

Tips on PDD Preparation

What is PDD for?

The PDD (Project Design Document) was developed by the CDM Executive Board in conformity with the relevant modalities and procedures for the Project Design Document for CDM project activities as defined in Appendix B “Project Design Document” to the CDM modalities and procedures (decision 17/CP.7 contained in document FCCC/CP2001/13/Add.2).

The PDD presents information on the essential technical and organizational aspects of the project activity and is a key input into the validation, registration, and verification of the project as required under the Kyoto Protocol to the UNFCCC. If project participants wish to submit a project activity for validation and registration, they shall submit a fully completed CDM-PDD.

General tips for PDD development are as follows:

1. Following the latest version of PDD format and PDD guidelines

The PDD templates shall not be altered, that is, shall be completed using the same font without modifying its format, font, headings or logo. Tables and their columns shall not be modified or deleted. Rows may be added, as needed.

2. Making use of a (baseline and monitoring) approved methodology

Proposing a new methodology is very time and money consuming.

3. Based on the project information

The PDD presents information on the essential technical and organizational aspects of the Project Activity and therefore, illustration, calculation and analysis in the PDD shall all be based on the real project information.

Steps before PDD Writing

The PDD contains information on the project activity, the approved baseline methodology applied to the project activity, and the approved monitoring methodology applied to the

project. It discusses and justifies the choice of baseline methodology and the applied monitoring concept, including monitoring data and calculation methods.

Prior to PDD writing, the following steps should be carried out to prepare the PDD.

1. Check project scenario and choose applicable methodology

The selection of methodology is an inevitable step before the start of PDD development. Checking if the project situation is in line with the applicable conditions of the selected methodology is necessary.

2. Define baseline

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

3. Assess additionality

A CDM project activity is additional if anthropogenic emissions of greenhouse gases by sources are reduced below those that would have occurred in the absence of the registered CDM project activity. Additionality should be addressed using the Additionality tool of the methodology.

4. Check if all the information and documents consistent, reasonable, complied with the CDM rules

PDD is the essential document demonstrating why the Project is proposed as a CDM project activity. Therefore, the relevant CDM rules will have to be abided by. For example it is required that all the information presented in the PDD should be Accurate, Conservative, Relevant, Credible, Reliable, and Complete according to the Clean Development Mechanism Validation and Verification Manual. Hereby, information should be checked and confirmed complying with CDM rules prior to the PDD writing.

5. Start PDD writing

Tips on PDD Preparation

PDD contents include several sections as showed below:

- A. General description of project activity
- B. Application of a baseline and monitoring methodology
- C. Duration of the project activity / Crediting period
- D. Environmental impacts
- E. Stakeholders' comments

Annex

- Annex 1: Contact information on participants in the project activity
- Annex 2: Information regarding public funding
- Annex 3: Baseline Information
- Annex 4: Monitoring plan

Section A. General description of project activity

Contents:

A description of the Project comprising the project objective, main technical details including how technology will be transferred (if any), and a description and justification of the project boundary

Tips:

1. A suitable project title should be given and kept consistent throughout the PDD
2. Confirm the geographic coordinate as accurate as to the second(100°18'25"E , 25°26'7"N)
3. Technology to be employed, including description of main manufacturing /production systems and equipment and main technical specifications from Feasibility Study Report or Manufacturer's specifications
4. Double confirm the technical details with the Project Owner for accuracy, as any inaccurate description will bring troubles to the later stage of the CDM development and even monitoring/verification.

Section B. Application of a baseline and monitoring methodology

Contents:

A proposed baseline methodology in accordance with the annex on modalities and procedures for a CDM should include statement of which applicable methodology has been selected and description of how the methodology will be applied in the context of the Project as following details:

1. Methodology application
2. Project boundary description
3. Additionality assessment:
 - (a) Prior consideration of the CDM
 - (b) Alternatives identification
 - (c) Investment analysis (barrier analysis, sometimes)
 - (d) Common practice
4. Emission Reductions calculation
5. Monitoring plan

Tips:

1. Methodology application
 - Latest version of methodology and suitable tools exactly applicable to the Project
2. Prior consideration of the CDM
 - Reasonable timeline of milestones: the starting date of the Project and that of serious consideration of CDM ranging within 6 months
3. Alternatives identification
 - Define based on latest tool of “Tool for the demonstration and assessment of additionality”
 - Exclude based on availability of local resources, national and local laws or regulations, financial feasibility
4. Investment analysis
 - Cross-check the input value of all the financial parameters with evidence such as Feasibility Study Report
5. Barrier analysis
 - Fatal barriers such as technological barriers etc.
6. Common practice
 - Identification of similar projects in terms of geographic region, development time and scale
7. Emission reductions calculation
 - Based on project information
 - Keeping in mind the data availability and reliability when selecting data
8. Monitoring plan
 - Following the monitoring methodology
 - Choose reasonable monitoring data or parameters
 - Confirm the feasibility of monitoring

Section C. Duration of the project activity/ crediting period

Contents:

Statement of the estimated operational lifetime of the Project and which crediting period was selected

Tips:

1. Starting date of the Project should keep consistent with the timeline table of prior consideration in Section B.

Section D. Environmental impacts

Contents:

Documentation on the illustration and analysis of the environmental impacts, including trans-boundary impacts;

If impacts are considered significant by the Project Participants or the Host Party: conclusions and all references to support documentation of an environmental impact assessment that has been undertaken in accordance with the procedures as required by the Host Party;

Tips:

1. Serious measures need to be taken to eliminate the negative impacts on the local environment if there are any.

Section E. Stakeholders' comments

Contents:

Stakeholder comments, including a brief description of the process, a summary of the comments received, and a report on how due account was taken of any comments received

Tips:

1. How the local stakeholders' comments have been collected?

- Notice, survey or questionnaires
2. Summary
- Give authentic description of the comments, also stress that negative opinions have been addressed

Main Experience from Easy Carbon

1. **Communication with Project Owner**

- Efficient and continuous communication

During the CDM development, an efficient communication between the consultant and the PO will quicken significantly the whole process. Continuous talks on updates need to be conducted because changes to project status are very common during development and construction stage.

- Accurate and timely documents

Documents supplied by the PO need to be checked and double-confirmed for accuracy. In addition, the documents need to be provided in time to avoid delay of the procedures.

- Information confirmation

Always double or even triple confirm with the PO, as often misunderstandings may happen.

2. **PDD with high quality**

High-quality PDD will prevent the Project from revising from time to time during validation, and also lower the risk of registration.

3. **Focus on the additionality assessment**

A lot of contents are included in a PDD. However, the core which is the additionality assessment is the essential part that deserves the most attention and efforts.

4. **Reliable and consistent information in PDD**

Checking throughout the whole PDD to keep consistent of the information provided is necessary, because the PDD will be revised and updated several rounds according to the comments raised by the DOE.

5. Evidence storage and filing, including information and documents from project owner, websites etc.

Not only the PO, but also the consultant should have a good filing and storage system to ensure the evidence and information used in the PDD can be well saved and achieved. As Changing of staff happens sometimes, but a good system will enable a smooth and low-risk of hand-over.