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**REPORT OF THE EXECUTIVE BOARD  
OF THE CLEAN DEVELOPMENT MECHANISM**

**Annual report of the Executive Board of the clean development mechanism to the  
Conference of the Parties (2002–2003)**

**Summary**

The report of the Executive Board of the clean development mechanism (CDM) for the period 2002–2003 covers work undertaken from November 2002 to July 2003. It provides information to the Conference of the Parties (COP), for consideration at its ninth session, on progress made towards the implementation of the CDM during its second year of operation, notably on approving new methodologies for baselines and monitoring and the accreditation of operational entities. It also recommends decisions to be taken by the COP at its ninth session.

The report also provides information on measures taken to ensure the transparent functioning of the CDM and on modalities for attendance by observers at CDM Executive Board meetings, as well as information on administrative expenses and resources relating to the operation of the CDM in the biennium 2002–2003 and in the forthcoming biennium 2004–2005.

The work of the CDM Executive Board from August to November 2003 will be covered in addenda to this document. The Chair of the Executive Board, Mr. Hans Jürgen Stehr, will provide an oral report to the COP covering the entire year of operation.

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## I. INTRODUCTION

### A. Mandate

1. The Conference of the Parties (COP), at its seventh session, decided to facilitate a prompt start for a clean development mechanism (CDM) by adopting decision 17/CP.7, and the annex thereto containing modalities and procedures for a CDM (hereinafter referred to as “the CDM modalities and procedures”) (FCCC/CP/2001/13/Add.2).

2. Bearing in mind paragraphs 2, 4 and 19 of decision 17/CP.7, and in accordance with the provisions of paragraphs 2 to 5 of the CDM modalities and procedures, the Executive Board of the CDM (hereinafter referred to as “Executive Board” or “Board”) shall, until the entry into force of the Kyoto Protocol, report on its activities to each session of the COP and the COP shall review these annual reports. Once the Protocol has entered into force, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP), through adopting draft decision -/CMP.1 (*Article 12*), recommended by the COP at its seventh session, shall have authority over and provide guidance to the CDM.

### B. Scope of the report

3. This second annual report by the Executive Board provides information to the COP, at its ninth session, on progress made towards implementation of the CDM during its second year of operation, and recommends decisions to be taken at COP 9, as appropriate. It covers tasks carried out and procedures followed – in accordance with decision 17/CP.7 and its annex containing the CDM modalities and procedures, and decision 21/CP.8 and its annexes on the rules of procedure and the simplified modalities and procedures for small-scale CDM project activities – during the period between 2 November 2002 and 29 July 2003. The UNFCCC CDM web site is the repository of all procedures and gives details of all functions undertaken by the Board, its panels, experts, the public and the secretariat.

4. The report provides detailed information on measures taken to ensure the transparent functioning of the CDM and on modalities regarding attendance by observers of Board meetings, i.e. on the implementation of rules 26 and 27 of the rules of procedure of the Executive Board. The coverage of the administrative expenses for operating the CDM in the biennium 2002–2003 and in the forthcoming biennium 2004–2005 is also dealt with in detail.

5. The COP, at its ninth session, will receive an oral report by the Chair of the Board, Mr. Hans Jürgen Stehr, and/or addenda to this document, on the work of the Board and the matters relevant to its work occurring between 29 July 2003 and the end of November 2003.

### C. Action to be taken by the Conference of the Parties

6. The COP, at its ninth session, may wish to take the following action:

(a) In accordance with the provisions of paragraphs 3 and 4 of the CDM modalities and procedures:

- (i) Review and take note of the annual report of the Executive Board (2002–2003);
- (ii) Provide guidance to the Executive Board;

(b) In accordance with paragraph 5 (o) of the CDM modalities and procedures, consider the annex to this report with a view to taking a decision on procedures for review as referred to in paragraph 41 of the CDM modalities and procedures;

(c) Reiterate the invitation to Parties to make contributions to the UNFCCC Trust Fund for Supplementary Activities to support activities relating to the prompt start of the CDM, including for the development of the CDM registry;

(d) Take a decision regarding designation, as appropriate, in case the Executive Board accredits and preliminarily designates an operational entity prior to COP 9.

7. In addition, in accordance with paragraphs 7 and 8 (b) of the CDM modalities and procedures and rules 3 and 4.1(b) of the rules of procedure of the Executive Board, the COP shall, at its ninth session, elect to the Executive Board for a term of two years:<sup>1</sup>

(a) One member and one alternate member from the small island developing States;

(b) One member and one alternate member from the Eastern European region;

(c) One member and one alternate member from Parties included in Annex I to the Convention (Annex I Parties);

(d) Two members and two alternate members from Parties not included in Annex I to the Convention (non-Annex I Parties).

## II. ORGANIZATIONAL MATTERS BEFORE THE EXECUTIVE BOARD

### A. Calendar of meetings of the Executive Board in 2003

8. The Executive Board, at its seventh meeting, adopted the following calendar of meetings in 2003, envisaging the need to hold a total of six meetings:

<b>Executive Board meetings</b>	<b>Dates</b>	<b>Location</b>
Seventh meeting	20–21 January	Bonn, Germany
Eighth meeting	19–20 March	Bonn, Germany
Ninth meeting	7–8 June	Bonn, Germany (in conjunction with the eighteenth sessions of the subsidiary bodies)
Tenth meeting	28–29 July	Bonn, Germany
Eleventh meeting	16–17 October	Bonn, Germany
Twelfth meeting	27–28 November	Milan, Italy (in conjunction with the ninth session of the COP)

9. The agenda, the annotated agenda including documentation supporting agenda items, and the report of each Executive Board meeting are available on the UNFCCC CDM web site.<sup>2</sup>

<sup>1</sup> “Upon the entry into force of the Kyoto Protocol”, in accordance with paragraph 3 (b) of decision 17/CP.7, the COP shall invite nominations for membership in the Executive Board “to replace any member of the executive board of the clean development mechanism whose country has not ratified or acceded to the Protocol. Such new members shall be nominated by the same constituencies and elected at the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol”.

