USE OF METHODOLOGIES AND TIMELINES FOR THE PROCESSES OF CONSIDERING SUBMISSIONS RELATED TO METHODOLOGY

PRELIMINARY ASSESSMENT AND PROPOSAL FOR IMPROVEMENT

MANDATE

CMP request (para 35 of decision 2/CMP.4)

First consideration by EB47

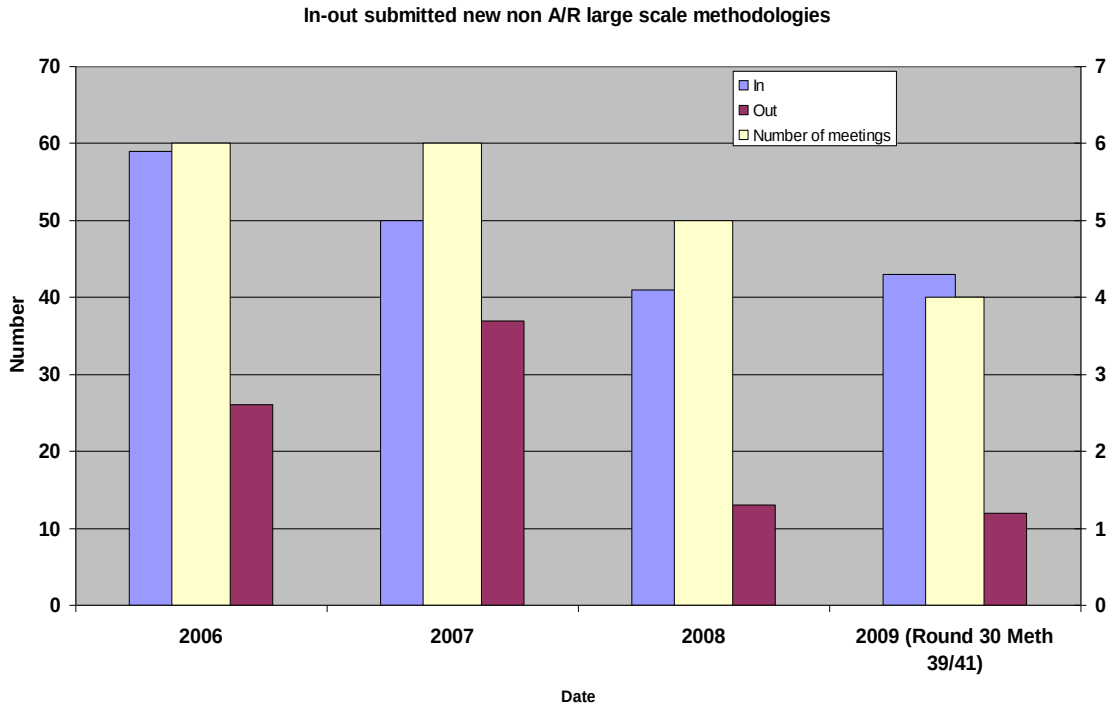
Second consideration by EB49 of an analysis by the secretariat that covers LS, SSC and A/R and include the following:

- **Time spent for the processes of considering submissions**
- **Analysis of the reasons for delay in the consideration process**
- **Potential impact of approved methodologies on emission reductions**
- **Key priority emission sectors and type of project activities for which no or very few methodologies are available**
- **Concrete actions for improving the processes of considering methodologies and prioritizing the work**

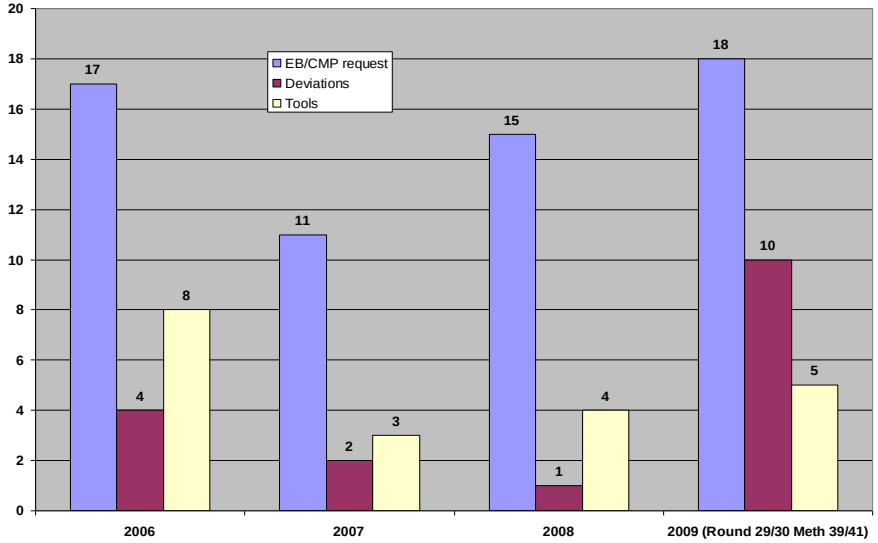
WORKLOAD

Increased but due to the complexity of the submissions not to their volume.

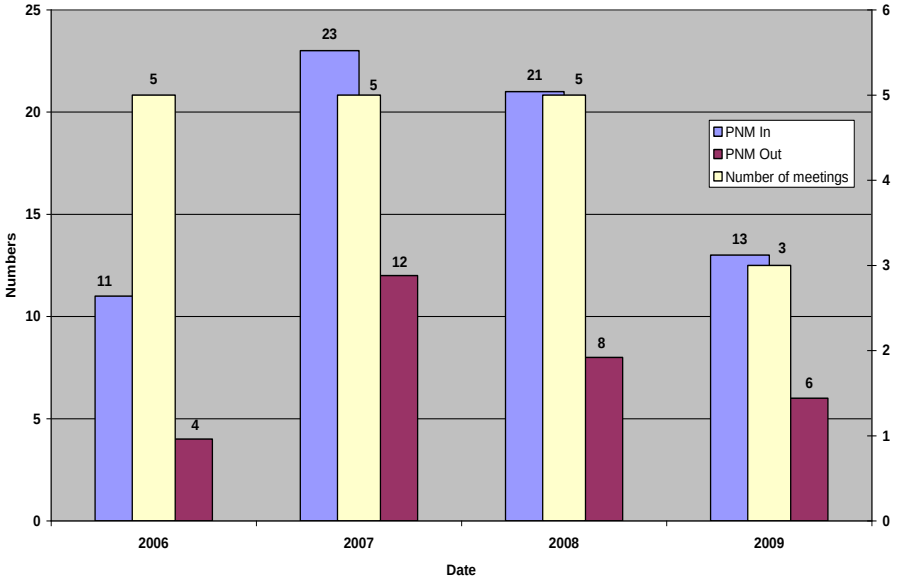
More time is dedicated to the consideration of cross-cutting issues and for the development of tools.



