

**Annex 20**

**REVISION TO THE
CLARIFICATIONS TO FACILITATE THE IMPLEMENTATION OF THE
PROCEDURES FOR REVIEW
AS REFERRED TO IN PARAGRAPH 41 OF THE MODALITIES AND PROCEDURES
FOR A CLEAN DEVELOPMENT MECHANISM (Annex III to Decision 4/CMP.1)**

Note: The text contained in boxes below provides for version 08 of clarifications by the Executive Board to facilitate the implementation of the review procedures adopted by COP/MOP1.

A. Background

1. In accordance with paragraph 5 (o) of the modalities and procedures for a clean development mechanism (CDM modalities and procedures), the Executive Board shall elaborate and recommend to the Conference of the Parties (Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol), for adoption at its next session, procedures for conducting the reviews referred to in paragraphs 41 and 65 of the CDM modalities and procedures including procedures to facilitate consideration of information from Parties, stakeholders and UNFCCC accredited observers.
2. Paragraph 41 of the CDM modalities and procedures stipulates that the registration by the Executive Board shall be deemed final eight weeks after the date of receipt by the Executive Board of the request for registration, unless a Party involved in the project activity or at least three members of the Executive Board request a review of the proposed CDM project activity. The review by the Executive Board shall be made in accordance with the following provisions:
 - (a) It shall be related to issues associated with the validation requirements;
 - (b) It shall be finalized no later than at the second meeting following the request for review, with the decision and the reasons for it being communicated to the project participants and the public.
3. The procedures for review proposed below aim at elaborating on the provisions in paragraph 41, in particular by specifying detailed provisions for requesting a review, the scope of review, modalities for communicating with project participants and the designated operational entity (DOE) in question, possible outcomes of a review, and the coverage of costs relating to the review.

B. Request for review

4. A request for review by a Party involved in the proposed project activity shall be sent by the relevant designated national authority to the Executive Board, through the secretariat, using official means of communication (such as recognized official letterhead and signature or an official dedicated e-mail account). The secretariat shall acknowledge the receipt of a request for review and promptly forward the request to the Executive Board via the listserv.
5. A request for review by a member of the Executive Board shall be made by notifying the Executive Board through the secretariat. The secretariat shall acknowledge the receipt of a request for review and promptly forward the request to the Executive Board via the listserv.



The secretariat is requested to include in its completeness check an enhanced check going beyond the assessment as to whether documentation has been submitted by covering inter alia:

- correct versioning
- cross referencing
- the use of disclosure formulations and of English language
- appropriateness of approval by Parties involved
- ~~for project activities claiming retroactive credits – evidence that a project activity requested validation prior to 31 December 2005 or submitted a new methodology by 11 January 2006~~
- version of the methodology is valid at the time of submission
- information marked as confidential or proprietary has been submitted and does not relate to the determination of additionality, e.g. baseline, IRR analysis
- detailed information on the demonstration of additionality integrated in PDDs or submitted as annexes to PDDs
- validation reports include an assessment of the appropriateness of the demonstration of additionality, including documentation and other evidence provided by project participants.
- evidence to support the prior consideration of the CDM has been referenced in the PDD, where required, and assessed in the validation report
- the monitoring plan contains information regarding how all parameters required by the methodology or applicable general guidance will be monitored and reported

The secretariat shall refuse acceptance of documentation unless identified issues regarding these criteria are addressed.

Once completeness is confirmed, an appraisal shall be prepared in accordance with the procedure for a registration and issuance team (RIT) contained in the terms of reference and procedure for a registration and issuance team.

The secretariat shall prepare, on the basis of the RIT member's appraisal, a summary note of the request for registration and forward this, together with the RIT member's appraisal, to the Board. The summary note will include an assessment clearly specifying if issues raised are or not of minor nature.

It remains the responsibility of each Board member to consider the reasons and need for requesting a review.

If three Board members deem necessary to request a review of a request for registration of a project activity they have to clearly indicate the reasons and need for requesting a review in the on-line request for review form F-CDM-RR.

If three Board members submit the request for review form on the basis of issues which are indicated to be only of minor nature and could be corrected via additional clarifications and/or revised documentation, these will be clearly reflected in the on-line request for review form. The project participant and DOE will then be informed by the secretariat that the registration of the project has been postponed until they have provided satisfactory clarifications to the issue(s) raised, and, if necessary, revised documentation. These clarifications and documentation shall be submitted to the secretariat within two weeks from the notification and they will be checked by the secretariat, in consultation with the Chair of the Executive Board before the activity is displayed as registered.

If the Chair of the Board deems the corrections not satisfactory she/he can request the secretariat to include the project activity on the agenda of the next EB meeting to determine if the project requires a review.



6. In accordance with paragraph 41 of the CDM modalities and procedures, a review shall be related to issues associated with the validation requirements and a request for review shall, therefore, be specific in this regard.

