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**REVIEW OF THE IMPLEMENTATION OF COMMITMENTS AND OF OTHER
PROVISIONS OF THE CONVENTION**

**PREPARATIONS FOR THE FIRST SESSION OF THE CONFERENCE OF
THE PARTIES SERVING AS THE MEETING OF THE PARTIES TO THE
KYOTO PROTOCOL (DECISION 8/CP.4)**

Consolidated negotiating text proposed by the President

Addendum

**DECISIONS CONCERNING MECHANISMS PURSUANT TO
ARTICLES 6, 12 AND 17 OF THE KYOTO PROTOCOL**

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Draft decision -/CP.6 (*Mechanisms*)

**Principles, nature and scope of the mechanisms pursuant to
Articles 6, 12 and 17 of the Kyoto Protocol**

The Conference of the Parties,

Recalling its decision 1/CP.3, in particular paragraphs 5 (b), (c) and (e),

Further recalling its decisions 7/CP.4, 8/CP.4, 9/CP.4 and 14/CP.5, as appropriate,

Being guided by Articles 2 and 3 of the Convention,

Stressing that Parties included in Annex I are to meet their commitments under Article 3, paragraph 1, of the Kyoto Protocol chiefly through domestic action since 1990,

Emphasising that the Parties included in Annex I shall implement and/or further elaborate policies and measures in accordance with national circumstances and with a view to reducing inequalities in per capita emissions between developed and developing country Parties,

Further emphasising that environmental integrity is to be achieved through sound modalities, rules and guidelines for the mechanisms, strict principles and rules governing land-use, land-use change and forestry activities and a strong compliance regime,

Recognizing that Parties included in Annex I are to refrain from using nuclear facilities for generating emission reduction units and certified emission reductions,

Further recognizing that the Kyoto Protocol has not created or bestowed any right, title or entitlement to emissions of any kind on Parties included in Annex I which may affect the consideration of, or decision-making on, commitments for subsequent commitment periods,

Being aware of decisions -/CP.6 (*Article 6*), -/CP.6 (*Article 12*), -/CP.6 (*Article 17*), -/CP.6 (*Compliance*) and -/CP.6 (*Modalities for accounting of assigned amounts*),

1. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session, adopt the following decision:

Decision -/CMP.1 (*Mechanisms*)

**Principles, nature and scope of the mechanisms pursuant to
Articles 6, 12 and 17 of the Kyoto Protocol**

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling decision 1/CP.3, in particular paragraphs 5 (b), (c) and (e),

Further recalling decisions 7/CP.4, 8/CP.4, 9/CP.4, 14/CP.5, -/CP.6 (Article 6), -/CP.6 (Article 12), -/CP.6 (Article 17), -/CP.6 (Compliance) and -/CP.6 (Modalities for the accounting of assigned amounts), as appropriate,

Being guided by Articles 2 and 3 of the Convention,

Stressing that environmental integrity is to be achieved through sound modalities, rules and guidelines for the mechanisms, strict principles and rules governing land-use, land-use change and forestry activities and a strong compliance regime,

Recognizing that Parties included in Annex I are to refrain from using nuclear facilities for generating emission reduction units and certified emission reductions,

Further recognizing that the Kyoto Protocol has not created or bestowed any right, title or entitlement to emissions of any kind on Parties included in Annex I which may affect the consideration of, or decision-making on, commitments for subsequent commitment periods,

Being aware of its decisions -/CMP.1 (Article 6), -/CMP.1 (Article 12) and -/CMP.1 (Article 17) and -/CMP.1 (Modalities for accounting of assigned amounts),

1. *Decides* that Parties included in Annex I are to meet their commitments under Article 3, paragraph 1, of the Kyoto Protocol chiefly through domestic action since 1990;
2. *Further decides that* the Parties included in Annex I shall implement and/or further elaborate policies and measures in accordance with national circumstances and with a view to reducing inequalities in per capita emissions between developed and developing country Parties;
3. *Requests* the Parties included in Annex I to provide relevant qualitative and quantitative information in relation to operative paragraphs 1 and 2 above in accordance with Article 7 of the Kyoto Protocol, for review under its Article 8;
4. *Further requests* the facilitative branch of the compliance committee to address questions of implementation with respect to operative paragraphs 1 and 2 above;
5. *Decides* that provisions on the use of the mechanisms shall apply individually to the Parties acting under Article 4;
6. *Decides* that emission reduction units, certified emission reductions and assigned amount units under Articles 6, 12 and 17 of the Kyoto Protocol being used towards meeting commitments under Article 3, paragraph 1, can be added to and subtracted from the assigned amounts of Parties included in Annex I without altering their quantified emission limitation and reduction commitments as inscribed in Annex B. Emission reduction units, certified emission reductions and assigned amount units may be carried over to meet commitments in the subsequent commitment period.

Draft decision -/CP.6 (Article 6)

Guidelines for the implementation of Article 6 of the Kyoto Protocol

The Conference of the Parties,

Being aware of its decisions -/CP.6 (Mechanisms), -/CP.6 (Article 12), -/CP.6 (Article 17), -/CP.6 (Compliance), and -/CP.6 (Modalities for the accounting of assigned amounts),

1. *Urges* the Parties included in Annex II to facilitate the participation in projects under Article 6 of Parties included in Annex I with commitments inscribed in Annex B that are undergoing the process of transition to a market economy;
2. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session, adopt the following decision:

Decision -/CMP.1 (Article 6)

Guidelines for the implementation of Article 6 of the Kyoto Protocol

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Being aware of its decisions -/CMP.1 (Mechanisms), -/CMP.1 (Article 12), -/CMP.1 (Article 17) and -/CMP.1 (Modalities for accounting of assigned amounts) and decision -/CP.6 (Compliance),

1. *Decides* to confirm and give full effect to any actions taken pursuant to decision -/CP.6 (Article 6) and to any other relevant decisions by the Conference of the Parties, as appropriate;
2. *Decides* to adopt the guidelines for the implementation of Article 6 of the Kyoto Protocol contained in the annex below;
3. *Requests* the Subsidiary Body for Scientific and Technological Advice to prepare the appendices to the annex below, taking fully into account work from the executive board of the clean development mechanism, as appropriate, for the consideration of the Conference of the Parties;
4. *Decides* that projects under Article 6 aimed at enhancing anthropogenic removals by sinks shall conform to definitions, accounting rules, modalities and guidelines for Article 3, paragraphs 3 and 4, of the Kyoto Protocol;
5. *Decides* that projects starting as of the year 2000 may be eligible as Article 6 projects and may generate emission reduction units as of the year 2008 if they meet the requirements of the guidelines for the implementation of Article 6 of the Kyoto Protocol as set out in the annex below;

6. *Urges* the Parties included in Annex II to facilitate the participation in Article 6 projects of Parties included in Annex I with commitments inscribed in Annex B that are undergoing the process of transition to a market economy;

7. *Decides* that any administrative costs arising from procedures contained in the annex below shall be borne by the project participants according to specifications to be determined by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

8. *Decides further* that any future revision of the guidelines shall be decided in accordance with the rules of procedure of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol as applied. The first review shall be carried out no later than one year after the end of the first commitment period, based on recommendations by the Subsidiary Body for Implementation drawing on technical advice of the Subsidiary Body for Scientific and Technological Advice, as needed. Further reviews shall be carried out periodically thereafter. Revisions shall not affect ongoing Article 6 projects.

ANNEX

Guidelines for the implementation of Article 6 of the Kyoto Protocol

A. Definitions

1. For the purpose of this annex, the definitions contained in Article 1¹ and the provisions in Article 14 shall apply. Furthermore:

(a) An “emission reduction unit” or “ERU” is a unit issued pursuant to the relevant provisions on registries in decision -/CMP.1 (*Modalities for the accounting of assigned amounts*), 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;

(b) A “certified emission reduction” or “CER” is a unit issued pursuant to Article 12 and requirements thereunder, 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;

(c) An “assigned amount unit” or “AAU” is a unit issued pursuant to the relevant provisions on registries in decision -/CMP.1 (*Modalities for the accounting of assigned amounts*), 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;

(d) “Stakeholders” means the public, including individuals, groups or communities affected or likely to be affected, by the project.

B. Role of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

2. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP) shall provide guidance regarding the implementation of Article 6 and exercise authority over an Article 6 supervisory committee.

C. Article 6 supervisory committee

3. The Article 6 supervisory committee shall be established by the COP/MOP to supervise the verification of ERUs referred to in section E and be responsible for:

(a) Reporting on its activities to each session of the COP/MOP;

(b) The accreditation of independent entities in accordance with standards and procedures contained in Appendix A below;

(c) The elaboration of standards and procedures for the accreditation of independent entities in Appendix A below, for consideration by the COP/MOP, taking fully

¹ “Article” refers in this annex to an article of the Kyoto Protocol, unless otherwise specified.

into account relevant work of the executive board of the clean development mechanism (CDM);

(d) The elaboration of reporting guidelines and criteria for baselines, monitoring, and crediting periods in Appendix B below, for consideration by the COP/MOP, taking fully into account relevant work of the executive board of the CDM;

(e) The review procedure set out in paragraph 28;

(f) The elaboration of its rules of procedure, for consideration by the COP/MOP, taking fully into account those of the executive board of the CDM.