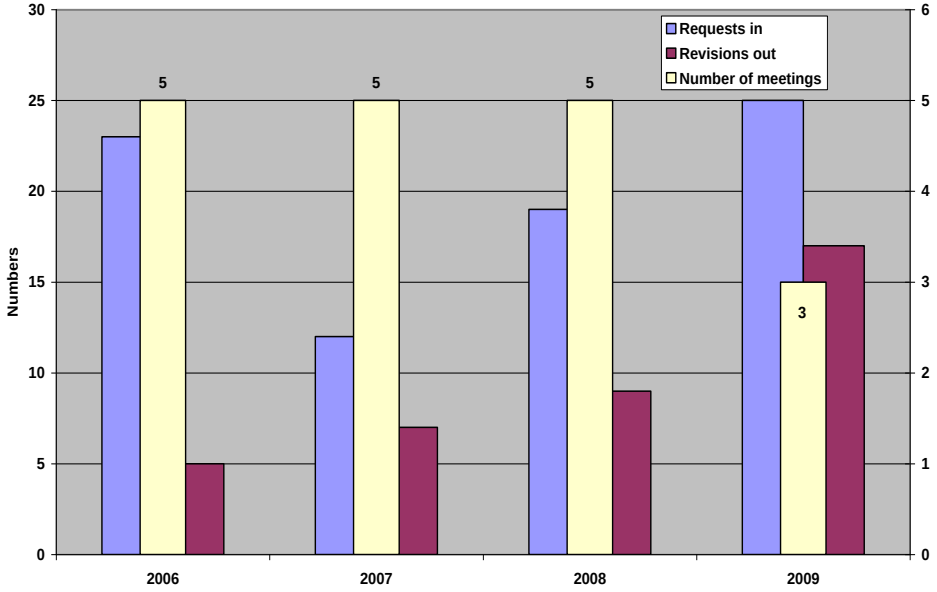
Others activities of the Meth Panel



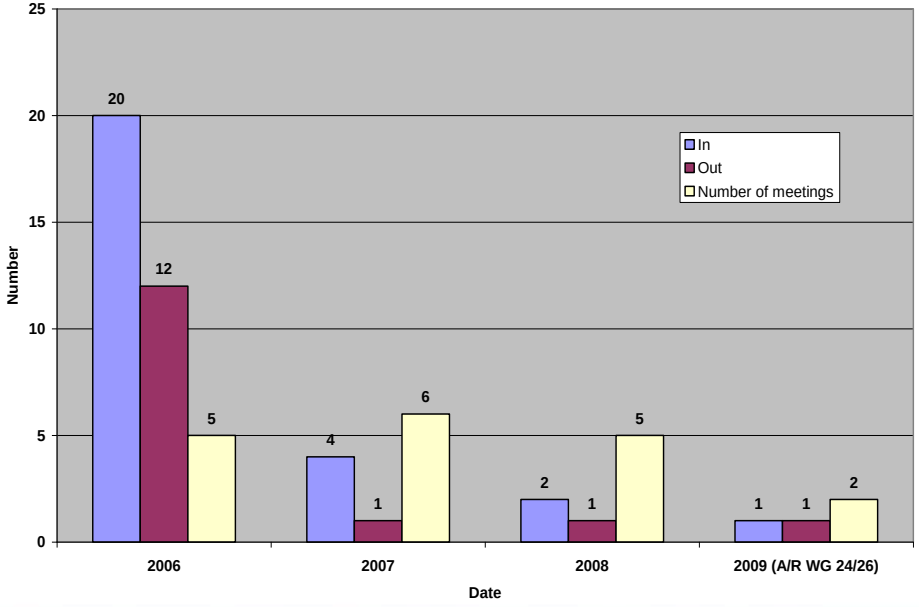
In-out proposed new SSC methodologies



In-out request for revisions of SSC methodologies



A/R methodologies



Timelines set

2 Meetings for new large A/R and non A/R Meths

Timelines used in this analysis

6 months for new submissions and for requests for revision of large-scale Meths

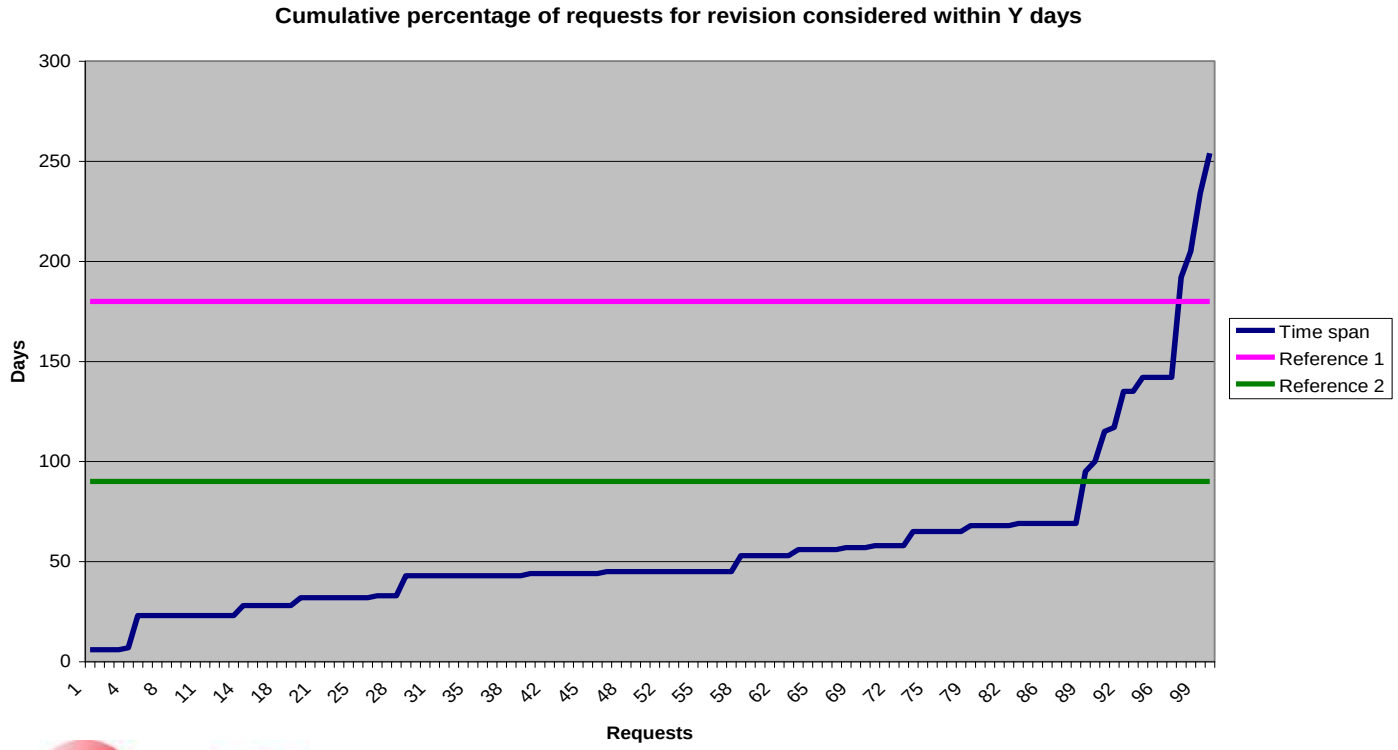
3 months for requests for clarification on LS Meths and for request for revision of SSC Meths

