

Draft modalities and procedures for the CDM

Para 1

The following modalities and procedures apply for any project activity set up under the Clean Development Mechanism (CDM) set forth in Art.12 Kyoto Protocol (KP).

Para 2 Participation of Parties

1. Parties included in Annex I shall only use certified emission reductions to contribute to compliance and Parties not included in Annex I shall only benefit from project activities under Art.12 KP, if the Party
 - a) has ratified the KP,
 - b) is bound by a compliance regime adopted by COP/MOP,
 - c) has not been excluded from participation in the CDM according to the procedures and mechanisms under the above mentioned compliance regime,
 - d) and is in compliance with its commitments under Art.12 UNFCCC.
2. A Party included in Annex I shall only use certified emission reductions resulting from project activities under Art.12 KP to contribute to compliance with its quantified emission limitation and reduction commitments under Art. 3 KP, if the Party is in compliance with its commitments under Art.5 and 7 KP.

Para 3 Responsibility of the Parties

Private and/or public entities can participate in the CDM with the approval of the Parties involved in CDM projects. Participation of private and/or public entities in project activities under Art.12 KP does not affect the responsibility of Parties included in Annex I for the fulfillment of their commitments under the KP.

Para 4 Validation of project activities

1. Validation is the binding assessment by an operational entity upon request of a project participant that a specific project activity under Art.12 KP meets the requirements laid down in the rules for the CDM, in the Kyoto Protocol and in the UNFCCC. A project activity needs to be validated before emission reductions resulting from that project activity may be certified.
2. Operational entities shall validate the project activities under Art.12 KP upon request of a project participant. Operational entities shall be institutionally and economically independent from, and not entitled to participate in, the identification, project development or project financing of any CDM project