



Annex 38

**CDM EXECUTIVE BOARD DECISION FRAMEWORK: DECISION HIERARCHY
AND DOCUMENT TYPES ISSUED BY THE BOARD**

(Version 02)

1. There is a hierarchical relationship between decisions taken by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) and decisions of the Executive Board of the Clean Development Mechanism, hereinafter referred to as the Board. This document defines the relationship and describes the decision **classes and different document types** issued by the Board.

2. This document replaces *CDM Executive Board Decision Framework: Decision Hierarchy and Definitions* (EB 47 Report, Annex 61) and incorporates the information contained in *Definition of document types issued by the Board* (EB 49 Report, Annex 31).

A. Decisions of the CMP relating to the clean development mechanisms

3. The CMP is the ultimate decision-making body of the clean development mechanisms (CDM). This body has authority over, and provides guidance to, the Board through the adoption of decisions and resolutions, published in reports of the CMP. The decisions of the CMP outline formal expectations with respect to the CDM. They set direction and establish precedents which serve as reference for future decision making and basis for operating procedures. CMP decisions are treated as directives - mandatory requirements or rules intended to ensure the successful implementation of the Kyoto Protocol. All decisions taken by the Board must be consistent with and not contradict decisions of the CMP.

B. Decisions of the CDM Executive Board

4. The Board supervises the CDM under the authority and guidance of the CMP, and is fully accountable to the CMP. The Board has authority over, and provides guidance to, the business activities and processes of the CDM. Decisions of the Board must be consistent with and support the formal decisions of the CMP. Decisions of the Board are hierarchical in nature and are **published in the meeting reports of the Board and their accompanying annexes, which together are an official record of the proceedings of the Board meetings.**

5. Taking into account both the rule-making and rule-enforcing roles of the Board, decisions of the Board can be divided into three main classes:

- (a) ~~Decisions of a~~ **Regulatory decisions** nature relating to the supervision of the CDM in implementing its modalities and procedures throughout the project activity cycle;
- (b) **Rulings** relating to ~~the observance of~~ **compliance with** the CDM modalities and procedures by the project participants, **applicant entities (AEs)** and/or **designated operational entities (DOEs)**;
- (c) ~~Decisions of an~~ **Operational decisions** nature relating to the functioning of the regulatory body.

1. ~~Decisions of a~~ **Regulatory decisions**

6. ~~Decisions of a~~ **Regulatory decisions** nature are intended to ensure the successful implementation of the modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol. Such decisions, ~~are published as annexes to the Board meeting reports subsequently~~



posted on the UNFCCC CDM website when not included in the main body of the meeting report, are published in the following document types:

- (a) **Standards:** A standard provides specifications, or describes a mandatory level or degree of attainment or of performance, and as such, are used as a reference points against which attainment and performance can be evaluated. Standards are designed to achieve a uniform approach to compliance with decisions from of the CMP relating to the CDM project activity cycle including and include approved methodologies with their associated tools;
- (i) **Approved Methodologies:** A baseline and monitoring methodology is used in a CDM project to establish a project- baseline emissions, determine additionality, and calculate emission reductions and accounting for leakage. Approved methodologies also includes the standard by which emissions and leakage are to be monitored and recorded;
- (ii) **Tools:** A tool is used to calculate, determine, demonstrate, estimate, identify and/or test information relating to a CDM project activity. A tool is public property once approved and is usually referenced in a standard or a form. When referenced, If an approved methodology refers to some or all or specified components of the a tool, then the use of that tool is are required and mandatory when applying that approved methodology.
- (b) **Procedures:** A procedures contains a mandatory series of actions (how to) that must be undertaken to satisfy specific requirements of the CDM modalities and procedures. Procedures are written to ensure that project participants and designated operational entities (DOEs) comply with the applicable decisions or standards issued by the CMP and/or Board in a uniform and consistent way. satisfy requirements in an agreed, uniform and consistent way. Procedures are designed to achieve a uniform approach to compliance with the applicable decisions or standards issued by the CMP and/or the Board. Procedures relate to processes in the project activity cycle, and include, for example, rules of procedure of the Board, procedures for establishing panels and working groups and the terms of reference for panels and working groups and also include rules of procedures and terms of references for established advisory bodies;
- (i) **Rules of Procedure:** Set of rules adopted by a meeting to governing the work of a constituted body, including the procedures for decision-making, voting and participation;
- (ii) **Terms of Reference:** Terms of reference outline the mandate, purposes, functions, responsibilities, and scope of work of a body or individual.
- (c) **Guidelines:** A guidelines contains supplemental information such as acceptable methods for satisfying requirements described in procedures or standards. Guidelines are designed to achieve a uniform approach to compliance with the applicable standards or procedures issued by the CMP and/or the Board;
- (d) **Clarifications:** A clarifications are issued to alleviate confusion that has arisen relating to the application of a standard or procedure and can be published within the main body of the meeting report. Clarifications are designed to achieve a uniform approach to compliance with the applicable standards or procedures issued by the CMP



and/or the Board. Clarifications are transitory in nature, pending the next subsequent revision of the related standard or procedure which takes into account and incorporates the clarification;

