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Subject **Experience and suggestions for improvements for the revised
Procedure for Review of Requests for Registration and of Requests
for Issuance of CERs**

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To cdm-info@unfccc.int
From Gareth.Phillips@pd-forum.net
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Subject **Experience and suggestions for improvements for
the revised Procedure for Review of Requests for
Registration and of Requests for Issuance of
CERs**

Dear Mr. Mahlung,

Honourable Members of the CDM Executive Board,

The Project Developer Forum (PD Forum) would like to express its appreciation of the efforts of the Board and the Secretariat to streamline and make more transparent the Procedure for Review of Requests for Registration (EB55, Annex 40, Version 01.2) and the Procedures for Review of Requests for Issuance of CERs (EB 55, Annex 41, Version 01.3).

PD Forum members would like to share with you our experience in the practical implementation of these revised procedures, to reflect on where the revision has made improvements and where it has worsened the process, and to provide feedback and suggestions for improvement, in two general areas of **timelines** and **communications**.

Timelines:

The formal timelines are now clearer, and the time periods are structured. Provided the majority of cases are agreed between Secretariat and RIT, the timelines are reasonable. This is an improvement on the previous procedure.

However, there remains a significant delay in the 'scheduling' of review from the time of DOE

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submission of responses, especially for registration cases. While improvement has been seen in the issuance review scheduling delay, for responses submitted in 2010, PD Forum members report 6 to 10 weeks of delay (average of 8 weeks) from submission to review commencement. This is considered unsatisfactory because:

- a) 8 weeks is a long delay for a straightforward scheduling task,
- b) the delay is not known or capped¹, and those projects 'awaiting scheduling' have no indication of their status (or how many projects at that stage), making planning difficult and increasing uncertainty,
- c) there does not seem to be any reason to delay the commencement of the review.

Paragraph 7c of the procedure seems to suggest that the review team is assigned when the review is requested. In this case it is reasonable to set the scheduled date as the 29th day after the notification of the request for review by default, and to inform the PP/DOE of any alterations in the schedule (as per para 10) if needed, for example if the responses are provided well within the 28 day deadline and the RIT Team is available to start the review earlier.

Finally, relating to issuance, an "editorial change" was made to extend from 10 to 20 days the period that the EB has to object to the decision of the RIT and Secretariat. There does not seem to be any particular justification for the change², except perhaps to align the review procedures for issuance with those for registration, but it does add unnecessary days to an already long issuance timeline, counter to the CMP mandate to make the process quicker and more efficient. The PD Forum suggests the alternate:- i.e. to change the objection period for registration from 20 to 10 days, as 10 days seems more appropriate.

The PD Forum therefore recommends:

1. By default, the review should be scheduled to start on the 29th day after the notification of the request for review, effectively providing four full weeks for scheduling;
2. RIT Team is assigned immediately upon the notification of the request for review;

¹ There is no set timeline within which a scheduling must occur: Paragraph 10, ... *secretariat shall schedule the commencement of the review of the request for registration in accordance with its operational plans and in accordance with any relevant instructions from the Executive Board*

² Noting in particular the Cancun decisions 2/CMP6 para 12: "*Requests the Executive Board to ensure that such rulings contain explanations of, and the rationale for, the decisions taken and that they include the sources of information used*"

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3. Recognising the time taken to operationalise, this streamlined procedure can be planned, and become operational for all submissions as of 1 April 2011; and
4. Adopting points 1. and 2. eliminates the 'awaiting scheduling' category and thus simplifies the process and improves transparency. Until these points are adopted, under the principle of transparency, all projects 'awaiting scheduling' should be posted online such that PPs, Parties and other stakeholders can access all relevant information; and
5. The EB objection period for Issuance be reverted to the original 10 days, and, in light of the fact that the EB rarely disagrees with RIT/Secretariat conclusions, consideration be given to the EB objection period for Registration being reduced from 20 to 10 days.