4. The Article 6 supervisory committee shall comprise ten members from Parties to the Kyoto Protocol, as follows:

(a) One member from each of the five United Nations regional groups plus one member to represent the small island developing States;

(b) Two other members from the Parties² included in Annex I;

(c) Two other members from the Parties not included in Annex I.

5. Members of the Article 6 supervisory committee shall be nominated by the relevant constituencies referred to in paragraph 4 and be elected by the COP/MOP. The COP/MOP shall elect five members for a term of two years and five members for a term of four years to the Article 6 supervisory committee. Every two years thereafter, the COP/MOP shall elect five new members for a term of four years.

6. Members of the Article 6 supervisory committee may be eligible to serve a maximum of two consecutive terms.

7. The Article 6 supervisory committee shall elect annually a chairperson and vice-chairperson from amongst its members, with one being from a Party included in Annex I and the other being from a Party not included in Annex I. The chairperson and vice-chairperson shall alternate annually between a member from a Party included in Annex I and member from a Party not included in Annex I.

8. The COP/MOP will elect an alternate member for each member of the Article 6 supervisory committee based on the criteria in paragraphs 4, 5 and 6 above.

9. The Article 6 supervisory committee shall meet at least two times each year, whenever possible in conjunction with the meetings of the subsidiary bodies, unless decided otherwise.

10. Members of the Article 6 supervisory committee shall:

(a) Serve in their personal capacities and shall have recognized competence relating to climate change issues and in relevant technical and policy fields;

(b) Have no pecuniary or financial interest in any aspect of any Article 6 project before the Article 6 supervisory committee;

² In the context of this annex, "Party" refers to a Party to the Kyoto Protocol, unless otherwise specified.

(c) Not disclose any confidential information obtained by reason of their duties for the Article 6 supervisory committee. The duty of a member not to disclose confidential information constitutes an obligation in respect to that member and shall remain an obligation after the expiration or termination of that member's function on the Article 6 supervisory committee.

11. The Article 6 supervisory committee may suspend and recommend to the COP/MOP the termination of the membership of a particular member for cause, including *inter alia*, breach of the conflict of interest and breach of confidentiality provisions.

12. The adoption of decisions by the Article 6 supervisory committee shall require a quorum of at least three fourths of the members.

13. Decisions by the Article 6 supervisory committee shall be adopted by consensus. If all efforts at reaching a consensus have been exhausted and no agreement has been reached, decisions shall as a last resort be adopted by a three-fourths majority vote of the members present and voting at the meeting.

14. The secretariat shall be servicing the Article 6 supervisory committee.

D. Participation requirements

15. A Party involved in an Article 6 project shall inform the secretariat of:

(a) Its designated focal point for approving projects pursuant to Article 6, paragraph 1 (a);

(b) Its national guidelines and procedures for approving Article 6 projects, including the consideration of stakeholders' comments, as well as monitoring and verification.

16. A Party included in Annex I may issue, transfer and acquire ERUs, in accordance with the relevant provisions, if it is in compliance with the following requirements:

(a) It is a Party to the Kyoto Protocol;

(b) It is a Party to the "Agreement on Procedures and Mechanisms on Compliance supplementing the Kyoto Protocol to the United Nations Framework Convention on Climate Change";

(c) It has submitted its report to facilitate the establishment of its assigned amount pursuant to Article 3, paragraphs 7 and 8, and to demonstrate its capacity to account for its emissions and assigned amount, in accordance with the modalities for the accounting of assigned amount under Article 7, paragraph 4;

(d) It has submitted its annual inventory in accordance with Article 5, paragraph 2, incorporating the supplementary information under Article 7, paragraph 1, and the requirements in the guidelines thereunder, for each year following the submission of the report referred to in subparagraph (c).

17. A Party included in Annex I with a commitment inscribed in Annex B shall be considered to:

(a) Meet the eligibility requirements 16 months after it has submitted the report referred to paragraph 16 (c), unless the compliance committee finds, in accordance with decision -/CP.6 (*Compliance*), that the Party does not meet these requirements, or, at an earlier date, if the compliance committee has decided that it is not proceeding with any questions of implementation relating to these requirements and has transmitted this information to the secretariat;

(b) Continue to meet the eligibility requirements unless and until the compliance committee decides that the Party does not meet one or more of the eligibility requirements, has suspended the Party from transferring and/or acquiring ERUs, CERs and AAUs and has transmitted this information to the secretariat.

18. Where it is considered to meet the eligibility requirements set out in paragraph 16 above, a host Party may verify reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks from an Article 6 project as being additional to any that would otherwise occur, in accordance with Article 6, paragraph 1 (b). Upon such verification, the host Party may issue the appropriate quantity of ERUs in accordance with the relevant provisions of decision -/CMP.1 (*Modalities for the accounting of assigned amounts*).

19. Where a host Party does not meet the eligibility requirements set out in paragraph 16, the verification of reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks from an Article 6 project as being additional to any that would otherwise occur, in accordance with Article 6, paragraph 1 (b), shall occur through the verification procedure under the Article 6 supervisory committee, as set out in paragraphs 25 to 29. The host Party may however only issue and transfer ERUs upon meeting the requirements in paragraph 16.

20. A host Party which meets the requirements in paragraph 16 may at any time elect to use the verification procedure under the Article 6 supervisory committee.

21. The provisions in Article 6, paragraph 4, shall pertain, *inter alia*, to the requirements of paragraph 16.

22. The secretariat shall maintain a publicly accessible list of Parties that meet the eligibility requirements and that have been suspended in accordance with relevant provisions contained in decision -/CP.6 (*Compliance*).

23. A Party hosting an Article 6 project shall make publicly available, directly or through the secretariat, information on the project in accordance with the reporting guidelines set out in Appendix B below and the requirements contained in decision -/CMP.1 (*Modalities for the accounting of assigned amounts*).

24. A Party that authorizes legal entities to participate in Article 6 projects shall remain responsible for the fulfilment of its obligations under the Kyoto Protocol and shall ensure that such participation is consistent with this annex. Legal entities may only participate in those activities under Article 6 in which the authorizing Party is eligible to participate at that time.

E. Verification procedure under the Article 6 supervisory committee

25. The verification procedure under the Article 6 supervisory committee is the determination by an independent entity, accredited pursuant to Appendix A below, of whether a project and the ensuing reductions anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks meet the relevant requirements of Article 6 and these guidelines.

26. Project participants shall submit to an accredited independent entity:

(a) A project design document that contains all information needed for the determination of whether the project has been approved by the Parties involved and has an appropriate baseline, monitoring plan and crediting period, in accordance with the criteria set out in Appendix B below;

(b) A report on reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks in accordance with the monitoring plan.

27. The accredited independent entity shall:

(a) Make the project design document publicly available through the secretariat, subject to confidentiality provisions set out in paragraph 29;

(b) Receive comments from Parties, stakeholders and UNFCCC accredited observers on the project design document and any supporting information for 30 days from the date the project design document is made publicly available;

(c) Determine whether the project has a baseline, monitoring plan and crediting period in accordance with the criteria set out in Appendix B below;

(d) Make its determination under subparagraph (c) publicly available through the secretariat, together with an explanation of its reasons, including a summary of comments received and a report of how due account was taken of these;

(e) Upon receipt of a report referred to under paragraph 26 (b), determine reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks reported by project participants in accordance with Appendix B below, provided that they were monitored and calculated in accordance with the baseline, monitoring plan and crediting period;

(f) Make its determination under subparagraph (e) publicly available through the secretariat, together with an explanation of its reasons.

28. A determination regarding a project design document or on reported reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks shall be deemed final 60 days after the date on which it is made public, unless a Party involved in the project or one fourth of the members of the Article 6 supervisory committee request a review by the Article 6 supervisory committee. If such a review is requested, the Article 6 supervisory committee shall review the determination as soon as possible, but no later than at the second meeting following the request for review. The Article 6 supervisory committee shall make its decision publicly available. Its decision shall be final.

29. Information obtained from 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 COP/MOP. Information used to determine whether reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks are additional, to describe the baseline methodology and its application, and to support an environmental impact assessment shall not be considered as proprietary or confidential.

30. Any provisions relating to the commitment period reserve or other limitations to transfers under Article 17 shall not apply to transfers of ERUs that were verified in accordance with the verification procedure under the Article 6 supervisory committee.