Timeline for considering new submissions generally not met

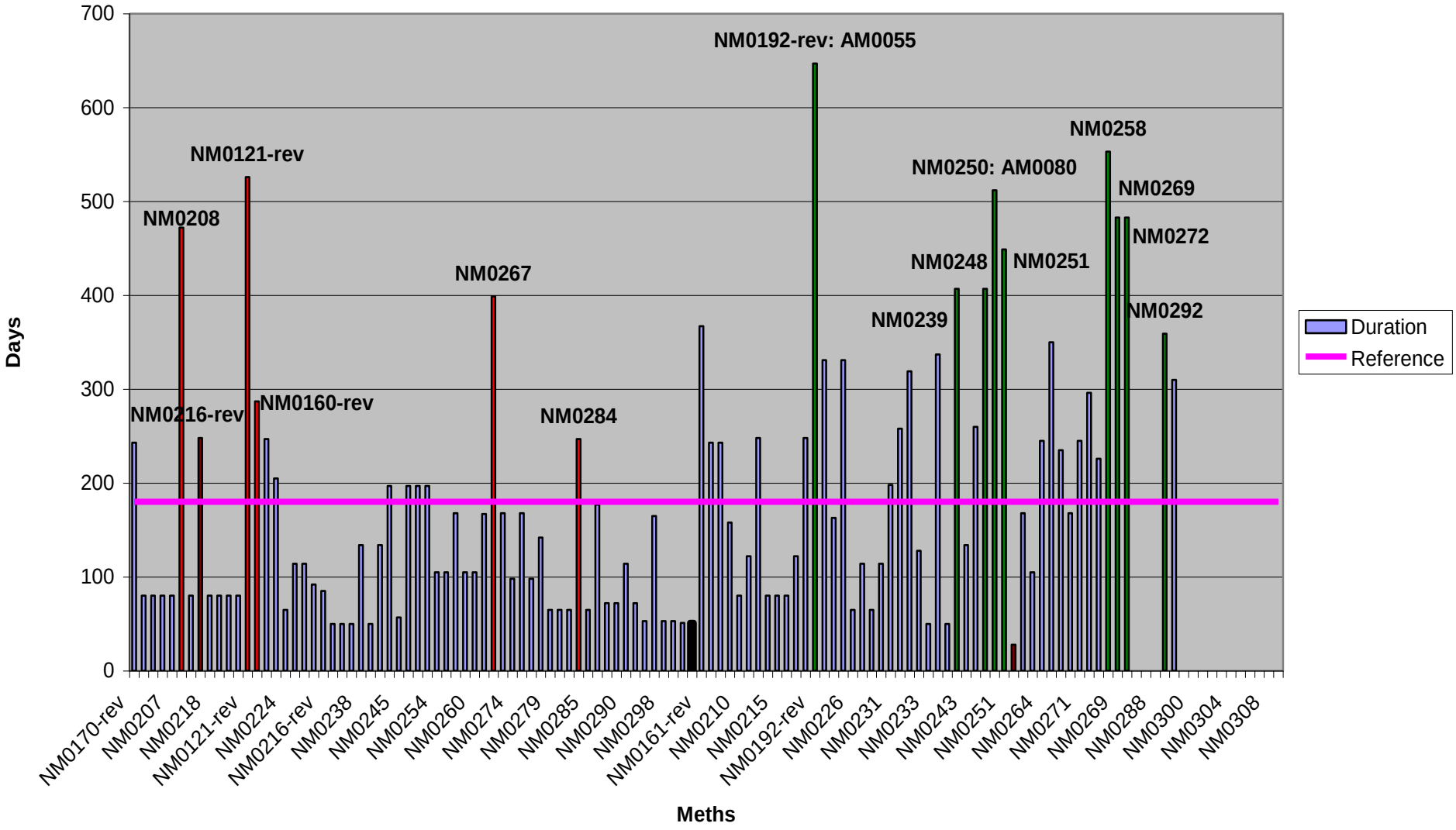
Increasing complexity of the methodologies and more proactive approach lead to additional effort and time spent

Time spent for non A/R large-scale methodologies

62% of the considerations of new methodologies met the six-month deadline. Considerations of 4 requests for revision have taken more than six months. More than 90% of the requests for clarification were finalized during one Meth Panel meeting.



Meths Large: Total time span for the consideration PNM



New methodology	Issue	Consultant	Guidance	Recommendation resulting from
NM0208	Displacement of off-grid electricity	Yes	No	No solution found to address the issues
NM0121	GHG emissions from a reservoir	Yes	Yes	EB guidance
NM0267	Permanence of emissions reduction related to fire extinguishing in coal fields	Yes	Yes	EB guidance
NM0284	Expansion of industrial gasses recovery methodologies to include new facilities	Yes	Yes	EB guidance

Meth P meetings				31		32		33		34			35		36		37		38	39
	2008														2009					
	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6
NM0250																			A	
NM0258																				
NM0264															A					
NM0265																			A	
NM0266																				
NM0267																				C
NM0269																				
NM0272																				
NM0278																			A	
NM0280																				
NM0282																				
NM0284																			C	

Submission

Pre-assessment

Preliminary Recommendation

Work in Progress

Final recommendation

NM0250: Fes Waste Water Aerobic Treatment Plant
NM0258: Metrobus Insurgentes, Mexico City
NM0265: Reduction in flaring of COG through conversion into dimethyl ether used as fuel
NM0266: Mumbai Metro One, India
NM0267: Shuixi Gou Coal Field Fire Extinguishing Project
NM0269: Cambodia “Rural electrification and transmission project (RETP)” 220kV interconnection between Cambodia and Vietnam
NM0272: Second Interconnection Colombia - Ecuador 230 kV

