



### Annex 3

## STANDARD FOR THE DEVELOPMENT OF ELIGIBILITY CRITERIA FOR THE INCLUSION OF A PROJECT ACTIVITY AS A CPA UNDER THE POA

(Version 01.0)

### I. Background

1. In decision 3/CMP.6 paragraph 4, Parties requested the clean development mechanism (CDM) Executive Board (hereinafter referred to as the Board) to “reassess its existing regulations related to programmes of activities in order to further clarify the application of existing rules regarding the demonstration of additionality to programmes of activities and the definition of eligibility criteria for the inclusion of component project activities in a programme of activity”.
2. At its sixtieth meeting, the Board took note of a summary of public inputs to the call on programmes of activities (PoAs) launched at the fifty-ninth meeting of the Board and agreed to a work programme that envisaged the consideration at its sixty-third meeting of a draft standard for the development of eligibility criteria for the inclusion of CDM project activities (CPAs).
3. This standard is prepared in response to the request by the Board at its sixtieth meeting (see also EB 60, annex 27).

### II. Definitions, scope and applicability

#### A. Scope and applicability

4. This standard is applicable to coordinating/managing entities (CMEs) to develop eligibility criteria for inclusion of a project activity as a CPA under the PoA and to designated operational entities (DOEs) when validating the eligibility criteria of a PoA. This standard also applies when updating eligibility criteria.

#### B. Definitions

5. For the purpose of this standard, all definitions contained in “Procedures for registration of a programme of activities as a single CDM project activity and issuance of CERs for a PoA” are applicable.

### III. Requirements

#### A. Requirements for the development of eligibility criteria

6. The CMEs shall develop eligibility criteria for inclusion of a CPA under the PoA and shall include these criteria in the PoA design documents (CDM-PoA-DD, CDM-SSC-PoA-DD, CDM-PoA-DD-AR, or CDM-PoA-DD-SSC-AR) and demonstrate their usability to assess the inclusion of CPAs in the generic CDM-CPA-DD.
7. The eligibility criteria shall be verifiable.
8. The validating DOE shall determine whether the eligibility criteria are sufficiently objective and comprehensive to permit the assessment of the inclusion of CPAs in the PoA.
9. The CMEs shall have the competencies to check the features of potential CPAs and ensure



that each CPA meets all requirements and eligibility criteria before inclusion in the registered PoA. The CMEs shall develop and implement a management system that includes the following:

- (a) Clear definition of roles and responsibilities of personnel involved in the process of inclusion of CPAs, including a review of their competencies made available to the DOE at the time of validation of the PoA;
- (b) Records of arrangements for training and capacity development for personnel made available to the DOE at the time of validation of the PoA;
- (c) Procedures for technical review of inclusion of CPAs made available to the DOE at the time of validation of the PoA;
- (d) A procedure to avoid double counting (e.g. to avoid the case of including a new CPA that has already been registered either as a CDM project activity or as a CPA of another PoA);
- (e) Records and documentation control process for each CPA under the PoA, made available to the DOE at the time of request for inclusion of the CPA;
- (f) Measures for continual improvements of the PoA management made available to the DOE at the time of validation of the PoA;
- (g) Any other relevant elements.

10. The DOE shall assess the elements of the management system referred to in paragraph 9 as part of the validation of the PoA or as part of the validation of the CPA inclusion.

11. The CPAs shall be included in the PoA on the basis that the DOE has confirmed the eligibility of CPAs, where applicable undertaking sample-based checks in accordance with approved guidelines/standard from the Board.

12. In the case of PoAs involving combinations of technologies/measures and/or methodologies, distinct eligibility criteria shall be proposed per combination applied as indicated in paragraph 11(a) to 11(d) of the “Standard for application of multiple CDM methodologies for a programme of activities”.

13. The eligibility criteria shall cover as a minimum the following<sup>1</sup>:

- (a) The geographical boundary of the CPA including any time-induced boundary<sup>2</sup> consistent with the geographical boundary set in the PoA;
- (b) Conditions that avoid double counting of emission reductions like unique identifications of product and end-user locations (e.g. programme logo);
- (c) The specifications of technology/measure including the level and type of service, performance specifications including compliance with testing/certifications;

<sup>1</sup> Validating DOE and/or the CDM Executive Board may specify additional criteria depending on the specific characteristics of a PoA.

<sup>2</sup> For example, an emission factor for electricity generation is dependent on the boundaries of regional or state or sub-regional grids.