APPENDIX A

Standards and procedures for the accreditation of independent entities

APPENDIX B

Reporting guidelines and criteria for baselines, monitoring and crediting periods

Draft decision -/CP.6 (Article 12)

**Modalities and procedures for a clean development mechanism
as defined in Article 12 of the Kyoto Protocol**

The Conference of the Parties,

Recalling that in Article 12 of the Kyoto Protocol a clean development mechanism is defined with the purpose to assist Parties not included in Annex I to the Convention 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 of the Kyoto Protocol,

Being aware of its decision -/CP.6 (*Mechanisms*),

Bearing in mind the need to promote equitable geographic distribution of clean development mechanism project activities at regional and subregional levels,

Emphasizing that clean development mechanism project activities shall lead to the transfer of environmentally safe and sound technology in addition to that required under Article 4, paragraph 5, of the Convention and Article 10 of the Kyoto Protocol,

Further emphasizing that public funding for clean development mechanism project activities from Parties included in Annex I is not to result in a diversion of official development assistance and is to be separate from and not counted towards the financial obligations of Parties included in Annex I,

Recognizing the need for guidance to project participants and designated operational entities, in particular for establishing reliable, transparent baselines to assess whether clean development mechanism project activities are in accordance with the additionality criterion in Article 12, paragraph 5 (c), of the Kyoto Protocol, and whether similar projects are being implemented which would meet the technological and investment needs pursuant to the sustainable development priorities of the host Party,

1. *Decides* to facilitate the prompt start of a clean development mechanism by adopting the modalities and procedures contained in the annex below;
2. *Decides* that, for the purposes of this decision, the Conference of the Parties shall assume the responsibilities of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol as set out in the annex below on modalities and procedures, until the decision referred to in paragraph 17 is adopted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
3. *Decides* that this decision shall remain in effect until the decision referred to in paragraph 17 is adopted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

4. *Invites* nominations for membership in the executive board:

(a) For facilitating the prompt start of the clean development mechanism, from signatories to the Kyoto Protocol, to be submitted to the President of the Conference of the Parties prior to its seventh session, with a view to the Conference of the Parties electing the members of the executive board at that session; and

(b) Upon entry into force of the Kyoto Protocol, from Parties to the Kyoto Protocol, to be submitted to the President of the Conference of the Parties, prior to the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, with a view to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol electing the members of the executive board at that session, in accordance with the modalities and procedures in the annex below;

5. *Decides* that, prior to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol adopting the decision referred to in paragraph 17, the executive board and any designated operational entities shall operate in the same manner as the executive board and designated operational entities of the clean development mechanism as set out in the annex below;

6. *Decides* that the executive board shall convene its first meeting immediately upon the election of its members;

7. *Decides* that the executive board shall include in its workplan until the eighth session of the Conference of the Parties, *inter alia*, the following tasks:

(a) Develop and agree on its rules of procedure and recommend them to the Conference of the Parties for adoption, applying draft rules until then;

(b) Accredite operational entities and designate them, on a provisional basis, pending the designation by the Conference of the Parties at its eighth session;

(c) Develop and adopt simplified modalities and procedures for small-scale clean development mechanism project activities which are, *inter alia*:

(i) Renewable energy project activities with a maximum output capacity equivalent of up to 15 megawatts (or an appropriate equivalent), or;

(ii) Energy efficiency improvement project activities which reduce useful energy consumption by up to the equivalent of five megawatts;

(d) Prepare recommendations on any relevant matter, including on Appendix C to the annex below, for consideration by the Conference of the Parties at its eighth session;

(e) Identify modalities for seeking collaboration with the Subsidiary Body for Scientific and Technological Advice on methodological and scientific issues;

8. *Decides* that land-use, land-use change and forestry projects implemented under the clean development mechanism, for the first commitment period, shall be limited to afforestation and reforestation and shall be subject to the modalities referred to in paragraph 9 and relevant decisions of the Conference of the Parties, until the decision referred to in

paragraph 17 is adopted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

9. *Requests* the Subsidiary Body for Scientific and Technical Advice to draw on existing and, if necessary, further methodological and scientific work by experts from its roster and the Intergovernmental Panel on Climate Change to develop the modalities for including afforestation and reforestation projects under the clean development mechanism in the first commitment period, taking into account the issues of non-permanence, additionality, leakage, scale, uncertainties and socio-economic and environmental impacts, including impacts on biodiversity and natural ecosystems, and being guided by the principles in paragraphs 1, 3, 4 and 5 of decision -/CMP.1 (*LULUCF*), with a view to a decision being taken by the Conference of the Parties at its eighth session;

10. *Decides* that projects starting as of the year 2000 may be eligible for validation and registration as clean development mechanism project activities and may obtain certified emission reductions as of the date of adoption of this decision if they meet the requirements of modalities and procedures as set out in the annex below;

11. *Requests* Parties included in Annex I to start implementing measures to assist Parties not included in Annex I, in particular the least developed and small island developing States amongst them, with building capacity in order to facilitate their participation in the clean development mechanism, taking into account relevant decisions by the Conference of the Parties on capacity-building and on the financial mechanism of the Convention;

12. *Decides* that the share of proceeds to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation, as referred to in Article 12, paragraph 8, of the Kyoto Protocol, shall be two per cent of the certified emission reductions issued for a clean development mechanism project activity and be allocated to the adaptation fund established by decision -/CP.6 (*Funding and resource levels*). Clean development mechanism project activities in least developed country Parties shall be exempt from the share of proceeds to assist with the costs of adaptation;

13. *Decides* that the level of the share of proceeds to cover administrative expenses of the clean development mechanism shall be determined by the Conference of the Parties upon the recommendation of the executive board;

14. *Invites* Parties to finance the administrative expenses for operating the clean development mechanism by making contributions to the UNFCCC Trust fund for supplementary activities. Such contributions shall be reimbursed, if requested, in accordance with procedures and a timetable to be determined by the Conference of the Parties upon the recommendation of the executive board. Until the Conference of the Parties determines a percentage for the share of proceeds for the administrative expenses, the executive board shall charge a fee to recover any project related expenses;

15. *Requests* the secretariat to perform any functions assigned to it in this decision and the annex below;

16. *Decides*, until and unless the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol has adopted the decision referred to in paragraph 17, to assess progress made regarding the clean development mechanism and to take appropriate

action, as necessary. Any revision of the decision shall not affect clean development mechanism project activities already registered;

17. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session, adopt the following decision:

Decision -/CMP.1 (Article 12)

**Modalities and procedures for a clean development mechanism
as defined in Article 12 of the Kyoto Protocol**

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling the provisions of Articles 3 and 12 of the Kyoto Protocol,

Bearing in mind that, in accordance with Article 12, the purpose of the clean development mechanism is to assist Parties not included in Annex I to the Convention 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 of the Kyoto Protocol,

Being aware of its decisions -/CMP.1 (*Mechanisms*), -/CMP.1 (*Article 6*), -/CMP.1 (*Article 17*) and -/CMP.1 (*Modalities for accounting of assigned amounts*) and decision -/CP.6 (*Compliance*),

Cognizant of decision -/CP.6 on modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol,

1. *Decides* to confirm and give full effect to any actions taken pursuant to decision -/CP.6 (*Article 12*) and to any other relevant decisions by the Conference of the Parties, as appropriate;
2. *Adopts* the modalities and procedures for a clean development mechanism contained in the annex below;
3. *Invites* the executive board to review the project categories in decision -/CP.6 (*Article 12*), paragraph 7 (c) and, if necessary, recommend additional categories to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
4. *Decides further* that any future revision of the modalities and procedures for a clean development mechanism shall be decided in accordance with the rules of procedure of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol as applied. The first review shall be carried out no later than one year after the end of the first commitment period, based on recommendations by the Subsidiary Body for Implementation drawing on technical advice by the Subsidiary Body for Scientific and Technological Advice, as needed. Further reviews shall be carried out periodically thereafter. Any revision of the decision shall not affect clean development mechanism project activities already registered.

ANNEX

Modalities and procedures for a clean development mechanism

A. Definitions

1. For the purpose of this annex, the definitions contained in Article 1¹ and the provisions in Article 14 shall apply. Furthermore:

(a) An “emission reduction unit” or “ERU” is a unit issued pursuant to the relevant provisions on registries in decision -/CMP.1 (*Modalities for the accounting of assigned amounts*), 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;

(b) A “certified emission reduction” or “CER” is a unit issued pursuant to Article 12 and requirements thereunder, 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;

(c) An “assigned amount unit” or “AAU” is a unit issued pursuant to the relevant provisions on registries in decision -/CMP.1 (*Modalities for the accounting of assigned amounts*), 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;

(d) “Stakeholders” means the public, including individuals, groups or communities affected, or likely to be affected, by the proposed clean development mechanism project activity.

B. Role of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

2. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP) shall have authority over and provide guidance to the clean development mechanism (CDM).