<sup>2</sup> <http://cdm.unfccc.int/EB/Meetings>

## **B. Membership**

10. During the reporting period, the following members or alternate members resigned from the Board:

- (a) Mr. Mohammad Reza Salamat, member from the Asian region
- (b) Mr. Abdulmuhsen Al-Sunaid, alternate member from non-Annex I Parties
- (c) Mr. Tuiloma Neroni Slade, alternate member from the small island developing States
- (d) Mr. Gylvan Meira Filho, member from the Latin American and the Caribbean region.

11. In accordance with rules 4 and 8 of the rules of procedures of the Executive Board, the following persons were elected at COP 8 or subsequently appointed by the Board as replacements:

- (a) Mr. Hassan Tajik, nominated by the Asian regional group, was elected at COP 8 as a member of the Executive Board to replace Mr. Mohammad Reza Salamat for the remainder of the mandate of Mr. Salamat (until the end of 2004);
- (b) Mr. Fareed Al-Asaly, nominated by non-Annex I Parties, was appointed by the Board, at its eighth meeting, as an alternate member of the Executive Board to replace Mr. Abdulmuhsen Al-Sunaid for the remainder of the mandate of Mr. Al-Sunaid (until the end of 2003);
- (c) Ms. Desna Solofa, nominated by the small island developing States, was appointed by the Board, at its ninth meeting, as an alternate member of the Executive Board to replace Mr. Tuiloma Neroni Salde for the remainder of the mandate of Mr. Slade (until the end of 2003).

## **C. Election of the Chair and the Vice-Chair of the Executive Board**

12. In accordance with paragraph 12 of the CDM modalities and procedures and rule 12 of the rules of procedure of the Executive Board, the Board elected by consensus, at its seventh meeting, Mr. Hans Jürgen Stehr (from Annex I Parties) and Mr. Franz Tattenbach Capra (from non-Annex I Parties) as Chair and Vice-Chair, respectively, of the Executive Board. Their tenure ends at the first meeting of the Board in 2004.

13. On behalf of the Board, the new Chair expressed deep appreciation to the outgoing Chair, Mr. John W. Ashe, and Vice-Chair, Mr. Sozaburo Okamatsu, for their excellent leadership to the Board during its first year of operations.

## **D. Rules of procedure of the Executive Board**

14. The Executive Board, at its seventh meeting, took note of the adoption by the COP, by its decision 21/CP.8, of the rules of procedure of the Executive Board. The Board has been implementing its activities in accordance with these rules.

## **E. Internal communication**

15. In order to allow for the efficient, cost-effective and transparent exchange of information between the Board, its panels, experts and the secretariat, the secretariat has set up and maintains several electronic internet-based facilities: extranets (3), list serves (about 35) and discussion tools (see table below). These facilities are integrated into the UNFCCC CDM web site,<sup>3</sup> which also provides functions

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<sup>3</sup> <http://unfccc.int/cdm>

regarding designated national authorities (18 to date), operational entities and public input (see also chapter IV below). Considerable savings have also been achieved by arranging telephone conferences for panels and CDM assessment teams (CDM-ATs).

### Internet and e-mail facilities for communication

User group	Extranet	List serve (e-mail)	Discussion tool (web)	Other
CDM Executive Board	✓	✓	✓	x
CDM Methodologies Panel	✓	✓	✓	On-line input
CDM Accreditation Panel	✓	✓	✓	On-line input
CDM assessment teams (CDM-ATs)	Under consideration	~30 (2 per team)	Under consideration	x
Operational entities	Under development	✓	Under development	On-line submission of proposed new methodologies
Designated National Authorities (DNA)	x	✓	Under consideration	x
Public	x	x	x	- UNFCCC CDM web site - UNFCCC CDM News facility

16. In order to enhance common understanding of procedures and to share information, the secretariat, at the request of the Executive Board, organized a joint workshop for the Board, members of the CDM Accreditation Panel and Methodologies Panel and members/candidates of CDM-ATs. The two-day workshop took place in March 2003 in Bonn, Germany. The proceedings, including the presentations made by Board, panel members and the secretariat, were video-taped. Subject to the availability of resources, these proceedings could be a basis for developing training material for new experts.

### III. WORK PLAN UNDERTAKEN SINCE THE EIGHTH SESSION OF THE CONFERENCE OF THE PARTIES

#### A. Accreditation process for operational entities

##### 1. Mandate and background

17. In accordance with paragraph 1 (d) of decision 21/CP.8, paragraphs 2, 4 and 6 (b) of decision 17/CP.7 and paragraph 5 (f) of the CDM modalities and procedures, the Executive Board is responsible for the accreditation of operational entities and for the provisional designation of such entities pending their designation by the COP. The COP, in accordance with paragraph 3 (c) of the CDM modalities and procedures, takes decisions on the final designation of operational entities which were accredited and preliminarily designated by the Board.

18. Further, in accordance with paragraph 5 (f) (ii) of the CDM modalities and procedures, the Board is responsible for the operationalization of accreditation procedures and standards. Also, in accordance with paragraph 5 (g) of the CDM modalities and procedures, it shall review the accreditation standards in appendix A to the CDM modalities and procedures and make recommendations to the COP for its consideration, as appropriate.

19. In its work on accreditation, the Board has been aware that, in accordance with paragraph 4 (b) of the CDM modalities and procedures, the COP/MOP would review the regional and subregional distribution of designated operational entities and take appropriate decisions to promote accreditation of such entities from developing country Parties.

2. Work undertaken and action taken, including decisions, as appropriate

20. Since the launch of the accreditation process on 9 August 2002, 16 applications have been received and can be viewed on the UNFCCC CDM web site.<sup>4</sup>

21. The consideration of the 16 applicant entities (AEs) is at various stages of the accreditation procedure: assessment of seven AEs has advanced to the point where an on-site assessment of their premises is imminent; in seven other cases, the CDM-ATs are drafting the desk review reports and are checking whether the information provided is complete and adequate; and two cases are at the stage where a CDM-AT is being identified.

