



Date: 2 August 2002
Ref: CDM-EB-05

EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM

FIFTH MEETING

Report

Date of meeting: 1 – 2 August 2002

Location: Bonn, Germany

Attendance:

The names of members and alternate members present at the meeting are in bolded character. In cases where only the name of the alternate member is bolded, the alternate participated as a member.

Member	Alternate
Mr. John W. Ashe ¹	Mr. Tuiloma Neroni Slade ¹
Mr. Jean-Jacques Becker ²	Mr. Martin Enderlin ²
Mr. John Shaibu Kilani ²	Mr. Ndiaye Cheikh Sylla ²
Mr. Luiz Gylvan Meira Filho ²	Mr. Eduardo Sanhueza ²
Mr. Sozaburo Okamatsu ²	Ms Sushma Gera ²
Mr. Oleg Pluzhnikov ¹	Ms Marina Shvangiradze ¹
Mr. Mohammad Reza Salamat ²	Mr. Chow Kok Kee ²
Mr. Hans Jürgen Stehr ¹	Mr. Georg Børsting ¹
Mr. Franz Tattenbach Capra ¹	Mr. Abdulmuhsen Al-Sunaid ¹
Mr. Abdelhay Zerouali ¹	Mr. Xuedu Lu ¹

¹ Term: 2 years e.g. 2001-03

² Term: 3 years e.g. 2001-04

Quorum (in parenthesis required numbers): **10** (7) members present of which **4** (3) from Annex I Parties and **6** (4) from non-Annex I Parties.

WWW broadcasting: <http://unfccc.int/cdm/prevmeeting.html> (else: <http://unfccc.int/cdm>)

Agenda item: 1. Adoption of the agenda

1. The board adopted the agenda as proposed.

**Agenda item: 2. Work plan until the eighth session of the Conference of the Parties****Sub-agenda item: (a) Accreditation process for operational entities**

2. The board agreed on procedural guidelines for accrediting operational entities under the CDM, including the forms for accreditation, as provided for in annex 2.
3. The board agreed to invite the CDM accreditation panel (CDM-AP) to take up its work and selected Mr. Vijay Mediratta, Ms. Maureen Mutasa, Mr. Raul Prando, Mr. Takashi Ohtsubo, and Mr. Arve Thendrup as members of the CDM-AP.
4. The board agreed to launch the accreditation process for operational entities by requesting the secretariat:
 - (a) To post, on the UNFCCC CDM website, and to extend, through other appropriate channels, an invitation to entities to submit applications;
 - (b) To maintain on the UNFCCC CDM website, and to announce, through other appropriate channels, a call for experts qualified to be a member of a CDM assessment team (CDM-AT) in order to facilitate and accelerate the establishment of these teams by the CDM-AP when needed.
5. The board further agreed to report on its activities related to accreditation in its report to COP 8 (annex 4). Matters relevant to accreditation arising after 2 August 2002 will be reported to COP 8 by the chair of the board, orally and/or through an addendum to the report, as appropriate.

Sub-agenda item: (b) Simplified modalities and procedures for small-scale CDM project activities

6. The board took note of the oral report by the chair of the SSC Panel on its work and considered recommendations and documentation forwarded to it by this panel.
7. The board agreed to make publicly available annexes A to C to the recommendations by the SSC Panel on “Draft simplified modalities and procedures for small-scale CDM project activities” for comments (from 9 August to 23 August) and invited the Meth Panel to consider these annexes at its next meeting.
8. The board agreed to continue considering issues related to small-scale CDM project activities at its next meeting.
9. The board agreed that the point in the project activity lifetime at which reference values are to be applied for small-scale CDM project activities is defined as follows: If the maximum reference value of a small-scale CDM project activity (as referred to in paragraph 6 (c) of decision 17/CP.7) is exceeded on an annual average basis during any verified period, CERs should be issued only up to the maximum value.
10. The board agreed to recommend to COP 8 simplified modalities and procedures for small-scale CDM project activities and clarifications on definitions of eligible activities, as contained in the report of the board to COP 8 (annex 4).

Sub-agenda item: (c) Guidelines for methodologies for baselines and monitoring plans

11. The board considered the report of the first meeting of the Meth Panel and an oral report provided by the chair of the Meth Panel. The board agreed on guidance to the Meth Panel, including, on its further work, as contained in annex 3.

**CDM – Executive board**

12. The board agreed to release the CDM-PDD on 29 August 2002, taking into consideration comments provided by members and alternates as well as by members of the Meth Panel and the public, as appropriate.

13. The board requested the secretariat to post an announcement on the UNFCCC CDM web site on 29 August 2002 to advise potential project participants as to the availability of the CDM-PDD. The board agreed that, in accordance with paragraph 17 of the modalities and procedures and rule 30 of its draft rules of procedures, the CDM-PDD shall be made publicly available in all official languages of the United Nations.