3. The COP/MOP shall consider the annual reports of, and provide guidance to, the executive board, by taking decisions on:

(a) The rules of procedure for the executive board;

(b) The recommendations made by the executive board, in accordance with provisions of decision -/CP.6 (*Article 12*) and this annex;

(c) The designation of operational entities accredited by the executive board in accordance with Article 12, paragraph 5 and accreditation standards contained in Appendix A below.

¹ “Article” refers in this annex to an article of the Kyoto Protocol, unless otherwise specified.

4. The COP/MOP shall further:

(a) Review the regional and subregional distribution of designated operational entities and take appropriate decisions to promote accreditation of such entities from developing country Parties;

(b) Review the regional and subregional distribution of CDM project activities with a view to identifying systematic barriers to their equitable distribution and take appropriate decisions, based, *inter alia*, on a report by the executive board;

(c) Assist in arranging funding of CDM project activities, as necessary.

C. Executive board

5. The executive board shall supervise the CDM, under the authority and guidance of the COP/MOP, and be fully accountable to the COP/MOP. In this context, the executive board shall:

(a) Make recommendations to the COP/MOP on the rules of procedure for the executive board;

(b) Report on its activities to each session of the COP/MOP;

(c) Make recommendations to the COP/MOP on further modalities and procedures for the CDM, as appropriate;

(d) Review provisions with regard to simplified modalities and procedures for small-scale CDM project activities and make recommendations to the COP/MOP;

(e) Be responsible for the accreditation of operational entities, in accordance with accreditation standards contained in Appendix A below, and make recommendations to the COP/MOP for the designation of operational entities, in accordance with Article 12, paragraph 5;

(f) Review and revise the accreditation standards in Appendix A below, as appropriate;

(g) Report to the COP/MOP on the regional and subregional distribution of CDM project activities with a view to identifying systemic barriers to their equitable distribution;

(h) Make publicly available relevant information, submitted to it for this purpose, on proposed CDM project activities in need of funding and on investors seeking opportunities, in order to assist in arranging funding of CDM project activities, as necessary;

(i) Approve new methodologies and guidelines related to, *inter alia*, baselines, monitoring plans and project boundaries in accordance with provisions of Appendix C below;

(j) Maintain and make publicly available a repository of approved rules, procedures, methodologies and standards;

(k) Develop and maintain the CDM registry as defined in Appendix D below;

(l) Develop and maintain a publicly available database of CDM project activities containing information on registered project design documents, comments received, verification reports, its decisions as well as on all CERs issued;

(m) Address issues related to the adherence to the modalities and procedures for a CDM in this annex, except for those in paragraph 30 and 31;

(n) Carry out any other functions ascribed to it in decision -/CP.6 (*Article 12*), this annex and relevant decisions of the COP/MOP.

6. 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 COP/MOP. Information used to determine additionality as defined in paragraph 41, to describe the baseline methodology and its application, and to support an environmental impact assessment, referred to in paragraph 35 (c), shall not be considered as proprietary or confidential;

7. The executive board shall comprise ten members from Parties to the Kyoto Protocol, as follows:

(a) One member from each of the five United Nations regional groups plus one member to represent the small island developing States;

(b) Two other members from the Parties² included in Annex I;

(c) Two other members from the Parties not included in Annex I.

8. Members of the executive board shall:

(a) Be nominated by the relevant constituencies referred to in paragraph 7 and elected by the COP/MOP. Vacancies shall be filled in the same way;

(b) Be elected for a period of four years and be eligible to serve a maximum of two consecutive terms. Five members shall be elected initially for a term of two years and five members for a term of four years. Every two years thereafter, the COP/MOP shall elect five new members for a term of four years. Appointment pursuant to paragraph 10 shall count as one term. The members shall remain in office until their successors are elected;

(c) Possess appropriate technical and/or policy expertise and shall act in their personal capacity. The cost of participation of members from developing country Parties shall be covered by the budget for the executive board;

(d) Be bound by the rules of procedure of the executive board;

(e) Take a written oath of service witnessed by the Secretary-General of the United Nations or his/her authorized representative before assuming his or her duties;

(f) Have no pecuniary or financial interest in any aspect of a CDM project activity;

² In the context of this annex, "Party" refers to a Party to the Kyoto Protocol, unless otherwise specified.

(g) Subject to their responsibilities to the executive board, not disclose any confidential or proprietary information coming to their knowledge by reason of their duties for the executive board. The duty of the member not to disclose confidential information constitutes an obligation in respect of that member and shall remain an obligation after the expiration or termination of that member's function for the executive board.

9. The executive board may suspend and recommend to the COP/MOP the termination of the membership of a particular member for cause including, *inter alia*, breach of the conflict of interest provisions, breach of the confidentiality provisions, or failure to attend two consecutive meetings of the executive board without proper justification.

10. If a member of the executive board resigns or is otherwise unable to complete the assigned term of office or to perform the functions of that office, the executive board may decide, bearing in mind the proximity of the next session of the COP/MOP, to appoint another member to replace the said member for the remainder of that member's mandate. In such a case, the executive board shall take into account any views expressed by the group that had nominated the member.

11. The executive board shall elect its own chair and vice-chair, with one being a member from a Party included in Annex I and the other being from a Party not included in Annex I. The chair and vice-chair shall alternate annually between members from Parties included and Parties not included in Annex I, respectively.

12. The executive board shall meet as necessary but no less than three times a year, unless otherwise decided, bearing in mind provisions of paragraph 39.

13. At least two thirds of the members of the executive board, representing a majority of members from Parties included in Annex I and a majority of members from Parties not included in Annex I, must be present to constitute a quorum.

14. Decisions by the executive board shall be taken by consensus, whenever possible. If all efforts at reaching a consensus have been exhausted, and no agreement reached, decisions shall be taken by a three-fourths majority of the members present and voting at the meeting. Members abstaining from voting shall be considered as not voting.

15. Meetings of the executive board shall be open to attendance, as observers, by all Parties and by all UNFCCC accredited observers except where otherwise decided by the executive board.

16. The full text of all decisions of the executive board shall be made publicly available. The working language of the executive board shall be English. Decisions shall be made available in all six official languages of the United Nations.

17. The executive board may establish committees, panels or working groups to assist in the performance of its functions. The executive board shall draw on the expertise necessary to perform its functions, including from the UNFCCC roster of experts. In this context, it shall take fully into account the consideration of regional balance.

18. The secretariat shall service the executive board.

D. Accreditation and designation of operational entities

19. The executive board shall:
- (a) Accredite operational entities which meet the accreditation standards contained in Appendix A below;
 - (b) Recommend the designation of operational entities to the COP/MOP;
 - (c) Maintain a publicly available list of all designated operational entities;
 - (d) Review whether each designated operational entity continues to comply with the accreditation standards contained in Appendix A below and on this basis confirm whether to reaccredit each operational entity every three years;
 - (e) Conduct spot-checking at any time and, on the basis of the results, decide to conduct the above-mentioned review, if warranted.
20. The executive board may recommend to the COP/MOP to suspend or withdraw the designation of a designated operational entity if it has carried out an assessment and found that the entity no longer meets the accreditation standards or applicable provisions in decisions of the COP/MOP. The executive board may recommend the suspension or withdrawal of designation only after the designated operational entity has had the possibility of a hearing. The suspension or withdrawal is with immediate effect, on a provisional basis, once the executive board has made a recommendation, and remains in effect pending a final decision by the COP/MOP. The affected entity shall be notified, immediately and in writing, once the executive board has recommended its suspension or withdrawal. The recommendation by the executive board and the decision by the COP/MOP on such a case shall be made public.
21. Registered project activities shall not be affected by the suspension or withdrawal of designation of a designated operational entity unless significant deficiencies are identified in the relevant validation report, verification report or certification for which the entity was responsible. In this case, the executive board shall decide whether a different designated operational entity shall be appointed to assess and, where appropriate correct, such deficiencies. If such an assessment reveals that excess CERs were issued, the designated operational entity whose accreditation has been withdrawn or suspended shall effect, within 30 days of the assessment, a transfer of a quantity of AAUs, ERUs or CERs equal to the excess CERs issued, as determined by the executive board, to a cancellation account maintained in the CDM registry by the executive board.
22. Any suspension or withdrawal of a designated operational entity that adversely affects registered project activities shall be recommended by the executive board only after the affected project participants have had the possibility of a hearing.
23. Any costs related to the assessment, referred to in paragraph 21, shall be borne by the designated operational entity whose designation has been withdrawn or suspended.
24. The executive board may seek assistance in performing the functions in paragraph 19, in accordance with the provisions of paragraph 17.

E. Designated operational entities

25. Designated operational entities shall be accountable to the COP/MOP through the executive board and shall comply with the modalities and procedures in decision -/CP.6 (*Article 12*) and this annex, and relevant decisions of the COP/MOP and the executive board.