22. The geographical distribution of applications is as follows: seven applications are from the Asia and Pacific region and nine are from the "Western Europe and Other" region. Only one application is from a non-Annex I Party (the Asia and Pacific region). The COP may wish to note that, in order to facilitate applications of operational entities from developing countries, the Board stipulated that such entities may choose to pay the non-reimbursable application fee in two instalments: 50 per cent at the time of application and the remainder when the entity has been successfully accredited and provisionally designated by the Board. Efforts to increase the involvement of experts from developing countries in this process are described in paragraphs 23 (b) and 24 below.

23. In order to clarify matters relating to the role of a designated operational entity (DOE) in the CDM process and facilitate the process of accreditation, the Board agreed on the following provisions:

(a) A clarification was given on the roles of a DOE if a proposed CDM project activity intends to use a new baseline and monitoring methodology, or an approved one. The Board reiterated that a DOE is part of the institutional infrastructure of the CDM, directly interacting with project participants. A DOE is to ensure that proposals by project participants are in line with guidance/clarifications by the Board with regard to approved methodologies. If a DOE concludes, at the end of a validation process, that this is the case, it requests the registration of the proposed activity, and registration will then occur automatically within eight weeks unless a review process is triggered either by a Party involved in the proposed activity or by at least three Board members, in accordance with paragraph 41 of the CDM modalities and procedures. Also, in accordance with paragraph 38 of the CDM modalities and procedures, the Board stressed that in order to avoid conflict of interest situations, a DOE shall have no role in evaluating or designing proposed new methodologies for baselines or monitoring. Its role is to check whether documentation regarding a proposed new methodology is complete and, if so, to submit it to the Board for consideration. In this context, it should also be noted that an applicant entity may forward a proposed new methodology if a CDM-AT has been assigned to it and it can produce documentary evidence (procedural report) of work undertaken;

(b) The possibility of phasing accreditation with regard to function (validation, verification and certification) and sectoral scope(s) was allowed in order to avoid any delay in registering a proposed CDM project activity which has been used for the purpose of witnessing the performance of an AE. The phasing also enhances the accessibility for operational entities from developing countries as it allows a gradual build-up of capacities;

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<sup>4</sup> See section on "Designated operational entities" on the UNFCCC CDM web site: <http://cdm.unfccc.int/DOE/>

(c) The procedure for accrediting operational entities by the Executive Board has been revised and is available in its version 03 on the UNFCCC CDM web site.<sup>5</sup>

24. In carrying out its functions, the Board was supported by the CDM Accreditation Panel (CDM-AP). The panel has met seven times since the launch of the accreditation process, and four times since COP 8. The current term of the CDM-AP expires at the end of 2003. In accordance with its terms of reference, it will continue its work, i.e. to forward its recommendations to the Board for its consideration and approval, and, with the support of the secretariat, its efforts to increase the number of experts applying to be included in the roster of experts for CDM-ATs, especially from developing countries.

25. The Board wishes to express its high appreciation for the excellent advice and support received from the CDM-AP and its Chair (Mr. John Kilani) and Vice-Chair (Mr. Oleg Pluzhnikov). Assisted by the secretariat, their professional commitment allowed the implementation of the accreditation procedure within a short period of time, and the handling of a large volume of complex work. The Board is also grateful to members of the CDM-ATs who are undertaking operational tasks in the field on its behalf, and to the public for providing comments on the process.

26. Finally, the Board wishes to convey its appreciation to the applicant entities which play such a critical role in ensuring the environmental credibility and operational flexibility of the CDM. In submitting their applications and engaging in “learning-by-doing” in a new area of work, they have demonstrated their willingness to become engaged in this important endeavour and in the CDM infrastructure through which they are associated with the intergovernmental process aiming at mobilizing resources for sustainable development projects.

## **B. Simplified modalities and procedures for small-scale CDM project activities**

### 1. Mandate and background

27. The COP, by its decision 21/CP.8, adopted the simplified modalities and procedures for small-scale CDM project activities, as contained in annex II to that decision. In accordance with that annex, the Executive Board was to develop and agree on the appendices to the simplified modalities and procedures.

### 2. Work undertaken and action taken, including decisions, as appropriate

28. The Board, at its seventh meeting, noted with appreciation the adoption by the COP of simplified modalities and procedures for small-scale CDM project activities, as annexed to decision 21/CP.8. Based on the mandate received from the COP at its eighth session, the Board agreed on the following:<sup>6</sup>

(a) A simplified project design document for small-scale CDM project activities (SSC-PDD version 01), as contained in appendix A to the simplified modalities and procedures for small-scale CDM project activities;

(b) Indicative simplified methodologies for small-scale CDM project activities, as contained in appendix B to the simplified modalities and procedures for small-scale CDM project activities;

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<sup>5</sup> See section on “Reference/procedures” on the UNFCCC CDM web site:  
<http://cdm.unfccc.int/Reference/Procedures>

<sup>6</sup> For appendices A, B and C to the simplified modalities and procedures for small-scale CDM project activities, see section on “Simplified modalities and procedures for small-scale CDM project activities” on the UNFCCC CDM web site: <http://cdm.unfccc.int/pac/howto/SmallScalePA/index.html>

(c) Provisions for avoiding debundling, as contained in appendix C to the simplified modalities and procedures for small-scale CDM project activities.

29. With the launching of these appendices in January 2003, the Board gave the green light for the submission of applications for potential small-scale CDM project activities using simplified modalities and procedures.

30. The Board further emphasized that, in accordance with these simplified modalities and procedures, project participants may also propose to the Board new small-scale CDM project activity categories and amendments or revisions to simplified methodologies. The Board will review and amend, as necessary, at least once a year, the indicative simplified methodologies for small-scale CDM project activities (appendix B to the simplified modalities and procedures for small-scale CDM project activities). Its Methodologies Panel shall continue considering appendix B, drawing on relevant outside expertise on small-scale project activities, including, as appropriate, former members of the panel which had recommended draft simplified modalities and procedures for small-scale CDM project activities to the Board in 2002.

