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To cdm-info@unfccc.int
From rachel.child@pd-forum.net
Date 4th July 2011
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Subject **Unsolicited letter relating to the annotated agenda of the 62nd meeting of the CDM Executive Board**

Honourable Members of the CDM Executive Board,
Dear Mr. Hession,

The Project Developer Forum (PD Forum) would like to express its support to the EB on the subjects it will discuss in the upcoming meeting, EB62, and to provide input on a number of items, as outlined below.

1. Annex 9 - Draft modalities and procedures for direct communication with stakeholders

The PD Forum welcomes the progress made with regard to direct communications with stakeholders and hopes for fruitful interactions going forward. In particular, we are pleased with the recognition of the usefulness of the comments that we submit on the annotated agenda. Therefore, in light of the draft procedure, we submit our comments here, one week in advance of the meeting. However, given the tight timeline for submitting comments, it would be useful to have more clarification on the exact deadline, i.e., are comments accepted until COB on the Monday before the start of the meeting?

Para 51: It would seem unnecessary to provide a dedicated interface on the website as well as a specific form – in our view, this adds costs and bureaucracy but has no further purpose. We suggest that the current email address should be sufficient for communications.

2. Annex 2 - Draft framework for the establishment of sector specific standardized baselines

Para 5: We support the broad applicability of the draft framework. However, we believe only when emission factors and positive lists are included as part of the framework, as well as ex-ante additionality assessment, will the standardized baselines approach bear fruit.

Para 6: Exceptions within the framework need to be kept to a minimum and should be outlined in advance, otherwise much of the risk associated with the registration process in the CDM remains, and therefore the framework will fail to reach its potential.

Para 8(b) (iii) and (iv) and headings B. Measure 3 and C. Measure 4: In order to be more broadly applicable – even if no sectors are currently agreed – the terminology may be changed to GHG destruction and GHG formation avoidance, respectively.

Para 12: We agree that for grid connected electricity plant, the grid EF is a good baseline, where a positive list of technologies/fuels may be established. For example, in a grid with only fuel oil and diesel generation, all gas-fired and renewable power generation may be on the

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positive list with the grid EF determined as per the EF Tool.

Para 13: Where there are multiple measures, we do not believe that measures always need to be proven to be collectively AND individually additional. This would be a significant increase in the burden of proof. Sometimes if one measure is additional, the other is automatically additional. Using the example mentioned in the draft framework: if the destruction of methane from landfill is additional, then electricity from LFG is automatically additional and should not need to be separately proven. Also, if methane destruction is not additional (for example if all landfills are required to flare methane) then this does not rule out that electricity generation from LFG is additional (the baseline would then be methane destruction, and thus the reductions are only for the emission-free power generation).

Para 24: It may be useful to vary the share of the fuels in the example to make clear that the shares are share of the output, not purely the number of fuels.

3. Annex 3 - Draft procedures for the revision of an approved small scale methodology by the CDM EB

We welcome the initiative of the Board to clarify the procedures for the revision of an approved small-scale methodology. However, we have serious concerns about several aspects of the extensive changes that have been proposed in Annex 3 (which go far beyond including options to undertake amendments), as well as some suggestions to improve the document, based on our members' experiences with Requests for Revision of SSC methodologies.

There are also important elements that we believe should be addressed in the procedures, but are missing from the proposed revision, such as criteria for consideration of proposed revisions submitted by stakeholders. We therefore request the EB open a Call for Public Input on this important topic. We also reiterate the need to clarify procedures for consideration of proposed new SSC methodologies - a task which should perhaps be done in parallel, due to the need for consistency and the similarity of the subject matter.

4. Annex 5 - Information note on concepts for streamline the authorization of participation in the clean development mechanism

Any form of simplification and clarification regarding the role of PPs within the CDM process is welcome. However, the issue outlined in para 9a) provides little clarity regarding the definition of those entities authorised to request approval or revisions of methodologies; in fact, the issue seems to be only addressed implicitly. The proposed approach of streamlining seems to shift the decision on who should be allowed to make such requests to annex-1 countries rather than clearly defining the criteria such an entity should fulfil. If the intention is to, for example, prevent NGOs, which do not have a role in a specific project, from requesting methodology revisions, this should be clearly set out in the new streamlined authorisation process.

Paras 13&14: If separate project approval is still required, the proposed "streamlining" in fact introduces additional steps and fails to reduce the amount of work required. Of course, if the Party is able to indicate general approval of projects in the CDM, then this would reduce the amount of work needed. With the possible exception of obtaining an LoA from an EU country for a large hydro project, the Annex I Party's LoA is not a bottleneck in the registration process.

5. Annex 6 - Information note on the implications of the end of the Kyoto Protocol's first commitment period for the issuance of certified emission reduction units

The Information Note highlights the issues surrounding this topic and concludes that it should be possible for monitoring reports to "straddle" the commitment periods. The Note recommends a similar approach to determining the reductions of CP1 and those for CP2 within the same monitoring report as that in the PD Forum's letter on this topic submitted to

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the Secretariat on 28 June 2011¹. We hope a decision is taken and full clarity provided well in advance of the end of the first commitment period, to avoid a major change in the volume of requests for issuance immediately following 31 Dec 2012 with all the resulting impacts on resources and likely backlogs.

para 10: However, while many projects can technically monitor the required parameters at midnight on 31 Dec 2012, these parameters cannot necessarily be cross-checked. Using the example given, the meter reading at midnight can be given, but cannot necessarily be cross-checked against invoices, as the invoice period may run from 15 Dec to 14 Jan. It should be clarified in advance whether the cross-check / QA/QC must apply to the specific parameter at 31 Dec 2012 or whether the quality can be assured by cross-checking the general parameters.

6. Annex 8 - Compliance with indicative timelines/status publicly available

Pages 11-14 & 16-18: While we appreciate that the targets for completeness check and Information and Reporting Check are generally being met, the period before the completeness checks commence is still double the target set by CMP.6 Decision 3 para 60; and there is an absence of reporting against this target. Also, the number of projects waiting prior to commencement of completeness checks has not been reduced but rather increased again since December 2010. While the back-dating of the registration date has reduced the urgency of this issue, we still believe that the number of projects awaiting commencement of completeness checks should be significantly smaller.

Pages 15 & 19: While there is no set target for the start of a review, a delay approaching 3 months is clearly not acceptable. The volume of requests for review is relatively stable; the 30-day average has been around 0.5 reviews per day for 4 months! Therefore, it should be possible to schedule the commencement of the review in a much more timely fashion. Additionally, the delays in the publication of reasons for rejection are also not acceptable. We submit that if it takes 30 days to explain the reason for rejection, then either the reason for rejection or the guidance must be insufficient.

7. Delays in for deviations, etc

We further would like to bring to the Board's attention the fact that currently the time for responses to requests for revision/deviation/approval of changes to a monitoring plan during verification are currently not meeting the timelines outlined in the relevant procedures. Since these lead times are not monitored, or at least not reported, we would like to suggest that these processes are monitored in the future in order to assure that they are brought in line with the times outlined in the procedures. Similarly, the lead time for changing the start date of crediting period is also very long, currently exceeding 3 months.

We hope that these inputs are helpful in your discussions going forward. Should there be any questions regarding our comments, please do not hesitate to contact me through the contact details provided above.

With kind regards,



Rachel Child
Co-Vice Chair of the PD Forum

¹ To be found on [www.pd-forum.net](http://pd-forum.net) (<http://pd-forum.net/files/362d17325a5a8698d73e4869428c26b5.pdf>)