



**GUIDELINES FOR COMPLETING
THE PROJECT DESIGN DOCUMENT (CDM-PDD),
THE PROPOSED NEW METHODOLOGY: BASELINE (CDM-NMB) AND
THE PROPOSED NEW METHODOLOGY: MONITORING (CDM-NMM)**

Version 04

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History of the document

Version	Date	Nature of revision(s)
01	1 July 2004	Initial adoption
02	3 Dec. 2004	Revision of Part I.B. “Glossary of CDM terms” (adding two terms and modifying two existing ones relating to Party involved, written approval, project participants and authorization.)
03	13 May 2005	<ul style="list-style-type: none">• The “Glossary of CDM terms” was updated to reflect guidance and clarifications provided by the Board since version 02 of this document• Treatment of confidential/proprietary information submitted through forms• Specification of information requirements for sections of the CDM-PDD filled in support of a proposed new methodology (A.3 “Project participants” and Section A.4.5 “Public funding of the project activity”)• Further guidance on how to structure information submitted in a some sections (e.g. A.3 “Project participants”, A4.4.1 “Estimated amount of emission reductions over the chosen crediting period”)• Reflecting that, in filling a form, a user must state explicitly that a section was left blank on purpose.
04	8 July 2005	<ul style="list-style-type: none">• Part III Section A. and B. The Proposed New Methodology: Baseline (CDM-NMB) was revised to assist project participants to present methodologies in a format closer to the one of methodologies approved and to facilitate the process of reformatting• As a consequence, the form Proposed New Methodology: Baseline (CDM-NMB) was revised accordingly to version 2. The latest version of CDM-NMB can be found at http://cdm.unfccc.int/Reference/Documents.



PART I

A. General Information on the Project Design Document (CDM-PDD), the Proposed New Methodology: Baseline (CDM-NMB) and the Proposed New Methodology: Monitoring (CDM-NMM)

1. These guidelines seek to assist project participants in completing the following documents:
 - Project Design Document (CDM-PDD);
 - Proposed New Methodology: Baseline (CDM-NMB); and
 - Proposed New Methodology: Monitoring (CDM-NMM).
2. The CDM-PDD, CDM-NMB and CDM-NMM were developed by the CDM Executive Board in conformity with the relevant modalities and procedures for the Project Design Document for CDM project activities as defined in Appendix B “Project Design Document” to the CDM modalities and procedures (decision 17/CP.7 contained in document FCCC/CP2001/13/Add.2).
3. If project participants wish to submit a project activity for validation and registration, they shall submit a fully completed CDM-PDD.
4. If project participants wish to propose new baseline and monitoring methodologies they shall complete and submit the CDM-NMB, CDM-NMM and a draft CDM-PDD with only sections A-E filled.
5. The CDM-PDD, CDM-NMB and CDM-NMM may be obtained electronically from the UNFCCC CDM web site (<http://unfccc.int/cdm>), by e-mail (cdm-info@unfccc.int) or in printed format from the UNFCCC secretariat (Fax: +49-228-8151999).
6. Terms, which are underlined with a broken line in the CDM-PDD, the CDM-NMB and the CDM-NMM, are explained in the “Glossary of CDM Terms” which is included in these guidelines. It is strongly recommended that before or during the completion of the forms that project participants consult the most recent version of the “Glossary of CDM Terms”.
7. Project participants should also consult the section “Guidance – clarifications” of the UNFCCC CDM web site (<http://unfccc.int/cdm>). It is also available from the UNFCCC secretariat by e-mail (cdm-info@unfccc.int) or in print via fax (+49-228-815 1999).
8. The Executive Board may revise the CDM-PDD, the CDM-NMB, and the CDM-NMM, if necessary.
9. Revisions come into effect once adopted by the Executive Board, bearing in mind the provisions below.



10. Revisions to the CDM-PDD do not affect project activities:
 - a. Already validated, or already submitted to the OE for validation, prior to the adoption of the revised CDM-PDD
 - b. Submitted to the OEs within a month following the adoption of the revised CDM-PDD
 - c. The Executive Board will not accept documentation using the previous version of the CDM-PDD six months after the adoption of a new version.
11. Revisions to the CDM-NMB and CDM-NMM do not affect proposed new baseline and monitoring methodologies:
 - a. Submitted to the OEs prior to the adoption of the revised CDM-NMB and CDM-NMM
 - b. Submitted to the OEs within a month following the adoption of the revised CDM-NMB and CDM-NMM
 - c. The Executive Board will not accept documentation using a previous version of the CDM-NMB and CDM-NMM three months after the adoption of the new version.
12. In accordance with the CDM modalities and procedures, the working language of the Board is English. The CDM-PDD, the CDM-NMB and the CDM-NMM shall therefore be completed and submitted in English language to the Executive Board. For the purpose of consultation, the CDM-PDD, CDM-NMB and CDM-NMM are, however, available on the UNFCCC CDM web site for consultation in all six official languages of the United Nations.
13. The CDM-PDD, CDM-NMB and CDM-NMM templates shall not be altered, that is, shall be completed using the same font without modifying its format, font, headings or logo.
14. Tables and their columns shall not be modified or deleted. Rows may be added, as needed.
15. The CDM-PDD, CDM-NMB and CDM-NMM shall include in section A.1 the version number and the date of the document.
16. If sections of the CDM-PDD, CDM-NMB and CDM-NMM are not applicable, it shall be explicitly stated that the section is left blank on purpose.
17. The CDM-PDD, CDM-NMB and CDM-NMM are not applicable to afforestation and reforestation CDM project activities. The CDM-PDD documentation for afforestation and reforestation project activities is available on the UNFCCC CDM web site.



B. Glossary of CDM terms

The following glossary of CDM terms explains terms used in the Project Design Document (CDM-PDD), the Proposed New Methodology: Baseline (CDM-NMB) and the Proposed New Methodology: Monitoring (CDM-NMM) and in the CDM modalities and procedures. The glossary is to facilitate the completion of the CDM-PDD, CDM-NMB and CDM-NMM by project participants.

Clean development mechanism (CDM):

Article 12 of the Kyoto Protocol defines the clean development mechanism. “The purpose of the clean development mechanism shall be to assist Parties¹ not included in Annex I in achieving sustainable development and in contributing to the ultimate objective of the Convention, and to assist Parties included in Annex I in achieving compliance with their quantified emission limitation and reduction commitments under article 3”.

At its seventh session, the Conference of the Parties (COP) adopted modalities and procedures for a clean development mechanism (CDM modalities and procedures, see annex to decision 17/CP.7, document FCCC/CP/2001/13/Add.2) and agreed on a prompt start of the CDM by establishing an Executive Board Prior to the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol this Board should act as the Executive Board of the CDM and COP should assume the responsibilities of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP) as required by the Protocol and the CDM modalities and procedures.

Terms in alphabetical order

“Attributable”:

See “measurable and attributable”.

Approval by Parties involved:

A written approval constitutes the authorization by a designated national authority (DNA) of specific entity(ies)’ participation as project proponents in the specific CDM project activity. The approval covers the requirements of paragraphs 33 and 40 (a) and (f) of the CDM modalities and procedures.

The DNA of a Party involved in a proposed CDM project activity shall issue a statement including the following:

- The Party has ratified the Kyoto Protocol.
- The approval of voluntary participation in the proposed CDM project activity
- In the case of Host Party(ies): statement that the proposed CDM project activity contributes to sustainable development of the host Party(ies).

The written approval shall be unconditional with respect to the above.

¹ In this glossary, the term “Party” is used as defined in the Kyoto Protocol: “Party” means, unless the context otherwise indicates, a Party to the Protocol. “Party included in Annex I”(also Annex I Party) means a Party included in Annex I to the Convention, as may be amended, or a Party which has made a notification under Article 4, paragraph 2(g), of the Convention, and which has ratified the Protocol.



Multilateral funds do not necessarily require written approval from each participant's DNA. However those not providing a written approval may be giving up some of their rights and privileges in terms of being a Party involved in the project.

A written approval from a Party may cover more than one project provided that all projects are clearly listed in the letter.

The Board agreed that the registration of a CDM project activity can take place without an Annex I Party being involved at the stage of registration. Before an Annex I Party acquires certified emission reductions from such a project activity from an account within the CDM Registry, it shall submit a letter of approval to the Board in order for the CDM Registry administrator to be able to forward CERs from the CDM Registry to the national registry of the Annex I Party.

The DOE shall receive documentation of the approval.

Authorization of a private and/or public entity to participate in a CDM project activity:

See *“Approval by Parties involved”*

Baseline:

See *“baseline scenario”*.

Baseline approach:

A baseline approach is the basis for a baseline methodology. The Executive Board agreed that the three approaches identified in sub-paragraphs 48 (a) to (c) of the CDM modalities and procedures be the only ones applicable to CDM project activities. They are:

- Existing actual or historical emissions, as applicable; or
- Emissions from a technology that represents an economically attractive course of action, taking into account barriers to investment; or
- The average emissions of similar project activities undertaken in the previous five years, in similar social, economic, environmental and technological circumstances, and whose performance is among the top 20 per cent of their category.

