



Mr. Gareth Phillips
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Date: 20 December 2012
Reference: 2012-179-S
Direct line: +49 228 815 1687

Sent by e-mail to: office@pd-forum.net

Re.: PDF position on withdrawal and suspension of LoAs

Dear Mr. Phillips,

Thank you for your letter received on 22 October 2012, which has been made available to the CDM Executive Board.

On behalf of the Chair of the Board, I would like to thank you for your communication about the Board's recommendation to the CMP regarding procedures for withdrawal or suspension of letters of approval (LoAs), as recorded in paragraph 119 of the meeting report of the Board's sixty-eighth meeting and the issues it raises for stakeholders.

I would like to inform you that during its seventieth meeting, the Board took note of the issues raised by you and thanked you for your inputs¹.

As you are aware, the CMP, at its seventh session, requested the Board to assess the implications of the withdrawal or suspension of letters of approval and make recommendations to the CMP at its eighth session.

In considering the matter at its sixty-eighth meeting, the Board came to the view that, while fully cognisant of the importance of LoAs for the CDM and investors in the CDM in particular, it was not in a position to make recommendations to the CMP on how LoAs should be withdrawn or suspended by Kyoto Protocol Parties. The Board considered that such actions would be up to each of the relevant Parties and not for the Board to control or comment on. As such, while the Board is well aware of the impact a withdrawal or suspension would have on the companies and Parties involved in an affected project activity, it did not feel it was appropriate to list the implications to the Parties.

¹ Please refer to paragraph 104 (a) of the report of the seventieth meeting of the Board, available here:
<http://cdm.unfccc.int/UserManagement/FileStorage/3XHRL5NB91DY84OP76JZFEGCAM20WI>



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However, the Board agreed that from a practical perspective, the Board itself would need to take action if a Party informed it of the withdrawal or suspension of a LoA. In that regard, it would need certain information from the Party withdrawing the LoA. As a result, the Board recommended to the CMP that if a Party withdraws or suspends a letter of approval, then the Party should provide the Board with relevant details, including the implications of the withdrawal or suspension.

The CMP, at its eighth session, may consider the view of the Board in relation to LoAs and may offer further guidance.

Whether the CMP does or does not do so, in 2013 the Board may need to consider measures to the current CDM rules and requirements to enable the Board to process a notification from a Party that a letter of approval is being withdrawn or suspended. In that context, the Board may ask for input from stakeholders, including on the issues that you raise in your letter. We encourage you to provide such input at that time.

Thank you once again for contacting the Board with your concerns and requests.

Yours sincerely,

Andrew Howard
Secretary to the CDM Executive Board