### **C. Methodologies for baselines and monitoring plans**

#### **1. Mandate and background**

31. The Executive Board has key responsibilities for implementing the provisions contained in the CDM modalities and procedures relating to methodologies for baselines and monitoring plans. These responsibilities entail the following functions:

(a) Developing and making recommendations to the COP on guidance relating to methodological issues (see appendix C of the CDM modalities and procedures);

(b) Approving new methodologies relating, inter alia, to baselines, monitoring plans and project boundaries (see paragraphs 5 (d) and 38 and appendix C of the CDM modalities and procedures).

#### **2. Work undertaken and action taken, including decisions, as appropriate**

32. In order to facilitate the submission of new methodologies by project participants, the Board agreed on the following:

(a) Procedures for the submission and consideration of a proposed new methodology (for version 03, see report of the tenth meeting of the Executive Board);<sup>7</sup>

(b) Clarifications on methodological issues to project participants, designated operational entities and its Methodologies Panel (contained in annexes to the reports of eighth, ninth and tenth meetings of the Executive Board);<sup>8</sup>

(c) Revising, with the assistance of the Methodologies Panel, the current version of the project design document (CDM-PDD) in order to include relevant guidance provided by the Board since the adoption of version 01 in August 2002.

33. In establishing the procedures for the technical review of methodologies and public input, the Board aimed at obtaining high quality products, at containing costs, and at opening the process as much

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<sup>7</sup> See section on "Reference/procedures" on the UNFCCC CDM web site:

<http://cdm.unfccc.int/Reference/Procedures>

<sup>8</sup> See section on "Reference/clarifications/guidance" on the UNFCCC CDM web site:

<http://cdm.unfccc.int/Reference/Guidclarif>

as feasible to public scrutiny and broad expert input. When considering new methodologies, the Board therefore draws on the recommendations of its Methodologies Panel which, apart from its own work, takes into account the results of desk reviews by experts (two for each methodology) and public input. For the purpose of fostering transparency and the broadest possible engagement of experts and the public, each submission of a new methodology is made available on the UNFCCC CDM web site and announced through the UNFCCC CDM News facility. As the Board gains experience in these matters it will adjust the procedures as necessary.

34. The Board wishes to express its deep appreciation for the excellent advice and support it has received from members of the Methodologies Panel and its Chair (Mr. Gylvan Meira Filho and Mr. Jean Jacques Becker) and Vice-Chair (Mr. Jean Jacques Becker and Mr. Franz Tattenbach Capra) and for the valuable inputs received from experts (desk reviewers) and the public. Only through their special effort and commitment, assisted by the secretariat, was it possible to accomplish the large and challenging workload.

35. The Board agreed to extend the terms of the members of the Methodologies Panel until April 2004. The Methodologies Panel, having met four times since COP 8, is expected to continue its work in accordance with its terms of reference, i.e. making recommendations for consideration and approval by the Board. Supported by the secretariat, it is also to make further efforts to increase the number of experts applying to be included in the roster of experts for undertaking desk reviews of proposed new methodologies, especially from developing countries.

36. Having completed all preparatory work at its eighth meeting, the Board, in March 2003, launched its invitation to project proponents to submit new methodologies on baselines and monitoring for the Board's consideration. This marked an important point in the development of the CDM. Given the scope of authority extended by the COP to the Board on this matter, in accordance with paragraph 38 of the CDM modalities and procedures, approvals of methodologies by the Board are of critical and wide-ranging importance for the functioning of the CDM. The Board wishes to express its gratitude to the project participants that have proposed new methodologies for baselines and monitoring plans.

37. In the course of the first round of submissions, the deadline for which was 15 April 2003, 14 proposals for new baseline and monitoring methodologies were submitted by project participants through applicant entities. The second round attracted two additional proposals.

38. For these 16 proposals, the Board, taking into account recommendations by the Methodologies Panel and inputs by experts and the public, agreed:

(a) To approve, after reconsideration, the following methodologies for baselines and monitoring plans:<sup>9</sup>

- (i) "Contractual amount of landfill gas capture and flaring defined through public concession contract";
- (ii) "Incineration of hydrofluorocarbon (HFC) 23 waste streams".

(b) To reconsider proposed new methodologies for baselines and monitoring plans in five further cases, provided that the originally submitted proposals were revised to incorporate required changes and that the Methodologies Panel had reconsidered the revised proposal and prepared a recommendation to the Board;

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<sup>9</sup> Approved methodologies are made available on the UNFCCC CDM web site in the "Search" section at <http://unfccc.int/cdm>

(c) Not to approve proposed new methodologies for baselines and monitoring plans in nine cases, to invite the project participants in each case to consider the views and suggestions made by the Board, the Methodologies Panel, desk reviewers and the public, and to encourage them to make a further submission.

39. By the deadline for submissions for the third round (16 July 2003) five new submissions and three revised proposals had been received. Updated information on further rounds for submissions, and results of the consideration process, will be reported to the COP at its ninth session by the Chair of the Board, orally and/or through addenda to this document, as appropriate.

#### **D. Matters relating to the registration of CDM project activities**

##### 1. Mandate and background

40. The Executive Board exercises key functions relating to the registration of proposed CDM project activities, in accordance with paragraphs 40 and 41 of the CDM modalities and procedures.

41. Further, in accordance with paragraph 5 (o) of the CDM modalities and procedures, the Board has to recommend to the COP (or COP/MOP upon entry into force of the Kyoto Protocol) procedures for conducting a review referred to in paragraph 41 of the CDM modalities and procedures. These are to include, inter alia, procedures for facilitating the consideration of information from Parties, stakeholders and UNFCCC accredited observers. Until their adoption by the COP, the procedures shall be applied provisionally.

