorithms, formulae, and step-by-step procedures needed to apply the methodology and validate the project activity, i.e. calculating baseline, project, and leakage emissions. The completed form shall provide stand-alone replicable methodologies, and avoid reference to any secondary documents other than ~~EB~~ CDM Executive Board approved tools and methodologies;

(d) Indicate precisely what information the project proponent must report in the draft CDM-PDD and/or in monitoring reports;

(e) Support important procedures and concepts with equations and diagrams. Non-essential information should be avoided;

(f) Provide instructions for making any logical or quantitative assumptions that are not provided in the methodology and must be made by the methodology user;

(g) Include instructions to assist in implementing the methodology in a conservative manner where logical or quantitative assumptions have to be made by the methodology user, particularly in cases of uncertainty.

3.2.2.1. Use of variables in equations

24. Use the nomenclature of variables contained in Annex 1 to these guidelines. Variables not contained in the standard nomenclature should be named with two or three upper case letters that are first letters of each key word describing the variable (e.g. stack height = SH);

25. All variables that are reported or estimated annually should have a *y* subscript for year (e.g. BE_y);

26. Variables should use the *i* subscript to denote multiple pieces of equipment, fuel types, processes, sites or measuring locations (e.g. F_i = flow rate at different measuring points *i*). If two summations are required (e.g. fuel type and equipment piece), the subscripts *i* and *j* should be used;

27. No name should be used more than once for different variables in the same methodology;

28. Where necessary, the subscripts BL and PJ should be used to distinguish between the project and the baseline (e.g. EG_{BL}, EG_{PJ});

29. Where a variable refers to a gases, the formula of the gas should be indicated as a subscript (e.g. $BE_{CO2,y}$).

4. Specific guidelines

SECTION A: Recommendation by the ~~methodological panel~~ Methodologies Panel (to be completed by the Methodologies Panel)

1. Recommendation

Box 1.

1. This section is to state the outcome of the assessment of the proposed new methodology: (a) Approve; (b) Reject; (c) Preliminary recommendation.

2. Major changes

3. ~~Major~~ Minor changes

SECTION B: Summary and applicability of the baseline and monitoring methodologies

4. Methodology ~~T~~title

Box 2.

1. Provide an unambiguous title for the proposed methodology. The title should reflect the project types to which the methodology is applicable. Do not use project-specific titles. Please indicate the following: (a) The title of the proposed methodology; (b) The version number of the document; (c) The date of the document.

1. If this methodology is based on a previous submission or an approved methodology, please state the reference numbers

Box 3.

1. State whether the proposed methodology is based on a previous submission or an approved methodology and, if so, explain briefly the main deviation(s) and their rationale. Where the methodology references other approved methodologies, the following guidance should be followed: (a) The new methodology should clarify whether a section of an approved methodology is used verbatim, or rather as the basis for the proposal; (b) If the section is used verbatim, then no additional text is needed in the methodology proposal other than a reference to the sections and paragraphs of the approved methodology (including version number); (c) If the original text is modified in the proposal, then the entire text should be repeated. 2. Provide the reference number and version number to approved methodologies and tools if they are used – in whole or in part – in the proposed new methodology. Relevant sections can be cited specifically, but should not be repeated. Any proposed modifications and/or additions to approved tools and methodologies need to be clearly highlighted.

2. Summary description of the methodology

Box 4.

1. For the baseline and monitoring methodology, summarize the key elements of the proposed new methodology, including brief statements on how the proposed methodology: (a) Chooses the baseline scenario; (b) Demonstrates additionality; (c) Calculates baseline emissions; (d) Calculates project emissions; (e) Calculates leakage; (f) Identifies and collects monitoring data;

(g) Calculates emissions reductions.

2. In doing so, if relevant, describe how this methodology builds on, complements, and/or provides an alternative to approved methodologies. Please do not exceed one page. The detailed explanation of the proposed new methodology is to be provided in Sections I, II and III of the ~~CDM-NM-FORM~~CDM-PNM-FORM form.
3. In cases where the baseline and monitoring methodology is submitted for the purpose of applying it only with (an) approved standardized baseline(s) developed using the "Guidelines for the establishment of sector specific standardized baselines", brief statements on the following sections are not required:
   (a) Chooses the baseline scenario;
   (b) Demonstrates additionality.

SECTION C: Proposed new baseline and monitoring methodology

I. Source, definitions and applicability

Sources

Box 5.

Proponent of the new methodology should provide a list of existing approved methodologies and tools used in this new submission.

Selected baseline approach from paragraph 48 of the CDM modalities and procedures

Box 6.

1. Developers of a new baseline methodology shall select the approach from paragraph 48 of the CDM modalities and procedures that is most consistent with the context of applicable project types, and most consistent with the underlying algorithms and data sources used in the proposed baseline methodology, and justify the choice on this basis. (EB 10 report, ~~A~~annex 1, ~~P~~para. B3).
2. Proponents of methodologies have indicated some apparent overlap between approaches (a), (b), and (c) of paragraph 48 of the CDM modalities and procedures. Since paragraph 48 stipulates that only one approach should be chosen, developers are advised to select the one that most closely reflects the process used for calculating baseline emissions or baseline emission rates. The tool used in order to demonstrate additionality does not need to be linked to one of the three approaches of paragraph 48 of the CDM modalities and procedures. (EB 10 report, ~~A~~annex 1, ~~P~~para. B4).
3. ~~Project participants~~ The proponents wishing to select approach 48 (c) of the CDM modalities and procedures shall elaborate in their submission of a proposed new baseline methodology, inter alia, on:
   (a) How they determine "similar social, economic, environmental and technological circumstances"; and
   (b) How they assess the "performance among the top 20 per cent of their category" defined as greenhouse gas emissions performance (in terms of CO_2e emissions per unit of output). (EB 08 report, ~~A~~annex 1, ~~P~~para. B)
4. In cases where the baseline and monitoring methodology is submitted for the purpose of applying it only with (an) approved standardized baseline(s) developed using the "Guidelines for the establishment of sector specific standardized baselines", the proponents do not need to complete this section.

Definitions

Box 7.

1. Provide definitions of key terms that are used in the proposed new methodology.
2. If possible, use definitions from other approved methodologies (e.g. electricity grid, tail gas).

Applicability conditions

Box 8.

