

Annex 3

CLARIFICATIONS ON VALIDATION REQUIREMENTS TO BE CHECKED BY A DESIGNATED OPERATIONAL ENTITY

1. Section G of the CDM modalities and procedures contains the provisions for validation and registration of CDM project activities. Paragraphs 37 to 40 provide, in particular, a list of requirements which a designated operational entity shall adhere to when validating a proposed project activity and submitting a request for registration to the Board.

2. The Board agreed on the following additional clarifications on issues relating to validation requirements to be checked by a designated operational entity (DOE):

(a) Before entry into force of the Kyoto Protocol, all Parties to the Convention may participate in CDM project activities. In accordance with provisions of paragraphs 37 (a) and 40 (a) of the CDM modalities and procedures, the registration of a proposed CDM project activity can, however, only take place once approval letters are obtained from Parties to the Convention that have ratified the Kyoto Protocol;

(b) An invitation for comments by local stakeholders shall be made 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. In this regard, project participants shall describe a project activity in a manner which allows the local stakeholders to understand the project activity, taking into account confidentiality provisions of the CDM modalities and procedures.

3. The validation of a proposed CDM project activity shall follow the sequence of steps presented below:

 **Step 1:** The DOE is to check that validation requirements in paragraph 37 of the CDM modalities and procedures have been met after having reviewed the CDM project design document (CDM-PDD) and any supporting documentation (including ensuring that the baseline and monitoring methodologies used are approved by the EB).

 **Step 2:** The DOE is to make the CDM-PDD publicly available and receive comments in accordance with paragraphs 40 (b) and (c) of the CDM modalities and procedures.

 **Step 3:** After the deadline for receipt of comments, the DOE is to make a determination as to whether the project activity should be validated.

 **Step 4:** The DOE is to inform project participants of its determination on the validation of the project activity.

 **Step 5:** The DOE is to submit to the EB, if it determines the proposed project activity to be valid, a request for registration in the form of a validation report. This shall include the project design document, the written approval of the host Party, and an explanation of how it has taken due account of comments received. Before submitting the request for registration, the DOE has to have received the written approval (s) referred to in paragraph 40 (a).

Step 6: The validation report is to be made publicly available (simultaneously with request for registration, see also section III).

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(Note: the CDM M&P does not specify whether the written approval by designated national authorities (DNA) shall be obtained before or after steps 1 to 4 (see paragraphs 40 (a) and (f), 37 (a) and 28 to 30 of the CDM modalities and procedures)