Baseline methodology:

A methodology is an application of an approach as defined in paragraph 48 of the CDM modalities and procedures, to an individual project activity, reflecting aspects such as sector and region. No methodology is excluded a priori so that project participants have the opportunity to propose any methodology. In considering paragraph 48, the Executive Board agreed that, in the two cases below, the following applies:

- (a) Case of a new methodology: In developing a baseline methodology, the first step is to identify the most appropriate approach for the project activity and then an applicable methodology;
- (b) Case of an approved methodology: In opting for an approved methodology, project participants have implicitly chosen an approach.

Baseline - new methodology:

Project participants may propose a new baseline methodology established in a transparent and conservative manner. In developing a new baseline methodology, the first step is to identify the most appropriate approach for the project activity and then an applicable methodology. Project participants shall submit a proposal for a new methodology to a designated operational entity by forwarding a completed “Proposed New Methodology: Baseline (CDM-NMB)” along with a completed “Proposed New Methodology: Monitoring (CDM-NMM)” and the Project Design Document (CDM-PDD) with sections A to E, including relevant annexes, completed in order to demonstrate the application of the proposed new methodology to a proposed project activity.



The proposed new methodology will be treated as follows: If the designated operational entity determines that it is a new methodology, it will forward, without further analysis, the documentation to the Executive Board. The Executive Board shall expeditiously, if possible at its next meeting but not later than four months review the proposed methodology. Once approved by the Executive Board it shall make the approved methodology publicly available along with any relevant guidance and the designated operational entity may proceed with the validation of the project activity (applying the approved methodology) and submit the project design document for registration. In the event that the COP/MOP requests the revision of an approved methodology, no CDM project activity may use this methodology. The project participants shall revise the methodology, as appropriate, taking into consideration any guidance received.

Baseline - approved methodology:

A baseline methodology approved by the Executive Board is publicly available along with relevant guidance on the UNFCCC CDM website (<http://unfccc.int/cdm>) or through a written request sent to cdm-info@unfccc.int or Fax: (49-228) 815-1999.

Baseline scenario:

The baseline for a CDM project activity is the scenario that reasonably represents the anthropogenic emissions by sources of greenhouse gases (GHG) that would occur in the absence of the proposed project activity. A baseline shall cover emissions from all gases, sectors and source categories listed in Annex A (of the Kyoto Protocol) within the project boundary. A baseline shall be deemed to reasonably represent the anthropogenic emissions by sources that would occur in the absence of the proposed project activity if it is derived using a baseline methodology referred to in paragraphs 37 and 38 of the CDM modalities and procedures.

Different scenarios may be elaborated as potential evolutions of the situation existing before the proposed CDM project activity. The continuation of a current activity could be one of them; implementing the proposed project activity may be another; and many others could be envisaged. Baseline methodologies shall require a narrative description of all reasonable baseline scenarios.

To elaborate the different scenarios, different elements shall be taken into consideration, including related guidance issued by the Executive Board. For instance, the project participants shall take into account national / sectoral policies and circumstances, ongoing technological improvements, investment barriers, etc. (see Appendix C paragraph b (vii) and paragraphs 45 (e), 46, 48 (b) of decision 17/CP.7).

Confidential/proprietary information:

In accordance with paragraph 6 of the CDM modalities and procedures, information obtained from CDM project participants marked as proprietary or confidential shall not be disclosed without the written consent of the provider of the information, except as required by national law. Information used to determine additionality, to describe the baseline methodology and its application, and to support an environmental impact assessment shall not be considered as proprietary or confidential.

Bearing in mind paragraph 6 of CDM M&P, project participants shall submit documentation that contains confidential and proprietary information in two versions:

- One marked up version where all confidential/proprietary parts shall be made illegible by the project participants (e.g. by covering those parts with black ink) so that this can be made publicly available.
- A second version containing all information which shall be treated as strictly confidential by all handling this documentation (DOEs/AEs, Board members and alternates, panel/committee and working group members, external experts requested to consider such documents in support of work for the Board, and the secretariat).

**Crediting period:**

The crediting period for a CDM project activity is the period for which reductions from the baseline are verified and certified by a designated operational entity for the purpose of issuance of certified emission reductions (CERs). Project participants shall choose the starting date of a crediting period to be after the date the first emission reductions are generated by the CDM project activity. A crediting period shall not extend beyond the operational lifetime of the project activity.

The crediting period may only start after the date of registration of the proposed activity as a CDM project activity. In exceptional cases, for project activities starting between 1 January 2000 and the date of the registration of a first clean development mechanism project, the starting date of the crediting period may be prior to the date of registration of the project activity if the project activity is submitted for registration before 31 December 2005 (please refer to paras 12 and 13 of decision 17/CP.7, paragraph 1 (c) of decision 18/CP.9 and clarifications by the Executive Board, available on the UNFCCC CDM web site).

The project participants may choose between two options for the length of a crediting period: (i) fixed crediting period or (ii) renewable crediting period, as defined in paragraph 49 (a) and (b) of the CDM M & P.

Crediting period – fixed (also fixed crediting period):

“Fixed Crediting Period” is one of two options for determining the length of a crediting period. In the case of this option, the length and starting date of the period is determined once for a project activity with no possibility of renewal or extension once the project activity has been registered. The length of the period can be a maximum of ten years for a proposed CDM project activity. (paragraph 49 (b) of CDM modalities and procedures).

Crediting period – renewable (also renewable crediting period):

“Renewable crediting period” is one of two options for determining the length of a crediting period. In the case of this option, a single crediting period may be of a maximum of seven years. The crediting period may be renewed at most two times (maximum 21 years), provided that, for each renewal, a designated operational entity determines that the original project baseline is still valid or has been updated taking account of new data, where applicable, and informs the Executive Board accordingly (paragraph 49 (a) of the CDM modalities and procedures). The starting date and length of the first crediting period has to be determined before registration.

Certification:

Certification is the written assurance by the designated operational entity that, during a specified time period, a project activity achieved the reductions in anthropogenic emissions by sources of greenhouse gases (GHG) as verified.

Certified emission reductions (CERs):

A certified emission reduction or CER is a unit issued pursuant to Article 12 and requirements thereunder, as well as the relevant provisions in the CDM modalities and procedures, and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5 of the Kyoto Protocol.

Conservative:

See “Transparent and conservative”.

**Designated operational entity (DOE):**

An entity designated by the COP/MOP, based on the recommendation by the Executive Board, as qualified to validate proposed CDM project activities as well as verify and certify reductions in anthropogenic emissions by sources of greenhouse gases (GHG). A designated operational entity shall perform validation or verification and certification on the same CDM project activity. Upon request, the Executive Board may however allow a single DOE to perform all these functions within a single CDM project activity. COP at its eight session decided that the Executive Board may designate on a provisional basis operational entities (please refer to decision 21/CP.8).

Fixed Crediting Period:

See crediting period – fixed.

Host Party:

A Party not included in Annex I to the Convention on whose territory the CDM project activity is physically located. A project activity located in several countries has several host Parties. At the time of registration, a Host Party shall meet the requirements for participation as defined in paragraphs 28 to 30 of the CDM modalities and procedures.

Issuance of certified emission reductions (CERs):

Issuance of CERs refers to the instruction by the Executive Board to the CDM registry administrator to issue a specified quantity of CERs for a project activity into the pending account of the Executive Board in the CDM registry, in accordance with paragraph 66 and Appendix D of the CDM modalities and procedures.

Upon issuance of CERs, the CDM registry administrator shall, in accordance with paragraph 66 of CDM modalities and procedures, promptly forward the CERs to the registry accounts of project participants involved, in accordance with their request, having deducted the quantity of CERs corresponding to the share of proceeds to cover administrative expenses for the Executive Board and to assist in meeting costs of adaptation for developing countries vulnerable to adverse impacts of climate change, respectively, in accordance with Article 12, paragraph 8, to the appropriate accounts in the CDM registry for the management of the share of proceeds.

Leakage:

Leakage is defined as the net change of anthropogenic emissions by sources of greenhouse gases (GHG) which occurs outside the project boundary, and which is measurable and attributable to the CDM project activity.

Measurable and attributable:

In an operational context, the terms measurable and attributable in paragraph 51 (project boundary) of the CDM modalities and procedures should be read as “which can be measured” and “directly attributable”, respectively

Modalities of communication of project participants with the Executive Board:

The modalities of communication between project participants and the Executive Board are indicated at the time of registration by submitting a statement signed by all project participants. All official communication from and to project participants, after a request for registration is submitted by a DOE, shall be handled in accordance with these modalities of communication. If these modalities have to be modified, the new statement shall be signed by all project participants and submitted in accordance with the modalities that are to be replaced.

**Monitoring of a CDM project activity:**

Monitoring refers to the collection and archiving of all relevant data necessary for determining the baseline, measuring anthropogenic emissions by sources of greenhouse gases (GHG) within the project boundary of a CDM project activity and leakage, as applicable.