26. A designated operational entity shall:

(a) Validate proposed CDM project activities;

(b) Verify and certify reductions in anthropogenic emissions by sources and enhancements of anthropogenic removals by sinks of greenhouse gases from eligible CDM project activities, as determined by decision -/CP.6 (*Article 12*) and relevant decisions by the COP/MOP;

(c) Comply with applicable laws of the Parties hosting CDM project activities related to which it carries out validation or verification and certification functions;

(d) Demonstrate that it, and its subcontractors, have no real or potential conflict of interest with the participants in the CDM project activities for which it has been selected to carry out validation or verification and certification functions;

(e) Perform one of the following functions related to a given CDM project activity: validation or verification and certification. Upon request, the executive board may, however, allow a single designated operational entity to perform all these functions within a single CDM project activity;

(f) Maintain a publicly available list of all CDM project activities related to which it carried out validation, verification and certification;

(g) Submit an annual activity report to the executive board;

(h) Make information obtained from CDM project participants publicly available, as required by the executive board. Information marked as proprietary or confidential shall not be disclosed without the written consent of the provider of the information, except as required by the COP/MOP. Information used to determine additionality as defined in paragraph 41, to describe the baseline methodology and its application and to support an environmental impact assessment referred to in paragraph 35 (c) shall not be considered as proprietary or confidential.

F. Participation requirements

27. Participation in a CDM project activity is voluntary.

28. Parties participating in the CDM shall designate a national authority for the CDM.

29. A Party not included in Annex I may participate in a CDM project activity if it is a Party to the Kyoto Protocol.

30. A Party included in Annex I may use CERs, issued in accordance with the relevant provisions, to contribute to compliance with part of its commitment under Article 3, paragraph 1, if it is in compliance with the following requirements:

(a) It is a Party to the Kyoto Protocol;

(b) It is a Party to the “Agreement on Procedures and Mechanisms on Compliance supplementing the Kyoto Protocol to the United Nations Framework Convention on Climate Change”;

(c) It has submitted its report to facilitate the establishment of its assigned amount pursuant to Article 3, paragraphs 7 and 8, and to demonstrate its capacity to account for its emissions and assigned amount, in accordance with the modalities for the accounting of assigned amount under Article 7, paragraph 4;

(d) It has submitted its annual inventory in accordance with Article 5, paragraph 2, incorporating the supplementary information under Article 7, paragraph 1, and the requirements in the guidelines thereunder, for each year following the submission of the report referred to in subparagraph (c).

31. A Party included in Annex I with a commitment inscribed in Annex B shall be considered to:

(a) Meet the eligibility requirements 16 months after it has submitted the report referred to paragraph 30 (c), unless the compliance committee finds, in accordance with decision -/CP.6 (*Compliance*), that the Party does not meet these requirements, or, at an earlier date, if the compliance committee has decided that it is not proceeding with any questions of implementation relating to these requirements and has transmitted this information to the secretariat;

(b) Continue to meet the eligibility requirements unless and until the compliance committee decides that the Party does not meet one or more of the eligibility requirements, has suspended the Party from transferring and/or acquiring ERUs, CERs and AAUs and has transmitted this information to the secretariat.

32. The secretariat shall maintain publicly accessible lists of:

(a) Parties not included in Annex I which are Parties to the Kyoto Protocol;

(b) Parties included in Annex I that do not meet the participation requirements in paragraph 30 or have been suspended.

G. Validation and registration

33. 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 -/CP.6 (*Article 12*) and this annex, on the basis of the project design document, as outlined in Appendix B below.

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

35. The designated operational entity selected by project participants to validate a project activity, being under a contractual arrangement with them, shall review the project design document and any supporting documentation to confirm that the following requirements are met:

- (a) The participation requirements as set out in paragraphs 27 to 29 are satisfied;
- (b) Comments by stakeholders have been considered;
- (c) The project activity has undergone an appropriate environmental impact assessment;
- (d) The project activity is expected to result in a reduction in anthropogenic emissions by sources or an enhancement in anthropogenic removals by sinks of greenhouse gases from eligible CDM project activities, as determined in accordance with decision -/CP.6 (*Article 12*) and relevant decisions by the COP/MOP, that are additional to any that would occur in the absence of the proposed project activity, in accordance with paragraphs 41 to 50;
- (e) The baseline methodology and monitoring plan comply with requirements pertaining to:
 - (i) Methodologies previously approved by the executive board; or
 - (ii) Modalities and procedures for establishing a new methodology;
- (f) Provisions for monitoring, verification and reporting are in accordance with decision -/CP.6 (*Article 12*) and this annex;
- (g) The project activity conforms to all other requirements for CDM project activities in decision -/CP.6 (*Article 12*) and this annex, and relevant decisions by the COP/MOP and by the executive board.

36. If the designated operational entity determines that the project activity intends to use a new methodology, as referred to in paragraph 35 (e) (ii), it shall, prior to a submission for registration of this project activity, forward the proposed methodology to the executive board for review. The executive board shall expeditiously, if possible within three months, review a proposed new methodology. Whenever the executive board approves such a methodology, it shall make it publicly available along with any relevant guidance. Once such a methodology has been approved by the executive board, the designated operational entity may proceed with the validation of the project activity.

37. A revision of a methodology shall be carried out in accordance with procedures for approving new baselines and monitoring plans. Any revision to an approved methodology shall only be applicable to baselines and monitoring plans registered subsequent to the date of revision and shall not affect existing registered projects activities during their crediting periods.

38. The designated operational entity shall:

(a) In accordance with provisions on confidentiality contained in paragraph 26 (h), make publicly available the project design document;

(b) Receive, within 30 days, comments from Parties and UNFCCC accredited non-governmental organizations and make them publicly available;

(c) After the deadline for receipt of comments, make a determination as to whether, on the basis of the information provided and taking into account the comments received, the project activity should be validated;

(d) Inform project participants if it determines that the project design, as documented, does not fulfil the requirements for validation, and explain the reasons for non-acceptance;

(e) Prior to the submission of the validation report to the executive board, have received from the project participants a formal letter of approval from the designated national authority of the host Party, including confirmation that the project activity assists the host Party in achieving sustainable development;

(f) Submit to the executive board, if it determines the proposed project activity to be valid, a request for registration including the validated project design document and an explanation how it has taken due account of comments received. The request for registration shall be made in the form of a validation report;

(g) Make this validation report publicly available.

39. The registration by the executive board shall be deemed final 30 days after the date of receipt by the executive board of the request for registration, unless a Party involved in the project activity, or at least one fourth of the members of the executive board request a review of the proposed CDM project activity. Such a review shall be made in accordance with the following provisions:

(a) Be related to issues associated with the applicability of the baseline methodology to the project activity, the adequacy of the monitoring plan, transboundary environmental and social impacts;

(b) Be finalized no later than at the second meeting following the request for review, with the result and the reasons being communicated to the project participants and the public.

40. A proposed project activity that is not accepted may be reconsidered for validation and subsequent registration, after appropriate revisions, provided that it follows procedures and meets requirements for validation and registration, including those related to public comments.

41. A CDM project activity is additional if anthropogenic emissions of greenhouse gases by sources are reduced below, or anthropogenic removals of greenhouse gases by sinks are increased beyond, those that would have occurred in the absence of the registered CDM project activity, from eligible CDM project activities, as determined by decision -/CP.6

(Article 12) and relevant decisions by the COP/MOP. Project participants shall address whether similar projects are being implemented which would meet the technological and investment needs pursuant to the sustainable development priorities of the host Party.

42. The baseline for a CDM project activity is the scenario that reasonably represents the anthropogenic emissions by sources or anthropogenic removals by sinks 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 and anthropogenic removals by sinks within the project boundary. A baseline shall be deemed to reasonably represent the anthropogenic emissions by sources or anthropogenic removals by sinks that would occur in the absence of the proposed project activity if it is derived using a baseline methodology referred to in paragraphs 35 and 36.

43. A baseline shall be established:

(a) By project participants in accordance with provisions for the use of approved and new methodologies, contained in decision -/CP.6 (Article 12) and this annex;

(b) In a transparent manner regarding the choice of approaches, assumptions, methodologies, parameters, data sources, key factors and additionality;

(c) On a project-specific basis;

(d) In accordance with standardized procedures, developed by the executive board, for small-scale CDM project activities meeting the criteria specified in decision -/CP.6 (Article 12) and relevant decisions by the COP/MOP;

(e) Taking into account relevant national and/or sectoral policies and circumstances, such as sectoral reform initiatives, local fuel availability, power sector expansion plans, and the economic situation in the project sector.

44. The baseline may include a scenario where future anthropogenic emissions by sources are projected to rise above current levels, due to the specific circumstances of the host Party.

45. The baseline shall be defined in a way that CERs cannot be earned for decreases in activity levels due to *force majeure*.