##### 2. Work undertaken and action taken, including decisions, as appropriate

42. In order to facilitate and clarify tasks relating to the registration of proposed CDM project activities, the Board developed the following procedures and clarifications:<sup>10</sup>

(a) Validation-related procedures and clarifications:

- (i) Clarifications on validation requirements to be checked by a designated operational entity (annex 3 of the report of the eighth meeting of the Executive Board);
- (ii) Procedures on public availability of the CDM project design document (PDD) and for receiving comments as referred to in paragraph 40 (b) and (c) of the CDM modalities and procedures (annex 7 of the report of the ninth meeting of the Executive Board);

(b) Registration-related procedures: procedures for registration of a proposed CDM project activity (annex 5 of the report of the ninth meeting of the Executive Board).

43. In response to the mandate of paragraph 5 (o) of the CDM modalities and procedures, the Board agreed to recommend to the COP and, in the interim, apply provisionally, procedures for review as referred to in paragraph 41 of the CDM modalities and procedures, contained in the annex to this report. The Board will continue to develop procedures for conducting the review relating to proposed issuance of CERs referred in paragraph 65 of the CDM modalities and procedures.

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<sup>10</sup> See sections on "Reference/procedures" and "Reference/clarifications/guidance" on the UNFCCC CDM web site: <http://cdm.unfccc.int/Reference/Procedures> and <http://cdm.unfccc.int/Reference/Guidclarif>

## **E. CDM registry**

### **1. Mandate and background**

44. In accordance with paragraph 5 (l) of the CDM modalities and procedures, the Executive Board is to establish and maintain a CDM registry to ensure the accurate accounting of the issuance, holding, transfer and acquisition of Certified Emission Reductions (CERs) by non-Annex I Parties.

### **2. Work undertaken and action taken, including decisions, as appropriate**

45. The Board considered issues relating to the elaboration of the CDM registry at its seventh, eighth and ninth meetings, in particular regarding the relationship of the work needed on the CDM registry with that on registry systems carried out under the Subsidiary Body for Scientific and Technological Advice (SBSTA). At its seventh meeting, the Board requested Ms. Sushma Gera and Mr. Xuedu Lu to follow the work undertaken by the SBSTA in this respect and to report to the Board.

46. Having considered options prepared by the secretariat on how to take this work forward, the Board agreed not to establish an interim CDM registry in 2003. It agreed instead:

(a) To issue a public call to Parties and organizations for inputs to the development of the CDM registry. In particular, contributions may be in the form of functional or technical specifications, other documentation or programming code for systems or system components. The secretariat is to coordinate the receipt of these inputs;

(b) To request the secretariat to begin development work on the CDM registry, together with its general work on registries, subject to the availability of resources, in particular through preparing a draft functional specification for the CDM registry, and to report back to the Board on progress and a timeline for continuing work at its meeting held in conjunction with COP 9.

## **F. Modalities for collaboration with the Subsidiary Body for Scientific and Technological Advice**

### **1. Mandate and background**

47. In paragraph 6 (e) of decision 17/CP.7, the COP requested the Executive Board to identify modalities for seeking collaboration with the SBSTA on methodological and scientific issues.

### **2. Work undertaken and action taken, including decisions, as appropriate**

48. In accordance with rule 14 of its the rules of procedure, the Board agreed to designate members, as necessary, to follow work undertaken by the SBSTA on methodological and scientific issues relating to the work of the Executive Board. The Board designated:

(a) Ms. Sushma Gera and Mr. Xuedu Lu to continue following deliberations by the SBSTA on technical standards for registries and to update the Board on developments (see also section III. E, above);

(b) Mr. Martin Enderlin and Mr. Eduardo Sanhueza to continue following deliberations by the SBSTA on the definitions and modalities for including afforestation and reforestation project activities under the CDM in the first commitment period, to regularly update the Board on developments, and to share the views of the Board with the SBSTA Chair as necessary, bearing in mind that the terms of reference of the SBSTA work to develop definitions and modalities for including afforestation and reforestation activities under the CDM require the SBSTA to take into account relevant work by the Executive Board;

(c) Mr. Chow Kok Kee to follow deliberations by the SBSTA on elements of a future work programme of the SBSTA on methodological issues and to update the Board on developments.

49. The Board took note of progress made in consultations on the development of technical standards for registries; on the definitions and modalities for including afforestation and reforestation projects under the CDM in the first commitment period; and on the work programme of the SBSTA on methodological issues.

#### IV. TRANSPARENCY AND ATTENDANCE

##### 1. Mandate and background

50. The COP, in the preamble to its decision 21/CP.8, providing guidance to the Executive Board, encouraged the Board to continue reporting on the implementation of rules 26 and 27 of the rules of procedure.

51. Further to the provisions of the CDM modalities and procedures for the Executive Board to make information publicly available (in particular, paragraph 5 (i), (j), (k) and (m)), it is stipulated in rule 26 of the rules of procedure of the Executive Board that, subject to the need to protect confidential information, the principle of transparency should apply to all the work of the Board. This encompasses the timely public availability of documentation and channels through which external comments by all Parties and all UNFCCC accredited observers and stakeholders can be submitted for consideration by the Board. The posting of reports on the Board's meetings on the Internet is one way to ensure such transparency.

52. Rule 27 of the rules of procedure and paragraph 16 of the CDM modalities and procedures stipulate that meetings of the Executive Board shall be open to attendance, as observers, by all Parties and by all UNFCCC accredited observers and stakeholders, except where otherwise decided by the Board. It further foresees that observers may, upon invitation by the Board, make presentations relating to matters under consideration by the Board.

##### 2. Work undertaken and action taken, including decisions, as appropriate

53. In order to ensure transparency regarding aspects of its work in accordance with rule 26, and to facilitate attendance by observers, while safeguarding the efficient, cost-effective and transparent functioning of the CDM, the following measures were taken: enhancement of the UNFCCC CDM web site; provision of CD-ROMs containing selected documents/forms in all United Nations official languages; organization of meetings with Parties and accredited observers; and the review of modalities for attendance by observers at meetings of the Executive Board.