Monitoring methodology:

A monitoring methodology refers to the method used by project participants for the collection and archiving of all relevant data necessary for the implementation of the monitoring plan.

Monitoring methodology - approved:

A monitoring methodology approved by the Executive Board and made publicly available along with relevant guidance.

Monitoring methodology - new:

Project participants may propose a new monitoring methodology. In developing a monitoring methodology, the first step is to identify the most appropriate methodology bearing in mind good monitoring practice in relevant sectors. Project participants shall submit a proposal for a new methodology to a designated operational entity by forwarding a completed “Proposed New Methodology: Baseline (CDM-NMB)” along with a completed “Proposed New Methodology: Monitoring (CDM-NMM)” and the project design document (CDM-PDD) with sections A to E completed in order to demonstrate the application of the proposed new methodology to a proposed project activity.

A new proposed methodology will be treated as follows: If the designated operational entity determines that it is a new methodology, it will forward, without further analysis, the documentation to the Executive Board. The Executive Board shall expeditiously, if possible at its next meeting but not later than four months review the proposed methodology. Once approved by the Executive Board it shall make the approved methodology publicly available along with any relevant guidance and the designated operational entity may proceed with the validation of the project activity (applying the approved methodology) and submit the project design document for registration. In the event that the COP/MOP requests the revision of an approved methodology, no CDM project activity may use this methodology. The project participants shall revise the methodology, as appropriate, taking into consideration any guidance received.

Operational lifetime of a project activity:

It is defined as the period during which the project activity is in operation. No crediting period shall end after the end of the operational lifetime (calculated as from starting date).

Party involved:

A Party involved is a Party that provides a written approval.

See “Approval by Parties involved”.

Project activity:

A project activity is a measure, operation or an action that aims at reducing greenhouse gases (GHG) emissions. The Kyoto Protocol and the CDM modalities and procedures use the term “project activity” as opposed to “project”. A project activity could, therefore, be identical with or a component or aspect of a project undertaken or planned.

Project boundary:

The project boundary shall encompass all anthropogenic emissions by sources of greenhouse gases (GHG) under the control of the project participants that are significant and reasonably attributable to the CDM project activity.



The Panel on methodologies (Meth Panel) shall develop specific proposals for consideration by the Executive Board on how to operationalize the terms “under the control of”, “significant” and “reasonably attributable”, as contained in paragraph 52 and appendix C, paragraphs (a) (iii) and (b) (vi) of the CDM modalities and procedures. Pending decisions by the Executive Board on these terms, project participants are invited to explain their interpretation of such terms when completing and submitting the CDM-NMB and CDM-NMM.

Project participants:

In accordance with the use of the term project participant in the CDM modalities and procedures, a project participant is (a) a Party involved, or (b) a private and/or public entity authorized by a Party involved to participate in a CDM project activity.

In accordance with Appendix D of the CDM modalities and procedures, the decision on the distribution of CERs from a CDM project activity shall exclusively be taken by project participants.

Project participants shall communicate with the Executive Board, through the secretariat, in writing in accordance with the “modalities of communication” as indicated at the time of registration or as subsequently altered (*see “Modalities of communication ...” above*).

If a project participant does not wish to be involved in taking decisions on the distribution of CERs, this shall be communicated to the Executive Board, through the secretariat, at the latest when the request regarding the distribution is made.

See also: “Approval by Parties involved”, “Party involved” and “Request for distribution of CERs”

Renewable crediting period:

See Crediting period - renewable

Request for distribution of CERs:

The request regarding the distribution of CERs can only be changed if all signatories of the previous instruction have agreed to the change and signed the appropriate document.

A change of project participants shall immediately be communicated to the Executive Board through the secretariat in accordance with the modalities of communication. The indication of change shall be signed by all project participants of the previous communication and by all new and remaining project participants. Each new project participant needs authorization, as required.

Stakeholders:

Stakeholders mean the public, including individuals, groups or communities affected, or likely to be affected, by the proposed CDM project activity or actions leading to the implementation of such an activity.

Starting date of a CDM project activity:

The starting date of a CDM project activity is the date at which the implementation or construction or real action of a project activity begins. Project activities starting between 1 January 2000 and the date of the registration of a first clean development mechanism project have to provide documentation, at the time of registration, showing that the starting date fell within this period, if the project activity is submitted for registration before 31 December 2005.

Transparent and conservative:

Establishing a baseline in a transparent and conservative manner (paragraph 45 (b) of the CDM modalities and procedures) means that assumptions are made explicitly and choices are substantiated. In case of uncertainty regarding values of variables and parameters, the establishment of a baseline is



considered conservative if the resulting projection of the baseline does not lead to an overestimation of emission reductions attributable to a CDM project activity (that is, in the case of doubt, values that generate a lower baseline projection shall be used).

Registration:

Registration is the formal acceptance by the Executive Board of a validated project activity as a CDM project activity. Registration is the prerequisite for the verification, certification and issuance of CERs related to that project activity.

Validation:

Validation is the process of independent evaluation of a project activity by a designated operational entity against the requirements of the CDM as set out in decision 17/CP.7 its annex and relevant decisions of the COP/MOP, on the basis of the project design document (CDM-PDD).

Verification:

Verification is the periodic independent review and ex post determination by a designated operational entity of monitored reductions in anthropogenic emissions by sources of greenhouse gases (GHG) that have occurred as a result of a registered CDM project activity during the verification period. There is no prescribed length of the verification period. It shall, however, not be longer than the crediting period.



PART II

A. Information note for Project Design Document (CDM-PDD)

1. The CDM-PDD presents information on the essential technical and organizational aspects of the project activity and is a key input into the validation, registration, and verification of the project as required under the Kyoto Protocol to the UNFCCC. The relevant modalities and procedures are detailed in decision 17/CP.7 contained in document FCCC/CP2001/13/Add.2.
2. The CDM-PDD contains information on the project activity, the approved baseline methodology applied to the project activity, and the approved monitoring methodology applied to the project. It discusses and justifies the choice of baseline methodology and the applied monitoring concept, including monitoring data and calculation methods.
3. Project participants should submit the completed version of the CDM-PDD, together with attachments if necessary, to an accredited designated operational entity for validation. The designated operational entity then examines the adequacy of the information provided in the CDM-PDD, especially whether it satisfies the relevant modalities and procedures concerning CDM project activities. Based on this examination, the designated operational entity makes a decision regarding validation of the project.
4. Bearing in mind paragraph 6 of CDM M&P, project participants shall submit documentation that contains confidential /proprietary information in two versions:
 - One marked up version where all confidential/proprietary parts shall be made illegible by the project participants (e.g. by covering those parts with black ink) so that this can be made publicly available.
 - A second version containing all information which shall be treated as strictly confidential by all handling this documentation (DOEs/AEs, Board members and alternates, panel/committee and working group members, external experts requested to consider such documents in support of work for the Board, and the secretariat).



B. Specific guidelines for completing the Project Design Document (CDM-PDD)

**CONTENTS
PROJECT DESIGN DOCUMENT (CDM-PDD)**

- A. General description of project activity
- B. Application of a baseline methodology
- C. Duration of the project activity / Crediting period
- D. Application of a monitoring methodology and plan
- E. Estimation of GHG emissions by sources
- F. Environmental impacts
- G. Stakeholders' comments

Annexes

- Annex 1: Contact information on participants in the project activity
- Annex 2: Information regarding public funding
- Annex 3: Baseline Information
- Annex 4: Monitoring plan

**SECTION A. General description of project activity****A.1. Title of the project activity:**

Please indicate

- The title of the project activity
- The version number of the document
- The date of the document.

A.2. Description of the project activity:

Please include in the description

- the purpose of the project activity
- the view of the project participants of the contribution of the project activity to sustainable development (max. one page).

A.3. Project participants:

Please list project participants and Party(ies) involved and provide contact information in Annex 1. Information shall be in indicated using the following tabular format.

Name of Party involved (*) (host) indicates a host Party)	Private and/or public entity(ies) project participants (*) (as applicable)	Kindly indicate if the Party involved wishes to be considered as project participant (Yes/No)
Name A (host)	<ul style="list-style-type: none"> • Private entity A • Public entity A ... 	No
Name B	<ul style="list-style-type: none"> • None 	Yes
Name C	<ul style="list-style-type: none"> • None 	No
...	<ul style="list-style-type: none"> •

(*) In accordance with the CDM modalities and procedures, at the time of making the CDM-PDD public at the stage of validation, a Party involved may or may not have provided its approval. At the time of requesting registration, the approval by the Party(ies) involved is required.

Note: When the PDD is filled in support of a proposed new methodology (forms CDM-NBM and CDM-NMM), at least the host Party(ies) and any known project participant (e.g. those proposing a new methodology) shall be identified.