Time spent for non A/R SSC methodologies

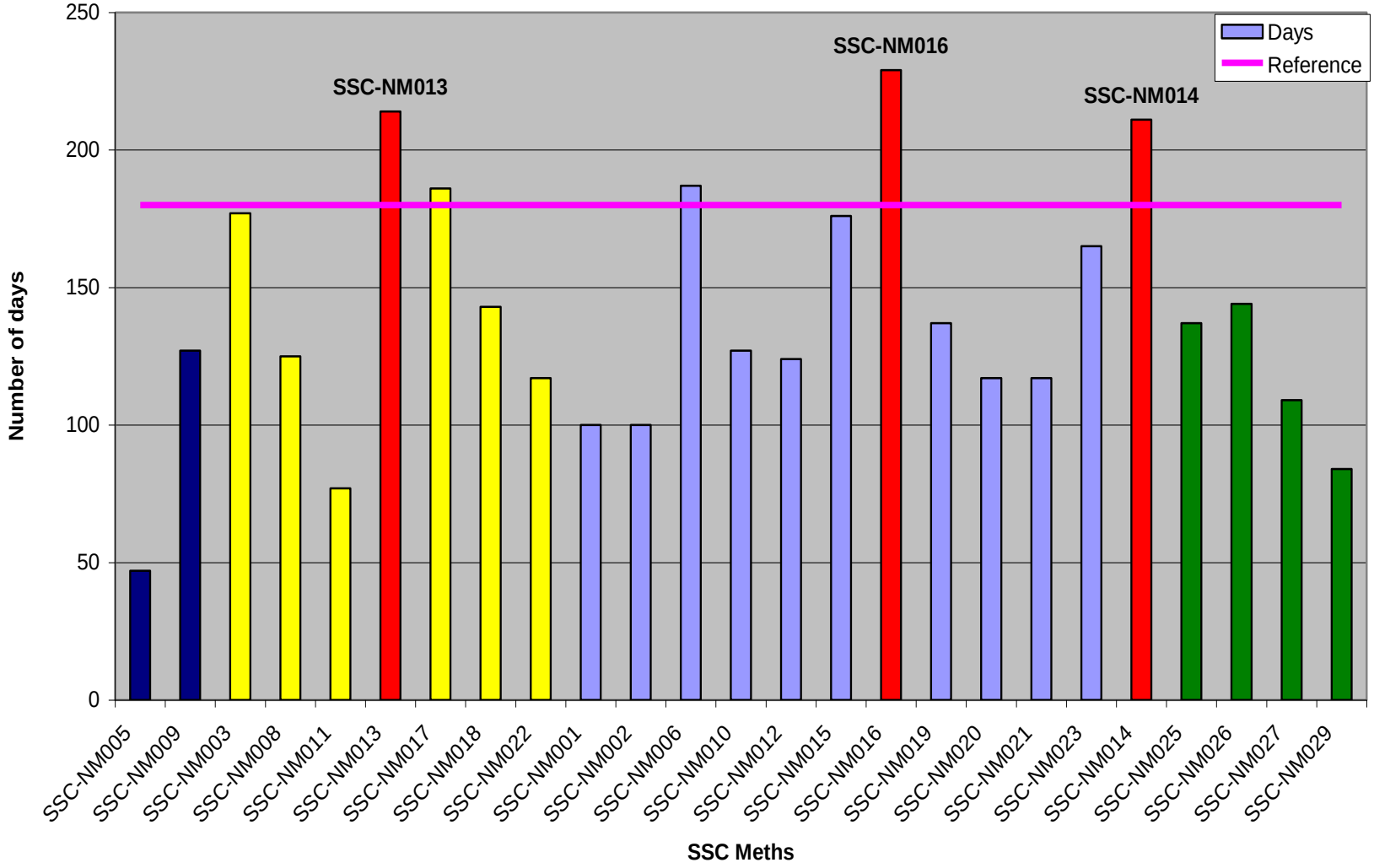
83% of new methodologies were considered in less than six months.

Only 7% of the requests for revision were not finalized within one SSC-WG meeting.

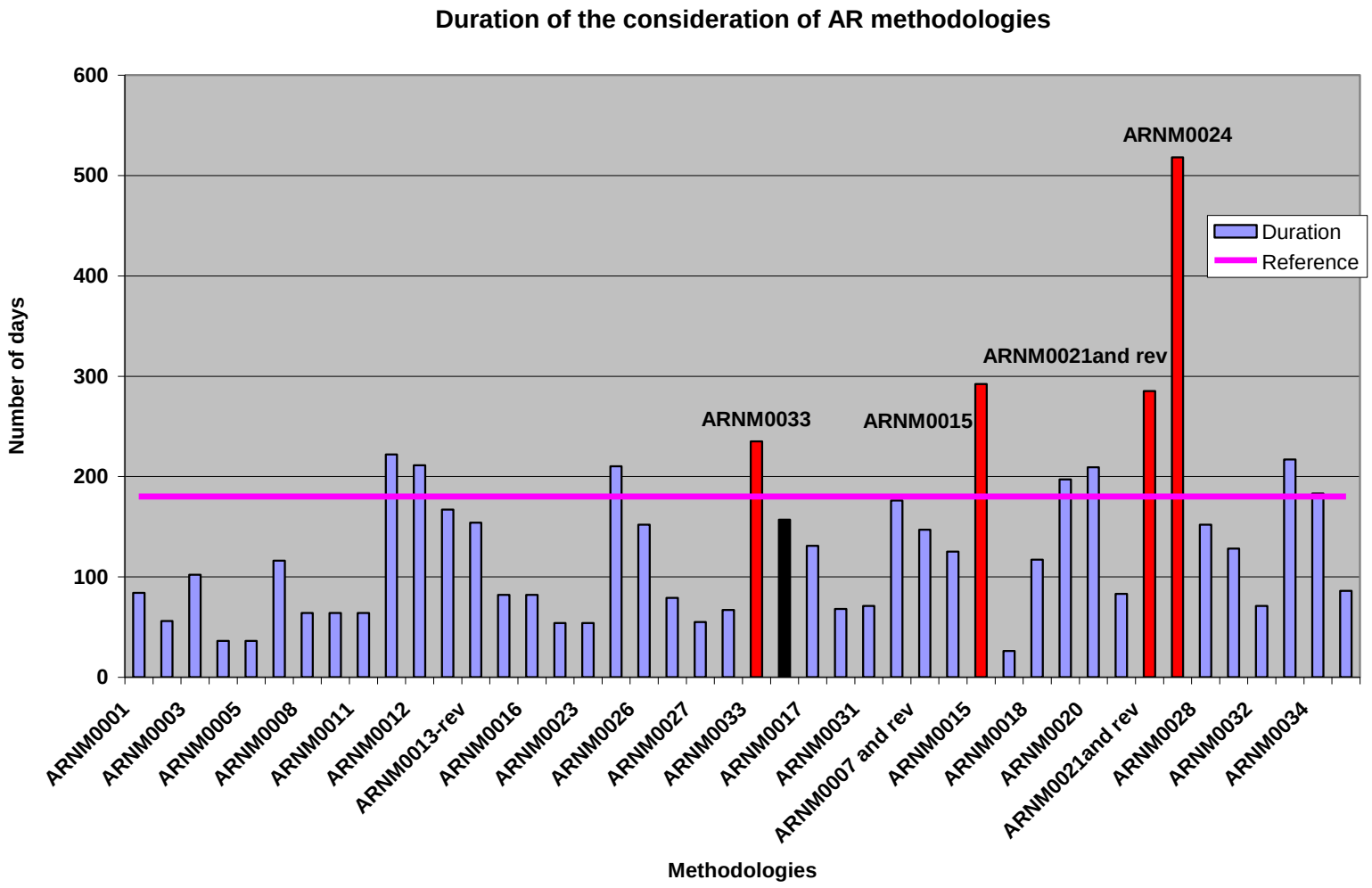
86% of the requests for clarification were considered within one SSC-WG meeting.

