



FRAMEWORK CONVENTION ON CLIMATE CHANGE - Secretariat
CONVENTION - CADRE SUR LES CHANGEMENTS CLIMATIQUES -
Secrétariat

Date: 24 October 2002
Ref: CDM-EB-06

EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM

SIXTH MEETING

Report

Date of meeting: 23 – 24 October 2002

Location: New Delhi, India

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): **9** (7) members present of which **4** (3) from Annex I Parties and **5** (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****Sub-agenda item: (a) Accreditation process for operational entities**

2. The chair of the CDM accreditation panel (CDM-AP) presented an oral report on the status of work of the panel which met three times since the accreditation process was launched on 9 August 2002. The Board took note that:

(a) The seven applications, which were received together with the payment of the non-reimbursable application fee, are distributed as follows: five applications are from Asia and the Pacific region and two from the Western Europe and others region. The CDM-AP has selected CDM-AT members and agreed on a draft work plans for the assessment of these applicant entities in accordance with the procedural guidelines for accreditation;

(b) The CDM-AP agreed to define and register 13 sectoral scopes in the list of sectoral scopes in accordance with paragraphs 10 to 16 of the procedural guidelines for accreditation. The definition of sectoral scopes was based on the list of sectors/sources of Annex A of the Kyoto Protocol and the new scopes presented by applicant entities. The list of sectoral scopes and specific requirements are available in the section “Designated Operational Entities” of the UNFCCC CDM web site. The work by the Meth Panel on project categories will inform the CDM-AP in its work of further refining skill required by applicant entities for a particular sectoral scope.

(c) The CDM-AP agreed on internal guidelines for determining the number of witnessing activities for an applicant entity;

(d) The CDM-AP is selecting experts, as applications are received, to be included in the roster of experts for assessment teams.

3. The Board further considered recommendations by the CDM-AP and agreed:

(a) That the process of accreditation/designation of an operational entity can be undertaken in two phases as proposed by the CDM-AP (see Annex 1 to this report);

(b) To concur with the clarification by the CDM-AP that witnessing of the performance of tasks at the stage of validation, and if appropriate, verification and certification may be undertaken by considering documentary evidence (e.g. a “procedural report”) by an applicant entity on how validation or verification and certification has been performed;

(c) That only those parts of an applicant entity where the on-site assessment took place receive the accreditation/designation as an operational entity. Any other part of that entity is not accredited/designated.

(d) That a non-Annex I Party expert selected to be included in the CDM-AT roster of experts could be assigned to follow the work of a CDM-AT as an observer. Experts observing CDM-AT work would be paid travel and DSA in accordance with UN regulations. Such experts can observe any applicant entity;

(e) To organize, in conjunction with the Board meeting in March, a joint workshop between the CDM-EB, the CDM-AP and experts from the roster of CDM-AT members, with a view to enhancing knowledge on the CDM and common understanding of the accreditation process;

(f) Applicant operational entities from non-Annex I Parties may have the possibility of paying 50% of the non-reimbursable fee when the entity apply for accreditation, provided that these entities state their inability to pay the full fee at application, bearing in mind the need to meet the standards as contained in para 1 (c) and (d) of Appendix A to the CDM M&P. The remaining 50% of the

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fee should be paid at a later stage once and if the operational entity is accredited and designated and starts operation;

(g) To continue its consideration of means for enhancing regional balance in the distribution of designated operational entities.

(h) To invite, in addition to recommendations by the CDM-AP, public comments on the “Procedural guidelines for accrediting operational entities by the executive board of the clean development mechanism”¹ to be submitted before 30 November 2002 with a view of reviewing them at its seventh meeting.

Sub-agenda item: (b) Methodologies for baselines and monitoring plans

4. The Board took note of the oral report by the Chair of the panel on baseline and monitoring methodologies (Meth Panel) on its work, in particular regarding the glossary for the CDM project design document (CDM-PDD) with a view to recommending the glossary to the Board for consideration at its seventh meeting.

5. The Board took note of the preparations of the Meth Panel to consider proposed new methodologies and agreed to have a discussion at its next meeting on priorities within the work plan.

Sub-agenda item: (c) Matters related to the registration of CDM project activities

6. The Board considered a draft form for registration of project activities and agreed on a form as contained in Annex 2.

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

7. The Board took note that, based on recommendations by the panel to recommend simplified modalities and procedures for CDM small-scale project activities and on eighteen public submissions received from 9 to 23 August 2002, the Meth Panel is currently further developing a simplified project design document for small-scale CDM project activities, an indicative list of simplified methodologies for CDM small-scale project activities and provisions for avoiding debundling, with a view to propose final recommendations to the Board at its seventh meeting.