A.4. Technical description of the project activity:**A.4.1. Location of the project activity:****A.4.1.1. Host Party(ies):**

**A.4.1.2. Region/State/Province etc.:****A.4.1.3. City/Town/Community etc:****A.4.1.4. Detail of physical location, including information allowing the unique identification of this project activity:**

Please fill in the field and do not exceed one page.

A.4.2. Category(ies) of project activity:

Please use the list of categories of project activities and of registered CDM project activities by category available on the UNFCCC CDM web site, please specify the category(ies) of project activities into which this project activity falls. If no suitable category(ies) of project activities can be identified, please suggest a new category(ies) descriptor and its definition, being guided by relevant information on the UNFCCC CDM web site.

A.4.3. Technology to be employed by the project activity:

This section should include a description of how environmentally safe and sound technology and know-how to be used is transferred to the host Party(ies).

A.4.4. Brief explanation of how the anthropogenic emissions of anthropogenic greenhouse gas (GHGs) by sources are to be reduced by the proposed CDM project activity, including why the emission reductions would not occur in the absence of the proposed project activity, taking into account national and/or sectoral policies and circumstances:

Please explain briefly how anthropogenic greenhouse gas (GHG) emission reductions are to be achieved (detail to be provided in section B) and provide the estimate of anticipated total reductions in tonnes of CO₂ equivalent as determined in section E. Max. length one page.

A.4.4.1 Estimated amount of emission reductions over the chosen crediting period:

Please indicate the chosen crediting period and provide the total estimation of emission reductions as well as annual estimates for the chosen crediting period. Information on the emission reductions shall be indicated using the following tabular format.

Years	Annual estimation of emission reductions in tonnes of CO ₂ e
Year A	
Year B	
Year C	
Year ...	
Total estimated reductions (tonnes of CO₂ e)	
Total number of crediting years	
Annual average over the crediting period of estimated reductions (tonnes of CO₂ e)	

**A.4.5. Public funding of the project activity:**

In case public funding from Parties included in Annex I is involved, please provide in Annex 2 information on sources of public funding for the project activity from Parties included in Annex I which shall provide an affirmation that such funding does not result in a diversion of official development assistance and is separate from and is not counted towards the financial obligations of those Parties.

Note: *When the PDD is filled in support of a proposed new methodology (forms CDM-NMB and CDM-NMM), it is to be indicated whether public funding from Parties included in Annex I is likely to be involved indicating the Party(ies) the extend possible.*

SECTION B. Application of a baseline methodology:

Where project participants wish to propose a new baseline methodology, please complete the form for “Proposed New Methodology: Baseline”(CDM-NMB) in accordance with procedures for submission and consideration of proposed new methodologies (see Part III of these Guidelines).

B.1. Title and reference of the approved baseline methodology applied to the project activity:

Please refer to the UNFCCC CDM web site for the title and reference list as well as the details of approved baseline methodologies². Please note that the table “Baseline Information” contained in Annex 3 is to be prepared in parallel to completing the remainder of this section.

B.1.1 Justification of the choice of the methodology and why it is applicable to the project activity:

Please justify the choice of methodology by showing that the proposed project activity meets the applicability conditions of the methodology.

B.2. Description of how the methodology is applied in the context of the project activity:

Please explain the basic assumptions of the baseline methodology in the context of the project activity and show that the key methodological steps are followed in determining the baseline scenario. Provide the key information and data used to determine the baseline scenario (variables, parameters, data sources etc.) in table form.

B.3. Description of how the anthropogenic emissions of GHG by sources are reduced below those that would have occurred in the absence of the registered CDM project activity:

Explanation of how and why this project activity is additional and therefore not the baseline scenario in accordance with the selected baseline methodology. Include (a) a description of the baseline scenario determined by applying the methodology, (b) a description of the project activity scenario, and (c) an analysis showing why the emissions in the baseline scenario would likely exceed emissions in the project activity scenario.

² If a new baseline methodology is proposed, please complete the form for “Proposed New Methodology: Baseline”(CDM-NMB).

**B.4. Description of how the definition of the project boundary related to the baseline methodology selected is applied to the project activity:****B.5. Detailed baseline information, including the date of completion of the baseline study and the name of person(s)/entity(ies) determining the baseline:**

Please attach detailed baseline information in Annex 3.
Please provide date of completion in *DD/MM/YYYY*.
Please provide contact information and indicate if the person/entity is also a project participant listed in Annex 1.

SECTION C. Duration of the project activity / Crediting period:**C.1. Duration of the project activity:****C.1.1. Starting date of the project activity:**

The starting date of a CDM project activity is the date on which the implementation or construction or real action of a project activity begins.

Project activities starting between 1 January 2000 the date of the registration of a first clean development mechanism project, if the project activity is submitted for registration before 31 December 2005; have to provide documentation, at the time of registration, showing that the starting date fell within this period.

C.1.2. Expected operational lifetime of the project activity:

Please state the expected operational lifetime of the project activity in years and months.

C.2. Choice of crediting period and related information:

Please state whether the project activity will use a renewable or a fixed crediting period and complete C.2.1 or C.2.2 accordingly.

Note that the crediting period may only start after the date of registration of the proposed activity as a CDM project activity. In exceptional cases, (see instructions for section C.1.1. above) the starting date of the crediting period may be prior to the date of registration of the project activity as provided for in paragraphs 12 and 13 of decision 17/CP.7, paragraph 1 (c) of decision 18/CP.9 and through any guidance by the Executive Board, available on the UNFCCC CDM web site.

C.2.1. Renewable crediting period:

Each crediting period shall be at most 7 years and may be renewed at most two times, provided that, for each renewal, a designated operational entity determines and informs the Executive Board that the original project baseline is still valid or has been updated taking account of new data where applicable;

**C.2.1.1. Starting date of the first crediting period:**

Please state the dates in the following format: (DD/MM/YYYY).

C.2.1.2. Length of the first crediting period:

Please state the length of the first crediting period in years and months.

C.2.2. Fixed crediting period:

Fixed crediting period shall be at most ten (10) years.

C.2.2.1. Starting date:

Please state the dates in the following format: (DD/MM/YYYY).

C.2.2.2. Length:

Please state the length of the crediting period in years and months

SECTION D. Application of a monitoring methodology and plan:

Where project participants wish to propose a new monitoring methodology, please complete form “Proposed New Methodology: Monitoring”(CDM-NMM)) in accordance with procedures for submission and consideration of proposed new methodologies (see Part III of these Guidelines).

This section shall provide a detailed description of the monitoring plan, including an identification of the data and its quality with regard to accuracy, comparability, completeness and validity, taking into consideration any guidance contained in the methodology. The monitoring plan is to be attached in annex 4.

The monitoring plan needs to provide detailed information related to the collection and archiving of all relevant data needed to

- estimate or measure emissions occurring within the project boundary,
- determine the Baseline, and
- identify increased emissions outside the project boundary.

The monitoring plan should reflect good monitoring practice appropriate to the type of project activity. The plan should follow the instructions and steps defined in the approved monitoring methodology. Project participants shall implement the registered monitoring plan and provide data, in accordance with the plan, through their monitoring report.

Please note that data monitored and required for verification and issuance are to be kept for two years after the end of the crediting period or the last issuance of CERs for this project activity, whatever occurs later.

**D.1. Name and reference of approved monitoring methodology applied to the project activity:**

Please refer to the UNFCCC CDM web site for the name and reference as well as details of approved methodologies. Where project participants wish to propose a new monitoring methodology, please complete the form for “Proposed New Methodology: Monitoring” (CDM-NMM) and subsequently complete, sections A-E of the CDM-PDD to demonstrate the application of the proposed new methodology to the project activity.

If a national or international monitoring standard has to be applied to monitor certain aspects of the project activity, please identify this standard and provide a reference to the source where a detailed description of the standard can be found.

Please fill sections D.2.2 or D.2.3 below in accordance with the approved monitoring methodology selected.

D.2. Justification of the choice of the methodology and why it is applicable to the project activity:

Please justify the choice of methodology by showing that the proposed project activity and the context of the project activity meet the conditions under which the methodology is applicable.

D.2.1. Option 1: Monitoring of the emissions in the project scenario and the baseline scenario:

Please state if this section is left blank on purpose.

D.2.1.1. Data to be collected in order to monitor emissions from the project activity, and how this data will be archived:

Description of data to be collected and how data will be archived. Data shall be archived for 2 years following the end of the crediting period. Please add rows to the table, as needed.

D.2.1.2. Description of formulae used to estimate project emissions (for each gas, source, formulae/algorithm, emissions units of CO₂ equ.):

Formulae should be consistent with the formulae outlined in the description of the baseline methodology.

D.2.1.3. Relevant data necessary for determining the baseline of anthropogenic emissions by sources of GHGs within the project boundary and how such data will be collected and archived:

Description of data to be collected and how data will be archived. Data shall be archived for 2 years following the end of the crediting period. Please add rows to the table below, as needed.

D.2.1.4. Description of formulae used to estimate baseline emissions (for each gas, source, formulae/algorithm, emissions units of CO₂ equ.):

Formulae should be consistent with the formulae outlined in the description of the baseline methodology.