1. List the category(ies) of project activities to which the methodology may apply. Use the list of categories of project activities and of registered CDM project activities by category available on the UNFCCC CDM website. If no suitable category(ies) of project activities can be identified, please suggest a new category(ies) descriptor and its definition, being guided by relevant information on the UNFCCC CDM website.
2. List any conditions which a proposed CDM project activity must satisfy in order for the methodology to be applicable: (e.g. project technology, sectoral circumstances, region). Applicability conditions must pertain to the type of proposed project activity and sector in which it takes place. Conditions should not substitute for steps that are necessary parts of the baseline methodology, such as defining the baseline. In this regard, they should not be conditions on a presumed baseline scenario (e.g., it is not appropriate for an applicability condition to be "The plant would continue to use the same fuel at the same efficiency without the project activity" as this is not a condition on the project activity, but a result of baseline assessment).
3. In some cases, compliance with an applicability condition, such as "the project activity is a grid-connected wind power facility", is obvious, easily validated, and unlikely to change. In other cases however, compliance with an applicability condition may need to be monitored during the crediting period, and the consequences of non-compliance would need to be indicated in the methodology. For example, if an applicability conditions is "The project should not result in the storage of biomass for more than thirty 30 days", the methodology should explain how the applicability condition can be satisfied (e.g. through monitoring of storage facilities, if present), and how it will be reported.
4. Explain in Section D "explanations/justifications" the choice of the project category and applicability conditions. Indicate if an approved methodology exists for the same conditions of application.
5. In cases where the baseline and monitoring methodology is submitted for the purpose of applying it only with (an) approved standardized baselines developed using the "Guidelines for the establishment of sector specific standardized baselines", the applicability conditions related to the baseline scenario, additionality and part of baseline emissions which are standardized by applicable standardized baseline, are not required, however they should be covered in the respective standardized baseline(s)

II. Baseline methodology procedure

Project ~~B~~boundary

9. The spatial extent of the project boundary encompasses

Box 9.

1. Describe and justify the physical delineation of the project boundary (the phrase is taken from guidance provided in ~~CDM-NM-FORM~~CDM-PNM-FORM section of guidelines to complete CDM-PDD, ~~CDM-NM-FORM~~CDM-PNM-FORM) and the gases and sources included, bearing in mind that it shall encompass all anthropogenic emissions by sources of greenhouse gases under the control of the project participants that are significant and reasonably attributable to the project activity:
   (a)Explain the physical delineation. Use a figure or flowchart if it would be helpful;
   (b)Explicitly state all sources and gases included. Explain whether any sources related to the baseline or the project activity have been excluded, and if so, justify their exclusion. If possible use the table provided in the ~~CDM-NM-FORM~~CDM-PNM-FORM.
2. When defining which emission sources should be considered in the project boundary, in the baseline scenario and in the calculation of leakage emissions, project participants should make conservative assumptions, for example the magnitude of emission sources omitted in the calculation of project emissions and leakage effects (if positive) should be equal to or less than the magnitude of emission sources omitted in the calculation of baseline emissions. (EB 22 report, ~~A~~annex 2).
3. In cases where the baseline and monitoring methodology is submitted for the purpose of applying it only with approved standardized baselines developed using the "Guidelines for the establishment of sector specific standardized baselines", any part of Table 1 requiring emission sources in the baseline, for which the standardized baseline is developed, project proponents do not need to include any baseline emission sources in Table 1 that are included in a standardized baseline(s). These baseline emission sources shall be included in the relevant standardized baseline(s).

10. The greenhouse gases included in or excluded from the project boundary are shown in Table 1.

Table 1. Emission sources included in or excluded from the project boundary

Source		Gas	Included	Justification/Explanation
Baseline		CO_2	No	
		CH_4	No	
		N_2O	No	
		CO_2	No	
		CH_4	No	
		N_2O	No	
		CO_2	No	
		CH_4	No	
		N_2O	No	
Project activity		CO_2	No	
		CH_4	No	
		N_2O	No	
		CO_2	No	
		CH_4	No	
		N_2O	No	

Source		Gas	Included	Justification/Explanation
		CO_2	No	
		CH_4	No	
		N_2O	No	

Identification of the most plausible scenario

Box 10.

1. General issues

(a) The baseline is the scenario that reasonably represents the anthropogenic emissions by sources of greenhouse gases that would occur in the absence of the proposed project activity. Different scenarios may be elaborated as potential evolutions of the situation existing before the proposed CDM project activity. The continuation of a current activity could be one of them; implementing the proposed project activity without registration as CDM project activity may be another; and many others could be envisaged;

(b) In cases where the baseline and monitoring methodology is submitted for the purpose of applying it only with (an) approved standardized baseline(s) developed using the “Guidelines for the establishment of sector specific standardized baselines”, the proponents do not need to complete this section;

(c) Provide a systematic, step-by-step procedure for determining the most likely baseline scenario. Explain in the "explanations/justification" section why the proposed procedure for determining the baseline scenario is appropriate for the project type and applicability conditions;

(d) This procedure should describe a process for identifying the options to be considered as plausible candidate baseline scenarios. Justify that the range of options to be considered as plausible baseline scenarios is sufficiently comprehensive. The options to be considered should not exclude plausible options that, if included, might result in the determination of a different baseline scenario. Baseline methodologies shall require a narrative description of all reasonable baseline scenarios;

(e) Highlight the key logical assumptions and quantitative factors underlying the procedure for determining the baseline scenario. Clearly explain the logical and analytical steps that must be followed in ascertaining the most likely baseline scenario from among the candidate baseline scenarios. State clearly which assumptions and factors have significant uncertainty associated with them, and how such uncertainty is to be addressed;

(f) Ensure consistency between the baseline scenario derived by this procedure and the procedure and formulae used to calculate the baseline emissions (below). The baseline scenario determination procedure should indicate for which baseline scenarios the overall methodology is applicable. This situation would occur when the baseline emissions section (below) does not include algorithms and/or parameters relevant to the baseline scenario identified by the procedure.

2. Consideration of national and/or sectoral policies and circumstances in baseline scenarios (EB 16 report, ~~A~~annex 3 and EB 22 report, ~~A~~annex 3)

(a) A baseline scenario shall be established taking into account 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;

(b) As a general principle, national and/or sectoral policies and circumstances are to be taken into account ~~on~~ in the establishment of a baseline scenario, without creating perverse incentives that may impact ~~H~~host Parties' contributions to the ultimate objective of the Convention;

(c) The following two types of national and/or sectoral policies are to be taken into account when establishing baseline scenarios:

(i) 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;[1]

(ii) 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);[2]

(d) These two types of policies shall be addressed as follows:

(i) Only national and/or sectoral policies or regulations under paragraph (c) (i) above that have been implemented before the adoption of the Kyoto Protocol by the COP (decision 1/CP.3, 11 December 1997) shall be taken into account when developing 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;

(ii) National and/or sectoral policies or regulations under paragraph c) ii) above 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 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.