46. In choosing a baseline methodology for a project activity, project participants shall select from among the following approaches the one deemed most appropriate for the project activity, taking into account any guidance by the executive board, and justify their choice:

(a) Existing actual or historical emissions, as applicable; or

(b) Emissions from a technology that represents an economically attractive course of action, taking into account barriers to investment; or

(c) The average emission or removal rates of similar projects activities undertaken in the previous five years, in similar social, economic, environmental and technological circumstances, and whose performance is among the top 20 percent of their category.

47. The crediting period of a CDM project activity shall be limited to five years, except for small-scale CDM project activities meeting the criteria specified in decision -/CP.6

(Article 12) for which it may extend for up to ten years. The crediting period may be renewed by the project participants, provided that a designated operational entity determines and informs the executive board that the project activity continues to satisfy the original baseline criteria.

48. Reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks shall be adjusted for leakage in accordance with the monitoring and verification provisions in paragraphs 57 and 60 (e) respectively.

49. Leakage is defined as the net change of anthropogenic emissions by sources or anthropogenic removals by sinks of greenhouse gases which occurs outside the project boundary, and that is measurable and attributable to the CDM project activity.

50. The project boundary shall encompass all anthropogenic emissions by sources and/or anthropogenic removals by sinks of greenhouse gases under the control of the project participants that are significant and reasonably attributable to the CDM project activity.

H. Monitoring

51. Project participants shall include, as part of the project design document, a monitoring plan that provides for:

(a) The collection and archiving of all relevant data necessary for estimating or measuring anthropogenic emissions by sources and/or anthropogenic removals by sinks of greenhouse gases occurring within the project boundary during the crediting period;

(b) The collection and archiving of all relevant data necessary for determining the baseline of anthropogenic emissions by sources and/or anthropogenic removals by sinks of greenhouse gases within the project boundary during the crediting period;

(c) The identification of all potential sources of, and the collection and archiving of data on, increased anthropogenic emissions by sources and/or reduced anthropogenic removals by sinks of greenhouse gases outside the project boundary that are significant and reasonably attributable to the project activity during the crediting period;

(d) The collection and archiving of information relevant to the assessment of environmental impacts;

(e) Quality assurance and control procedures for the monitoring process;

(f) Procedures for the periodic calculation of the reductions of anthropogenic emissions by sources and/or enhancements of anthropogenic removals by sinks by the proposed CDM project activity, and for leakage effects;

(g) Documentation of all steps involved in the calculations referred to in subparagraphs (c) and (f) above.

52. A monitoring plan for a proposed project activity shall be based on a previously approved monitoring methodology or a new methodology, in accordance with paragraphs 35 and 36 above that:

(a) Is determined by the designated operational entity as appropriate to the circumstances of the proposed project activity and has been successfully applied elsewhere;

(b) Reflects good monitoring practice, i.e. its performance is at least equivalent to the most cost-effective, commercially applied monitoring methodologies appropriate to the circumstances.

53. For small-scale CDM project activities meeting the criteria specified in decision -/CP.6 (*Article 12*) and relevant decisions by the COP/MOP, project participants may use simplified monitoring methodologies approved by the executive board in accordance with paragraphs 35 and 36.

54. Project participants shall implement the monitoring plan contained in the registered project design document.

55. Revisions to the monitoring plan, in accordance with paragraph 37, require justification by project participants that the revisions improve the accuracy and/or completeness of information.

56. The implementation of the registered monitoring plan and its approved revisions, as applicable, shall be a condition for verification, certification and the issuance of CERs.

57. Subsequent to the monitoring and reporting of reductions in anthropogenic emissions and/or enhancements of anthropogenic removals by sinks, CERs of a CDM project activity during a given period shall be calculated, applying the registered methodology, in the following manner, as applicable:

(a) Baseline emissions less the actual anthropogenic emissions by sources adjusted for leakage;

(b) Actual anthropogenic removals by sinks less baseline removals by sinks adjusted for leakage.

58. The project participants shall provide to the designated operational entity, contracted by the project participants to perform the verification, a monitoring report in accordance with the registered monitoring plan set out in paragraph 51.

I. Verification and certification

59. Verification is the periodic independent review and *ex post* determination by the designated operational entity of the monitored reductions in anthropogenic emissions by sources and/or the monitored enhancements of anthropogenic removals by sinks of greenhouse gases that have occurred as a result of a registered CDM project activity during the verification period. 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 and/or enhancements of anthropogenic removals by sinks of greenhouse gases as verified.

60. In accordance with the provisions on confidentiality in paragraph 26 (h), the designated operational entity contracted by the project participants to perform the verification shall make the monitoring report publicly available and:

(a) Determine whether the project documentation provided is in accordance with the requirements of the registered project design document and relevant provisions of decision -/CP.6 (*Article 12*) and this annex;

(b) Conduct on-site inspections, as appropriate, which shall comprise, *inter alia*, a review of performance records, interviews with project participants and local stakeholders, and may comprise collection of measurements, observation of established practices and testing of the accuracy of monitoring equipment;

(c) If appropriate, use additional data from other sources;

(d) Review monitoring results and verify that the monitoring methodologies for the estimation of reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks have been applied correctly and their documentation is complete and transparent;

(e) Determine the reductions in anthropogenic emissions by sources and/or enhancements of anthropogenic removals by sinks of greenhouse gases that would not have occurred otherwise, based on the data and information derived under subparagraph (a) and obtained under subparagraphs (b) and/or (c), as appropriate, using calculation procedures consistent with those contained in the registered project design document and in the monitoring plan;

(f) Identify and inform the project participants of any concerns related to the conformity of the actual project activity and its operation with the registered project design document. Project participants may address the concerns and supply relevant additional information;

(g) Recommend to the project participants appropriate changes to the monitoring methodology, if necessary;

(h) Provide a verification report to the project participants, the Parties involved and the executive board. The report shall be made publicly available.

61. The designated operational entity shall, based on its verification report, certify in writing that, during the specified time period, the project activity achieved the verified amount of reductions in anthropogenic emissions by sources and/or enhancements of anthropogenic removals by sinks of greenhouse gases that would not have occurred otherwise. It shall inform the project participants, Parties involved and the executive board of its certification decision in writing immediately upon completion of the certification process and make the certification report publicly available.

J. Issuance of certified emission reductions

62. The certification report shall constitute a request for issuance to the executive board of CERs equal to the verified amount of reductions of anthropogenic emissions by sources and/or enhancements of anthropogenic removals by sinks of greenhouse gases.

63. The issuance shall be considered final 15 days after the date of receipt of the request for issuance, unless a Party involved in the project activity, or at least one fourth of the members of the executive board request a review of the proposed CDM project activity. Such a review shall be limited to issues of fraud, malfeasance or incompetence of the designated operational entities and be conducted as follows:

(a) Upon receipt of a request for such a review, the executive board, at its next meeting, shall decide on its course of action. If it decides that the request has merit it shall perform a review and decide whether the proposed issuance of CERs should be approved;

(b) The executive board shall complete its review within 30 days following its decision to perform the review;

(c) The executive board shall inform the project participants of the outcome of the review, and make public its decision regarding the approval of the proposed issuance of CERs and the reasons for it.

64. Upon being instructed by the executive board to issue CERs for a CDM project activity, the CDM registry administrator, working under the authority of the executive board, shall issue the specified quantity of CERs into the pending account of the executive board in the CDM registry, in accordance with Appendix D below. Upon such issuance, the CDM registry administrator shall:

(a) Forward the quantity of CERs corresponding to the share of proceeds to cover administrative expenses and to assist in meeting costs of adaptation, respectively, in accordance with Article 12, paragraph 8, to the appropriate accounts in the CDM registry for the management of the share of proceeds;

(b) Forward the remaining CERs to the registry accounts of Parties and project participants involved, as specified by their distribution agreement.

APPENDIX A

Standards for the accreditation of operational entities

1. An operational entity shall:
 - (a) Be a legal entity (either a domestic legal entity or an international organization) and provide documentation of this status to the executive board;
 - (b) Employ a sufficient number of persons having the necessary competence to perform validation, verification and certification functions relating to the type, range and volume of work performed, under a responsible senior executive;
 - (c) Have the financial stability, insurance coverage and resources required for its activities;
 - (d) Have sufficient arrangements to cover legal and financial liabilities arising from its activities;
 - (e) Have documented internal procedures for carrying out its functions including, among others, procedures for the allocation of responsibility within the organization and for handling complaints; these procedures shall be made publicly available;
 - (f) Have the necessary expertise to carry out the functions specified in this and relevant decisions by the COP/MOP, in particular have sufficient knowledge and understanding of:
 - (i) The modalities and procedures and guidelines for the operation of the CDM, relevant decisions of the COP/MOP of the executive board;
 - (ii) Environmental issues relevant to validation, verification and certification of CDM projects;
 - (iii) The technical aspects of CDM activity relevant to environmental issues, including expertise in the setting of baselines and monitoring of emissions and other environmental impacts;
 - (iv) Relevant environmental auditing requirements and methodologies;
 - (v) Methodologies for accounting of anthropogenic emissions by sources and/or anthropogenic removals by sinks;
 - (g) Have a management structure that has overall responsibility for performance and implementation of the entity's functions, including management reviews, and decisions on validation, verification and certification. The applicant operational entity shall make available to the executive board:
 - (i) The names, qualifications, experience and terms of reference of the senior executive, board members, senior officers and other personnel;
 - (ii) A structure chart showing lines of authority, responsibility and allocation of functions stemming from the senior executive;

- (iii) Its policy and procedures for conducting management reviews;
- (iv) Administrative procedures including documents control;
- (v) Its policy and procedures for the recruitment and training of operational entity personnel, for ensuring their competence for validation, verification and certification functions, and for monitoring their performance;
- (vi) Its procedures for handling complaints, appeals and disputes;

(h) Not have pending any judicial process for malpractice, fraud and/or other activity incompatible with its functions as a designated operational entity.