54. **The UNFCCC CDM web site (<http://unfccc.int/cdm>):** Major improvements were made to the UNFCCC CDM web site during the reporting period in order to ensure that it continues to function as the authoritative source of information on the CDM. The efficiency – especially regarding feedback periods, cost-effectiveness and transparency of communications and interactions between the Board, its panels and experts, operational entities, the secretariat and the public – has been greatly improved by instituting automated electronic work processes linked to the UNFCCC CDM web site.

55. As a result of these changes, the receipt of public input, applications relating to the rosters of experts (for desk reviews of methodologies and for accreditation teams), and the provision of up-to-date information to stakeholders and the public through the UNFCCC CDM News facility (1,200 subscribers), as well as the flow of information through dedicated extranets and discussion tools, have been enhanced. The features also allow the on-line selection of experts, on-line access to the rosters of experts, the

submission and processing of proposed new methodologies, on-line application for accreditation, and access to agendas, supporting documentation and reports of each Executive Board and each panel meeting. In addition, all procedures and forms are available on-line.

56. The use by the public of the opportunity for electronic communication on the CDM can be illustrated through two examples:

(a) The Board, at its eighth meeting, agreed in its procedures for submission and consideration of a proposed new methodology to make publicly available on the UNFCCC CDM web site (and to make an announcement through the UNFCCC CDM News facility) proposed new methodologies submitted to the Board and to invite public inputs on these for a period of 15 working days. To date, 34 comments have been received from the public using the dedicated input facility of the UNFCCC CDM web site.

(b) In accordance with paragraph 17 of the procedure for accrediting operational entities by the Executive Board, the redesigned web site contains a dedicated input facility. This facility provides the opportunity to Parties, UNFCCC accredited NGOs and stakeholders, to provide, within 15 days after announcement through the UNFCCC CDM News facility, any comments or information on an applicant entity. The names and list of sectoral scopes for 14 applicant entities have been published and two inputs from the public relating to two applicant entities have been received and made publicly available.

57. The design and software changes (move to open source management software) have thus made the UNFCCC CDM web site more reliable, flexible, accessible and up-to-date. Feedback received from users indicates that the UNFCCC CDM web site is considered to be a user-friendly tool for visitors from all continents to retrieve first-hand information and is thus contributing to giving project developers equal opportunities.

58. **Printed material and CD-ROMs on the CDM:** In addition to its electronic information system, the Board, with the assistance of the secretariat, is planning, subject to the availability of resources, to develop printed information materials. The secretariat has been providing presentations on the CDM in English, French and Spanish in electronic and printed form. As already done at COP 8, it will continue to make information from the UNFCCC CDM web site available on diskette and CD-ROM for interested users who do not have access to the internet.

59. **Engaging in dialogue with Parties, accredited observers, etc:** In order to provide specific information and engage in dialogue, the Board has established the practice of meeting Parties and registered accredited observers for informal briefings on the occasion of its meetings. It also has encouraged the Chair to avail himself of opportunities to meet representatives of IGOs, NGOs, local government and indigenous peoples. The Board has also met applicant entities to discuss issues of mutual concern.

60. In addition to these informal briefings, the Board organized question and answer sessions at COP 8 and at the eighteenth sessions of the subsidiary bodies. These information events were well attended and provided an opportunity for dialogue on critical issues before the Board.

61. The Board noted with appreciation communications received from a number of Parties, IGOs and NGOs. The issues raised were addressed under the agenda item "other matters".

62. **Modalities for attendance by observers at meetings of the Executive Board:** The Executive Board, having reviewed, at its seventh and tenth meetings, the modalities for attendance by observers, considers the prevailing practice to be satisfactory with regard to the need to ensure efficiency, cost-effectiveness and transparency. The Board therefore requests the secretariat to continue to secure for its

meetings sufficient room for about 50 observers, with the possibility of revising this policy at each meeting for the subsequent meeting, if necessary. Accredited observers shall register with the secretariat at least three weeks before a meeting. The Board further requested the secretariat to bear in mind, when arranging future meetings, the issue of modalities for physical access of stakeholders to meetings, in particular when meetings are held in conjunction with sessions of the COP, the COP/MOP or their subsidiary bodies.

63. Board meetings during the reporting period were attended by a total of 53 observers (an average of 18 observers per meeting). Two thirds of the observers represented Parties and most others came from environmental and business NGOs. Nine observers were nationals of non-Annex I Parties and 44 of Annex I Parties with the following regional distribution: North America (15 per cent), South America (6 per cent), Europe (64 per cent) and Asia (15 per cent).

64. Good use was made of the opportunity to view meetings of the Executive Board on-line. In 2003, more than 300 different individuals, on average, visited the UNFCCC CDM web cast for this purpose. To the extent that this is traceable, such visits were made from North America (934), Europe (390), Asia (280), South America (37), Africa (23), Middle East and Oceania (10), as shown below.

## V. COVERING ADMINISTRATIVE EXPENSES OF THE CDM

### 1. Mandate and background

65. According to Article 12.8 of the Kyoto Protocol, the COP/MOP shall ensure that a share of the proceeds from certified project activities is used, inter alia, to cover administrative expenses.

66. The COP, by its decision 17/CP.7,

(a) Invited Parties to finance the administrative expenses for operating the CDM by making contributions to the UNFCCC Trust Fund for Supplementary Activities, with the possibility of reimbursement upon request;

(b) Stipulated that the COP shall determine the level of the share of proceeds to cover administrative expenses, upon the recommendation of the Executive Board;

(c) Requested the Executive Board to charge a fee to recover any project-related expenses until the COP has determined a percentage for the share of proceeds for the administrative expenses.

67. The COP, by its decisions 38/CP.7, provided an estimate of the resource requirements to facilitate the prompt start of the CDM during the biennium 2002–2003, amounting to US\$ 6.8 million. These resources were seen to be required to meet the costs of operational functions, and as additional to those contained in the UNFCCC programme budget for the biennium 2002–2003 for work relating to the further design and development of project-based mechanisms in general and of the CDM in particular. The invitation to Parties to contribute to the UNFCCC Trust Fund for Supplementary Activities for the prompt start of the CDM was reiterated by the COP by its decision 21/CP.8.

