

Proposed Text for Appendix E, Part Three of the Chairman's Note: Procedures for the Operation of the Executive Board

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

31 January, 2000

1. General Provisions

- 1.01 The executive board shall be responsible for carrying out functions mentioned in this decision, its Appendices, and relevant decisions of the COP/moP.
- 1.02 The executive board (EB) shall evaluate the competence and accredit operational entities (OEs) consistent with requirements set forth in Appendix F. ¹
- 1.03** The CDM Executive Board shall undertake independent auditing and verification of the accredited operational entities. The independent auditing and verification shall take place periodically and, in addition, based on cause. If the CDM Executive Board finds any operational entity not in compliance with Article 12.5 or any applicable decisions of the COP/moP, it shall consider withdrawal of accreditation of the operational entity. If the CDM Executive Board decides to withdraw accreditation of the operational entity, it shall report the decision to the COP/moP and the operational entity. In this case, any CDM project registered under the operational entity will still be valid unless its registration constitutes a reason for the withdrawal of the accreditation.
- 1.04** A process for resolution of disputes shall be established for issues relating to registration by Operational Entities under Appendix B and certification under Appendix C.

2. Structure and Composition

- 2.1. There will be 16 members on the executive board, 8 chosen by and from among Annex B Parties, and 8 chosen by and from among non-Annex B Parties. The members of the executive board will be acting in their personal capacities.

¹ Parties may wish to further consider terms for accreditation.

- 2.2. Members of the executive board shall serve two-year terms, with the ability to serve a maximum of two consecutive terms; provided that in order to create staggered terms, four members from Annex B and four members from non-Annex B Parties shall initially serve for a period of one year. The executive board shall elect its own chair and vice-chair, with one being a member from an Annex B Party and one being a member from a non-Annex B Party. The chair and vice-chair shall alternate annually between members from Annex B and non-Annex B Parties respectively.
- 2.3. Decisions by the executive board shall be taken by consensus whenever possible. If all efforts at consensus have been exhausted and no agreement reached, decisions on matters of substance shall be taken by a two-thirds majority of the members, representing a majority of members chosen by and from among Annex B Parties and a majority of members chosen by and from among non-Annex B Parties. Decisions on matters of procedure may be taken by a majority of members present and voting. A decision concerning whether a matter may be treated as a matter of procedure shall be treated as a matter of substance.
- 2.4. The executive board shall meet a minimum of 3 times a year.
- 2.5. As appropriate, the executive board may draw on outside experts for dealing with technical and methodological matters.

3. Administrative support for the Executive Board

The executive board may, as appropriate, make arrangements for administrative support necessary for its activities, under the guidance of the COP/moP. The UNFCCC Secretariat may, on request by the executive board, provide administrative and secretariat assistance to the executive board. This assistance could include compiling, synthesising and disseminating information related to clean development mechanism activities, including in relation to Article 12.6, and performing other secretariat functions as requested by the executive board.