8. To invite, in addition to recommendations by the Meth Panel, further public comments on the simplified project design document for small-scale CDM project activities, the indicative list of simplified methodologies for CDM small-scale project activities and provisions for avoiding debundling to be submitted before 30 November 2002 with a view of reviewing them at its seventh meeting.

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

9. The Board took note of an oral report by the secretariat on the outcome of pre-session consultations on registries which took place in New Delhi (India) from 19-20 October 2002, acknowledging the need to start work on the development of the CDM registry in 2003.

10. The Board also took note of an oral report by the secretariat on the ongoing deliberations by SBSTA on definitions and modalities for including afforestation and reforestation projects under Article 12 in the first commitment period.

¹ The document is available in the section “Designated operational entities” of the UNFCCC CDM web site.

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11. The Board invited:

(a) Mr. Stehr and Mr. Tattenbach to continue following deliberations by the SBSTA on the definitions and modalities for including afforestation and reforestation projects under Article 12 in the first commitment period.

(b) Mr. Pluzhnikov to continue following deliberations by the SBSTA on technical standards for registries and work following a decision on technical standards, including a schedule for further work, at COP 8.

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

12. The Board considered its draft rules of procedure and agreed on amendments as provided in Annex 6 to this report. The Board agreed to recommend the draft rules of procedure, as amended, for consideration of and approval by the Conference of the Parties at its eighth session.

Sub-agenda item: (b) Other business**(i) Scheduling of Board meetings in 2003**

13. The Board agreed on a draft tentative schedule of meetings for 2003, with the tentative schedule to be adopted at its next meeting (see Annex 4). The board agreed to hold its seventh meeting in Bonn (Germany) on 20-21 January 2003.

14. The Board agreed on the provisional agenda for its seventh meeting (see Annex 3) and invited comments to be provided until 23 December 2002.

15. The Board agreed to continue to meet in the same type of arrangement as during its sixth meeting, with space being made available for 50 observers and to reconsider the issue when necessary. Observers to the seventh meeting of the Executive Board shall have registered with the secretariat at the latest by 30 December 2002 at 17:00 GMT.

(ii) Availability of resources

16. The Board took note of an oral report by the secretariat on the status of financial resources available for the work of the CDM and on updated information on projected needs in 2003 as well as indicative budget estimates for 2004. The Board requested the secretariat to present a revised budget for 2003-2004 at its seventh meeting including estimates for costs of the organization of the workshop referred to in para. 3 (d) above and costs relating to observers in the context of accreditation as referred to in para. 3 (e) above.

17. The Board agreed to charge an initial administration fee at registration stage ("registration fee") as provided in Annex 5 to this report.

18. The board reiterates its appeal to Parties to provide resources for the prompt start of the CDM.

(iii) Relationship with intergovernmental and non-governmental organizations

19. The Board further agreed to meet with accredited observers and Parties for informal briefings in the afternoon and evening of 24 October 2002.

20. The Board took note with appreciation of information forwarded to it by the public since its fifth meeting.

**CDM – Executive Board****(iv) CDM Roundtable**

21. The CDM Roundtable, convened by the World Business Council for Sustainable Development (WBCSD) in collaboration with the UNFCCC secretariat, took place in conjunction with the World Summit on Sustainable Development, Johannesburg (South Africa) on 29 August 2002. The Board took note of an oral report provided by secretariat.

(v) Requests for information/clarification

22. No matters were discussed under this item.

(vi) Other issues

23. Mr. Salamat informed the Board that he shall resign, with immediate effect, from the Executive Board as he took on an assignment with the United Nations. He expressed his appreciation to his fellow Board members and alternates and to the secretariat for their excellent collaboration and for the progress that has been made since COP 7 in effecting the prompt start of the CDM. He encouraged COP at its eighth session to elect its successor.

24. In accordance with paragraphs 8 and 11 of the M&P and rule 8 of its draft rules of procedure as revised at this meeting, the Board agreed to request the COP at its eighth session to elect a new member from the Asian region constituency.

25. The Board invited the Chair to present the an oral report to the Conference of the Parties on th report to of the Executive Board and on updates of activities by the board since its fifth meeting.