### 1. Work undertaken and action taken, including decisions, as appropriate

68. During the reporting period, the Executive Board, based on reports by the secretariat at each of its meetings, monitored the operational costs of the CDM (and identified possibilities for cost recovery); the resource requirements in 2002–2003 (as contained in the project document “Resource requirements for the prompt start of the CDM” of May 2002 and its revision in May 2003); and incoming resources.

The Board also considered, at its ninth meeting, the estimated resource requirements for operating the CDM in the biennium 2004–2005.

69. **Operational costs and cost recovery:** The Board, conscious of the need to keep transaction costs for the CDM to a minimum, routinely reviewed the costs relating to the operation of the CDM. It therefore kept its schedule and the number of meetings of the Board and its panels under scrutiny and, assisted by the secretariat, implemented cost-cutting measures, such as linking Board and panel meetings, holding the workshop referred to in paragraph 16 above in conjunction with such meetings, and arranging meetings in proximity with or during weekends to obtain lower air fares. The latter measure was also requested by several Board and panel members who are faced with competing demands for their time from their employers. The Board wishes to stress that, in order to achieve the smooth functioning of the CDM, Board members, panel members and the secretariat are making major contributions of their own time.

70. In order to establish a process of cost recovery through fees relating to case-specific operational tasks, such as accreditation and registration, the Board undertook to estimate the costs of the relevant work processes. Based on preliminary assumptions, it established the following fee structure:

(a) For accreditation. An application fee of US\$ 15,000 is payable by an applicant entity at the time it applies. As stated in the section on accreditation (section III.A above), applicant entities from developing countries may pay the fee in two equal instalments, the first being due at the time of application and the second when accreditation is successfully completed.

(b) For registration. At its sixth meeting, the Board agreed to a system of raising a registration fee as a down-payment until a share of proceeds may be determined. The fee varies, depending on the size of a proposed CDM project activity. It ranges from a minimum of US\$ 5,000 (for a project producing a reduction of up to 15,000 average tonnes of CO<sub>2</sub> equivalent per year over the crediting period (estimated/approved)) to a maximum of US\$ 30,000 (for a project producing a reduction exceeding 200,000 average tonnes of CO<sub>2</sub> equivalent per year over the crediting period (estimated/approved)).

71. As experience is gained and actual cost data become more precise, the Board will review and, if necessary, revise the above fees.

72. **Resource requirements in 2002–2003:** The resource requirements for the prompt start operations of the CDM in 2002–2003, as presented in the project document mentioned in paragraph 68 above, were categorized under three major categories: meetings of the Executive Board, activities of panels/specialized expertise, and activities by the secretariat. The initial estimates for each of these categories in the biennium 2002–2003 were US\$ 0.55 million, US\$ 2.69 million US\$ 1.47 million, respectively. The budget total of US\$ 6.12 million also includes the relevant overhead charges and the working capital reserve.

73. As resources available in 2002 were not sufficient for the tasks originally envisaged, the secretariat prepared, in May 2003, a revised budget for 2002–2003 which reflected the actual expenditures in 2002 (US\$ 595,846, excluding working capital reserve) and the shift of work from 2002 to 2003. The revised budget for 2003 is US\$ 4.32 million (including overhead and working capital reserve), with the three major categories requiring resources as follows: meetings of the Executive Board (US\$ 0.35 million); activities of panels/specialized expertise (US\$ 2.03 million); and activities by the secretariat (US\$ 0.94 million).

74. **Incoming resources (in 2002 and 2003 to date), including commitments/contributions by Parties, fees and other:** In response to the invitation by the COP, urgent calls by the Executive Board

and communications from the Executive Secretary to Parties, 10 Parties (Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Norway, Switzerland and the United Kingdom) and the European Commission generously contributed or pledged to contribute to the prompt start of the CDM. The actual contributions received, as well as fees and an internal transfer, currently amount to US\$ 1.74 million. The details are as follows:

(a) Commitments/contributions by Parties. An amount of US\$ 2.68 million has been pledged by Parties of which US\$ 1.29 million has been received to date. The contributions received from Parties have been essential for operating the CDM and are acknowledged with great appreciation.

(b) Fees. A total of US\$ 240,000 has been received from 16 applicant entities during the reporting period.

(c) Other resources. An amount of US\$ 210,418, resulting from a shift within the secretariat of extra-budgetary resources from a closed project to the one for the prompt start of the CDM, was used to meet urgent start-up needs in 2002.

75. The costs for the CDM prompt start in 2002 were US\$ 595,846, so of the US\$ 1.74 million received to date, only US\$ 1.15 million is currently available towards the resource requirements in 2003, estimated at US\$ 4.32 million. In order to close the resource gap of US\$ 3.17 million, the Board called once more on Parties to ensure that payments against pledges are made in a timely manner.

76. **Resource requirements in 2004–2005:** Based on the assumption that the core resource requirements to carry out further design and development work and to support the intergovernmental process on project-based mechanisms in general and the CDM in particular, as mandated by the COP, will be contained in the UNFCCC programme budget for the biennium 2004–2005, the additional resource requirements for operating the prompt start of the CDM during the coming biennium are currently estimated to be US\$ 6.12 million (including overhead and working capital reserve). The main categories of expenditure are: meetings of the Executive Board (US\$ 0.6 million); activities of panels/specialized expertise (US\$ 2.14 million); and activities by the secretariat, including those relating to the CDM registry (US\$ 1.97 million).<sup>11</sup>

77. In order to allow the CDM to be operated in a planned and sustainable manner, the Board recommends that the COP launches a strong appeal to Parties to make contributions to the UNFCCC Trust Fund for Supplementary Activities for the remainder of 2003 and for the biennium 2004–2005. Such contributions by Parties will still be essential in the biennium 2004–2005, even though the Board is operating a system of fees to recover case-specific costs associated with accreditation and registration, because a large portion of the costs for operating the CDM goes to governance and to maintaining the information systems and channels that are essential for broadening the scope of involvement in the CDM. Because of the bottom-up development of the CDM, it is not feasible at this stage to recover all costs for administering the CDM through fees, as this would disadvantage the pioneers and benefit later entrants.