Additionality

Box 11.

1. General issues

(a) Provide a systematic step-by-step procedure for determining whether or not the project activity is, or is part of, the baseline scenario, and thereby determining whether the project activity is additional. The methodology should clearly state what the methodology user must do and what information must be presented in the resulting CDM-PDD in order to make a logical and well-substantiated case for the project's additionality;

(b) In cases where the baseline and monitoring methodology is submitted for the purpose of applying it only with (an) approved standardized baseline(s) developed using the "Guidelines for the establishment of sector specific standardized baselines", the proponents do not need to complete this section;

(c) Examples of tools that may be used to demonstrate that a project activity is additional and therefore not the baseline scenario include, among others: (EB 10 report, ~~A~~annex 1, ~~P~~paras. 2~~&~~ and 3)

(i) A flow-chart or series of questions that lead to a narrowing of potential baseline options; and/or

[1] So called type E+, policy that increases GHG emissions.

[2] So called type E-, policy that decreases GHG emissions.

(ii) A qualitative or quantitative assessment of different potential options and an indication of why the non-project option is more likely; and/or

(iii) A qualitative or quantitative assessment of one or more barriers facing the proposed project activity (such as those laid out for small-scale CDM projects); and/or

(iv) An indication that the project type is not common practice (e.g. occurs in less than [<x%] of similar cases) in the proposed area of implementation, and not required by a Party's legislation/regulations;

(d) Present the procedures in each step in as much detail as needed, but avoid repetition that is not needed for reasons of clarity;

(e) Justify in ~~the~~ section D "explanations/justification" why the proposed procedure is an appropriate procedure for establishing the project's additionality. Highlight the key logical assumptions and quantitative factors underlying the procedure for demonstrating the project activity is additional. State clearly which assumptions and factors have significant uncertainty associated with them, and how such uncertainty is to be addressed. If relevant, explain how national and/or sectoral policies and circumstances are taken into account by the methodology.

2. Use of the "Tool for the demonstration and assessment of additionality"

(a) The use of the "Tool for the demonstration and assessment of additionality" is intended to facilitate the process of submitting methodologies, and ~~that~~ the use of the tool is not mandatory for preparing methodologies (~~Para 9~~ decision 12/CP.10, para. 9, ~~Para 28~~ ~~D~~decision 7/CMP.1, para 28, EB 18 report, ~~P~~para. 20);

(b) ~~Project participants~~ The proponents are encouraged to suggest further details on how to implement this tool to specific project types covered by the proposed methodology. If ~~project participants~~ the proponents suggest such further details, in the proposed methodology, they should refer to the tool and reproduce only the section(s) of the additionality tool, they propose to modify, clearly highlighting the proposed changes and/or additions to the tool. (EB 18 report, ~~P~~para. 20)

3. Relationship between the demonstration of additionality and the selection of the baseline scenario (EB 17 report, ~~P~~para. 16)

(a) The use of the "tool to assess and determine additionality" does not replace the need for the baseline methodology to provide for a stepwise approach justifying the selection and determination of the most plausible baseline scenario alternatives;

(b) ~~Project participants~~ The proponents proposing new baseline methodologies shall ensure consistency between the determination of additionality of a project activity and the determination of a baseline scenario.

~~3. Relationship between the demonstration of additionality and the selection of the baseline scenario (EB 17 Para 16)~~

~~(a) The use of the "tool to assess and determine additionality" does not replace the need for the baseline methodology to provide for a stepwise approach justifying the selection and determination of the most plausible baseline scenario alternatives;~~

~~(b) The proponents proposing new baseline methodologies shall ensure consistency between the determination of additionality of a project activity and the determination of a baseline scenario.~~

4. Use of the "Combined tool to identify the baseline scenario and demonstrate additionality"

(a) ~~Project participants~~ The proponents may choose, if applicable, to use the "Combined tool to identify the baseline scenario and demonstrate additionality", which is also intended to facilitate the process of submitting new methodologies. The combined tool provides a general framework for identifying the baseline scenario as well as demonstrating additionality, in one single stepwise procedure;

(b) In some cases, adjustments or additional explanations to the tool are required for specific project activities. This may include, *inter alia,* a listing of relevant alternative scenarios that should be considered in step 1, any relevant types of barriers other than those presented in the tool and guidance on how common practice should be established. In this case, ~~Project participants~~ the proponents should refer to the tool and reproduce only the section(s) of it ~~which~~ that they propose to modify, clearly highlighting the proposed changes and/or additions;

(c) Please refer to the tool for applicability conditions and further details.

Baseline emissions, project emissions and leakage effects

Box 12.

1. General guidance

(a) Elaborate all algorithms and formulae used to estimate, measure or calculate the project emissions, baseline emissions and leakage effects. Be specific and complete, so that the procedure can be carried out in an unambiguous way, replicated, and subjected to a validation and/or verification study:

(i) Explain the underlying rationale for algorithm/formulae (e.g. marginal vs. average, etc.);

(ii) Use consistent variables, equation formats, subscripts, etc.;

(iii) Number all equations;

(iv) Define all variables, with units indicated;

(v) Justify the conservativeness of the algorithms/procedures; to the extent possible, include methods to quantitatively account for uncertainty in key parameters;

(b) Elaborate all parameters, coefficients, and variables used in the calculation of baseline emissions, project emissions and leakage effects:

(i) For those values that are provided in the methodology:

a. Clearly indicate the precise references from which these values are taken (e.g. official statistics, IPCC Guidelines, commercial and scientific literature);

b. Justify the conservativeness of the values provided;

(ii) For those values that are to be provided by the project participant, clearly indicate how the values are to be selected and justified, for example, by explaining:

a. What types of sources are suitable (official statistics, expert judgment, proprietary data, IPCC, commercial and scientific literature, etc.);

b. The vintage of data that is suitable (relative to the project crediting period);

c. What spatial level of data is suitable (local, regional, national, international);

d. How conservativeness of the values is to be ensured.

