



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

Date: 14 October 2010  
Ref: CDM-EB-57

**EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM**  
**FIFTY-SEVENTH MEETING**

**Report**

**Date of meeting:** 12–14 October 2010

**Location:** Bonn, Germany

**Attendance:** The names of members and alternate members present at the fifty-seventh meeting are in bold print below. Where only the name of an alternate member is in bold print, the alternate participated as a member.

<b>Members</b>	<b>Alternates</b>
<b>Mr. Pedro Martins Barata</b> <sup>2</sup>	<b>Mr. Lex de Jonge</b> <sup>2</sup>
Mr. Maosheng Duan <sup>2</sup>	<b>Ms. June Hughes</b> <sup>2</sup>
<b>Mr. Philip M. Gwage</b> <sup>2</sup>	<b>Mr. Paulo Manso</b> <sup>2</sup>
<b>Mr. Tahar Hadj-Sadok</b> <sup>1</sup>	<b>Mr. Samuel Adeoye Adejuwon</b> <sup>1</sup>
<b>Ms. Diana Harutyunyan</b> <sup>2</sup>	<b>Ms. Danijela Bozanic</b> <sup>2</sup>
<b>Mr. Martin Hession</b> <sup>1</sup>	<b>Mr. Thomas Bernheim</b> <sup>1</sup>
<b>Mr. Shafqat Kakakhel</b> <sup>1</sup>	<b>Mr. Rajesh Kumar Sethi</b> <sup>1</sup>
<b>Mr. Clifford Mahlung</b> <sup>2</sup>	<b>Mr. Asterio Takesy</b> <sup>2</sup>
<b>Mr. Hugh Sealy</b> <sup>1</sup>	<b>Mr. José Domingos Miguez</b> <sup>1</sup>
<b>Mr. Peer Stiansen</b> <sup>1</sup>	<b>Mr. Akihiro Kuroki</b> <sup>1</sup>

<sup>1</sup> Term: Two years (term of service ends immediately before the first meeting in 2011)

<sup>2</sup> Term: Two years (term of service ends immediately before the first meeting in 2012)

NB: The term of service of a member, or an alternate member, starts at the first meeting of the Executive Board in the calendar year following his/her election and ends immediately before the first meeting of the Executive Board in the calendar year in which the term ends (see Rules of procedure of the Executive Board of the clean development mechanism).

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

**WWW broadcasting:** < <http://cdm.unfccc.int/EB/Meetings> >.

**Agenda item 1. Membership issues (including disclosure of possible conflict of interest)**

1. Mr. Clifford Mahlung, Chair of the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board), opened the meeting and asserted that the quorum requirement was met.
2. The Board noted that the secretariat was informed that Mr. Maosheng Duan and Mr. Thomas Bernheim were unable to attend the meeting and had provided proper justification for their absence.
3. The Board welcomed the new member of the Board, Mr. Tahar Hadj-Sadok, who assumes the vacant seat of the African Group replacing Mr. Kamel Djemouai.
4. The Board considered information provided by members and alternate members, in particular whether they had a conflict of interest relating to any item on the meeting agenda.
5. Following the request by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) at its fifth session, the Board agreed to the recommendation to the CMP at its sixth session on “Terms of reference in relation to the membership of the CDM Executive Board” that clarify the set of skills and expertise as well as the expected time commitment required by members and alternate members, as contained in annex 1 to this report. This document will be included as an annex to the Board's annual report to the CMP at its sixth session.

**Agenda item 2. Adoption of the agenda**

6. The Board adopted the agenda of the meeting.

**Agenda item 3. Work plan****Agenda sub-item 3 (a): Accreditation of operational entities***General guidance*

7. The Board considered a summary of the public inputs received for the call on the draft “Procedures regarding the correction of significant deficiencies and excess issuance of CERs”. In its examination of the responses to the call, the Board considered that the CMP may need to revise its current decisions to facilitate a fair and efficient procedure to address such situations. The Board agreed to recommend to the CMP to request the Board to adopt, and apply, as required on an interim basis, a procedure to address significant deficiencies, if any, in validation or verification reports, following a review of the provisions contained in the annex to decision 3/CMP.1, paragraphs 22–24, in particular the provisions requiring:
  - (a) A designated operational entity (DOE) to be suspended prior to the application of such procedure;
  - (b) A second DOE to be appointed to conduct the review or correct the deficiency;
  - (c) Units to be cancelled within 30 days of the end of the review.
8. The Board further requested the secretariat to continue to revise this draft procedure, in consultation with the CDM Accreditation Panel (CDM-AP), to account for the comments received, especially to clarify the scope and nature of the liability with the intention to address the concerns of participants and stakeholders in the CDM.