7. A request for review shall:

(a) Include the CDM project activity registration review form (F-CDM-RR) contained in the appendix to these procedures;¹

(b) Provide reasons for the request for review and any supporting documentation.

8. A request for review shall be considered to be received by the Executive Board on the date it has been received by the secretariat. A request for review will not be considered by the Executive Board if it is received after 17:00 GMT of the last day of the eight-week period after the receipt of the request for registration.

A request for review shall be forwarded to the Board as soon as the secretariat has received it. The request for review forwarded to the Board is strictly confidential.

9. As soon as a Party involved in a proposed CDM project activity or three Executive Board members request a review of a proposed project activity, the following action shall be taken:

The request(s) for review shall be made publicly available with the names of the requesting Board members or Party(ies) remaining confidential.

(a) The consideration of a review of the proposed project activity shall be included in the proposed agenda of the next Executive Board meeting;

Project activities which received three requests for review by Board members or a Party involved after the deadline for circulation of the proposed agenda for a Board meeting will be placed on the agenda of the subsequent Board meeting. This deadline is three weeks before the start day of a Board meeting.

(b) The Executive Board shall notify the project participants and the DOE which validated the proposed project activity that a review has been requested. The project participants and the DOE shall be informed about the date and venue of the next and the subsequent Executive Board meetings at which the request for review shall be considered. Stakeholders interested in the review process shall also be given an opportunity to attend the next or the subsequent Executive Board meeting.

Project Participants and the DOE, when being notified of the request for review, shall be invited to submit comments to the Board on issues raised. The deadline for submitting such comments shall be within two weeks from the notification.

In case a project is requested for review within one week prior to the deadline for circulation of the proposed agenda, the deadline for submitting comments is two weeks before the Board meeting. To facilitate the equal treatment of project participants, in such cases the DOE/PP may, within one week from the notification, inform the secretariat that they intend to provide their response with the full two weeks deadline. Should the DOE/PP choose this option the Board will consider the request for review at the subsequent Board meeting.

¹ This form can be downloaded from the section on “References/procedures” on the UNFCCC CDM web site (<http://cdm.unfccc.int/Reference/Procedures>) and/or obtained electronically from the UNFCCC secretariat.



These comments shall be made publicly available.

Comments received after the above deadlines may not be considered by the Board.

An RIT member shall prepare an appraisal of these inputs with regard to issues identified in the requests for review².

The secretariat, under the guidance of the Chair of the Executive Board, shall prepare a briefing note for consideration of the Board

If a request for review for a proposed CDM project activity is considered for the first time by the Executive Board, stakeholders may register as observers until two weeks before the meeting. For any meeting thereafter, when this proposed CDM project activity is on the agenda, the normal three week deadline has to be observed. When requesting registration as observers, stakeholders shall indicate briefly how they are affected, or likely to be affected, by the proposed CDM project activity.

Stakeholders meeting the above requirements and deadlines are registered as observers subject to availability of space on a first come first serve basis.

The Board may in the future develop further criteria and processes.

(c) The project participants and the DOE shall each provide a contact person for the review process, including for a conference call, in case the Executive Board wishes to address questions to them during the consideration of a review at its meeting;

As part of the request for registration of a CDM project activity, project participants are required to submit a statement signed by all project participants stipulating the modalities of communicating with the Executive Board and the secretariat. The information on a contact person for the purpose of the review process shall be communicated in accordance with these modalities. After identification of the contact person, all communications (such as requests for clarifications, result of review) will be communicated through this contact person.

(d) The proposed project activity shall be marked as being “under review” on the UNFCCC CDM web site and a notification shall be sent through the UNFCCC CDM News facility.

C. Scope and modalities of review

10. The Executive Board shall consider, at its next meeting, a request for review, and either decide to undertake a review of the proposed project activity or register it as a CDM project activity.

If the Board decide to register the activity it may do so while requesting the DOE and project participants to make corrections based on the findings from its consideration of the request of review before proceeding with registration. This revised documentation shall be checked by the secretariat, in consultation with the registration and issuance team member and/or the Chair of the Executive Board, if needed, before the activity is displayed as registered. If the Chair of the Board considers that the corrections have not been made properly, or considers that as a result of the corrections further issues

² Please refer to the latest version of “Revised terms of reference and related procedure for a registration and issuance team (RIT)” <http://cdm.unfccc.int/Reference/Procedures>.



related to the validation requirements arise, the Chair may ask the secretariat to place the case on the agenda of the next meeting of the Executive Board for further consideration. The DOE and project participant(s) shall be informed of the further issues related to the validation requirements and will be invited to provide a response to these issues within two weeks of the notification.

11. If the Executive Board agrees to undertake a review of a proposed project activity, it shall, at the same meeting, decide on:

(a) The scope of the review relating to issues associated with validation requirements, based on the consideration in the request for a review;

(b) The composition of a review team. The review team shall consist of two Board members, who will be responsible for supervising the review, and outside experts, as appropriate.