- (e) **Forms:** Forms do not contain regulatory decisions of the Board. However, they are included within this section of definitions document types because they are used to facilitate the submission of data or information required in a recurring, standardized business process within the CDM project cycle. A form contains pre-defined data fields and fields where additional data is to be filled in by project participants. Completing and submitting forms is part of a mandatory series of actions (how to), usually required by established within a procedure.

2. Rulings

7. Rulings of the Board relating to the observance compliance with the modalities and procedures for the CDM as defined in Article 12 of the Kyoto Protocol are published as annexes to the Board meeting report and include the following categories included in the main body of the meeting reports, and relate to accreditation and project cycle activities, such as:

- (a) **Accrediting operational entities:** Includes rulings resulting in recommendations to the CMP for the designation of operational entities such as: accrediting and provisionally designating entities for section specific validation/certification functions; rulings relating to outcomes and recommendations of the CDM-AP on spot-checks;
- (b) **Approving methodologies:** Includes rulings relating to requests for approval of methodologies; requests for clarifications to approved methodologies and/or tools; requests for revisions to approved methodologies; requests for consolidation of methodologies, requests for deviations to approved methodologies;
- (c) **Registering project activities:** Includes rulings relating to the registration of CDM project activities, such as requests for review; projects under review; projects to be registered with corrections following consideration of a request for review or after a review; requests for review for renewal of the crediting period; projects under review for renewal of a crediting period;
- (d) **Issuing certified emissions reduction units:** Includes rulings relating to the issuance of certified emission reduction units and the CDM registry, such as requests for review; projects under review; issuance of CERs with corrections following consideration of a request for review or after a review; requests for deviations; requests for revisions of monitoring plan.

8. Additional information relating to rulings of the Board can also be found in the scope of review notes, which are published as annexes to the meeting reports of the Board:

- (a) **Scope of Review Note:** A scope of review note is a type of information note outlining the boundaries of a review to be undertaken in relation to a specific project activity.
- (b) The secretariat publishes, in the case of a negative ruling by the Board relating to a request for registration of a project activity, or the issuance of certified emission reduction units (CERs), an **information note** providing background, issues considered by the Board and the conclusion reached. Although these information notes are not part of



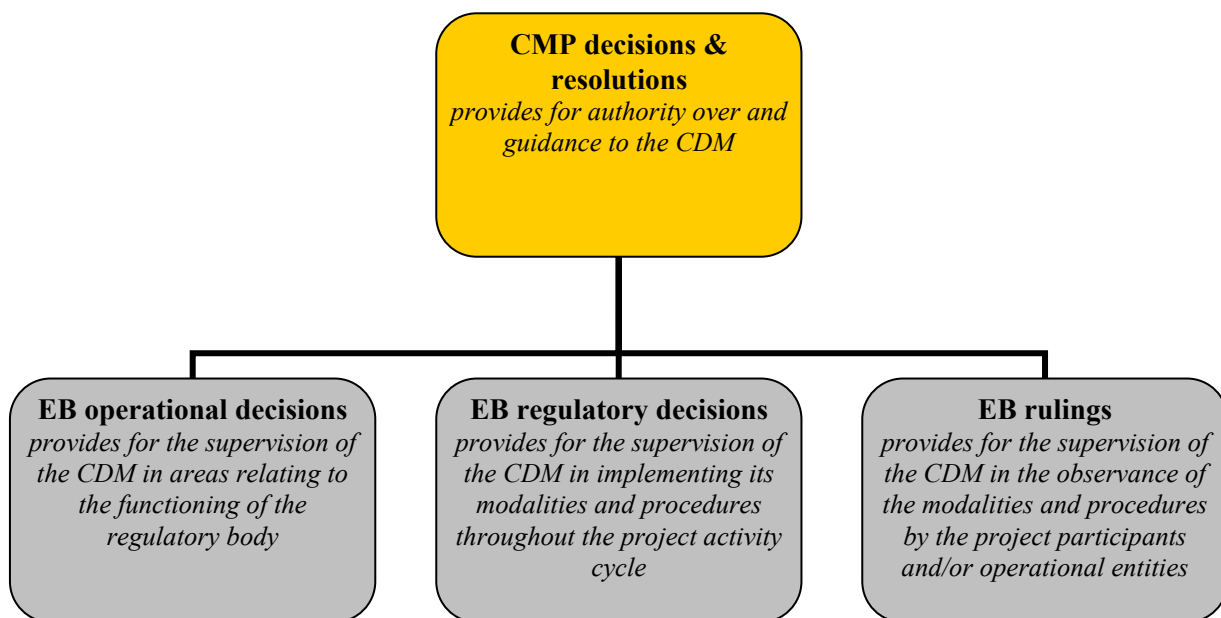
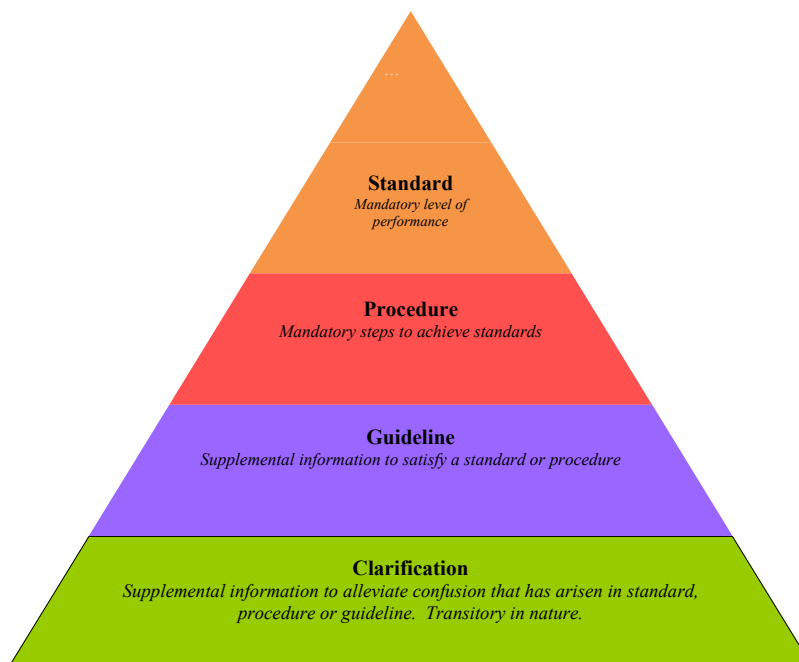
the documentation issued by the Board, they are included in this section of decision class because they relate to rulings of the Board.

3. Decisions of an Operational decisions nature

9. ~~Decisions of an Operational~~ (or administrative) ~~decisions nature are intended to~~ ensure the successful running of the Board and cover matters such as: meeting agendas and reports; ~~calendar~~ **schedule** of meetings; attendance by observers at meetings; the management of documentation of the Board and/or project activity cycle; finance and administration (management action plan, fee payments, etc); work programmes and priorities; establishment of panels, working groups, rosters of experts, committees and/or other subsidiary bodies; liaison with other bodies; calls for input; commissioning of technical reports; recommending and reporting to the CMP on the running of the Board and its programmes of work; and other matters of an operational or administrative nature.

10. ~~Decisions of an operational nature, when not published within the main body of the meeting reports of the Board, are published within the meeting reports of the Board or as annexes to the reports under one of the following document types: under one of the many document types issued by the Board. A complete listing of document types issued by the Board was approved by the Board at its forty fifth meeting (annex 73).~~

- (a) **Information Notes:** An information note is a short message containing facts relating to a particular subject including the ~~calendar~~ schedule of upcoming meetings, budget information, work programmes, and other information of an operational or administrative nature;
- (b) ~~Instructions: An instruction is a message containing precise information on how to complete a step in an action.~~
- (b) **Glossaries:** A glossary is an alphabetical list of ~~technical~~ terms relating to the CDM issued by the Board to facilitate a common understanding of terminology used in Board documentation;
- (c) **Recommendations:** A recommendation is a document endorsing, approving, supporting, providing options or recommending a course of action. Recommendations from the Board to the COP/MOP may be published as annexes to the meeting reports and are included in the annual report to the COP/MOP.

Diagram I: Classification of Decisions**Diagram II: Hierarchy of Regulatory Decisions**

**History of the document**

Version	Date	Nature of revision
02	EB 53, Annex 38 26 March 2010	Changes were made to tighten up definitions, remove unused document types and combine the decision hierarchy and the different document types, issued by the Board, into one document. This document replaces CDM Executive Board Decision Framework: Decision Hierarchy and Definitions (EB 47 Report, Annex 61) and incorporates the information contained in Definition of document types issued by the Board (EB 49 Report, Annex 31), and thus replaces this document as well.
01	EB 47, Annex 61 28 May 2008	Initial adoption.

Decision Class: Operational
Document Type: Information Note
Business Function: Governance