Agenda item: 5. Conclusion of the meeting

26. The chair summarized the main conclusions.

Sub-agenda item: (a) Summary of decisions

27. 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

28. The chair closed the meeting.




Annex 1

RECOMMENDATION BY THE CDM-AP TO THE EB

1. The AP concluded in its preparatory work, with regard to it determining the number of witnessing activities for one AOE, that witnessing should be considered in three dimensions:
 - (a) The sectoral scopes
 - (b) The two project phases (1. validation and 2. verification and certification)
 - (c) The nature of work to be performed by an operational entity (e.g., as per CDM M&P and as applicable, desk work and project activity on-site assessments)
2. Within the guidelines stipulated by the EB, the CDM-AP shall propose an adequate number of witnessing required for each application. While it is necessary to witness every sectoral scope, every project phase, and every audit element, it is not necessary to witness all phases and all elements for each sectoral scope.
3. The CDM-AP notes that, due to the level of implementation of the CDM, there may be a time span of several years between the two project phases and therefore the occurrence of opportunities to witness activities related to the second phase.
4. The CDM-AP, therefore, recommends to the EB that the accreditation of an operational entity could be considered in phases, so that the EB may decide to accredit the applicant operational entity (AOE) initially for validation in the sectoral scope(s) applied for. In such cases, however, the AOE must have proved its potential to perform phase two (2) through the document review and on-site assessment. The full accreditation will only be granted after successful witnessing of a phase two (2) activity.



Annex 2

 CDM Project Activity Registration Form (F-CDM-REG) <i>(By submitting this form, designated operational entity confirms that the proposed CDM project activity meets all validation and registration requirements and thereby requests its registration)</i>		
Name of the designated operational entity (DOE) submitting this form		
Title of the proposed CDM project activity (Section A.2 of the attached CDM-PDD) submitted for registration		
Project participants (Name(s))		
Sector in which project activity falls		
Is the proposed project activity a small-scale activity?	Yes / No (<i>underline as applicable</i>)	
List of documents to be attached to this form (please check mark):		
<input type="checkbox"/> The validation report including: <ul style="list-style-type: none"> <input type="checkbox"/> The CDM-PDD of the project activity <input type="checkbox"/> An explanation by the submitting designated operational entity of how it has taken due account of comments on validation requirements received, in accordance with the CDM modalities and procedures, from Parties, stakeholders and UNFCCC accredited non-governmental organizations; <input type="checkbox"/> The written approval of voluntary participation from the designated national authority of each Party involved, including confirmation by the host Party that the project activity assists it in achieving sustainable development <input type="checkbox"/> Information on when and how the above validation report is made publicly available. <input type="checkbox"/> Banking information on the payment of the non-reimbursable registration fee <input type="checkbox"/> A statement signed by all project participants stipulating the modalities of communicating with the Executive Board and the secretariat in particular with regard to instructions regarding allocations of CERs at issuance		
Name of authorized officer signing for the DOE		
Date and signature for the DOE		
Section below to be filled by UNFCCC secretariat		
Date when the form is received at UNFCCC secretariat		
Date at which the registration fee has been received		
Date at which registration shall be deemed final		
Date of request for review, if applicable		
Date and number of registration	Date	Number



Annex 3

PROVISIONAL AGENDA FOR EB 07

1. Adoption of the agenda
2. Election of Chair and Vice-Chair
3. 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) Modalities for collaboration with SBSTA
3. Other matters:
 - (a) Draft rules of procedure
 - (b) Other business
4. Conclusion



Annex 4

DRAFT TENTATIVE SCHEDULE OF EXECUTIVE BOARD MEETINGS – 2003

Meeting	Date	Venue (subject to change)
EB 07	20 – 21 January	Bonn
EB 08	17 – 18 February	Bonn
EB 09	17 - 18 March	Bonn
EB 10	9 – 10 May	Bonn
EB 11	16 - 17 June	Bonn (in conjunction with the SB meetings, allowing for interactions with Parties)
EB 12	4 - 5 August	Bonn (report to be ready)
EB 13	6 – 7 October	Bonn
EB 14	27 – 28 November	tbc (in conjunction with the SB/COP [COP/MOP] meetings, allowing for interactions with Parties)



Annex 5

INITIAL ADMINISTRATION FEE AT REGISTRATION STAGE ("REGISTRATION FEE")

Average tonnes of CO2 equivalent reductions per year over the crediting period (estimated/approved)	US\$ (*)
<= 15,000	5,000
> 15,000 and <= 50,000	10,000
> 50,000 and <= 100,000	15,000
> 100,000 and <= 200,000	20,000
> 200,000	30,000

Based on the information provided in CDM-PDD, the level of reductions over the indicated crediting period will be estimated by the project participants. The estimate shall be confirmed by the DOE.

(*) The registration fee paid will be deducted from the share of proceeds for administration due at issuance of CERs.



Annex 6
REVISED DRAFT RULES OF PROCEDURE

At the time of issuance of this report the revised draft rules of procedure where already made available in document FCCCC/CP/2002/3/Add.1.

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