

Head and Members of the CDM Executive Board
UNFCCC Secretariat
Martin-Luther-King-Strasse 8
D-53153 Bonn
Germany

27 October 2008

Dear Sir/Madam,

Re: Call for Inputs – Elaboration of CDM Accreditation Requirements

We welcome the further elaboration of accreditation standards as a means to improve DOE performance, and to ultimately help ease one of the major bottlenecks in the CDM process. Further elaboration of the accreditation standard should also allow for an increase in supply of DOE capacity (i.e. there is a balance that needs to be achieved between something very long and complex and a process which is perceived as not being robust enough).

Diversification (in function, location and scopes) and an increase in supply of DOE capacity is needed to reduce delays in the CDM timeline and also alleviate increasing costs due to capacity constraints. Streamlining the accreditation process, in particular witnessing activities, should enable more DOE capacity to come on-line relatively quickly whilst also ensuring quality. Currently the uncertainty over when an applicant entity will be in a position to submit projects for registration/issuance is acting as a major deterrent for project developers to put forward projects as witnessing opportunities for new DOEs/or DOEs who wish to extend their sectoral scope accreditations. Increasing the capacity of the accreditation body, and ensuring it is staffed with members with relevant experience and backgrounds would make a significant difference in the speed with which DOEs can be accredited/accredited for new scopes. We would support extension of accreditation for DOEs who have achieved certain milestones (e.g. after 5 successful registrations/issuances in a certain scope) as this could also help accelerate the reaccreditation process.

Enhanced procedures for the accreditation of DOEs should subsequently result in a decrease in the scrutiny of the EB over DOE functions, otherwise we would continue to have duplicated efforts. Robust accreditation standards are welcomed, particularly to allow the EB to focus on important strategic issues rather than project minutiae. This has to be balanced with pragmatism (i.e. gold-plated accreditation standards will result in gold-plated costs – and extended timelines – for the DOEs, which would then be passed down to project developers. This would inadvertently have the effect of penalizing the small projects which may contribute very high sustainable development benefits but be quite small in terms of the potential volume of emission reductions).

Commercial arrangements should be agreed between the DOEs and project developers directly, without including an additional layer of administration through the EB. In many

industries this is the arrangement used (e.g. financial auditing, environmental auditing etc) and robust accreditation standards means that there should be/will be appropriate checks and balances in place to ensure high standards are maintained. By unnecessarily inserting a third-party (i.e. the EB and/or the Secretariat) into the commercial arrangements there is a risk that costs and timelines will increase without any additional value being added.

In conclusion, the accreditation standards seem to be oriented to assure the quality of DOE services. This should lead to an improvement in the process, especially in the timelines at DOE and EB control. In the practical application of these standards a balance between excessive control and cost effectiveness should be found, particularly so as to not unduly penalize small projects, which may bring very high sustainable development benefits.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'B. Kinhead', written in a cursive style.

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