

Proposed Text for Appendix C, Part Three of the Chairman's Note: Monitoring, Reporting, Certification and Issuance of CERs

**Submission by Australia, Canada, Iceland, Japan, New Zealand, Norway,
Russian Federation, Ukraine, and the United States**

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Monitoring by project Participants

1. Monitoring is the collection of data on project performance by the project Participants. Monitoring shall be sufficient to enable the calculation of additional reductions in emissions by sources and/or enhancements of removals by sinks for the accepted project boundaries for the clean development mechanism project activity.
2. The project Participants will be required to submit a monitoring plan to the operational entity in order for it to carry out an initial assessment for registration of the project. The plan should include:
 - a) the name(s) of the entity(ies) responsible for monitoring;
 - b) the data to be obtained from monitoring;
 - c) the methods of data collection, including sampling methods and monitoring equipment to be used;
 - d) the frequency of monitoring;
 - e) how the monitoring data and any other information will be used to update the emissions and/or removals in the project case and the baseline case;
 - f) quality assurance and quality control provisions for the monitoring method;
 - g) an assessment of the precision, accuracy, reliability and timeliness of the proposed monitoring method; and
 - h) any proposed equations to be used during certification for the calculation of CERs.
3. The project Participants will be required to ensure the monitoring of the performance of the project in accordance with the monitoring plan accepted at the project registration stage.
4. The global warming potentials used to calculate the carbon dioxide equivalence of emissions by sources and/or removals by sinks shall be those accepted by the Intergovernmental Panel on Climate Change and agreed upon by the Conference of the Parties at its third session, or as subsequently revised in accordance with Article 5.

Reporting by project Participants

5. The project Participants will be required to report to the operational entity at regular intervals on the results of project monitoring including project data associated with reductions in greenhouse gas emissions by sources and/or enhancements of removals by sinks within the same boundaries as the approved baseline.

6. The project Participants will be required to report to the operational entity the estimated reductions in emissions by sources and/or enhancements of removals by sinks calculated against the approved baseline for the clean development mechanism project activity.
7. (Reporting format).

Certification

8. Certification is the review and determination by the operational entity of the reductions in emissions by sources and/or enhancements of removals by sinks for a specified clean development mechanism project activity that have occurred.
9. In undertaking the certification process, the operational entity shall:
 - (a) examine the adequacy of the documentation provided by the project Participants to ensure that documentation has been provided in accordance with the approved project proposal;
 - (b) if appropriate, use additional data from other sources, in order to establish the reduction in emissions by sources and/or enhancements of removals by sinks;
 - (c) conduct on-site inspections and/or interviews with relevant project Participants and/or use specialised techniques if the examination in (a) establishes a need for such additional activities; and
 - (d) determine the reduction in emissions by sources and/or enhancements of removals by sinks based on the data and information used in (a) and, if appropriate, obtained through (b) and/or (c).
10. At an early stage of the certification process, the operational entity shall identify any concerns related to conformity with approved modalities and procedures and the approved project proposal and advise of any such concerns to the project Participants who may address them and supply any additional information.
11. The operational entity shall provide a certification report to the project Participants and the executive board and this shall form the basis for the issue of any certificates.

Issuance of CERs

12. CERs shall be issued upon certification of reductions in emissions by sources and/or enhancements of removals by sinks resulting from a clean development mechanism project activity.
13. CERs shall be denominated in standardised units of one metric tonne of carbon dioxide equivalent, calculated using the global warming potentials defined by Decision 2/CP.3 or as subsequently revised in accordance with Article 5. Each CER shall be identified in accordance with Appendix D.
14. CERs shall be distributed to project Participants only after a share of proceeds has been provided to the Executive Board to cover administrative expenses and to the adaptation fund to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation.