

 <p>CDM: FORM FOR SUBMISSION OF A “LETTER TO THE BOARD” (Version 01.2)</p> <p>This form should be used only by project participants and other stakeholders for submitting a “Letter to the Board” in accordance with the latest version of the <i>Modalities and procedures for direct communication with stakeholders</i></p>	
Name of the stakeholder ¹ submitting this form (individual/organization):	Project Developer Forum
Address and contact details of the individual submitting this form:	Address: 100 New Bridge Street, London, EC4V 6JA Telephone number: +65 6578 9286 E-mail address: office@pd-forum.net
Title/Subject (give a short title or specify the subject of your submission)	VVS para 208, DOE selection for POA verification
Please mention whether the submitter of the form is:	<input type="checkbox"/> Project participant <input checked="" type="checkbox"/> Other stakeholder, please specify PD Forum
Specify whether you want the letter to be treated as confidential ² :	<input type="checkbox"/> To be treated as confidential <input checked="" type="checkbox"/> To be publicly available (UNFCCC CDM web site)
Please choose any of the type(s) below ³ to describe the purpose of this submission.	
<input checked="" type="checkbox"/> Type I: <input type="checkbox"/> Request for clarification <input checked="" type="checkbox"/> Revision of existing rules <input checked="" type="checkbox"/> Standards. Please specify reference VVS para 208 <input type="checkbox"/> Procedures. Please specify reference <input type="checkbox"/> Guidance. Please specify reference <input type="checkbox"/> Forms. Please specify reference <input checked="" type="checkbox"/> Others. Please specify reference EB70 paras 42 and 43 <input type="checkbox"/> Type II: Request for Introduction of new rules <input type="checkbox"/> Type III: Provision of information and suggestions on policy issues	
Please describe in detail the issue on which you request a response from the Board, including the exact reference source and version (if applicable).	

¹ DNAs and DOEs shall use the respective DNA/DOE forms for communication with the Board.

² As per the applicable modalities and procedures, the Board may make its response publicly available.

³ Latest CDM regulatory documents and information are available at: <http://cdm.unfccc.int/Reference/index.html> .

PROJECT DEVELOPER FORUM

Project Developer Forum Ltd.
100 New Bridge Street
UK London EC4V 6JA

Europe: +44 20 7121 6100
Asia: +65 6578 9286
office@pd-forum.net
www.pd-forum.net

To cdm-info@unfccc.int

From gareth.phillips@pd-forum.net

Date 5 Feb 2014

Subject VVS para 208, DOE selection for POA verification

CHAIRPERSON:

Gareth Phillips
gareth.phillips@pd-forum.net

CO VICE CHAIRPERSONS:

Rachel Child
rachel.child@pd-forum.net
Sven Kolmetz
sven.kolmetz@pd-forum.net

Honorable Members of the CDM Executive Board,

The Project Developer Forum (PD Forum) appreciates the continuous effort of the EB and the Secretariat in improving clarity and transparency in the CDM project cycle, including by improvements in the VVS, PS and PCP. The PD Forum aims to encourage this effort by making suggestions to the EB for further improvements based on the experience of our members implementing CDM project activities and POAs.

The VVS provides clarity with regards to selecting DOEs for verification activities for CDM project activities. For large-scale projects, the DOE must be different from the DOE that validated the project. For small-scale projects, the DOE may be the same. However, the VVS provides no such clarity for POAs.

VVS para 208 states that “*a DOE shall not perform verification functions on a project activity for which it has performed the function of validation/registration*”, but that the EB may grant an exception. Reasons for granting or rejecting a request for such an exception are not given in the VVS. EB70 para 86 requests DOEs to provide further justification in their request for an exception on “*inter alia, the following:*”

- (a) *Availability of, and access to, DOEs that are accredited to undertake verification activities in the region;*
- (b) *Impacts of the same DOE undertaking both validation and verification activities on the transaction costs of the PoA;*
- (c) *Measures that the DOE proposes to implement to safeguard impartiality and integrity of the DOE in undertaking such activity;*
- (d) *Total estimated size of the PoA.”*

Unfortunately, the EB70 request does not provide clarity on the rules applied by the EB in granting or rejecting the request, and suggests a subjective assessment without objective criteria.

In order to provide project participants with more certainty regarding whether the selected and contracted DOE is eligible for performing verification activities, particularly important in under-represented areas, where few DOEs are available, the PD Forum would welcome an EB decision that either clarifies the rules in the VVS or provides objective criteria for the EB assessments of requests for exceptions.

Comfortable that the strict accreditation standards guarantee impartiality and integrity of DOEs, a number of specific suggestions are presented below, including in light of the possibility of batched issuance of CPAs as per EB75 para 42 and 43.

We would of course be available to discuss any of these points further with you.

Kind regards,

Gareth Phillips

Chair, Project Developer Forum

Please provide any specific suggestions or further information which would address the issue raised in the previous section, including the exact reference source and version (if applicable).

>>The PD Forum would like to present a number of specific suggestions, including in light of the possibility of batched issuance of CPAs (EB75 paras 42 and 43), to increase the clarity of the rules, or objectivity of the assessment. As we are comfortable that the strict accreditation standards guarantee impartiality and integrity of DOEs, the PD Forum proposes to allow verification and validation by the same DOE at least under the following objective criteria:

- With regards to scale:
 - As for project activities, a DOE may perform verification functions on any small-scale POAs, including where it already performed the function of validation/registration.
 - In relation to EB70 para 86 (d), a DOE may perform verification functions on any POAs with registered CPAs with an aggregate estimated annual emission reduction of up to 60,000 tonnes at the time of the end of the subject monitoring period, including where it already performed the function of validation/registration.
- With regards to impartiality and integrity:
 - A DOE may perform verification functions on any (batched) CPAs for which it did not perform the function of validation/registration. Therefore, if a DOE has validated/included CPA 1, it may verify CPA 2.
 - A DOE may perform verification functions on any POA for which it did not perform the original function of validation/registration, not including the subsequent inclusion action of a CPA. Therefore, if DOE A initially validated the POA, DOE B may verify any CPA, including for CPAs for which it has performed the function of inclusion.

In addition, the EB may consider alternative criteria relating to EB70 para 86 (a) and (b) to expand the flexibility further, such as those listed below. However, these criteria may seem less objective and may require further analysis and discussion. We hope any such further analysis and discussion does not delay agreement on the criteria above.

- Host country is LDC (yes/no);
- Number of registered projects/POAs in the country is less than 10 (yes/no);
- Central or non-central site of a DOE [other than the validating/registering DOE](#) is not available in the country (yes/no), [leading to excessive costs associated with travel and time \(yes/no\)](#);
- [A report from the DOE's Independence Advisory Committee confirming the steps taken to ensure that independence and integrity are not compromised \(yes/no\)](#).

If necessary, list attached files containing relevant information (if any)

- [replace this bracket with text, the field will expand automatically with size of text]

Section below to be filled in by UNFCCC secretariat

Date when the form was received at UNFCCC secretariat

Reference number

History of document

Version	Date	Nature of revision
01.2	08 February 2012	Editorial revision.
01.1	09 August 2011	Editorial revision.
01	04 August 2011	Initial publication date.
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