

Dear CDM EB Chair Mr. Martin Hession:

Responding to “**Call for inputs on CDM policy dialogue**”, I submitted a proposal before. Here I would like to add one more inputs.

Thank you very much for your kind consideration.  
Best regards,

  
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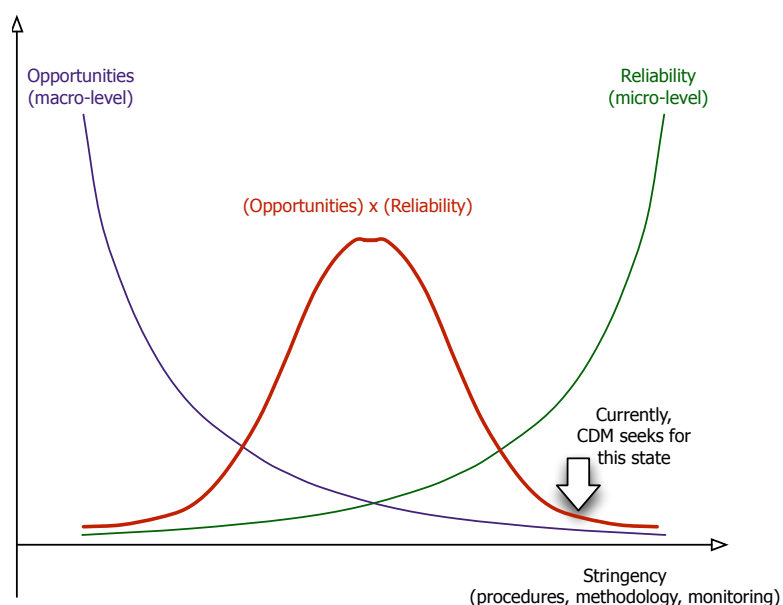
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## Balancing the stringency and opportunity loss

In my last input, I stressed the importance to have a **sense of balance for the “stringency of rules” and “opportunity loss”** as a macroscopic (i.e., CDM as a whole) point of view in order to realize potential opportunities.

I concluded that

- CDM requires very complicated CDM-specific knowledge and related applications including monitoring, and
- The cost and time until registration is very long.



are the principal obstacles.

In the last input, I proposed an approach to “reflect local realities in the rule” which is to utilize the third-party local experts’ (in the field of technology/sector) judgment in the ex ante validation process.

### Possible solution 2

Now I would like to propose another and simpler solution.

I would like to stress that the extraordinary requirements to comply with complicated and difficult rules/methodologies comes from the intension to keep environmental integrity on project-by-project basis.

On the other hand, we can consider this concept as somewhat more broader basis, i.e., “environmental integrity for **CDM scheme as a whole**” as a theoretical consideration to keep environmental integrity.

I would like to propose an approach to

- discount 20% of the emission reductions for all new projects under this approach (except for projects with rich sustainable development components in some positive list), and
- loosen the requirements of rules/procedures and methodologies.

as a possible solution.

In any case, CDM needs drastic change to overcome the concern.