Communications:

Recognising that the EB will likely be undertaking substantial changes to communication with PPs in light of Cancun decisions 2/CMP6, particularly paragraphs 11, 12, 21 and 22³, PD Forum would like to highlight areas where improved communication can greatly assist PPs, as well as the regulatory body and other stakeholders. Our comments are grouped in three interrelated areas:

- a) Details of the Review Requests: In the previous procedure, when a project was placed under review, the EB/Secretariat presented to the PP a detailed set of questions. These questions clarified what the concerns of the Secretariat were. However under the current procedure, comments/questions are not offered beyond those documented in the three (identical) requests for review raised by the EB members and these comments rarely provide more than a generic description of the issue(s). These comments are generally uninformative, brief, and typically only a general statement such as "The DOE should further clarify how it has validated ... as per VVM para ...". This makes

³ 21. Recalls its request to the Executive Board contained in decision 2/CMP.5, paragraph 8, to enhance its communications with project participants and stakeholders, including through the establishment of modalities and procedures for direct communication between the Executive Board & project participants in relation to individual projects;

22. Requests the Executive Board to develop and implement modalities and procedures with a view to enhancing direct communication with stakeholders and project proponents in relation to issues related to registration, issuance and methodologies work streams; these modalities and procedures should provide for:

(a) Direct communication that can be initiated by the secretariat, as needed, with project proponents, on issues related to registration, issuance and methodologies work streams;

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addressing the Review difficult for both the DOE and affected PP. We do not propose adding an additional layer of communication to the process. Rather, we do ask that the originator of the request for review should provide more detail in the original document. For instance, is the review seeking better explanation of the entire section? Or simply justification of one assumption? The new procedure offers only one opportunity to address the issue(s) raised and immediately incorporate the new information in written format, so a clear understanding of the question(s) being asked is imperative.

b) Direct communication: with general questions (from a)), DOEs tend to demand, and PPs subsequently provide, an oversupply of information to ensure that all possible information requests will be covered, where in reality Secretariat may be seeking very specific justification for a particular number or data point. The result is an inefficient process and unnecessary workload for PPs and DOEs, as well as for Secretariat and RIT who must wade through superfluous information. This contributes to systematic delays. Direct communication between the Secretariat and the PP and/or DOE can greatly mitigate this workload, particularly for minor, or very specific issues. This may take the form of follow-up/clarification questions via email or teleconferences that are sufficiently structured to ensure the communication is targeted and does not drift into becoming a time drain for Secretariat/RIT or PP/DOE. An interlocutor could be used if necessary;

c) Review Outcome: the outcome of the review is unnecessarily obtuse, and PPs do not know whether the Secretariat/RIT agreed to register/issue or reject until the EB objection period ends. This is important, as in some project cases, implementation/next steps of GHG mitigation is put on hold until a registration/issuance decision is announced, and it is difficult to imagine why the review outcome should be so secretive. When the Secretariat/RIT apparently do not agree, PPs are only informed that the EB will consider the request at the next meeting. This does not explain what the Secretariat and RIT disagreed on, nor does it offer the DOE/PP any opportunity to provide further information relevant to the point of disagreement (which may be addressed by b)). In order to increase transparency, it would be much better if PPs were provided the opportunity to see the detailed recommendations, and PPs should not have to wait until after EB consideration to learn the likely fate of their project.

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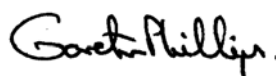
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The PD Forum therefore recommends:

6. Review Requests provide specific and as detailed as possible questions to enable PPs and DOEs to provide the most comprehensive and targeted answers possible, such that Secretariat, RIT and (as appropriate) EB members have the most relevant information possible for resolving any queries on registration/issuance;
7. Instigate direct communications between Reviewers (Secretariat/RIT) and the PP/DOE, either via email or teleconference. To address Secretariat concerns that PPs “would be calling all the time”, a specific time slot (defined date and duration) could be defined for each review, with the PP/DOE then having a short period, perhaps 24 hours, in which to provide documentation or written follow-up to issues raised in the call;
8. The mode of communication can be refined over time. The important point is to begin communicating to reduce workload and delays.
9. Where Secretariat and RIT reviewers agree, this should be clearly communicated, such as: “The Review teams agreed that project XXX should issue/be registered/rejected. The EB now has 10 days in which to consider this recommendation, after which registration/issuance/rejection will automatically take place”;
10. Where Secretariat and RIT reviewers do not agree, the areas of disagreement should be given to the PP, and the PP be given an opportunity to furnish further information relevant to the point(s) of contention, either in a written submission to EB, or in a telephone discussion during the next EB meeting.

While continuing to work on improving the quality of our submissions, we are also looking forward to improvements in the processes implemented within the Secretariat.

Kind regards,



Gareth Phillips

Chair of the PD Forum