**D.2.2. Option 2: Direct monitoring of emission reductions from the project activity (values should be consistent with those in section E):**

Please state if this section is left blank on purpose.

D.2.2.1. Data to be collected in order to monitor emissions from the project activity, and how this data will be archived:

Description of data to be collected and how data will be archived. Data shall be archived for 2 years following the end of the crediting period. Please add rows to the table below, as needed.

D.2.2.2. Description of formulae used to calculate project emissions (for each gas, source, formulae/algorithm, emissions units of CO₂ equ.):

Formulae should be consistent with the formulae outlined in the description of the baseline methodology.

D.2.3. Treatment of leakage in the monitoring plan:**D.2.3.1. If applicable, please describe the data and information that will be collected in order to monitor leakage effects of the project activity:**

Monitored data shall be archived for two(2) years following the end of the crediting period. Please add rows to the table below, as needed. Please state if not applicable.

D.2.3.2. Description of formulae used to estimate leakage (for each gas, source, formulae / algorithm, emissions units of CO₂ equ.):

Formulae should be consistent with the formulae outlined in the description of the baseline methodology. Please state if not applicable.

D.2.4. Description of formulae used to estimate emission reductions for the project activity (for each gas, source, formulae/algorithm, emissions units of CO₂ equ.):

Formulae should be consistent with the formulae outlined in the description of the baseline methodology.

D.3. Quality control (QC) and quality assurance (QA) procedures undertaken for data monitored:

Data items in tables contained in sections D.2.1 or D.2.2, as applicable.

D.4. Please describe the operational and management structure that the project operator will implement in order to monitor emission reductions and any leakage effects generated by the project activity:**D.5. Name of person/entity determining the monitoring methodology:**

Please provide contact information and indicate if the person/entity is also a project participant listed in Annex 1 of this document.

**SECTION E.: Estimation of GHG emissions by sources:**

Please fill section E. following the selected baseline and monitoring methodologies.

E.1. Estimate of GHG emissions by sources:

Please provide estimated anthropogenic emissions by sources of greenhouse gases of the project activity within the project boundary (for each gas, source, formulae/algorithm, emissions in units of CO₂ equivalent). Alternatively, provide directly estimated emission reductions due to the project activity.

E.2. Estimated leakage:

Please provide estimate of any leakage, defined as: the net change of anthropogenic emissions by sources of greenhouse gases which occurs outside the project boundary, and that is measurable and attributable to the project activity. Estimates should be given for each gas, source, formulae/algorithm, emissions in units of CO₂ equivalent. Please state, if not applicable.

E.3. The sum of E.1 and E.2 representing the project activity emissions:**E.4. Estimated anthropogenic emissions by sources of greenhouse gases of the baseline:**

Estimates should be given for each gas, source, formulae/algorithm, emissions in units of CO₂ equivalent.

E.5. Difference between E.4 and E.3 representing the emission reductions of the project activity:**E.6. Table providing values obtained when applying formulae above:**

The *ex post* calculation of baseline emission rates may only be used if proper justification is provided. Notwithstanding, the baseline emission rates shall also be calculated *ex ante* and reported in the CDM-PDD. The result of the application of the formulae above shall be indicated using the following tabular format.

Year	Estimation of project activity emission reductions (tonnes of CO ₂ e)	Estimation of baseline emission reductions (tonnes of CO ₂ e)	Estimation of leakage (tonnes of CO ₂ e)	Estimation of emission reductions (tonnes of CO ₂ e)
Year A				
Year B				
Year C				
Year ...				
Total (tonnes of CO ₂ e)				

**SECTION F.: Environmental impacts:****F.1. Documentation on the analysis of the environmental impacts, including transboundary impacts:**

Please attach the documentation to the CDM-PDD.

F.2. If environmental impacts are considered significant by the project participants or the host Party, please provide conclusions and all references to support documentation of an environmental impact assessment undertaken in accordance with the procedures as required by the host Party.**SECTION G. Stakeholders' comments:****G.1. Brief description of how comments by local stakeholders have been invited and compiled:**

Please describe the process by which comments by local stakeholders have been invited and compiled. An invitation for comments by local stakeholders shall be made in an open and transparent manner, in a way that facilitates comments to be received from local stakeholders and allows for a reasonable time for comments to be submitted. In this regard, project participants shall describe a project activity in a manner which allows the local stakeholders to understand the project activity, taking into account confidentiality provisions of the CDM modalities and procedures.

G.2. Summary of the comments received:

Please identify stakeholders that have made comments and provide a summary of these comments.

G.3. Report on how due account was taken of any comments received:

Please explain how due account have been taken of comments received.



Annex 1

CONTACT INFORMATION ON PARTICIPANTS IN THE PROJECT ACTIVITY

Please copy and paste table as needed. Please fill for each organisation listed in section A.3 the following mandatory fields: Organization, Name of contact person, Street, City, Postfix/ZIP, Country, Telephone and Fax or e-mail.

Annex 2

INFORMATION REGARDING PUBLIC FUNDING

Please provide information from Parties included in Annex I on sources of public funding for the project activity which shall provide an affirmation that such funding does not result in a diversion of official development assistance and is separate from and is not counted towards the financial obligations of those Parties

Annex 3

BASELINE INFORMATION

Please provide a table containing the key elements used to determine the baseline for the project activity including elements such as variables, parameters and data sources. For approved methodologies, you may find a draft table on the UNFCCC CDM web site.

Annex 4

MONITORING PLAN



PART III

A. Information note for Proposed New Methodology: Baseline (CDM-NMB) and Proposed New Methodology: Monitoring (CDM-NMM)

1. A strong link between baseline and monitoring methodologies is to be provided. New baseline and monitoring methodologies shall be proposed and approved together.
2. The forms “Proposed New Methodology: Baseline” (CDM-NMB) and “Proposed New Methodology: Monitoring” (CDM-NMM) are to be used to propose a new baseline methodology and/or new monitoring methodology respectively. These forms shall fully and completely describe the methodology. A CDM-PDD, which is to be attached, demonstrates the application of a proposed new methodology to a project activity.
3. The most recent versions of these forms may be obtained from the “forms” section of the UNFCCC CDM web site (<http://unfccc.int/cdm>) or from the UNFCCC secretariat by e-mail (cdm-info@unfccc.int) or in print via fax (+49-228-815-1999).
4. The forms “Proposed New Methodology: Baseline” (CDM-NMB) and “Proposed New Methodology: Monitoring” (CDM-NMM) shall be submitted together to the Executive Board in accordance with “Procedures for submission and consideration of a proposed new methodology”. For the most recent version of the procedures, please refer to procedures page of the UNFCCC CDM web site (<http://unfccc.int/cdm>). The forms should be accompanied by the CDM-PDD with sections A-E completed including relevant annexes, in order to demonstrate the application of the proposed new methodologies to a proposed project activity.
5. Each proposed new baseline and monitoring methodology should use a separate CDM-NMB form, CDM-NMM form and “CDM-Proposed New Methodology form” (CDM-PNM). The CDM-NMB forms and the CDM-NMM forms for several new methodologies may be submitted together with the same CDM-PDD for several components of a proposed project.
6. For additional guidance on aspects to be covered in the description of a new methodology, please refer to guidance and clarifications by the Executive Board on the “guidance – clarifications” section of the UNFCCC CDM web site and the “Glossary of CDM terms”.
7. Tables and their columns shall not be modified or deleted. Rows may be added, as needed.
8. The CDM-PDD, CDM-NMB and CDM-NMM shall include in section A the version number and the date of the document. If sections of the CDM-PDD, CDM-NMB and CDM-NMM are not applicable, it shall be explicitly stated that the section is left blank on purpose.

**B. Specific guidelines for completing the proposed new methodology: baseline (CDM-NMB)****1. The “methodology procedure” sections shall:**

- (a) Be completed in a fashion that can be readily used as an approved methodology. This requires use of appropriate format, tone, and level of specificity. Text shall be clear and succinct, well-written, and logically sequenced. It shall describe the procedures in a manner that is sufficiently explicit to enable the methodology to be carried out by a methodology user, applied to projects unambiguously, and reproduced by a third party. It shall be possible for projects following the methodology to be subjected to a validation and/or verification study. Methodology developers should review and be familiar with methodologies approved by the CDM Executive Board (please refer to the section on methodologies in the UNFCCC CDM web site).
- (b) Be generally appropriate for the entire group of project activities that satisfy the specified applicability conditions. A new methodology should therefore stand independently from the specific project activity proposed in the draft CDM-PDD with which the new methodology is being submitted. The methodology should not make direct reference to, or depend on characteristics of, the specific project activity being proposed in the draft CDM-PDD. It should not refer to specific project activities or locations, project-specific conditions or project-specific parameters. This project-specific information should be described in the draft CDM-PDD, however, it can be referred to in the explanation/justification section to help describe the methodology.
- (c) Present methodology steps as one might present a recipe. In doing so, clearly state what the methodology user must do and what information must be presented in the resulting CDM-PDD. It should include all algorithms, formulae, and step-by-step procedures needed to apply the methodology and validate the project activity, i.e. calculating baseline, project, and leakage emissions. The completed form shall provide stand-alone replicable methodologies, and avoid reference to any secondary documents other than EB-approved tools and methodologies.
- (d) Indicate precisely what information the project proponent must report in the draft CDM-PDD and/or in monitoring reports.
- (e) Support important procedures and concepts with equations and diagrams. Non-essential information should be avoided.
- (f) Refer by name and reference number to approved methodologies and tools if they are used – in whole or in part – in this methodology. Relevant sections can be cited specifically, but do not need to be repeated. Any proposed modifications and/or additions to approved tools and methodologies need to be clearly highlighted.
- (g) Specify, for all formulae/algorithms:
 - i. The type of variables used (e.g. fuel(s) used, fuel consumption rates, etc.);
 - ii. The spatial level of data (local, regional, national, etc.);
 - iii. The vintage of data (relative to project crediting period).