The main reason for the delay in the clarification on non A/R SSC methodologies is the time spent waiting for a revision of a methodology to be finalized

Time spent for the consideration of SSC Meths in days



More than 77% of the new A/R methodologies submitted were considered within six months



Main reasons for the delay

Increasing complexity of new submitted methodologies

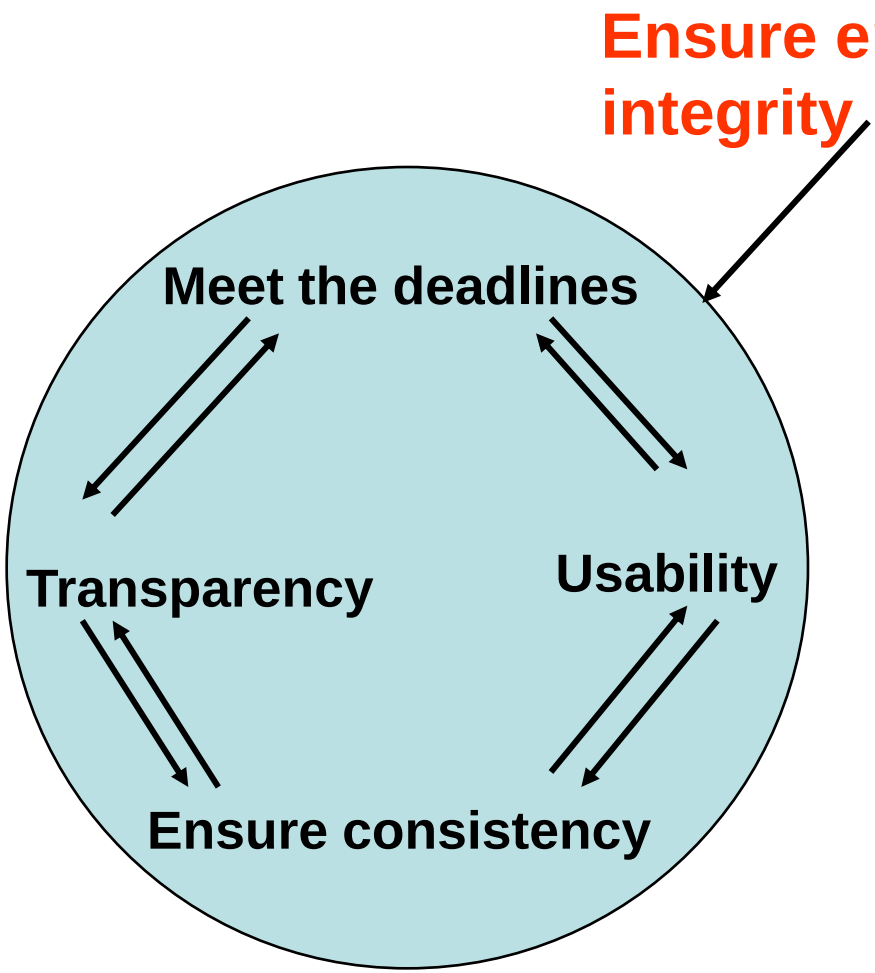
Requests for revisions deals with the removal of safeguards in methodology to address specific issues in a not too complex manner

Very specific nature of the issues that arise, which results in requiring inputs from highly specialized experts.

Very often challenging to find a suitable consultant for the very specific issues for which the Panel/WGs seek expert views.

Limited possibility to hire an organization

More interaction with PPs if their submission is changed



Is it possible for the Meth consideration process to meet all these objectives especially since now it is dealing with more and more complex methodologies?

USE OF METHODOLOGIES

Parameters Influencing the USE

Applicability

Potential for projects development in the sectors

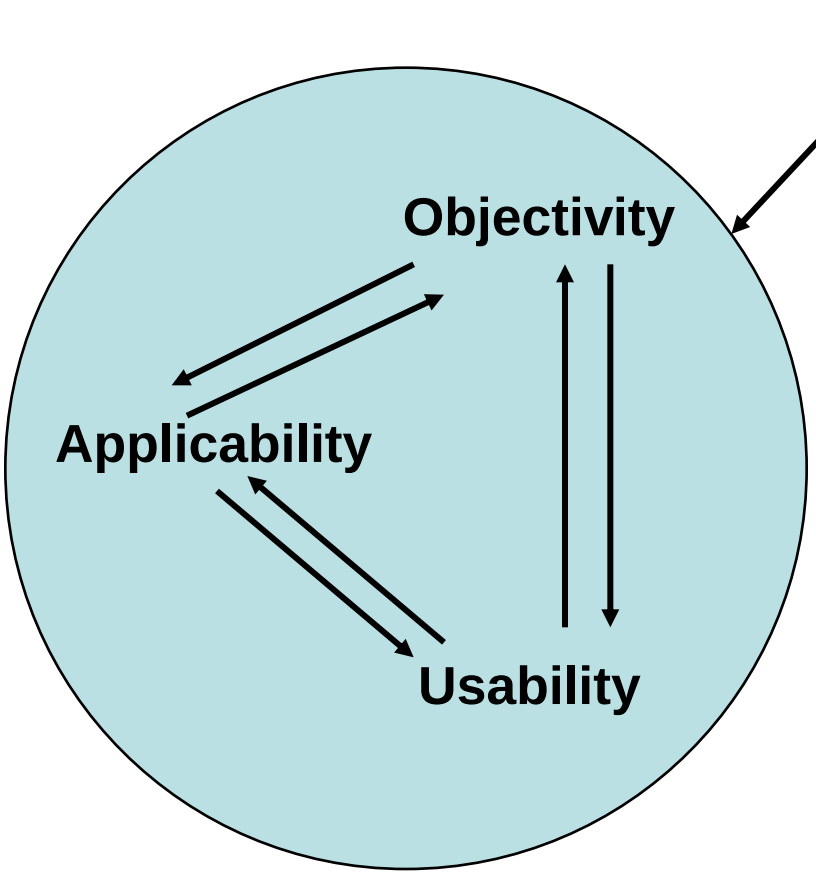
Potential for emissions reduction of the projects in these sectors

Abatement cost of these types of project

Usability of the methodology

Applicability and usability might have negative influence on each other

Environmental integrity



Is it possible that the methodologies meet all these objectives if they are more and more complex?

USE OF METHODOLOGIES

Just 13 methodologies (AMs and ACMs), account for 88% of the potential emissions reduction.

Grid connected electricity generation related methodologies have the highest potential (ACM0002, AM0029 are among the top three)

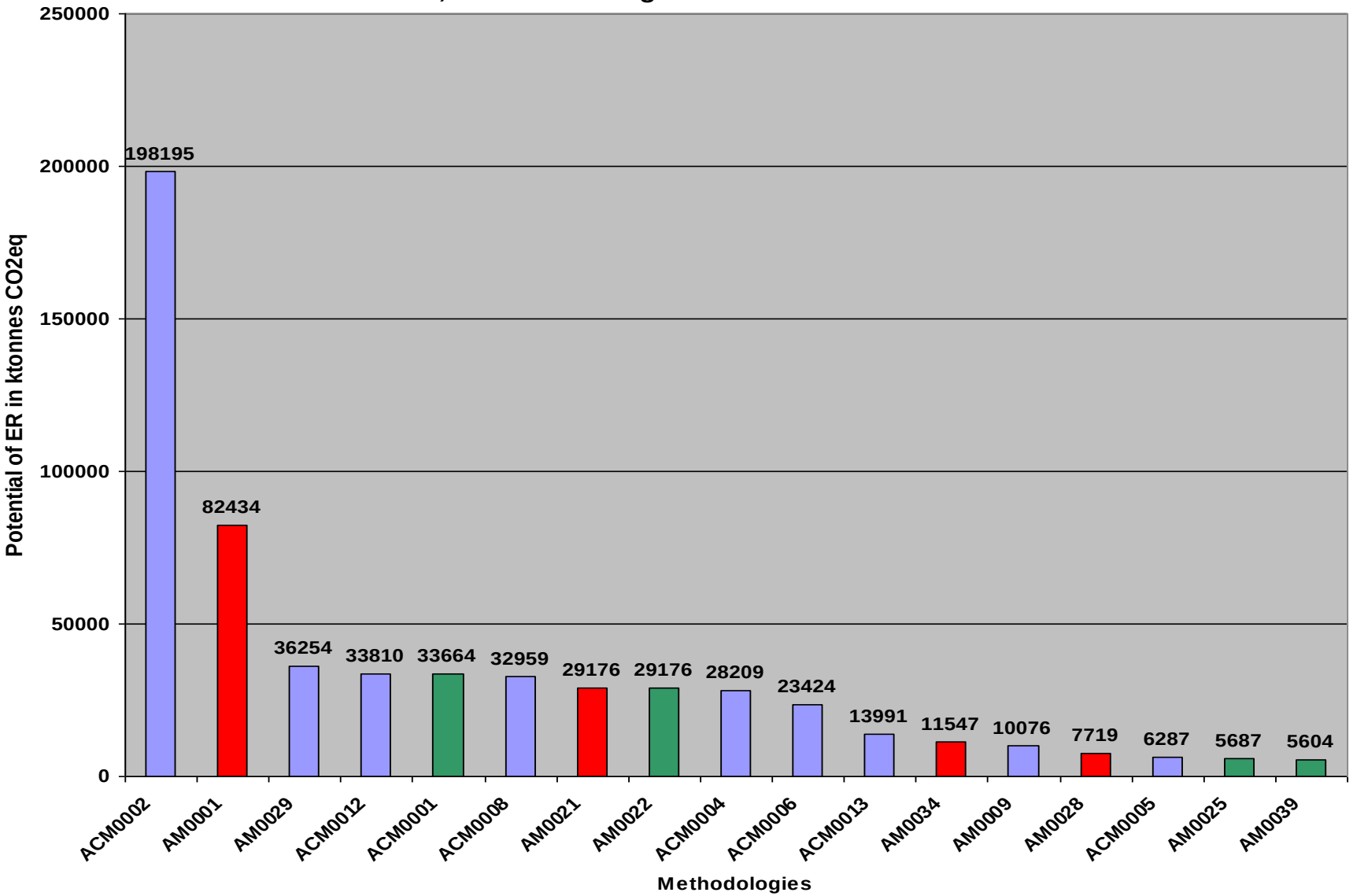
Industrial gas destruction methodologies (AM0001, AM0021, AM0034, AM0028 are among the top 14).

Methane emission avoidance methodologies related to waste (landfill, waste water treatment) or coal mine operations (ACM0008) or oil and gas sector (AM0009).

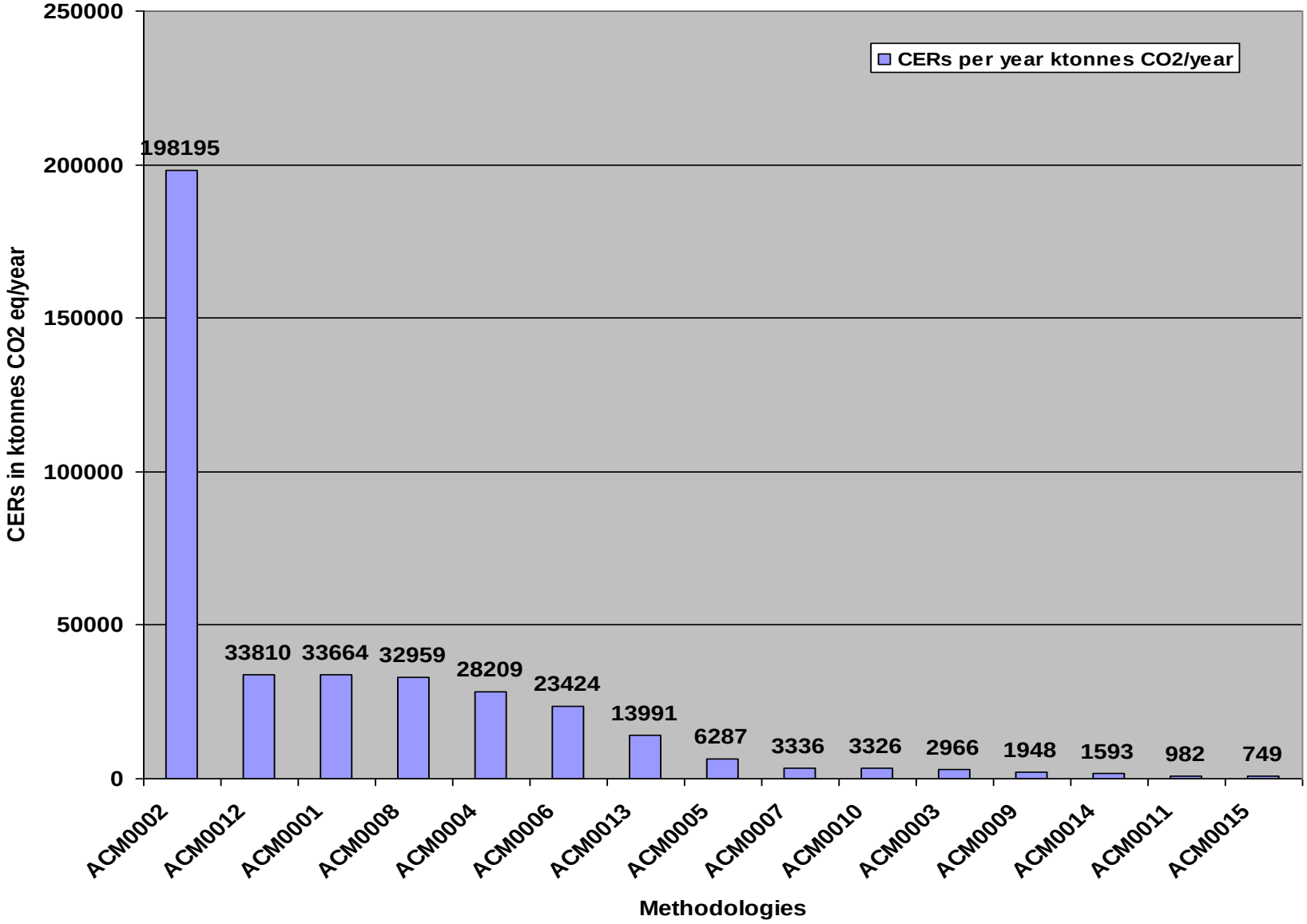
Waste energy recovery methodologies (ACM0004 and ACM0012)

