

1.2.5 Small Projects

At CoP 6 bis in Bonn, it was decided that the Executive Board would develop simplified procedures for small-scale projects for their adoption at the eighth Conference of the Parties, November of 2002 in Delhi.

The following categories of small-scale project activities are eligible under simplified procedures:

1. Renewable energy projects with a maximum output capacity of 15 megawatts.
2. Energy efficiency improvement projects that reduce energy consumption by up to 15 gigawatt hours per year.
3. Other project activities that reduce anthropogenic emissions by source, which directly emit less than 15 kilotonnes of CO₂ equivalent annually.

1.2.6 Sinks and the CDM

The decision on the CDM affirms the inclusion of Land Use, Land Use Change and Forestry (LULUCF) projects in the scope of the CDM. For the first commitment period, only afforestation and reforestation are eligible under the CDM. CERs resulting from these activities are limited to 1% of the Party's base year emissions for each year in the commitment period.

While the decision in Marrakech endorses LULUCF activities in the CDM, it tasks the Subsidiary Body for Scientific and Technological Advice to work out the methodological issues such as baselines, additionality, leakages and permanence. This work started in April 2002 and will conclude with the adoption of a decision at the ninth session of the Conference of the Parties in 2003.

1.2.7 The CDM Registry

The EB is tasked with the establishment and maintenance of a system of accounts, known as the CDM registry, in which CDM credits (CERs) can be transferred. The EB will also identify a registry administrator to maintain it under its authority. The CDM registry will be composed of the following accounts:

1. *Pending account*: Once the CERs are issued by the EB, they are transferred into this account before distribution into other accounts.
2. At least one *Holding account* for each Party not included in Annex I who is hosting a CDM project or who is requesting an account.
3. At least one *Cancellation account*: If accreditation of an Operational Entity is suspended and it had over-issued CERs, then the equivalent amount of CERs, or any other credit shall be transferred to this account for permanent removal.
4. An additional account (Untitled) to hold CERs to cover administrative expenses incurred by the EB and for the 2% adaptation levy.