(c) For all data sources, specify the procedures to be followed if expected data are unavailable. For instance, the methodology could point to a preferred data source (e.g. national statistics for the past ~~5~~five years), and indicate a priority order for use of additional data (e.g. using longer time series) and/or fall back data sources to preferred sources (e.g. private, international statistics, etc.). (EB 09 report, ~~A~~annex 3, ~~P~~para. 6);

(d) Use International System Units (SI units – refer to http://www.bipm.fr/enus/3_SI/si.html). (EB 09 report, annex 3, para. 6);

(e) Note any parameters, coefficients, variables, etc. that are used to calculate baseline emissions but are obtained through monitoring. Ensure consistency between the baseline and monitoring methodologies;

(f) If the calculation of the baseline emissions is to be performed ex post, include an illustrative ex ante emissions calculation;

(g) Ensure consistency between the elaboration of the baseline scenario (Section 2) and the procedure for calculating the emissions of the baseline;

(h) When submitting new methodologies relating to the substitution, recycling, recovery and destruction of SF6 used in various processes, the project proponent should provide the following:

(i) Robust procedures to address the possibility of intentional increase of baseline SF6 consumption; and

(ii) Direct monitoring of all the key parameters that are related to estimation of baseline and project emissions including detailed explanations of key operating conditions and procedures, and an explanation addressing uncertainty;

(i) With the intention to facilitate the submission of proposed new methodologies and standardize the calculation of certain classes of emissions sources that are common for different types of project activities, the Executive Board has approved several tools to calculate project and baseline emissions. Please refer to the CDM website: <http://cdm.unfccc.int/methodologies/PAmethodologies/approved.html>;

(j) The tools should be used whenever their applicability conditions allow. They should be used as stand-alone procedures, without changes, and need not to be copied in the proposed methodology. The proposed new methodology only needs to refer to the tool at the point in which the emissions from a source are calculated, making sure that the applicability conditions of the tool are met by the proposed project activity, the emission source referred to in the proposed methodology corresponds to that in the tool, and that units are consistent. Apart from using the existing approved tools, project proponents are also encouraged to propose new ones in areas where no tool exists or approved tools are not appropriate;

(k) Explain in section D “explanations/justifications” any parts of the algorithm or formulae that are not self-evident. Justify that the procedure is consistent with standard technical procedures in the relevant sector. Provide references as necessary. Explain implicit and explicit key assumptions in a transparent manner. State clearly which assumptions and procedures ~~that~~ have significant uncertainty associated with them, and how such uncertainty is to be addressed. Describe the uncertainty of key parameters and, where possible, provide an uncertainty range at 95% confidence level for key parameters for the calculation of emission reductions. Methodology developers are also encouraged to refer to chapter 6 of the IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories for more Guidance on analysis of uncertainty;

(l) In cases where the baseline and monitoring methodology is submitted for the purpose of applying it only with approved standardized baselines developed using the “Guidelines for the establishment of sector specific standardized baselines”, the proponents should clearly specify which baseline emission sources and parameters are determined through the standardized baseline. For these emission sources and parameters, the provisions in paragraphs (a) to (k) above do not apply.

2. Transparency and conservativeness

(a) According to paragraph 45 (b) of the modalities and procedures, a baseline shall be established in a "transparent and conservative manner". This means that assumptions are explicitly explained and choices are substantiated. In case of uncertainty regarding values of variables and parameters, the establishment of a baseline is considered conservative if the resulting projection of the baseline does not lead to an overestimation of emission reductions attributable to the CDM project activity (that is, in the case of doubt, values that generate a lower baseline projection shall be used). (EB 05 report, ~~A~~annex 3).

3. Output-linked baseline values (EB 08 report, ~~A~~annex 1, ~~P~~para. D8)

(a) An output- or product-linked definition of baseline values (i.e. CO_2e per unit of output) shall be applied, unless the ~~Project participants~~ the proponents can demonstrate why this is not applicable and provide an appropriate alternative.

4. Use of and/or reference to lifecycle analysis (EB 22 report, ~~A~~annex 2)

(a) When referring to and/or making use of lifecycle analysis (LCA~~s~~) and/or LCA tools, ~~Project participants~~ the proponents shall in a transparent manner provide all equations, parameterizations and assumptions used in the LCA and/or LCA tools to calculate baseline and monitoring methodologies. For example, this could be accomplished by highlighting the relevant sections in an attached copy of the referenced LCA and/or tool.

5. Ex post calculation of baseline emission rates (EB 09 report, ~~A~~annex 3, ~~P~~para. 8)

(a) The ex post calculation of baseline emission rates may only be used if proper justification is provided. Notwithstanding, the baseline emission rates shall also be calculated ex ante and reported in the draft CDM-PDD in order to satisfy the requirements for identification of the elements of a baseline methodology agreed by the Executive Board at its eighth meeting.

6. Treatment of the output and lifetime of plants and equipment (EB 08 report and EB 22 report, ~~A~~annex 2)

(a) If a proposed CDM project activity seeks to retrofit or otherwise modify an existing facility, the baseline may refer to the characteristics (i.e. emissions) of the existing facility only to the extent that the project activity does not increase the output or lifetime of the existing facility. For any increase of output or lifetime of the facility which is due to the project activity, a different baseline shall apply (EB 08 report);

(b) Where a project activity involves the replacement or retrofit of existing equipment or facilities, ~~Project participants~~ the proponents should take into account that the existing equipment could have been replaced, retrofitted or modified in the absence of the project during the crediting periods. In this case, a baseline methodology should provide a methodological approach to assess whether the existing equipment would in the absence of the CDM be replaced and, if this is the case, to reflect this in the calculation of emission reductions the replacement, retrofit or modification of the equipment in the absence of the CDM;

(c) For a number of project types, it is reasonable to assume that after replacement or retrofit of the existing equipment in the absence of the project activity, the emission level would be similar to that ~~of that~~ of the project activity;

(d) In this case, emission reductions resulting from a specific equipment replacement shall only be accounted from the date of replacement until the point in time when the existing equipment would have been replaced in the absence of the project activity or the end of crediting period, ~~whatever~~ whichever is earlier;

(e) In order to estimate the point in time when the existing equipment would need to be replaced in the absence of the CDM, a new methodology may consider the following approaches;

(f) If a proposed CDM project activity seeks to retrofit or otherwise modify an existing facility, the baseline may refer to the characteristics (i.e. emissions) of the existing facility only to the extent that the project activity does not increase the output or lifetime of the existing facility. For any increase of output or lifetime of the facility which is due to the project activity, a different baseline shall apply (EB 08 report, annex 1);

(i) A sector and/or activity specific method or criteria to determine when the equipment would be replaced or retrofitted in the absence of the CDM;

(ii) The typical average technical lifetime of the type equipment may be determined and documented, taking into account common practices in the sector and country, e.g. based on industry surveys, statistics, technical literature, etc.;

(iii) The practices of the responsible entity regarding replacement schedules may be evaluated and documented, e.g. based on historical replacement records for similar equipment;

(g) The point in time when the existing equipment would need to be replaced in the absence of the project activity should be chosen in conservative manner;

(h) In case of project activities that involve several replacements or retrofits, ~~Project participants~~ the proponents may consider, inter alia, the following generic approaches:

(i) Determination of the technical lifetime on a case-by-case basis, for each equipment or equipment type that is being replaced. This approach may be appropriate if different types of existing equipment are involved; or

(ii) Assuming a conservative default technical lifetime for all equipment involved;

(i) For projects involving a large number of individual equipment installations, methodologies may use a baseline that reflects the expected improvements in emission characteristics (for the equipment type within the sector or industry in question) as a result of replacements or retrofits of equipment in the absence of the project activity.