- (h) Use common formats for equations and terms and international system units (SI units).
- (i) Clearly specify all quantitative assumptions and data requirements needed by the methodology. Indicate sources of data and assumptions, as well as procedures to be followed if expected data are unavailable. For instance, the methodology could point to a preferred data source (e.g. national statistics for the past 5 years), and indicate a priority order for use of additional data (e.g. using longer time series) and/or fall back data sources to preferred sources (e.g. private, international statistics, etc.).
- (j) Provide instructions for making any logical or quantitative assumptions that are not provided in the methodology and must be made by the methodology user.
- (k) Include instructions to assist in implementing the methodology in a conservative manner where logical or quantitative assumptions have to be made by the methodology user, particularly in cases of uncertainty.

2. The “explanation and justification” sections shall:

- (a) Be used to assist the assessment by the Meth Panel and the Executive Board in reviewing the methodology. If the proposed methodology is approved these sections are removed from the final version.
- (b) Provide the rationale for the procedures presented.
- (c) If the procedure draws from an approved Methodology or tool, clearly note any changes to them or elaborations of them. Justify why such changes have been made.
- (d) Point out the key logical and quantitative assumptions, i.e., those assumptions that the results of the baseline methodology are particularly sensitive to.
- (e) Be clear about sources of uncertainty. Clearly point out which logical or quantitative assumptions have significant uncertainty associated with determining them. If the methodology makes a certain assumption in cases where there is uncertainty, explain why this assumption is appropriate.
- (f) Explain how the methodology ensures conservativeness. Explain how the procedures and assumptions on which the procedures rely are conservative. In particular, explain how assumptions in the case of uncertainty are conservative.



CONTENTS
PROPOSED NEW METHODOLOGY: BASELINE (CDM-NMB)

- A. Methodology title and summary description
- B. Applicability/ project activity
- C. Project boundary
- D. Baseline scenario
- E. Additionality
- F. Baseline emissions
- G. Project activity emissions
- H. Leakage
- I. Emission reductions
- J. Optional: Changes required for methodology implementation in 2nd and 3rd crediting periods (if relevant)
- K. Selected baseline approach from paragraph 48 of the CDM modalities and procedures
- L. Other information

**SECTION A. Methodology title and summary description**

(This section corresponds to the former sections *A.1. Proposed methodology title* and *B. Overall summary description of CDM-NMB form version 01*)

Methodology title:

Provide an unambiguous title for a proposed methodology. The title should reflect the project types to which the methodology is applicable. Do not use project-specific titles.

Please indicate the following:

- The title of the proposed methodology
- The version number of the document
- The date of the document

>>

Summary description:

Summarize the key elements of the proposed new methodology, per the sections below.

Include brief statements on each on how the proposed methodology:

- i. chooses the baseline scenario,
- ii. demonstrates additionality,
- iii. calculates baseline emissions,
- iv. calculates project emissions,
- v. calculates leakage, and
- vi. calculates emission reductions.

In doing so, if relevant, note how this methodology builds on, complements, and/or provides an alternative to approved methodologies.

Please do not exceed one page. The detailed explanation of the methodology is to be provided in sections below.

>>

If this methodology is based on a previous submission, please state the previous reference number (NMXXXX/AMXXXX) here:

>>

SECTION B. Applicability/ project activity

(This section corresponds to the former sections *A.2 List of category(ies) of project activity to which the methodology may apply* and *A.3. Conditions under which the methodology is applicable to CDM project activities of CDM-NMB form version 01*)

Methodology procedure:

List category(ies) of project activity to which the methodology may apply. Use the list of categories of project activities and of registered CDM project activities by category available on the UNFCCC CDM web site. If no suitable category(ies) of project activities can be identified, please suggest a new category(ies) descriptor and its definition, being guided by relevant information on the UNFCCC CDM web site.

List any conditions which a proposed CDM project activity must satisfy in order for the methodology to be applicable: (e.g. project technology, sectoral circumstances, region). Conditions should not substitute for steps that are necessary parts of the baseline methodology, such as defining the baseline, which must be derived through step-by-step application of the methodology procedures. Applicability conditions



must pertain to the type of proposed project activity and sector in which it takes place. They should not be conditions on a presumed baseline scenario (e.g., it is not appropriate for an applicability condition to be “The plant would continue to use the same fuel at the same efficiency without the project activity” as this is not a condition on the project activity, but a result of baseline assessment.).

In some cases, compliance with an applicability condition, such as “the project activity is a grid-connected wind power facility”, is obvious, easily validated, and unlikely to change. In other cases however, compliance with an applicability condition may need to be monitored during the crediting period, and the consequences of non-compliance would need to be indicated in the methodology. For example, if an applicability condition is “The project should not result in the storage of biomass for more than thirty days”, the methodology should explain how the applicability condition can be satisfied (e.g. through monitoring of storage facilities, if present), and how it will be reported.

>>

Explanation/justification:

Explain the choice of the project category and applicability conditions.

Indicate if an approved methodology exists for the same conditions of application.

>>

SECTION C. Project Boundary

(This section corresponds to the former section D.5. *Project boundary (gases and sources included, physical delineation)* of CDM-NMB form version 01)

Methodology procedure:

Describe the project boundary.

Provide the physical delineation. Use a figure or flowchart if it would be helpful.

Explicitly state all sources and gases included. Explain whether any sources related to the baseline or the project activity have been excluded, and if so, justify their exclusion. If possible use the table provided below.

>>

Emissions sources included in or excluded from the project boundary [add/delete gases and sources as needed]

	Source	Gas	Included?	Justification / Explanation
Baseline	e.g. Boiler Fuel Use	CO ₂		
		CH ₄		
		N ₂ O		
		CO ₂		
		CH ₄		
		N ₂ O		
		CO ₂		
		CH ₄		
		N ₂ O		
Project Activity		CO ₂		
		CH ₄		
		N ₂ O		
		CO ₂		
		CH ₄		
		N ₂ O		

**Explanation/justification:**

Justify the project boundary, bearing in mind that it shall encompass all anthropogenic emissions by sources of greenhouse gases that are significant and reasonably attributable to the project activity.

>>

SECTION D. Baseline Scenario³

(This section corresponds to the former sections D.1. Explanation of how the methodology determines the baseline scenario, D.2 Criteria used in developing the proposed baseline methodology and D. 4 How national and/or sectoral policies and circumstances can be taken into account by the methodology of CDM-NMB form version 01)

Methodology procedure:

Provide a systematic, step-by-step procedure for determining the most likely baseline scenario. This procedure should describe a process for identifying the options to be considered as plausible candidate baseline scenarios. It should clearly explain the logical and analytical steps that must be followed in ascertaining the most likely baseline scenario from among these candidates. It should clearly state what the methodology user must do and what information must be presented in the resulting CDM-PDD in order to make a logical and well-substantiated case for the baseline scenario. Be specific and complete, so that the procedure can be carried out in an unambiguous way, replicated, and subjected to a validation study.

Ensure consistency between baseline scenario derived by this methodology and the procedure and formulae used to calculate the baseline emissions (below). The baseline scenario determination procedure should indicate for which baseline scenarios the overall methodology is applicable. This situation would occur when baseline emissions section (below) does not include algorithms and/or parameters relevant to this scenario.

>>

Explanation/justification:

Explain why the proposed procedure for determining the baseline scenario is appropriate for the project type and applicability conditions.

Justify that the range of options to be considered as plausible baseline scenarios is sufficiently comprehensive. The options to be considered should not exclude plausible options that, if included, might result in the determination of a different baseline scenario.

Highlight the key logical assumptions and quantitative factors underlying the procedure for determining the baseline scenario. State clearly which assumptions and factors have significant uncertainty associated with them, and how such uncertainty is to be addressed.

Explain how national and/or sectoral policies and circumstances, if and as relevant, are taken into account by the methodology.