Sub-agenda item: (d) Modalities for collaboration with the Subsidiary Body for Scientific and Technological Advice

14. The board took note of oral reports from Mr. Stehr and Mr. Pluzhnikov on progress made regarding definitions and modalities for including afforestation and reforestation activities under the CDM in the first commitment period and registries, respectively and on work ahead, particularly on development the CDM registry.

Sub-agenda item: (e) Report of the executive board to the COP 8

15. The board agreed on its report to COP 8 as contained in annex 4.

Agenda item: 3. Other matters**Sub-agenda item: (a) Draft rules of procedure**

16. The board agreed to forward to the COP its draft rules of procedures as attached to its report to COP 8 (annex 4).

17. The board agreed to continue consideration of its draft rules of procedure at its next meeting.

Sub-agenda item: (b) Other business**(i) Scheduling of board meetings**

18. The board agreed to hold its sixth meeting in conjunction with COP 8 in New Delhi (India) on 23 and 24 October 2002.

19. The board agreed on the provisional agenda for its sixth meeting (Annex 1) and invited comments to be provided until 25 September 2002.

20. The board agreed to continue to meet in the same type of arrangement as during its fifth meeting, with space being made available for 50 observers and to reconsider the issue when necessary. Observers to the sixth meeting of the executive board shall have registered with the secretariat at the latest by 2 October 2002 at 17:00 GMT.

(ii) Availability of resources

21. The board welcomed information provided by Mr. Okamatsu that the Government of Japan intends to make a contribution to the UNFCCC Trust Fund for Supplementary Activities in support of the prompt start of the CDM of approximately US\$ 500,000. Mr. Okamatsu stated that the Government of Japan expects other Parties to contribute to the Fund. The board requested Mr. Okamatsu to convey to the Government of Japan the appreciation of the board.

22. The board reiterated its appeal to Parties to provide resources for the prompt start of the CDM.

**CDM – Executive board**

23. The board agreed to charge a non-reimbursable fee for registration of CDM project activities. The level of the fee shall be determined through electronic decision-making in accordance with rule 29 of the draft rules of procedure of the executive board.

(iii) Presentation by the chair of the board to the Bureau of the COP

24. The board took note that the chair, upon the invitation of the President of COP 7, had attended the meeting of the Bureau of the COP on 11 June 2002 and briefed the Bureau on progress made so far regarding the CDM. It requested the chair to continue updating the board on any interactions with the President and the Bureau of the COP.

(iv) Relationship with intergovernmental and non-governmental organizations

25. The board encouraged the chair to avail himself of further opportunities to meet with representatives of the IGO and NGO communities as well as the local government and indigenous peoples representatives.

26. The board agreed to meet with accredited observers and Parties for informal briefings on the occasion of its meetings.

(v) CDM Roundtable

27. The board took note of the CDM roundtable organized by the World Business Council for Sustainable Development (WBCSD), in collaboration with the UNFCCC secretariat on 29 August 2002 in Johannesburg (South Africa), in conjunction with the World Summit for Sustainable Development. The board welcomed that the chair and Mr. Salamat will represent the board and invited other members and alternates to participate in the event.

(vi) Requests for information/clarification

28. The board agreed to further consider comments received by members and alternates on a draft note prepared by the secretariat in response to questions posed by the Prototype Carbon Fund (PCF).

(vii) Other issues

29. The board took note of the conclusion contained in the report by the SBI at its sixteenth session and noted that, in accordance with Article 12, paragraph 4 of the Kyoto Protocol to the Convention, the executive board is to supervise the CDM, and do so “under the authority and guidance of the COP/MOP, and be fully accountable to the COP/MOP” (Annex to decision 17/CP.7 on modalities and procedures for a clean development mechanism, paragraph 5), bearing in mind paragraphs 2 and 4 of decision 17/CP.7

Agenda item: 5. Conclusion of the meeting

30. The chair summarized the main conclusions.

Sub-agenda item: (a) Summary of decisions

31. Any decisions taken by the board shall be made publicly available in accordance with paragraph 17 of the modalities and procedures annexed to decision 17/CP.7.

Sub-agenda item: (b) Closure

32. The chair closed the meeting.



Annex 1

PROVISIONAL AGENDA

1. Adoption of the agenda
2. Work plan:
 - (a) Accreditation of operational entities
 - (b) Methodologies for baselines and monitoring plans
 - (c) Matters related to the registration of CDM project activities
 - (d) Simplified modalities and procedures for small-scale CDM project activities
 - (e) Modalities for collaboration with SBSTA
3. Other matters
 - (a) Draft rules of procedure
 - (b) Other business
4. Conclusion