9. The Board agreed on the type of information regarding DOE performance to be made publicly available, with a view to improving access to information on the performance of DOEs. The Board took note of the templates to be used for reporting this information to the Board, the CDM-AP and DOEs, and approved the form for making information available to the public, as contained in [annex 2](#) to this report. The Board also agreed to a six-month monitoring period and three months frequency for reporting on the same monitoring period.

### **Agenda sub-item 3 (b): Methodologies for baselines and monitoring plans**

#### *General guidance*

10. The Board requested the secretariat to continue to work on the draft “Guidelines for determining the eligibility criteria related to the inclusion of CPAs in registered programmes of activities” taking into account the comments received by the Board to be considered by the Board at a future meeting.

11. The Board requested the secretariat, with the support of Board members, to further work on the general principles for the development of guidance for project participants on the use of a first-of-its-kind barrier and the assessment of common practice, including the definition of the applicable region, similar technologies and thresholds for penetration rates to be considered by the Board at a future meeting.

12. With reference to the “Guidelines for demonstrating additionality of renewable energy projects  $\leq 5$  MW and energy efficiency projects with energy savings  $\leq 20$  GWh per year” (EB 54, annex 15), the Board agreed that all CDM project activities that qualify the criteria specified in the guidelines are eligible to apply the guidelines irrespective of the scale of the approved CDM methodology applied to the project. The “Guidelines on the demonstration and assessment of prior consideration of the CDM” apply to such project activities. The Board also considered the applicability of these guidelines to project activities under a programme of activities (PoAs) and requested the secretariat to prepare an information note indicating options for application of the guidelines to PoAs to be considered by the Board at a future meeting.

### **Agenda item 4. Management plan and resources for the work on the CDM**

13. The Board took note of an update on the progress made on the introduction of revised registration, issuance, and review procedures and agreed on recommendations to the CMP at its sixth session.

14. In particular, the Board took note of the progress made in the implementation of these procedures and requested the secretariat to expedite further the implementation to the extent possible. The Board also took note of the status of progress made by the secretariat in processing requests for registration and issuance, including progress towards reduction of the length of time that submissions are required to wait to be processed.

15. The Board agreed to having a strategic discussion at its next meeting with a view to setting tentative priorities for 2011. These priorities, together with mandates to the Board provided by the CMP at its sixth session, will form the basis for the draft CDM management plan (CDM-MAP) for 2011.

### **Agenda item 5: Other matters**

#### **Agenda sub-item 5 (a): Guidance by CMP**

16. The Board agreed to the recommendation to the CMP at its sixth session on “Procedure for appeals against rulings by the CDM Executive Board regarding requests for registration or issuance”, as contained in [annex 3](#) to this report. This document will be included as an annex to the Board's annual report to the CMP at its sixth session.



17. The Board also agreed to recommend that the CMP consider the following options to serve as the appellate body described in the recommended procedure:

- (a) Designation of the Enforcement Branch of the Compliance Committee;
- (b) Creation of a new body under the authority of the CMP;
- (c) Delegation of the authority to an official designated by the Executive Secretary to establish ad-hoc or standing appeals panels in consultation with the Bureau;
- (d) Delegation of authority to the Board to establish ad-hoc or standing appeals panels;
- (e) Any other body considered appropriate by the CMP.

18. The Board agreed to its annual report to the sixth session of the CMP, which covers the period 17 October 2009 to 14 October 2010, and requested the secretariat to finalize the report in cooperation with the Chair of the Board in order to include the outcomes of the fifty-seventh meeting of the Board. Once the report is processed through the United Nations official editors, it will be posted on the UNFCCC and UNFCCC CDM websites accordingly.