>>

³ The baseline for a CDM project activity is the scenario that reasonably represents the anthropogenic emissions by sources of greenhouse gases that would occur in the absence of the proposed project activity. A baseline shall cover emissions from all gases, sectors and source categories listed in Annex A of the Kyoto Protocol within the project boundary. The general characteristics of a baseline are contained in paragraphs 45 to 47 of the CDM modalities and procedures.

**SECTION E. Additionality**

(This section corresponds to the former sections D.3. *Explanation of how, through the methodology, it can be demonstrated that a project activity is additional and therefore not the baseline scenario (section B.3 of the CDM-PDD) and D.4 How national and/or sectoral policies and circumstances are taken into account by the methodology of CDM-NMB form version 01.*)

Methodology procedure:

Provide a systematic step-by-step procedure for determining whether or not the project activity is, or is part of, the baseline scenario, and thereby determining whether the project activity is additional. The methodology should clearly state what the methodology user must do and what information must be presented in the resulting CDM-PDD in order to make a logical and well-substantiated case for the project's additionality.

Ensure consistency between baseline scenario derived by this methodology and the procedure and formulae used to demonstrate additionality. Note, for many methodologies there will be a strong link between the baseline scenario and additionality sections. Present the procedures in each step in as much detail as needed, but avoid repetition that is not needed for reasons of clarity.

>>

Explanation/justification:

Justify why the proposed procedure is an appropriate procedure for establishing the project's additionality.

Highlight the key logical assumptions and quantitative factors underlying the procedure for demonstrating the project activity is additional. State clearly which assumptions and factors have significant uncertainty associated with them, and how such uncertainty is to be addressed.

If relevant, explain how national and/or sectoral policies and circumstances are taken into account by the methodology.

>>

SECTION F. Baseline emissions

(This section corresponds to the former sections D. 6. *Elaborate and justify formulae/algorithms used to determine the baseline scenario. Variables, fixed parameters and values have to be reported (e.g. fuel(s) used, fuel consumption rates)* E. *Data sources and assumptions* and F. *assessment of uncertainties (sensitivity to key factors and assumptions) of CDM-NMB form version 01*)

Methodology procedure:

Elaborate the all algorithms and formulae used to estimate, measure or calculate the emissions from the baseline scenario. Be specific and complete, so that the procedure can be carried out in an unambiguous way, replicated, and subjected to a validation and/or verification study:

- *Use consistent variables, equation formats, subscripts, etc.*
- *Number all equations;*
- *Define all variables, with units indicated;*
- *Justify the conservativeness of the algorithms/procedures; to the extent possible, include methods to quantitatively account for uncertainty in key parameters.*

Several parameters, coefficients, variables, etc. may be used in the baseline emissions calculation.
a) *For those whose values are provided in the methodology:*



- Clearly indicate the precise references from which these values are taken (e.g. official statistics, IPCC Guidelines, commercial and scientific literature);
- Justify the conservativeness of the values provided.

b) For those whose values are to be provided by the project participant, clearly indicate how the values are to be selected and justified, for example, by explaining:

- What types of sources are suitable;
- The vintage of data that is suitable;
- What spatial level of data is suitable (local, regional, national, international);
- How conservativeness of the values is to be ensured.

Any parameters, coefficients, variables, etc. that are to be obtained through monitoring should be noted. The project participants shall ensure consistency between the baseline methodology and the monitoring methodology.

If the calculation of the baseline emissions is to be performed ex post, the procedure should include an illustrative ex ante emissions calculation.

>>

Explanation/justification:

Explain any parts of the algorithm or formulae that are not self-evident. Justify that the procedure is consistent with standard technical procedures in the relevant sector. Provide references as necessary.

The project participants shall ensure consistency between the elaboration of the baseline scenario (section D) and the procedure for calculating the emissions of the baseline (this section).

State clearly which assumptions and procedures that have significant uncertainty associated with them, and how such uncertainty is to be addressed.

Describe the uncertainty of key parameters and, where possible, provide an uncertainty range at 95% confidence level for key parameters for the calculation of emission reductions. Methodology developers are also encouraged to refer to chapter 6 of the IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories for more Guidance on analysis of uncertainty.

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SECTION G. Project activity emissions

(This section corresponds to the former sections D.7. Elaborate and justify formulae/algorithms used to determine the emissions from the project activity. Variables, fixed parameters and values have to be reported (e.g. fuel(s) used, fuel consumption rates), E. Data sources and assumptions and F. assessment of uncertainties (sensitivity to key factors and assumptions) of CDM-NMB form version 01)

Methodology procedure:

Elaborate the all algorithms and formulae used to estimate, measure or calculate the emissions from the project activity. Be specific and complete, so that the procedure can be carried out in an unambiguous way, replicated, and subjected to a validation and/or verification study:

- Use consistent variables, equation formats, subscripts, etc.;
- Number all equations;
- Define all variables, with units indicated;
- Justify the conservativeness of the algorithms/procedures; to the extent possible, include methods to quantitatively account for uncertainty in key parameters.



Several parameters, coefficients, variables, etc. may be used in the project emissions calculation.

a) For those whose values are provided in the methodology:

- Clearly indicate the precise references from which these values are taken (e.g. official statistics, IPCC Guidelines, commercial and scientific literature);
- Justify the conservativeness of the values provided.

b) For those whose values are to be provided by the project participant, clearly indicate how the values are to be selected and justified, for example, by explaining:

- What types of sources are suitable;
- The vintage of data that is suitable;
- What spatial level of data is suitable (local, regional, national, international);
- How conservativeness of the values is to be ensured.

Any parameters, coefficients, variables, etc. that are to be obtained through monitoring should be noted. The project participants shall ensure consistency between the baseline methodology and the monitoring methodology.

The procedure should include an illustrative ex ante project emissions calculation.

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Explanation/justification:

Explain any parts of the algorithm or formulae that are not self-evident. Justify that the procedure is consistent with standard technical procedures in the relevant sector. Provide references as necessary.

State clearly which assumptions and procedures that have significant uncertainty associated with them, and how such uncertainty is to be addressed.

Describe the uncertainty of key parameters and, where possible, provide an uncertainty range at 95% confidence level for key parameters for the calculation of emission reductions. Methodology developers are also encouraged to refer to chapter 6 of the IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories for more Guidance on analysis of uncertainty.

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SECTION H. Leakage

(This section corresponds to the former sections D.8. *Description of how the baseline methodology addresses any potential leakage of the project activity*, E. *Data sources and assumptions* and F. *assessment of uncertainties (sensitivity to key factors and assumptions)* of CDM-NMB form version 01)

Methodology procedure:

Leakage is defined as the net change of emissions occurring outside the project boundary that is attributable to the implementation of the CDM project activity.

Identify the sources of leakage. Explain which sources of leakage are to be calculated, and which can be neglected.

Elaborate the all algorithms and formulae used to estimate, measure or calculate the emissions from leakage. Be specific and complete, so that the procedure can be carried out in an unambiguous way, replicated, and subjected to a validation and/or verification study:

- Use consistent variables, equation formats, subscripts, etc.;
- Number all equations;



- Define all variables, with units indicated;
- Justify the conservativeness of the algorithms/procedures; to the extent possible, include methods to quantitatively account for uncertainty in key parameters.

Several parameters, coefficients, variables, etc. may be used in the leakage emissions calculation.

a) For those whose values are provided in the methodology:

- Clearly indicate the precise references from which these values are taken (e.g. official statistics, IPCC Guidelines, commercial and scientific literature);
- Justify the conservativeness of the values provided.

b) For those whose values are to be provided by the project participant, clearly indicate how the values are to be selected and justified, for example, by explaining:

- What types of sources are suitable;
- The vintage of data that is suitable;
- What spatial level of data is suitable (local, regional, national, international);
- How conservativeness of the values is to be ensured.

Any parameters, coefficients, variables, etc. that are to be obtained through monitoring should be noted. The project participants shall ensure consistency between the baseline methodology and the monitoring methodology.

Even if the calculation of the leakage is to be performed *ex post*, the procedure should include the calculation of an *ex ante* estimate.

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Explanation/justification:

Explain any parts of the algorithm or formulae that are not self-evident. Justify that the procedure is consistent with standard technical procedures in the relevant sector. Provide references as necessary.

Justify the selection of sources of leakage that must be calculated as opposed to neglected.

State clearly which assumptions and procedures that have significant uncertainty associated with them, and how such uncertainty is to be addressed.

Describe the uncertainty of key parameters and, where possible, provide an uncertainty range at 95% confidence level for key parameters for the calculation of emission reductions. Methodology developers are also encouraged to refer to chapter 6 of the IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories for more Guidance on analysis of uncertainty.

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SECTION I. Emission reductions

(This section corresponds to the former section D.9 *Elaborate and justify formulae/algorithms used to determine the emissions reductions from the project activity. Variables, fixed parameters and values have to be reported (e.g. fuel(s) used, fuel consumption rates) of CDM-NMB form version 01*)

Methodology procedure:

Elaborate the algorithms and formulae used to estimate, measure or calculate the net emission reduction from the CDM project activity. In most cases, this will be simple equation with three terms: the baseline emissions (the result of section G), the project emissions (the result of section H), and the net leakage (the result of section I).