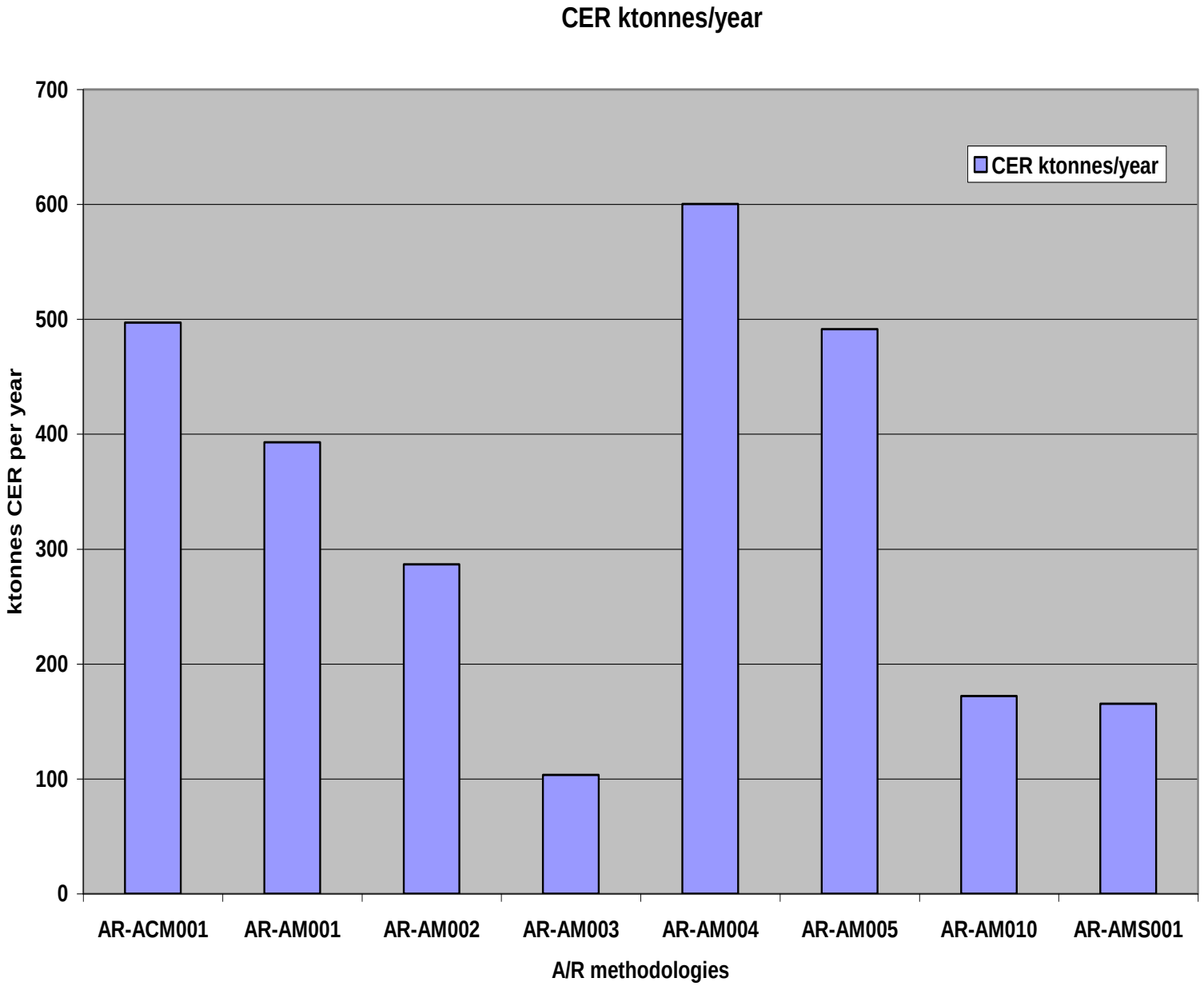
These four types of methodologies accounts for 92% of all the emissions reduction of the registered and under validation projects using AMs or ACMs

Methodologies used by registered or under validation projects which cumulated ER is higher than 5000 ktonnes CO2 eq per year 13 Methodologies lead to 88% of the ER; 18 methodologies have never been used



CERs ktonnes CO2/year
ACM0002 account for 51% of the ER through projects using ACMs; 11 SSC methodologies have never been used




CER ktonnes/year
700
600
500
400
300
200
100
0
ktonnes CER per year
CER ktonnes/year
AR-ACM001
AR-AM001
AR-AM002
AR-AM003
AR-AM004
AR-AM005
AR-AM010
AR-AMS001
A/R methodologies

SYNTHESIS OF THE OUTCOME OF THE CALL FOR INPUTS

The following reasons have been identified as main causes for the low/no use of approved CDM methodologies

1. **Applicability constraints (Too specific, existing plants, three years data)**
2. **Low usability (not enough interaction with PPs)**
3. **Issue related to the process (project specific bottom-up approach, transparency: no call for comments on revisions)**
4. **Low attractiveness (over conservativeness of some methodologies)**

SYNTHESIS OF THE OUTCOME OF THE CALL FOR INPUTS

The following actions have been proposed to improve the use of the methodologies:

1. **More time for consolidating methodologies and revising the AMs and ACMs in the view of expanding their applicability conditions**
2. **Simplification of the methodologies.**
3. **Objectivity enhanced by using guidelines from the established best practices of industry sectors.**
4. **More interaction with Meth users**
5. **Extensive monitoring requirements should be avoided**
6. **Overly conservative requirements removed**
7. **Lessons from the Gold Standard methodologies**
8. **More time to increase the drafting quality of the methodologies**
9. **More transparency with regards to revisions and consolidations**