7. Use of regression analysis (EB 21 report, ~~A~~annex 7)

(a) Where methodologies propose using multiple regression analysis to estimate baseline emissions or project emissions, safeguards should be used in order to ensure conservativeness and rigor of the fitted regression model. General guidance to achieve such objectives ~~are~~ is as follows:

(i) In the process of fitting the regression, assumptions and requirements for regression models should be considered e.g. testing for multi-collinearity;

(ii) Independent variables that are likely to influence the dependent variable in question should be accounted for. Technical background information that may support the selection of such variables should be provided with the methodology for the review of the panel;

(iii) Testing for statistical significance for all independent variables should be done. Independent variables which are statistically significant at 95% confidence level should be selected in the regression model;

(iv) If the time series data is used to fit the regression, autocorrelation should be tested. In case autocorrelation is found to be statistically significant, time series analysis should be used instead of regression.

8. Negative emission reductions (EB 21 report, ~~P~~para. 18)

(a) In some cases and for some methodologies, project activities may temporarily result in "negative emission reductions" in a particular year, for example due to poor performance or due to leakage effects outweighing emission reductions. In these cases, proposed new methodologies should stipulate that if a project activity temporarily results in "negative emission reductions", i.e. baseline emissions minus project emissions minus leakage effects are negative, any further certified emission reductions (CERs) will only be issued when the emissions increase has been compensated for by subsequent emission reductions by the project activity.

9. Consideration of uncertainties when using sampling (EB 22 report, ~~A~~annex 2)

(a) Methodologies employing sampling to derive parameters in estimating emissions reductions shall quantify these parameter uncertainties at the 95% confidence level. In addition, the choice of the upper or lower bounds to be used in estimating emission reductions shall be conducted in a manner that ensures conservativeness.

10. Consideration of carbon pools in CDM project activit~~y~~ies (EB 20 report, ~~A~~annex 8)

(a) The following approaches towards changes in carbon pools[3] due to CDM project activities should be taken into account:

(i) Where a project activity~~, which~~ that does not seek to obtain temporary certified emission reductions (tCERs) or long-term certified emission reductions (lCERs) from afforestation or reforestation project activities~~,~~ may directly or indirectly result~~s~~ in a net decrease of carbon pools compared to what would occur in the absence of the project activity, such changes should be taken into account in the calculation of emission reductions subtracting the corresponding quantities from emission reductions;

(ii) Where a project activity~~, which~~ that does not seek to obtain tCERs or lCERs from afforestation or reforestation project activities, may directly or indirectly result~~s~~ in a net increase of carbon pools compared to what would occur in the absence of the project activity, this increase should not be taken into account in the calculation of emission reductions;

(iii) Where a project activity does seek to obtain tCERs or lCERs from afforestation or reforestation project activities, this activity should be treated as a separate project activity and shall fulfill the modalities and procedures for afforestation and reforestation activities under the CDM.

11. Specific guidance on leakage

(a) Leakage is defined as the net change of anthropogenic emissions by sources of greenhouse gases (GHG) emissions occurring outside the project boundary that is measurable and attributable to the implementation of the CDM project activity. Identify the sources of leakage. Explain which sources of leakage are to be calculated, and which can be neglected (EB 20 report, ~~A~~annex 2). Even if the calculation of the leakage is to be performed *ex post*, the procedure should include the calculation of an *ex ante* estimate.

12. Guidance on IPCC default values

(a) The most recent IPCC default values should be used only when country or project specific data are not available or difficult to obtain (EB 25 report, ~~P~~para. 59).

[3] Carbon pools referred are those defined in the modalities and procedures for afforestation and reforestation project activities under the CDM contained in the annex to decision 19/CP.9.

13. Guidance on bunker fuels

(a) The project activities/parts of project activities resulting in emission reductions from reduced consumption of bunker fuels (e.g. fuel saving on account of shortening of the shipping route on international waters) are not eligible under the CDM (EB 25 report, ~~P~~para. 58).

14. Guidance on avoiding double counting of emission sources

(a) For a project activity~~, which~~ that has both A/R and non-A/R components, the emissions associated with A/R activity should be accounted for in the A/R CDM project activity. In general all project activities using biomass for energy should account for emissions associated with the production of biomass. However, in the case that it can be demonstrated that, for a project activity using biomass for energy which uses biomass originating from a registered A/R project activity (i.e. through contractual agreement for procurement of biomass) it need not account for emissions related to biomass production (EB 25 report, ~~P~~para. 38).

15. Guidance on double-counting in CDM project activities using blended biofuel for energy use (EB 26 report, ~~A~~annex 12)

(a) The following guidance serves to avoid double-counting of emission reductions that could occur in project activities if both biofuel production and biofuel use are eligible to generate CERs and where such double-counting could occur at different points in the production chain.

(i) Type of biofuel project activities covered under the guidance:

a. Methodological proposals for ~~the~~ CDM project activities that seek to claim ~~certified emissions reduction (~~CERs~~)~~ from the substitution of fossil fuels by biofuels may be proposed for project activities where:

i. The consumers (end-users) of biofuels claim CERs from displacing fossil fuel consumption with biofuel;

ii. The producer of biofuels claim CERs, for biofuel production, provided: 1) The consumers, to whom the biofuel is sold, are included in the project boundary and; 2) The emissions reduction from use of biofuel are estimated based on monitored consumption by the consumers included within the project activity;

(ii) Export of biofuels to Annex I countries:

a. No biofuel production exported to Annex I countries is eligible to claim CERs under the CDM;

(iii) Monitoring:

a. The methodology shall provide a monitoring scheme/framework with elements (e.g. electronic loggers) that can be used to verify without doubt the actual amount of biofuel consumed by the consumer (end user) for displacement of fossil fuels;

b. The monitored elements of the consumption by the end-user shall correspond to the production of the biofuel and be used to calculate and claim emission reductions. The methodology for project activities undertaken by consumers of biofuel shall provide an estimate of leakage, ~~which is~~ measurable and attributable to the CDM project activity;

(iv) Cultivation, harvesting and preparation of biofuel:

a. Emissions associated with the production of biomass used to produce the biofuel shall be accounted for when calculating emission reductions achieved by the blended biofuel project activity. However, in the case that it can be demonstrated that the project activity is using biomass originating from a registered A/R project activity (i.e. through contractual agreement for procurement of biomass), emissions related to the production of the biomass need not be accounted for (EB 25 report, ~~P~~para. 38).