2. An applicant operational entity shall meet the following operational requirements:

(a) Work in a credible, independent, non-discriminatory and transparent manner, complying with applicable national law and meeting, in particular, the following requirements:

- (i) An applicant operational entity shall have a documented structure, which safeguards impartiality, including provisions to ensure impartiality of its operations;
- (ii) If it is part of a larger organization, and where parts of that organization are, or may become, involved in the identification, development or financing of any CDM project activity, the applicant operational entity shall:
 - Make a declaration to the executive board of all the organization's actual and potential CDM activities, indicating which part of the organization is involved and in which particular CDM activities;
 - Clearly define to the executive board the links with other parts of the organization, demonstrating that no conflicts of interest exist;
 - Demonstrate to the executive board that no actual or potential conflict of interest exists between its functions as an operational entity and any other functions that it may have, and demonstrate how business is managed to minimize any identified risk to impartiality. The demonstration shall cover all potential sources of conflict of interest, whether they arise from within the applicant operational entity or from the activities of related bodies;
 - Demonstrate to the executive board that it, together with its senior executive and staff, is not involved in any commercial, financial and other processes which might influence its judgement or endanger trust in its independence of judgement

and integrity in relation to its activities, and that it complies with any rules applicable in this respect;

(b) Have adequate arrangements to safeguard confidentiality of the information obtained from CDM project participants in accordance with provisions contained in this annex.

APPENDIX B

Project design document

A project activity shall be described in detail in a project design document which shall include the following:

(a) A description of the project, comprising the project purpose, a technical description of the project, and a description of project boundaries;

(b) Proposed baseline methodology:

(i) Application of an approved methodology:

- Standardized
- Other

(ii) New methodology:

- Description of the baseline calculation methodology and justification of choice;
- Justification of estimated operational life of the project and proposed crediting period;
- Description of key parameters, data sources and assumptions used in the baseline estimate, and assessment of uncertainties;
- Projection of baseline emissions and emission reductions by year;
- Description of how the baseline methodology addresses potential leakage;
- In the case of a new baseline methodology, an assessment of its strengths and weaknesses;

(c) Explanation of how the project activity meets the additionality requirements;

(d) Documentation of the environmental impact assessment;

(e) Sources of financing and demonstration that the funding is additional;

- (f) Comments, observations and/or suggestions by local stakeholders and description of their involvement;
- (g) Monitoring plan:
 - (i) Identification of data needs and data quality with regard to accuracy, comparability, completeness and validity;
 - (ii) Methodologies to be used for data collection and monitoring including quality assurance and quality control provisions for the monitoring, collecting and reporting;
- (h) Proposed formula for the calculation of:
 - (i) Anthropogenic emissions by sources and anthropogenic removals by sinks that are significant and reasonably attributable to the project activity within the project boundary;
 - (ii) Anthropogenic emissions by sources and anthropogenic removals by sinks that are significant and reasonably attributable to the project activity outside the project boundary and within the geographic area of the registered baseline scenario;
 - (iii) The total anthropogenic emissions by sources and anthropogenic removals by sinks under subparagraphs (h) (i) and (h) (ii) above;
 - (iv) Comparison of the total anthropogenic emissions by sources and total anthropogenic removals by sinks attributable to the project activity, calculated using the approved methodology within the geographic area of the registered baselines scenario;
 - (v) Any additional factor required by the executive board to account for changes in anthropogenic emissions by sources that are reasonably attributable to the project activity but outside the geographic area of the registered baseline scenario;
 - (vi) Reductions in anthropogenic emissions and enhancements in anthropogenic removals during the specified period, in accordance with paragraph 57 of this annex;
- (i) References.

APPENDIX C

Terms of reference for establishing guidelines on baselines and monitoring methodologies

The executive board, drawing on experts in accordance with the modalities and procedures for a CDM, shall:

- (a) Develop general guidance on methodologies relating to baselines and monitoring in order to:
 - (i) Elaborate the provisions relating to baseline and monitoring methodologies contained in decision -/CP.6 (*Article 12*) and this annex;
 - (ii) Promote consistency, transparency and predictability;
 - (iii) Provide rigour to ensure that net reductions in anthropogenic emissions and anthropogenic removals by sinks are real and measurable, and an accurate reflection of what has occurred within the project boundary;
 - (iv) Ensure applicability in different geographic regions and to those project categories which are eligible in accordance with decision -/CP.6 (*Article 12*) and relevant decisions of the COP/MOP;
- (b) Provide specific guidance in the following areas:
 - (i) Definition of project categories (e.g. based on sector, sub-sector, project type, technology, geographic area) that show common methodological characteristics for baseline setting, and/or monitoring;
 - (ii) Baseline methodologies deemed to reasonably represent what would have occurred in the absence of a project activity;
 - (iii) Monitoring methodologies that provide an accurate measure of actual reductions in anthropogenic emissions or enhancements of anthropogenic removals by sinks as a result of the project activity, taking into account the need for consistency and cost-effectiveness;
 - (iv) For the project categories identified, methodologies should include guidance on the level of geographic aggregation (i.e. international, national, and default) taking into account data availability;
 - (v) Decision trees and other methodological tools, where appropriate, to guide choices in order to ensure that the most appropriate methodologies are selected, taking into account relevant circumstances;
 - (vi) The appropriate level of standardization of methodologies to allow a reasonable estimation of what would have occurred in the absence of a project activity wherever possible and appropriate. Standardization should be conservative in order to prevent any overestimation of

- reductions in anthropogenic emissions or enhancements of anthropogenic removals by sinks;
- (vii) Determination of project boundaries including accounting for all greenhouse gases that should be included as a part of the baseline, and monitoring. Relevance of leakage and recommendations for establishing appropriate project boundaries and methods for the *ex post* evaluation of the level of leakage;
 - (viii) Crediting period of a project;
 - (ix) Modalities for accounting for applicable national policies and specific national or regional circumstances, such as sectoral reform initiatives, local fuel availability, power sector expansion plans, and the economic situation in the sector relevant to the project activity;
- (c) Take into account, *inter alia*:
- (i) Current practices in the host country or an appropriate region, and observed trends;
 - (ii) Least cost technology for the activity or project category;
- (d) Develop, on a priority basis, simplified methodologies for baselines for small-scale projects and their monitoring.

APPENDIX D

Clean development mechanism registry requirements

1. The executive board shall establish and maintain a CDM registry to ensure the accurate accounting of the issuance, holding, transfer and acquisition of CERs by Parties not included in Annex I. The executive board shall identify a registry administrator to maintain the registry under its authority.
2. The CDM registry shall be in the form of a standardized electronic database which contains, *inter alia*, common data elements relevant to the issuance, holding, transfer and acquisition of CERs. The structure and data formats of the CDM registry shall conform to technical standards to be adopted by the COP/MOP for the purpose of ensuring the accurate, transparent and efficient exchange of data between national registries, the CDM registry and the independent transaction log.
3. The CDM registry shall have the following accounts:
 - (a) One pending account for the executive board, into which CERs are issued before being transferred to other accounts;
 - (b) At least one holding account for each Party not included in Annex I hosting a CDM project activity or requesting an account;

(c) At least one account for the purpose of cancelling ERUs, CERs and AAUs equal to excess CERs issued, as determined by the executive board, where the accreditation of a designated operational entity has been withdrawn or suspended;

(d) At least one account for the purpose of holding and transferring CERs corresponding to the share of proceeds to cover administrative expenses and to assist in meeting costs of adaptation in accordance with Article 12, paragraph 8. Such an account may not otherwise acquire ERUs, CERs or AAUs.

4. Each CER shall be held in only one account in one registry at a given time.

5. Each account within the CDM registry shall have a unique account number comprising the following elements:

(a) Party/organization identifier: the Party for which the account is maintained, using the two-letter country code defined by the International Organization for Standardization (ISO 3166), or, in the cases of the pending account and an account for managing the CERs corresponding to the share of proceeds, the executive board or another appropriate organization;

(b) A unique number: a number unique to that account for the Party or organization for which the account is maintained.