Key priority sectors and types of projects with no or very few methodologies

		Electricity	Fuel for industries	Fuel for transport	Energy for households
Energy industries (renewable - / non-renewable sources)	RE	IA, IC, ID, IIIAC, AM0007, AM0019, AM0026, AM0042, AM0052, ACM0002, ACM0006	AM0036, AM0075, ACM0006, AM0081	AM0047	IB, IE, IA, AM0081
	EE	IIB, IIH, AM0014, AM0024, AM0048, AM0061, AM0062, AM0074, ACM0007, ACM0012, ACM0013	IID, AM0014, AM0009, AM0048, AM0054, AM0055, AM0056, AM0076, ACM0012		AM0058
	FS	AM0007, AM0029, ACM0011	IID, AM0036, AM0049, ACM0009	AM0047	ACM0009
Energy distribution	RE		AM0069		
	EE	II A, AM0067	AM0017		
	FS	AM0045	AM0009, AM0053, AM0069, AM0077		
Energy demand	RE			III T	IC, IE, IA, IB, AM0072
	EE	AM0038, AM0020, AM0060, AM0068	II I, IIIV, AM0017, AM0018, AM0044, AM0059, AM0066, AM0068,	IIIS, IIIU, AM0031	IIC, II J, IIG, IIE, IIIAE, IIF, III X, AM0044, AM0046, AM0070,
	FS	III B	III B, AM0037, AM0082, ACM0003, AM0081	III C, IIIU, AM0081	AM0081

	Energy Efficiency	GHG destruction	GHG emission avoidance	Fuel Switch
Manufacturing industries	IID, IIH, IIIM, III Z, AM0024, AM0055, ACM0012	AM0078	III K, AM0041, AM0057, AM0065, ACM0015,	III B, IIIJ, AM0036, ACM0003, ACM0009,
Chemical industries	IIIM	AM0021, AM0028, AM0034, AM0051,	III N, AM0027, AM0037	IIIO, AM0047, AM0050, AM0053, AM0063, AM0069, AM0075,
Construction			III AD	
Transport	III AA, AM0031			
Mining/mineral production		III W, ACM0008		III B
Metal production	AM0038, AM0059, AM0066, AM0068		AM0030, AM0059, AM0065	III B, AM0082
Fugitive emissions from fuels (solid, oil and gas)	III P, IIIQ, AM0009	AM0064, ACM0008	AM0023, AM0037, AM0043, AM0077	AM0009, AM0064, ACM0008

Key priority sectors and types of projects with no or very few methodologies

Transport sector, Mining and mineral production and Construction have the lowest number of methodologies.

The transport sector has a high potential for emissions reduction. Decision 2/CMP.4. also encouraged PPs to submit methodologies for the transport sector. It is a key priority sector where additional methodologies are required to be developed.

Energy for household is also a key sub-sector where availability of more methodologies with increased usability could result in both the development of additional CDM projects with a high impact on sustainable development as well as an improvement of the regional distribution of the CDM projects.

EE improvement in construction (panels and bricks with less CO2 emissions intensity) has also an interesting potential of ER and impact on sustainable development.

PROPOSALS FROM THE SECRETARIAT

To streamline the process of considering Meth related submissions (Changes in the procedure for submissions and consideration of new methodologies)

On the submissions

Action 1: to require the methodologies submitted to be simplified where relevant by the inclusion of conservative options as alternative to more accurate but complex approaches.

Action 2: the Panel/WGs to propose a table of all the potential threats against the environmental integrity of a methodology, the type of methodologies where they are likely to appear and ways to address them. This table will be dynamic and will learn from experience. It will be used both for the development and for the assessment of PNM.

Action 3: To add a table in the form for submission of PNM where the PPs themselves will assess whether these risks are present in their submitted methodology and if yes how it is mitigated

PROPOSALS FROM THE SECRETARIAT

To streamline the process of considering Meth related submissions

On the process:

Action 4: To strengthen the initial steps of the processes to identify need of additional information and/or need of input from external consultants; The Board may wish to request the secretariat in consultation with Chair/Vice Chair and relevant Panel/WGs members to take proactive actions for the elaboration of a ToR and selection of a consultant if needed;

Action 5: To create a roaster of technical experts (sectoand to use a technical expert as second desk reviewer where needed.

PROPOSALS FROM THE SECRETARIAT

Prioritization of the work

So far, the modalities for treatment of submissions is: 'first come first served'.

For the introduction of prioritization, the board may wish to provide guidance on:

1. Criteria for prioritizing the consideration of the submissions.

Action 6: Define priority according to the types of methodologies (priority sector for CMP, usability, applicability, impact on ER, impact on sustainable development). Only the evaluation against the first criteria will not need a thorough assessment.

Action 7: Priority between new methodologies, methodologies under work in progress, requests for revision, requests for clarification, development of tools and considerations of cross-cutting issues.

2. At which step of the process the prioritization is to be done?

PROPOSALS FROM THE SECRETARIAT

Prioritizing the consideration of Meth related submissions

The Board may wish to seek guidance from CMP on the establishment of criteria for prioritizing the consideration of submission:

- **Priority sector**
- **Potential for emissions reduction of the methodology**
- **Regional distribution**
- **Sustainable development.**

Main challenge: How to set objective criteria?

Action 8: Two options are available for prioritizing:

1. **To maintain the 'first submitted first served' approach. However, only priority methodologies will be allowed to be under WIP.**
2. **A screening at the submission stage will define which methodology is to be considered as priority and which one is not a priority. This will not be easy to operationalize and can lead to a backlog.**

PROPOSALS FROM THE SECRETARIAT
Prioritizing the consideration of submissions

Action 9: Panel/WGs to report to EB on the status of considerations under work in progress for 2 meetings.

- **Issues that are the cause of the delay (specific technical issues)**
- **How these issues delays the process (waiting for a consultant input, need of guidance from the Board)**
- **Why it is relevant to continue considering the methodology (effort already done vs remaining effort, priority,….)**
- **A possible date of finalization of the consideration process.**

The Board on a case by case basis will guide the Panel/WGs on whether it should continue the consideration of the matter due to its level of priority or finalize the process at its next meeting.

PROPOSALS FROM THE SECRETARIAT

To streamline the process and prioritize the consideration of Meth related submissions

The Board may wish to request the secretariat to revise the form for the submissions of methodology to reflect changes related to actions 1 and 3 if agreed.

The Board may wish to request the secretariat to revise the procedures for the submission and consideration of a proposed new methodology and the procedures for the revision of an approved baseline or monitoring methodology to reflect changes related to actions 4 to 9 if agreed.

These form/procedures will be submitted for approval to the Board at EB52

PROPOSALS FROM THE SECRETARIAT

To increase the usability of methodologies (Corrective Action)

Action 10: The Board may wish to request the Panel/WGs to revise the already approved methodologies in the view of further increasing their objectivity, their usability, the consistency between methodologies and between methodologies, tools and guidance while maintaining their environmental integrity.

PROPOSALS FROM THE SECRETARIAT

To increase the usability of methodologies (Preventive Action)

Action 11: To specify usability requirements defined through a consultation with the PPs and verifying that they have been achieved using a usability test conducted through survey.

Action 12: To allow more interaction with the potential methodology users during the process of consideration, at various stages

Action 13: To design a process of considering submissions more user oriented, with the objective of enhancing effectiveness and efficiency in the development (for project developers) and the assessment (for DOE and registration team) of projects using the proposed methodology

PROPOSALS FROM THE SECRETARIAT

To increase the consistency of methodologies

Action 14: To make the methodologies more modular to facilitate their revisions after the development of new tools/guidance they will have to use.