#### **Agenda sub-item 5 (b): Relations with Designated Operational and Applicant Entities**

19. The Board took note of the report by the Chair of the CDM DOE/AE Coordination Forum, and provided feedback to the forum, as appropriate.

20. The Chair of the forum, Mr. Jonathan Avis, elaborated on the input received from entities for the consideration of the Board, and the forum opinion on the draft "Procedures regarding the correction of significant deficiencies and the excess issuance of CERs" on the following:

- (a) Compliance with the CMP decisions;
- (b) Changes to CMP decisions;
- (c) Market implications;
- (d) Revisions to lessen market impacts; and
- (e) Situations where project participants (PPs) provide false or misleading information.

21. The Board members responded to some of the questions raised by the Chair of the forum, and informed him that the matters raised in his presentation would be given full consideration.

22. The Board informed, with concern, the Chair of the CDM DOE/AE Coordination Forum that some DOEs are not willing to validate PoAs in certain countries. The Board requested the forum to provide feedback on this matter at the fifty-eighth meeting of the Board.

23. The Chair of the Board thanked Mr. Jonathan Avis for his inputs and encouraged the forum to continue to raise issues related to the implementation of its guidance.

**Agenda sub-item 5 (c): Relationship with stakeholders, intergovernmental and non-governmental organizations (registered accredited observers)**

24. The Board considered areas requiring further clarification regarding modalities and procedures for communication between PPs and the Board. The Board requested the secretariat to prepare a proposal for a draft procedure for authorization of the participation of entities in the CDM, including an analysis of its impacts on the market and the regulatory system, in order to facilitate improved communication with PPs, for consideration of the Board at a future meeting. The Board also requested the secretariat to provide any additional guidance regarding enhancements in communication with PPs.

25. The Board met with registered observers for an informal interaction on the last day of the meeting and agreed to continue with such meetings in the afternoon of the last day of its future meetings, unless otherwise indicated. These meetings are available on webcast.

26. The Board further agreed to continue to meet with the same type of arrangement and to reconsider the issue when necessary. Observers to the fifty-eighth meeting of the Board shall have registered with the secretariat by 1 November 2010. In order to ensure proper security and logistical arrangements, the Board emphasized that this deadline will be strictly enforced by the secretariat.

**Agenda sub-item 5 (d): Other business**

27. The Board agreed on the provisional agenda for its fifty-eighth meeting, to be held in Cancún, Mexico, from 22–26 November 2010, as contained in [annex 4](#) to this report, with an open session on 24–26 November 2010.

28. The Board agreed to the tentative calendar of meetings for 2011, as contained in [annex 5](#) to this report. The Board will consider in early 2011 the possibility to hold focused policy meetings once the impacts of the revised registration and issuance procedures are fully assessed and the mandates from the CMP are provided to the Board. The Board noted that candidates that are being considered for nomination as Board members or alternate members may wish to note that the case load and number of meetings for 2011 remain high.

**Agenda item 6. Conclusion of the meeting**

29. The Chair summarized the main conclusions.

**Agenda sub-item 6 (a): Summary of decisions**

30. Any decisions taken by the Board shall be made publicly available in accordance with paragraph 17 of the CDM modalities and procedures and with rule 31 of the “Rules of procedure of the Executive Board of the clean development mechanism”.

**Agenda sub-item 6 (b): Closure**

31. The Chair closed the meeting.

-----



## **Annexes to the report**

### ***Membership***

Annex 1 - Recommendation to the CMP on terms of reference in relation to the membership of the CDM Executive Board

### ***Accreditation***

Annex 2 - CDM: Form for reporting to the public - DOE performance monitoring (version 01)

### ***Guidance by CMP***

Annex 3 - Recommendation to the CMP on the procedure for appeals against rulings by the CDM Executive Board regarding requests for registration or issuance

### ***Other matters***

Annex 4 - Provisional agenda for EB 58

Annex 5 - Tentative calendar of meetings of the CDM Executive Board and its panels and working groups in 2011 (version 01)

- - - - -