One member of the review team shall be identified as lead member of the team having the responsibility for drafting the final recommendation of the team to the Board ensuring that any diverging views within the team are reflected.

12. The review team, under the guidance of the Board members responsible for supervising the review, shall provide inputs, prepare requests for clarification and further information to the DOE and project participants, and analyse information received during the review.

D. Review process

13. The decision by the Board on the scope of the review shall be made publicly available as part of the report of its meeting.

14. Project participants and the DOE which validated the proposed project activity shall be notified of the decision by the Executive Board.

Project participants and the DOE will be informed through the contact persons identified in paragraph 9 (c) above.

15. Requests for clarification and further information may be sent to the DOE and the project participants. Answers shall be submitted to the review team, through the secretariat, within five working days after the receipt of the request for clarification. The secretariat shall acknowledge the receipt of the answers and forward them to the review team.

Project participants and the DOE will be requested to provide clarifications and/or further information through the contact persons identified in paragraph 9 (c) above.

16. The two Board members supervising the review shall be responsible for compiling inputs and comments and preparing the recommendation to be forwarded to the Executive Board via listserv at least two weeks before the next Executive Board meeting.

In considering a review, the following procedures and schedule shall be followed:



- A detailed request for clarification shall be prepared and submitted to project participants/DOE by the review team selected by the Board within one week after the Board decided on the composition of a review team and communicated to the team the scope of a review;
- Clarifications from project participants and DOE to the review team shall be submitted five working days after the request for clarifications has been made by the review team;
- The lead review team member may decide to have further interactions for clarifications if she/he considers it useful and/or necessary in order to conclude on a recommendation;
- The recommendation by the review team shall be made available to the Board no later than **one week** before the next Board meeting.
- The secretariat shall prepare a summary and assessment note, summarizing the history of the project and the key issues and findings and forward it to the Board.

E. Review decision

17. In accordance with paragraph 41 of the CDM modalities and procedures, the review by the Board shall be finalized no later than at the second meeting following a request for review.

18. Taking into consideration recommendations by the two Board members responsible for the review, the Board shall decide on whether:

- (a) To register the proposed project activity;
- (b) To request the DOE and project participants to make corrections based on the findings from the review before proceeding with registration; or

The DOE and/or the project participants shall submit these corrections within 12 weeks to the secretariat. The corrections should be reflected in revised documentation required for registration. Where applicable, a version tracking the changes shall be submitted in addition to a clean version. The secretariat shall make the revised documentation available to the Board and the public.

*This revised documentation shall be checked by the secretariat, in consultation with the **Chair of the Board**.*

*If the **Chair of the Board** considers that the corrections comply with the decision of the Board the proposed CDM project activity shall be registered. If the **Chair of the Board** considers that an **assessment by the Board of the corrections is necessary**, the Board will consider the revised documentation at its next meeting for which the revised documentation was received within the two weeks documents deadline for Board meetings.*

If the Board considers the corrections as satisfactory, the proposed CDM project activity shall be registered, otherwise the proposed project activity shall be rejected.

- (c) To reject the proposed project activity.

19. In accordance with paragraph 41, the Board shall communicate the decision to the project participants, the DOE that validated the proposed project activity and the public.

20. If the review indicates any issues relating to performance of the DOE, the Board shall consider whether or not to trigger a spot-check of the DOE, in accordance with the procedures for accrediting operational entities.



If issues related to the performance of the DOE are identified, the DOE shall be requested to send to the Board information on measures it has put in place to avoid such issues. The information shall be placed on the DOE's file and be part of the evaluation at the time of re-accreditation.

To support the assessment of whether or not to trigger a spot check of the DOE, the Board will establish, subject to availability of resources, a tracking system to record the number of times a DOE is involved with a request for review, the causes for review and the measures the DOE identified to address the causes.

F. Coverage of costs of the request for review

21. The Executive Board shall bear the costs for reviewing a proposed project activity. If the Executive Board decides to reject the registration of a proposed project activity and if a DOE is found to be in the situation of malfeasance or incompetence, the DOE shall reimburse the Board for the expenses incurred as a result of the review. This provision is subject to review as experience accrues.

History of the document

Version	Date	Nature of revision(s)
08	EB 38, Annex 20, 14 March 2008	Further clarification on the process of request for review.
07	EB 29, Annex 15, 16 February 2007	Further clarification on the scope and modalities of review.
06	EB 28, Annex 41, 15 December 2006	Further clarification on the process of request for review.
05	EB 27 Annex 15, 1 November 2006	Further clarification on the scope and modalities of review.
04	EB 25, Annex 44, 21 July 2006	Further clarification on the process of request for review.
03	EB 24, Annex 28, 12 May 2006	Further clarification on the process of request for review.
02	EB 22 Annex 18, 25 November 2005	Clarification on the process of request for review.
01	EB 16, Annex 5, 22 October 2004	Initial adoption