6. Upon being instructed by the executive board to issue CERs for a CDM project activity, the registry administrator shall, in accordance with the transaction procedures set out in the modalities for the accounting of assigned amount under Article 7, paragraph 4:

(a) Issue the specified quantity of CERs into a pending account of the executive board;

(b) Forward the quantity of CERs corresponding to the share of proceeds to cover administrative expenses and to assist in meeting costs of adaptation in accordance with Article 12, paragraph 8, to the appropriate accounts in the CDM registry for holding and transferring such CERs;

(c) Forward the remaining CERs to the registry accounts of project participants and Parties involved, as specified by their distribution agreement.

7. Each CER shall have a unique serial number comprising the following elements:

(a) Commitment period: the commitment period for which the CER is issued;

(b) Party of origin: the Party which hosted the CDM project activity and shall use the two-letter country code defined by ISO 3166;

(c) Type: this shall identify the unit as a CER;

(d) A unique number: a number unique to the CER for the identified commitment period and Party of origin;

(e) Project identifier: a number unique to the CDM project activity for the Party of origin.

8. Where the accreditation of a designated operational entity has been withdrawn or suspended, ERUs, CERs and/or AAUs equal to the excess CERs issued, as determined by the executive board, shall be transferred to a cancellation account in the CDM registry. Such ERUs, CERs and AAUs may not be further transferred or used for the purpose of demonstrating the compliance of a Party with its commitment under Article 3, paragraph 1.

9. The CDM registry shall record non-confidential information and provide a publicly accessible user interface through the internet that allows interested persons to query and view it.

10. The information referred to in paragraph 9 shall include the following account information relevant to the CDM registry, for each account number:

(a) Account name: the holder of the account;

(b) Representative identifier: the representative of the account holder, using the Party/organization identifier (the two-letter country code defined by ISO 3166) and a number unique to that representative for that Party or organization;

(c) Representative name and contact information: the full name, mailing address, telephone number, facsimile number and email address of the representative of the account holder.

11. The information referred to in paragraph 9 shall include the following CDM project activity information, for each project identifier against which the CERs have been issued:

(a) Project name: a unique name for the CDM project activity;

(b) Project location: the Party and town or region in which the CDM project activity is located;

(c) Years of CER issuance: the years in which CERs have been issued as a result of the CDM project activity;

(d) Operational entities: the operational entities involved in the validation, verification and certification of the CDM project activity;

(e) Reports: downloadable electronic versions of documentation to be made publicly available in accordance with the provisions of this annex.

12. The information referred to in paragraph 9 shall include the following holding and transaction information relevant to the CDM registry, by serial numbers, for each calendar year (defined according to Greenwich Mean Time):

(a) CERs in each account at the beginning of the year;

(b) CERs issued;

(c) CERs transferred and the identity of the acquiring accounts and registries;

(d) ERUs, CERs and AAUs cancelled in accordance with paragraph 8;

(e) Current holdings of CERs in each account.

Draft decision -/CP.6 (Article 17)

Modalities, rules and guidelines for emissions trading

The Conference of the Parties,

Being aware of its decision -/CP.6 (Mechanisms),

1. *Decides* to adopt the modalities, rules and guidelines for emissions trading contained in the annex below;
2. *Decides further* that any future revision of the guidelines shall be decided in accordance with the rules of procedures of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol as applied. The first review shall be carried out no later than one year after the end of the first commitment period, based on recommendations by the Subsidiary Body for Implementation drawing on technical advice of Subsidiary Body for Scientific and Technological Advice, as needed. Further reviews shall be carried out periodically thereafter;
3. *Urges* the Parties included in Annex II to facilitate the participation in emissions trading under Article 17 of the Kyoto Protocol of Parties included in Annex I with commitments inscribed in Annex B that are undergoing the process of transition to a market economy;
4. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session, adopt the following decision:

Decision -/CMP.1 (Article 17)

Modalities, rules and guidelines for emissions trading

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Being aware of its decisions -/CMP.1 (Mechanisms), -/CMP.1 (Article 6), -/CMP.1 (Article 12), and -/CMP.1 (Modalities for accounting of assigned amounts) and decision -/CP.6 (Compliance),

1. *Decides* to confirm and give full effect to any actions taken pursuant to decision -/CP.6 (Article 17) and to any other relevant decisions by the Conference of the Parties, as appropriate;
2. *Urges* the Parties included in Annex II to facilitate the participation in emissions trading under Article 17 of the Kyoto Protocol of Parties included in Annex I with commitments inscribed in Annex B that are undergoing the process of transition to a market economy.

ANNEX

Modalities, rules and guidelines for emissions trading

1. For the purpose of this annex the definitions contained in Article 1¹ and the provisions in Article 14 shall apply. Furthermore:

(a) An “emission reduction unit” or “ERU” is a unit issued pursuant to the relevant provisions on registries in decision -/CMP.1 (*Modalities for the accounting of assigned amounts*), 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;

(b) A “certified emission reduction” or “CER” is a unit issued pursuant to Article 12 and requirements thereunder, 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;

(c) An “assigned amount unit” or “AAU” is a unit issued pursuant to the relevant provisions on registries in decision -/CMP.1 (*Modalities for the accounting of assigned amounts*), 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.

2. A Party² included in Annex I with a commitment inscribed in Annex B is eligible to transfer and/or acquire ERUs, CERs or AAUs, issued in accordance with the relevant provisions, if it is in compliance with the following requirements:

(a) It is a Party to the Kyoto Protocol;

(b) It is a Party to the “Agreement on Procedures and Mechanisms on Compliance supplementing the Kyoto Protocol to the United Nations Framework Convention on Climate Change”;

(c) It has submitted its report to facilitate the establishment of its assigned amount pursuant to Article 3, paragraphs 7 and 8, and to demonstrate its capacity to account for its emissions and assigned amount, in accordance with the modalities for the accounting of assigned amount under Article 7, paragraph 4;

(d) It has submitted its annual inventory in accordance with Article 5, paragraph 2, incorporating the supplementary information under Article 7, paragraph 1, and the requirements in the guidelines thereunder, for each year following the submission of the report referred to subparagraph (c).

¹ “Article” refers in this annex to an article of the Kyoto Protocol, unless otherwise specified.

² In this context, “Party” refers to a Party to the Kyoto Protocol.

3. A Party included in Annex I with a commitment inscribed in Annex B shall be considered to:

(a) Meet the eligibility requirements 16 months after it has submitted the report referred to paragraph 2 (c), unless the compliance committee finds, in accordance with decision -/CP.6 (*Compliance*), that the Party does not meet these requirements, or, at an earlier date, if the compliance committee has decided that it is not proceeding with any questions of implementation relating to these requirements and has transmitted this information to the secretariat;

(b) Continue to meet the eligibility requirements unless and until the compliance committee decides that the Party does not meet one or more of the eligibility requirements, has suspended the Party from transferring and/or acquiring ERUs, CERs and AAUs and has transmitted this information to the secretariat.

4. The secretariat shall maintain a publicly accessible list of Parties that meet the eligibility requirements and of Parties that have been suspended.

5. A Party that authorizes legal entities to participate in emissions trading under Article 17 shall remain responsible for the fulfilment of its obligations under the Kyoto Protocol and shall ensure that such participation is consistent with this annex. The Party shall maintain an up-to-date list of such entities and make it available to the secretariat and the public through its national registry. Legal entities may not participate in emissions trading under Article 17 during any period of time in which the authorizing Party does not meet the eligibility requirements or has been suspended.

6. Each Party included in Annex I with a commitment inscribed in Annex B shall hold a commitment period reserve in its national registry consisting of ERUs, CERs and/or AAUs for the current commitment period which have not been cancelled in accordance with decision -/CMP.1 (*Modalities for accounting of assigned amounts*). The required level of the commitment period reserve shall be equivalent to the lower of:

(a) 90 per cent of its assigned amount, calculated pursuant to Article 3, paragraphs 7 and 8; or

(b) Five times the emissions of a Party in the most recent year for which an inventory, reviewed pursuant to Article 8, is available.

7. No transfer shall be made that would result in total holdings of ERUs, CERs and/or AAUs being below the required level of the commitment period reserve.

8. If calculations under paragraph 6 (b) raise the required level of the commitment period reserve above the Party's holdings of ERUs, CERs and AAUs, the Party shall be notified by the secretariat and, within 30 days of this notification, bring its holdings to the required level.

9. ERUs verified through the verification procedure under the Article 6 supervisory committee referred to in decision -/CP.6 (*Article 6*) and subsequently transferred shall be considered additional and shall not be counted against the commitment period reserve.

10. The secretariat shall perform functions as requested.

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