Even if the calculation of the emission reductions is to be performed ex post, the procedure should include the calculation of an ex ante estimate.

Ensure that the description of emission reductions is consistent with the proposed new monitoring methodology.

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Explanation/justification:

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SECTION J. Optional: Changes required for methodology implementation in 2nd and 3rd crediting periods (if relevant)**Methodology procedure:**

Specify any further procedures needed to update the baseline in future crediting periods.

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Explanation/justification:

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SECTION K. Selected baseline approach from paragraph 48 of the CDM modalities and procedures

(This section corresponds to the former section C.1. General baseline approach of CDM-NMB form version 01)

Choose One (delete others):

- Existing actual or historical emissions, as applicable;
- Emissions from a technology that represents an economically attractive course of action, taking into account barriers to investment;
- The average emissions of similar project activities undertaken in the previous five years, in similar social, economic, environmental and technological circumstances, and whose performance is among the top 20 per cent of their category.

Explanation/justification of choice:

The choice of the baseline approach should be based, if possible, on the procedure described in the baseline emissions section above.

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SECTION I. Other Information

(This section corresponds to the former sections A.4. *What are the potential strengths and weaknesses of this proposed new methodology and G (Explanation of how the baseline methodology allows for the development of baselines in a transparent and conservative manner) of CDM-NMB form version 01)*

Explanation/justification:

Explanation of how the baseline methodology allows for the development of baselines in a transparent and conservative manner.

What are the potential strengths and weaknesses of this proposed new methodology?

Provide any other information here.

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**C. Specific guidelines for completing the proposed new methodology: monitoring (CDM-NMM)****General instructions:**

1. Monitoring of a CDM project activity refers to the collection and archiving of all relevant data necessary for determining the baseline, measuring anthropogenic emissions by sources of greenhouse gases (GHG) within the project boundary of a CDM project activity and leakage, as applicable.
2. When drafting a proposed new monitoring methodology, project participants shall:
 - (a) Describe the proposed new methodology using the forms for “Proposed New Methodology: Baseline” (CDM-NMB) and “Proposed New Methodology: Monitoring” (CDM-NMM) taking into account guidance given by the Executive Board as well as the information provided in the “Glossary of CDM terms”;
 - (b) Demonstrate the applicability of the proposed monitoring methodology to a project activity by providing relevant information in sections A-E of a draft CDM-PDD.
3. The monitoring methodology needs to provide detailed information on how to establish the monitoring plan related to the collection and archiving of all relevant data needed to:
 - Estimate or measure emissions occurring within the project boundary,
 - Determine the baseline emissions, and
 - Identify increased emissions outside the project boundary.
4. The monitoring methodology should reflect good monitoring practice appropriate to the type of project activity.
5. All algorithms, formulae, and step-by-step procedures for applying the methodology shall be included in completing this form. The completed form shall provide independent replicable methodologies and avoid reference to any secondary documents.
6. Proposals should be written in a concise and clear manner. Important procedures and concepts should be supported by equations and diagrams. Non-essential information should be avoided. The completed form shall not contain information which is related to the application of the proposed new methodology.
7. Project participants shall refrain from providing glossaries or using key terminology not used in the documents of the Conference of the Parties (COP), the COP/MOP or the “Glossary of CDM terms” and they shall refrain from rewriting the instructions on the form “Proposed New Methodology: Monitoring”.



CONTENTS

PROPOSED NEW METHODOLOGY: MONITORING (CDM-NMM)

- A. Identification of methodology
- B. Proposed new monitoring methodology

**SECTION A. Identification of methodology:****A.1. Title of the proposed methodology:**

Provide an unambiguous title for a proposed methodology. Avoid project-specific titles. The title, once approved, should allow project participants to get an indication of the applicability of an approved methodology. Please indicate the following:

- The title of the proposed methodology
- The version number of the document
- The date of the document.

A.2. List of category(ies) of project activity to which the methodology may apply:

Using the list of categories of project activities and of registered CDM project activities by category available on the UNFCCC CDM web site, please specify the category(ies) of project activities for which this proposed new methodology can be used. If no suitable category(ies) of project activities can be identified, please suggest a new category(ies) descriptor and its definition, being guided by relevant information on the UNFCCC CDM web site.

A.3. Conditions under which the methodology is applicable to CDM project activities:

Provide conditions under which the methodology is applicable to CDM project activities: (e.g. circumstances, region, data availability, resource availability). Please indicate if an approved methodology exists for the same conditions of application.

A.4. What are the potential strengths and weaknesses of this proposed new methodology?

Please outline how the accuracy and completeness of the new methodology compares to that of approved methodologies, in particular with regard to approved methodologies for the same conditions of application.

SECTION B. Proposed new monitoring methodology:

Please provide a detailed description of the monitoring plan, including the identification of data and its quality with regard to accuracy, comparability, completeness and validity.

Different types of project activities will have different monitoring requirements. For some project activities, emission reductions are calculated as the difference between the project activity and the baseline emissions. For others emission reductions are monitored directly. Depending on the type of project activity, please fill out their option 1 or option 2.

Option 1 (section 2.2): Please describe the data and information that will be collected in order to monitor the emissions in the baseline scenario and the project scenario.

Option 2 (section 2.3): Describe the data and information that will be collected in order to directly monitor and calculate the emission reductions from the project activity.

B.1. Brief description of the new methodology:

Please outline the main points and give a reference to a detailed description of the monitoring methodology.

**B.2. Option 1: Monitoring of the emissions in the project scenario and the baseline scenario:**

Please state if this section is left blank on purpose.

B.2.1. Data to be collected or used in order to monitor emissions from the project activity, and how this data will be archived:

Monitored data shall be archived for 2 years following the end of the crediting period.
Please add rows to the table below, as needed.
Header of tables and titles of columns shall not be modified and columns shall not be deleted.
Please add rows to the table below, as needed.

B.2.2. Description of formulae used to estimate project emissions (for each gas, source, formulae/algorithm, emissions units of CO₂ equ.):

Formulae should be consistent with the formulae outlined in the description of the baseline methodology.

B.2.3. Relevant data necessary for determining the baseline of anthropogenic emissions by sources of greenhouse gases (GHG) within the project boundary and how such data will be collected and archived:

Monitored data shall be archived for 2 years following the end of the crediting period.
Header of tables and titles of columns shall not be modified and columns shall not be deleted.
Please add rows to the table below, as needed.

B.2.4. Description of formulae used to estimate baseline emissions (for each gas, source, formulae/algorithm, emissions units of CO₂ equ.):

Formulae should be consistent with the formulae outlined in the description of the baseline methodology.

B.3. Option 2: Direct monitoring of emission reductions from the project activity:

Values should be consistent with those in section E of the CDM-PDD. Please state if not applicable.

B.3.1. Data to be collected or used in order to monitor emissions from the project activity, and how this data will be archived:

Monitored data shall be archived for 2 years following the end of the crediting period.
Header of tables and titles of columns shall not be modified and columns shall not be deleted.
Please add rows to the table below, as needed.

B.3.2. Description of formulae used to calculate project emissions (for each gas, source, formulae/algorithm, emissions units of CO₂ equ.):

Formulae should be consistent with the formulae outlined in the description of the baseline methodology.

**B.4. Treatment of leakage in the monitoring plan:**

Please explain if leakage will be monitored during the implementation of the project activity. If relevant, please explain and justify if leakage will not be estimated ex-post. Explain if leakage will be calculated as the difference between emissions occurring outside the boundaries of the project and emissions in the baseline scenario, or if leakage will be monitored directly. Please state if not applicable.

B.4.1. If applicable, please describe the data and information that will be collected in order to monitor leakage effects of the project activity:

Monitored data shall be archived for 2 years following the end of the crediting period. Header of tables and titles of columns shall not be modified and columns shall not be deleted. Please add rows to the table below, as needed. Please state if not applicable.

B.4.2. Description of formulae used to estimate leakage (for each gas, source, formulae/algorithm, emissions units of CO₂ equ.):

Formulae should be consistent with the formulae outlined in the description of the baseline methodology. Please state if not applicable.

B.5. Description of formulae used to estimate emission reductions for the project activity (for each gas, source, formulae/algorithm, emissions units of CO₂ equ.):

Formulae should be consistent with the formulae outlined in the description of the baseline methodology.

B.6. Assumptions used in elaborating the new methodology:

Please list information used in the calculation of emissions which is not measured or calculated, for example use of any default emission factors.

B.7. Please indicate whether quality control (QC) and quality assurance (QA) procedures are being undertaken for the items monitored:

See tables in sections B.2 or B.3 and B.4 above. Header of tables and titles of columns shall not be modified and columns shall not be deleted. Rows are allowed to be added, as needed.

B.8. Has the methodology been applied successfully elsewhere and, if so, in which circumstances?