- (d) Conditions to check the start date of the CPA through documentary evidence;
- (e) Conditions that ensure compliance with applicability and other requirements of single or multiple methodology/ies applied by CPAs;
- (f) The conditions that ensure that CPAs meet the requirements pertaining to the demonstration of additionality (please refer to the latest approved version of the “Standard for demonstration of additionality of a programme of activities”);
- (g) The PoA-specific requirements stipulated by the CMEs including any conditions related to undertaking local stakeholder consultations and environmental impact analysis;<sup>3</sup>
- (h) Where applicable, target group (e.g. domestic/commercial/industrial, rural/urban, grid-connected/off-grid) and distribution mechanisms (e.g. direct installation);<sup>4</sup>
- (i) Where applicable, the conditions related to sampling requirements for a PoA in accordance with the approved guidelines/standard from the Board pertaining to sampling and surveys;
- (j) Where applicable, the conditions that ensure that CPA in aggregate meets the small-scale or micro-scale threshold criteria (please refer to the latest approved version of the “Guidelines for demonstrating additionality of microscale project activities” and the latest approved version of the “General Guidelines to SSC CDM methodologies”) and remain within those thresholds throughout the crediting period of the CPA;
- (k) Where applicable, the requirements for the debundling check, in case CPAs belong to small-scale (SSC) or microscale project categories (please refer to the latest approved version of the “Guidelines on assessment of debundling for SSC project activities”);
- (l) Conditions to provide an affirmation that funding from Annex I parties, if any, does not result in a diversion of official development assistance.

#### **B. Requirements for updating eligibility criteria**

14. If the version of methodology/ies applied by the PoA is revised or replaced, subsequent to being placed on hold, CMEs shall update the eligibility criteria to the requirements of the revised or new methodology/ies with immediate effect and include them in a new version of the PoA DD (e.g. version 1.1) and new generic CDM-CPA-DD validated<sup>5</sup> by a DOE, and shall submit it to the Board for approval.

- (a) Once changes have been approved by the Board, the inclusion of all new CPAs shall be based on the updated eligibility criteria applying the new generic CDM-CPA-DD;

<sup>3</sup> See also paragraph 6 (m) of “Procedures for registration of a programme of activities as a single CDM project activity and issuance of CERs for a PoA”.

<sup>4</sup> This is to re-test the validity of assumptions made at the PoA level. For example, in a lighting efficiency application, lighting usage hours of 3.5 hours per day would be valid if the target group is residences/households. Usage hours would be different in commercial applications and vice versa.

<sup>5</sup> In this case the stakeholder consultation is not required.



- (b) CPAs that were included before the methodology was put on hold shall apply the revised version of the generic CDM-CPA-DD only at the time of the renewal of the crediting period.
15. No action is required if the version of methodology/ies applied by the PoA is revised without being placed on hold or is withdrawn for the purpose of inclusion in a consolidated methodology/ies unless otherwise indicated in the respective report of the meeting of the Board that has approved the new methodology/ies.
16. If the boundary of the PoA is amended post-registration to expand the geographic coverage or to include an additional host Party/ies, the CMEs shall update the eligibility criteria to reflect the consequent changes and include them in a new version of the PoA DD (e.g. version 1.2) and new generic CDM-CPA-DD validated by a DOE, and shall submit it to the Board for approval.
- (a) Once changes have been approved by the Board, the inclusion of all new CPAs shall be based on the updated eligibility criteria applying the new generic CDM-CPA-DD;
- (b) CPAs that were included before the boundary of the PoA was amended shall apply the revised eligibility criteria only at the time of the renewal of the crediting period.
17. The revision of eligibility criteria of a registered PoA may be initiated by the Board at any time during the lifetime of the PoA if any significant problem is identified.
- (a) In case the revision of the eligibility criteria of a PoA is requested by the Board, the CME shall update them to reflect the consequent changes and include them in a new version of the PoA DD (e.g. version 1.2) and new generic CDM-CPA-DD validated by a DOE, and shall submit it to the Board for approval;
- (b) Once changes have been approved by the Board, the inclusion of all new CPAs shall be based on the updated eligibility criteria applying the new generic CDM-CPA-DD;
- (c) CPAs that were included before the revision of the eligibility criteria shall apply the revised eligibility criteria only at the time of the renewal of the crediting period.
18. At the renewal of the crediting period of a PoA (at the renewal of the first CPA), the CMEs shall update the eligibility criteria as per the latest revised applicable methodology/ies and include them in a new version of the PoA DD (e.g. version 1.3) and new generic CDM-CPA-DD validated<sup>6</sup> by a DOE, and shall submit it to the Board for approval.
- (a) Once changes have been approved by the Board, the inclusion of all new CPAs shall be based on the revised eligibility criteria;
- (b) The subsequent CPAs requesting the renewal of the crediting period shall apply the revised version of the generic CDM-CPA-DD.

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<sup>6</sup> In this case, the stakeholder consultation is not required.



## History of the document

Version	Date	Nature of revision
01.0	EB 63, Annex 3 29 September 2011	Initial adoption.
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