78. The Executive Board has concluded that a determination of what share of proceeds shall go towards meeting the administrative costs of the CDM should only be undertaken once more reliable information is available on, inter alia, the value/price of a CER and the likely volume of CERs issued annually. The Executive Board will, therefore, not yet recommend a level of the share of proceeds to the COP, but expects to be in a position to do so in 2004.

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<sup>11</sup> Note by the secretariat: The funding arrangements for these activities will be part of the consultations leading to the adoption of the programme budget 2004–2005 (see also FCCC/SBI/2003/15 and Add.1).

## **VI. SUMMARY OF DECISIONS**

79. In accordance with rule 38 of the rules of procedure of the Executive Board, the report of each Board meeting has been made publicly available on the UNFCCC CDM web site.

80. The Board agreed to implement the provision contained in paragraph 17 of the CDM modalities and procedures, whereby decisions of the Board shall be made publicly available in all six official languages of the United Nations, either by their inclusion in reports by the Board to the COP, or by being posted on the UNFCCC CDM web site.

## Annex

### **PROCEDURES FOR REVIEW AS REFERRED TO IN PARAGRAPH 41 OF THE CDM MODALITIES AND PROCEDURES**

#### **A. Background**

1. In accordance with paragraph 5 (o) of the CDM modalities and procedures, the Executive Board shall elaborate and recommend to the COP (COP/MOP), 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, inter alia, procedures to facilitate consideration of information from Parties, stakeholders and UNFCCC accredited observers. Until their adoption by the COP (COP/MOP), the procedures shall be applied provisionally.

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 draft 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 list serve.

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 request for review and promptly forward the request to the Executive Board via the list serve.

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;<sup>1</sup>
  - (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.
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:
  - (a) The consideration of a review of the proposed project activity shall be included in the proposed agenda of the next Executive 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 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 subsequent Executive Board meeting;
  - (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 would like to address questions to them during the consideration of a review at its meeting;
  - (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 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.
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.
12. The review team, under the guidance of 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.

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<sup>1</sup> The latest version 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.

**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.
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 (5) 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.
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 list serve at least two weeks before the next Executive Board meeting.

**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
  - (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.

**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.

**Appendix**

	<b>CDM project activity registration review form (F-CDM-RR)</b> <i>(By submitting this form, a Party involved (through the designated national authority) or an Executive Board member may request that a review is undertaken)</i>
<b>Designated national authority/Executive Board member submitting this form</b>	
<b>Title of the proposed CDM project activity submitted for registration</b>	
<b>Please indicate, in accordance with paragraphs 37 and 40 of the CDM modalities and procedures, which validation requirement(s) may require review. A list of requirements is provided below. Please provide reasons in support of the request for review, including any supporting documentation.</b>	
<input type="checkbox"/> <i>The following are requirements derived from paragraph 37 of the CDM modalities and procedures:</i> <ul style="list-style-type: none"> <li><input type="checkbox"/> The participation requirements as set out in paragraphs 28 to 30 of the CDM modalities and procedures are satisfied;</li> <li><input type="checkbox"/> Comments by local stakeholders have been invited, a summary of the comments received has been provided, and a report to the designated operational entity on how due account was taken of any comments has been received;</li> <li><input type="checkbox"/> Project participants have submitted to the designated operational entity documentation on the analysis of the environmental impacts of the project activity, including transboundary impacts and, if those impacts are considered significant by the project participants or the host Party, have undertaken an environmental impact assessment in accordance with procedures as required by the host Party;</li> <li><input type="checkbox"/> The project activity is expected to result in a reduction in anthropogenic emissions by sources of greenhouse gases that are additional to any that would occur in the absence of the proposed project activity, in accordance with paragraphs 43 to 52 of the CDM modalities and procedures;</li> <li><input type="checkbox"/> The baseline and monitoring methodologies comply with requirements pertaining to methodologies previously approved by the Executive Board;</li> <li><input type="checkbox"/> Provisions for monitoring, verification and reporting are in accordance with decision 17/CP.7, the CDM modalities and procedures and relevant decisions of the COP/MOP;</li> <li><input type="checkbox"/> The project activity conforms to all other requirements for CDM project activities in decision 17/CP.7, the CDM modalities and procedures and relevant decisions by the COP/MOP and the Executive Board.</li> </ul>	
<input type="checkbox"/> <i>The following are requirements derived from paragraph 40 of the CDM modalities and procedures:</i> <ul style="list-style-type: none"> <li><input type="checkbox"/> The designated operational entity (DOE) shall, prior to the submission of the validation report to the Executive Board, have received from the project participants 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;</li> <li><input type="checkbox"/> In accordance with provisions on confidentiality contained in paragraph 27 (h) of the CDM modalities and procedures, the DOE shall make publicly available the project design document;</li> <li><input type="checkbox"/> The DOE shall receive, within 30 days, comments on the validation requirements from Parties, stakeholders and UNFCCC accredited non-governmental organizations and make them publicly available;</li> <li><input type="checkbox"/> After the deadline for receipt of comments, the DOE shall make a determination as to whether, on the basis of the information provided and taking into account the comments received, the project activity should be validated;</li> <li><input type="checkbox"/> The DOE shall inform project participants of its determination on the validation of the project activity. Notification to the project participants will include confirmation of validation and the date of submission of the validation report to the Executive Board;</li> <li><input type="checkbox"/> The DOE shall submit to the Executive Board, if it determines the proposed project activity to be valid, a request for registration in the form of a validation report including the project design document, the written approval of the host Party and an explanation of how it has taken due account of comments received.</li> </ul>	
<b>Section below to be filled in by UNFCCC secretariat</b>	
Date received at UNFCCC secretariat	

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