16. Guidance on estimating emissions reductions related to fuels savings from project activities that primarily improve combustion efficiency of fuels

(a) Project activities that improve the combustion efficiency of fuels used in energy generation, should clearly distinguish between the saving in fuels, resulting from implementing such project activities, that are due to the improvement in combustion efficiency and those that are due to improvements in energy efficiency. Though improvements in combustion efficiency may result in fuel savings, they may not result in equivalent reduction in GHG emissions, as the fuels saving are due to better oxidation of the fuel, which in absence of the project activity would have remained unburned, thus not resulting in GHG emissions (EB 32 report, ~~P~~para. 28).

17. Guidance on the eligibility of hydroelectric power plants with reservoirs as CDM project activities

(a) Submissions of proposed new methodologies for hydroelectric power project activities with a power density less than 4 W/m^2 shall only be considered after the expert community working on methods for the measurement of greenhouse gas emissions (GHG) from reservoirs, associated with hydroelectric projects, have concluded their work. An exception to this, is hydroelectricity power project reservoirs where it can be demonstrated that the GHG emissions from the reservoir are negligible (EB 32 report, ~~P~~para. 27).

18. Guidance on eligibility of activities under the CDM

(a) Creating infrastructure (e.g. testing labs, creation of an enforcement agency) or capacity to enforce the policy or standard, as such, cannot be considered as CDM project activities. The eligibility of project activities that are a result of the creation of infrastructure (e.g. testing labs, creation of an enforcement agency) or capacity to enforce the policy or standard shall be based only on measurable emission reductions which are directly attributable to these project activities. The Board recalled that it had agreed at its twenty-third meeting to treat transfer of know-how and training in the same manner (EB 33 report, ~~P~~para. 30).

19. Guidance on eligibility of project activities that produce products whose consumption leads to emission reductions

(a) The Board at its thirty-fifth meeting (EB 35 report, para.~~graph~~ 22) clarified that project activities that result in emission reductions due to the use/consumption of a product produced in the project activity are only eligible as CDM project activity if: (i) the users/consumers of the product are included in the project boundary; and
(ii) monitoring takes place of the actual use/consumption and location of the product used/consumed by consumers;

(c) The Board further clarified that in such situations sampling can be used as a monitoring method for actual use/consumption and location of the product (EB 36 report, ~~A~~annex 16).

Emission ~~R~~reductions

Box 13.

1. Elaborate the algorithms and formulae used to estimate, measure or calculate the net emission reduction from the CDM project activity. In most cases, this will be simple equation with three terms: the baseline emissions, the project emissions, and the net leakage;
2. Even if the calculation of the emission reductions is to be performed ex post, the procedure should include the calculation of an ex ante estimate;
3. Ensure that the description of emission reductions is consistent with the proposed new monitoring methodology.

Changes required for methodology implementation in ~~2nd~~ second and ~~3rd~~ third crediting periods (EB 20 report, ~~A~~annex 7)

Box 14.

1. At the start of the second and third crediting period for a project activity, two issues need to be addressed: (a) Assessing the continued validity of the baseline; and (b) Updating the baseline.
2. Provide a methodological procedure on how these two issues should be addressed.
Assessing the continued validity of the baseline
3. In assessing the continued validity of the baseline, a change in the relevant national and/or sectoral regulations between two crediting periods has to be examined at the start of the new crediting period. If at the start of the project activity, the project activity was not mandated by regulations, but at the start of the second or third crediting period regulations are in place that enforce the practice or norms or technologies that are used by the project activity, the new regulation (formulated after the registration of the project activity) has to be examined to determine ~~if~~ whether it applies to existing plants or not. If the new regulation applies to existing CDM project activities, the baseline has to be reviewed and, if the regulation is binding, the baseline for the project activity should take this into account. This assessment will be undertaken by the verifying DOE.
Updating the baseline
4. For updating the baseline at the start of the second and third crediting period, there shall be no change in the methodology for determining the baseline emissions. However, new data available will be used to revise the baseline emissions. For example, if the “average of ~~3~~ three most recent years data” was used to determine the baseline emissions for the first crediting period, the baseline shall be updated using the average for the ~~3~~ three most recent years prior to the start of the subsequent crediting period.
5. In the case of baselines where emission factors are determined ex ante (and not updated during a crediting period), the baseline emissions factor shall be updated for the subsequent crediting period. This shall not be necessary for baselines which are constantly updated. In both cases, the CDM project activities are not included in the revised estimation of the baseline emissions.
6. ~~Project participants~~ The proponents shall assess and incorporate the impact of new regulations on baseline emissions.

Project activity under a programme of activities (PoA)

Box 15.

7. The proponents should propose additional requirements, if any, than those set out in the latest approved version of the standard for "Demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities" for the use of proposed new methodology by a project activity under a PoA.

Data and parameters not monitored

11. In cases where the baseline and monitoring methodology is submitted for the purpose of applying it only with (an) approved standardized baseline(s) developed using the "Guidelines for the establishment of sector specific standardized baselines", the proponents should clearly indicate which parameters fall under the scope of the standardized baseline. These parameters do not need to be provided in this section.

12. The following table provides an example for a simple parameter.

Data / Parameter table 1.

Data / Parameter:	**EG_{3y}**
Data unit:	MWh
Description:	Quantity of electricity generated by the project plant prior to the project implementation during the three most recent historical years
Source of data:	On-site measurements and electricity sales receipts
Measurement procedures (if any):	On-site electricity meter
Monitoring frequency:	
QA/QC procedures:	
Any comment:	

Monitoring methodology

Box 16.

