

Members of the CDM Executive Board
UNFCCC Secretariat
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To cdm-info@unfccc.int
From rachel.child@pd-forum.net
Date 28 January 2013
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Subject **Call for input on "Issues included in the annotated agenda of the seventy first meeting of the CDM Executive Board and its annexes"**

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Honorable Members of the CDM Executive Board,

The Project Developer Forum (PD Forum) would like to express our welcome to incoming members of the Board and offer our support to the EB in what will be a critical year for the future of the CDM. We welcome the publication of the annotated agenda for EB71 and would like to provide input on one item on the annotated agenda, as outlined below.

Annex 1: Draft CDM two-year business plan and management plan 2013–2014

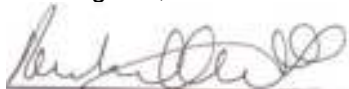
The PD Forum notes with appreciation the acknowledgement in the business plan that the rapidly declining CER price will erode the incentives to register new CDM projects and issue credits from existing projects. Together with the EU's ban on most new projects, this means that the number of requests for registration will substantially decline in the short term and is unlikely to recover until ambitious and longer-term targets are set and access to the CDM is again expanded. We would also add that the number of requests for issuance will fall dramatically too, if prices remain low. The PD Forum knows from its members that, at current CER prices, it is simply unviable for many projects to submit requests for issuance considering verification costs and issuance fees.

To this end, we would repeat our request¹ that the EB waive the registration fee for all requests for registration for the next six months. Further, we request that the EB revisit the share of proceeds (SOP) fee: the Secretariat has sufficient reserves to support its activity in 2013-2014 and, therefore, we suggest that the SOP is waived for all requests for issuance until the CER price increases substantially (e.g. to €2).

Moreover, we note that the board have allocated less than 1% of staff time to promotion, outreach and stakeholder interaction, while 700 staff months are used to review incoming CDM documentation. This is, in our view, a misallocation of resources. The CDM will be a mechanism in decline without a change to supply/demand dynamics, so the UNFCCC should already be looking to divert more resources into promoting the CDM infrastructure as an effective method to reduce greenhouse gas emissions.

We thank you for the opportunity to provide our comments on the annotated agenda and annexes and would be very happy to discuss them with you further,

Kind regards,



Rachel Child
Co Vice Chair, Project Developer Forum

¹ Refer to our letter submitted 18 January 2013