The monitoring methodology needs to provide detailed information on how to establish the monitoring plan related to the collection and archiving of all relevant data needed to: 1. Estimate or measure emissions occurring within the project boundary; (a) Determine the baseline emissions; and (i) Identify increased emissions outside the project boundary. 2. The monitoring methodology should reflect good monitoring practice appropriate to the type of project activity. 1. Data should be archived electronically and be kept at least for ~~2~~two years after the end of the last crediting period.

Data and parameters monitored

Box 17.

1. The monitoring methodology should provide a complete listing of the data that needs to be collected throughout the crediting period for the application of the methodology. This may include data that is measured or sampled and data that ~~is~~ are collected from other sources (e.g. official statistics, expert judgment, proprietary data, IPCC ~~guidelines~~, commercial and scientific literature, etc.). Data that ~~is~~ are calculated with equations provided in the methodology should not be included in the compilation. Data that ~~is~~ are determined only once and remains fixed throughout crediting period should be considered under "Data and parameters not monitored".
2. Use the tables provided in the ~~CDM-NM-FORM~~CDM-PNM-FORM to provide the following information for each piece of data (EB 09 report, ~~A~~annex 3, ~~P~~para. 6):
   (a) Under "data/parameter", the variable used in equations in the baseline methodology;
   (b) The International System Unit (SI units – refer to <http://www.bipm.fr/enus/3_SI/si.html>);
   (c) A clear and unambiguous description of the parameter;
   (d) A description of which data sources should be used to determine this parameter. Clearly indicate how the values are to be selected and justified, for example, by explaining:
      (i) What types of sources are suitable (official statistics, expert judgment, proprietary data, IPCC ~~guidelines~~, commercial and scientific literature, etc.);
      (ii) The vintage of data that is suitable (relative to the project crediting period);
      (iii) What spatial level of data is suitable (local, regional, national, international);
      (iv) How conservativeness of the values is to be ensured;
      (v) The procedures to be followed if expected data are unavailable. For instance, the methodology could point to a preferred data source (e.g. national statistics for the past ~~5~~ five years), and indicate a priority order for the use of additional data (e.g. using longer time series) and/or fall back data sources to preferred sources (e.g. private, international statistics, etc.);
   (e) A description of the measurement procedures or reference to appropriate standards;
   (f) A description of the frequency of monitoring (e.g. continuously, annually, etc.);
   (g) A description of QA/AC procedures.

13. The following table provides an example for a simple parameter.

Data / Parameter table 2.

Data / Parameter:	**$EG_{PJ,y}$**
Data unit:	MWh
Description:	Quantity of electricity generated by the project plant during the year *y*
Source of data:	On-site measurements and electricity sales receipts
Measurement procedures (if any):	On-site electricity meter
Monitoring frequency:	Continuously
QA/QC procedures:	Meter should be calibrated regularly according to standard ISO*****. Measurement results should be cross-checked with the quantity of invoices from the grid operator.
Any comment:	

Guidance on monitoring procedures

Box 18.

1. **Guidance related to monitoring requirements**
   (a) The specific uncertainty levels, methods and associated accuracy level of measurement instruments and calibration procedures to be used for various parameters and variables should be identified in the PDD, along with detailed quality assurance and quality control procedures. In addition standards recommended shall either be national or international standards. The verification of the authenticity of the uncertainty levels and instruments are to be undertaken by the DOE during the verification stage. (EB 23 report, ~~P~~para. 24).
2. **Guidance related to calibration (monitoring) requirements**
   (a) A zero check cannot be considered as a substitute for calibration of the measurement instrument (EB 24, report, ~~P~~para. 37).

Section D: Explanations/justifications to the proposed new baseline and monitoring methodology

Box 19.

1. **The section shall:**
   (a) Be used to assist the assessment by the Methodologies Panel and the Executive Board in reviewing the methodology. If the proposed methodology is approved, ~~these~~ this section is removed from the final version;
   (b) Provide the rationale for the procedures presented;
   (c) If the procedure draws ~~from~~ on an approved methodology or tool, clearly note any changes to ~~them~~ or elaborations of ~~them~~ it. Justify why such changes have been made;
   (b) Point out the key logical and quantitative assumptions, i.e., those assumptions that the results of the baseline methodology are particularly sensitive to;
   (c) Be clear about sources of uncertainty. Clearly point out which logical or quantitative assumptions have significant uncertainty associated with ~~determining them~~ their determination. If the methodology makes a certain assumption in cases where there is uncertainty, explain why this assumption is appropriate;
   (d) Explain how the methodology ensures conservativeness. Explain how the procedures and assumptions on which the procedures rely are conservative. In particular, explain how assumptions in the case of uncertainty are conservative.

Appendix. List of standard variables

This appendix contains standard variable names drawn from approved methodologies and IPCC guidelines that should be used for all new baseline and monitoring methodologies. For ease of evaluation and use of methodologies, these names should be used wherever possible, unless there are specific reasons that a different designation is required. ISO or other standards could also be a reference, where appropriate.

Table 1. Emissions, emission factors and global warming potentials

Variable	Symbol	Units	Comments
Baseline emissions (total)	BE_y	t CO_2e	
Component of baseline emissions	$BE_{XX,y}$	t CO_2e	XX should be ~~2–3~~ two or three letters or a word signifying the source of emissions (e.g. $BE_{LW,y}$ = baseline emission from land-filled waste)
Component and specific gas of baseline emissions	$BE_{GHG,XX,y}$	t CO_2e	GHG should be gas name; XX should be ~~2–3~~ two or three letters or a word signifying the source of emissions
Project emissions	PE_y	t CO_2e	
Component of project emissions	$PE_{XX,y}$	t CO_2e	XX should be ~~2–3~~ two or three letters or a word signifying the source of emissions
Component and specific gas of project emissions	$PE_{GHG,XX,y}$	t CO_2e	GHG should be gas name; XX should be ~~2–3~~ two or three letters or a word signifying the source of emissions
Leakage emissions	LE_y	t CO_2e	
Component of leakage emissions	$LE_{XX,y}$	t CO_2e	XX should be ~~2–3~~ two or three letters or a word signifying the source of emissions (e.g. $LE_{VH,y}$ = leakage emissions from vehicles)
Component and specific gas of leakage emissions	$LE_{GHG,XX,y}$	t CO_2e	GHG should be gas name; XX should be ~~2–3~~ two or three letters or a word signifying the source of emissions
Carbon dioxide emission factor	$EF_{CO2,XX}$	t CO_2/TJ	XX should refer to fuel type, and could be i to signify several possible fuel types (e.g. $EF_{CO2,i}$ or $EF_{CO2,coal}$, $EF_{CO2,NG}$, $EF_{CO2,oil}$)
Methane emission factor	$EF_{CH4,XX}$	t CH_4/TJ	XX should refer to fuel type or process
Nitrous oxide emission factor	$EF_{N2O,XX}$	t N_2O/TJ	XX should refer to fuel type or process
Carbon dioxide equivalent emission factor	$EF_{CO2e,XX}$	t CO_2e/TJ	XX should refer to fuel type or process
CO_2 emission factor for electricity	$EF_{CO2,ELEC,y}$	t CO_2/MWh	

Variable	Symbol	Units	Comments
Global warming potential	GWP_{XX}	t CO_2e/t gas	XX should denote the gas (CH_4, N_2O)
Other emission factors	$EF_{XX,YY}$	t GHG/unit of output	XX should specify the gas (where necessary), YY is product output or service (e.g. $EF_{CO2,clinker}$: emissions factor for clinker in t CO_2/t clinker; $EF_{N2O,NA}$: emissions factor for nitric acid in tN_2O/t nitric acid)

Note: Note that standard IPCC emissions factors refer to emissions per unit of energy. If the methodology also uses emission per unit of mass, then different variable names should be used for this, or the equation should include the net calorific value to convert to energy units. If the methodology refers to emissions per unit of production or service, this should be indicated as described above under "Other emission factors".

Table 2. General

Variable	Symbol	Units	Comments
Production output (project or baseline)	$P_{xx,zz,y}$	tonnes or m^3	XX indicates the product, y is year. ZZ represents baseline and project production of same product, if needed, use subscripts BL and PJ for baseline and project respectively (e.g. $P_{NH3,PJ,y}$ = production of ammonia in the project activity)
Density	ρ_x	t/m^3	E.g. ρ_{CH4} = density of methane
Weight fraction or weight concentration	$w_{GHG,XX}$	volume or mass %	GHG is the gas; XX indicates where concentration sample is taken and/or substance measured (e.g. $w_{CH4,PJ}$ = concentration of methane in project gas stream)
Flow rate	$FR_{XX,YY}$	m^3/time	XX should denote the gas, YY the type of flow stream (e.g. $FR_{CH4,flare}$)
Days	d	days	
Hour, year	h, y		
Energy			
Variable	Symbol	Units	Comments
Energy efficiency	η_{XX}	%	useful energy output/total energy input, also used for power plants and all boilers (e.g. η_{BL} = energy efficiency of piece of equipment in the baseline)
Electricity generation	EG_y	MWh	Project and baseline generation should include subscripts (e.g. $EG_{PJ,y}$)

Variable	Symbol	Units	Comments
Heat production	HG_y		Project and baseline generation should include subscripts (e.g. $HG_{BL,y}$)
Electricity consumption	EC_y		
Heat consumption	HC_y		
Net calorific value	NCV_{XX}	GJ/t	XX is the fuel or oxidized substance; XX could be *i* if there are many alternatives; standardized to lower heating value (e.g. NCV_{NG} = net calorific value of natural gas)
Fuel quantity combusted	FC_{XX}	t or m^3	XX is the fuel type (e.g. $FC_{Biomass}$ = quantity biomass combusted, FC_{NG} = quantity natural gas combusted)
Oxidation factor for fuel combustion	$OXID_{XX}$	%	XX is the fuel type, e.g. $OXID_{NG}$ = oxidation factor for natural gas
Specific energy consumption	SEC_{XX}	GJ/tonne production	E.g. $SEC_{clinker}$ = energy consumption per tonne of clinker produced
Specific fuel consumption	SFC_{XX}	tonne fuel/tonne production	E.g. SFC_{OPC} = fuel consumption per tonne of ordinary Portland cement production
Specific energy consumption in transport	$SEC_{YY,XX}$	GJ/t-km or passenger-km	YY is transport mode and XX is fuel
Weighting of operating margin	w_{OM}	-	
Weighting of build margin	w_{BM}	-	
Electricity generated by plant i on grid	$EG_{GRID,i,y}$	MWh	*i* is plant, *y* is year
Load factor	LF_x	%	*x* is plant identification
Operating hours	T_x	Hours	annual operating hours for plant/equipment *x*
Financial/economic			
Variable	Symbol	Units	Comment
Internal Rate of Return	IRR	%	
Discount rate	dr	%	
Net Present Value	NPV	US$ or LCU	
Agriculture, waste and fugitive methane emissions			
Variable	Symbol	Units	Comment
Methane gas destroyed in baseline	$GD_{CH4,BL,y}$	tCH_4	

Variable	Symbol	Units	Comments
Methane gas destroyed in project scenario	$GD_{CH4,PJ,y}$	tCH_4	
Flare efficiency	$\eta_{flare,t}$	%	This may have a time or period component *t*, if efficiency is measured and varies over time
Fraction of methane destroyed in baseline	$FD_{CH4,BL,y}$	%	Used if the baseline specifies a percentage rather than absolute baseline estimate
Methane Conversion Factor	MCF	%	for landfill site or wastewater treatment plant
Chemical oxygen demand	COD_y	t COD	for effluent stream
Biological oxygen demand	$BOD_{i.y}$	t BOD	*i* is stage of treatment
Maximum methane production capacity	B_0	tCH4/t input	"input" could be COD, or mass of waste stream (e.g. manure)
Degradable Organic Carbon	DOC_j	fraction	*j* is part of waste stream (e.g. slow vs fast degrading materials)
Fraction of DOC dissimilated	DOC_F	fraction	
Methane conversion factor for treatment of manure	$MCF_{manure,i}$	%	*i* is stage of treatment
Volatile solid excretion rate	VS_p	kg dry matter/animal-day	*p* is the population targeted
Industrial production			
Variable	Symbol	Units	Comment
Weight fraction of CaO or MgO	$w_{CaO,x}/w_{MgO,x}$	fraction	*x* can indicate clinker or raw material

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Document information

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01.1	1 April 2013	Editorial revision to replace the titles of the forms referred to in the "Procedure: Development, revision and clarification of baseline and monitoring methodologies and methodological tools" (CDM-EB70-A36-PROC).
01.0	2 March 2012	EB 66, Annex 25 Initial adoption. These guidelines, along with the Guidelines for completing the project design document form for CDM project activities (version 01.0, EB 66, Annex 8), replace the Guidelines for completing project design document (CDM-PDD) and the proposed new baseline and monitoring methodologies (CDM-NM) (version 07, EB 41, Annex 12). There are no changes to the content of the document. It is now being published as a stand alone document.

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