

 <p><b>CDM: FORM FOR SUBMISSION OF A “LETTER TO THE BOARD” (Version 01.2)</b></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 <sup>1</sup> submitting this form (individual/organization):	Yanan LIU <a href="#">A&amp;T Carbon Asset Co., Limited</a>
Address and contact details of the individual submitting this form:	Address: Room 1703-1705, 17th floor, Office Tower, Shimao Plaza, No.13 North Road of Worker's Stadium, Chaoyang District, Beijing, China 100027 Telephone number: 8610-65830366-825 E-mail address: <a href="mailto:Melody.liu@atholdings.com">Melody.liu@atholdings.com</a>
Title/Subject (give a short title or specify the subject of your submission)	<a href="#">Query on the Completeness Check and Information and Reporting Check result for PoA project</a>
Please mention whether the submitter of the form is:	<input checked="" type="checkbox"/> Project participant <input type="checkbox"/> Other stakeholder, please specify
Specify whether you want the letter to be treated as confidential <sup>2</sup> :	<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 <sup>3</sup> to describe the purpose of this submission.	
<input checked="" type="checkbox"/> <b>Type I:</b> <input type="checkbox"/> <b>Request for clarification</b> <input checked="" type="checkbox"/> <b>Revision of existing rules</b> <input type="checkbox"/> Standards. Please specify reference <input type="checkbox"/> Procedures. Please specify reference <a href="#">Clean Development Mechanism Project Cycle Procedure and Procedure for Requests for Registration of Proposed CDM Project Activities</a> <input type="checkbox"/> Guidance. Please specify reference <input type="checkbox"/> Forms. Please specify reference <input type="checkbox"/> Others. Please specify reference  <input type="checkbox"/> <b>Type II: Request for Introduction of new rules</b> <input checked="" type="checkbox"/> <b>Type III: Provision of information and suggestions on policy issues</b>	
Please describe in detail the issue on which you request a response from the Board, including the exact reference source and version (if applicable).	

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

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

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

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

My name is Yanan LIU and I represent A&T Carbon Asset, a UK-registered firm specializing in the development of emission reduction projects under the Kyoto Protocol. I am writing to express my concern about the Completeness Check (hereafter referred to as the “CC”) and Information and Reporting Check (hereafter referred to as the “R&I check”) procedures under the “Clean Development Mechanism Project Cycle Procedure v2.0” (EB 66, Annex 64, hereafter referred to as the “PCP”), especially for PoA projects.

According to current PCP, if a PoA failed either the CC or the R&I check, then a re-submission is required, and the registration date will be determined as the completeness date of the last registration request. It means that even if a PoA is submitted before the end of 2012, it cannot be registered if the “incomplete” status was concluded later than 2013-1-1. As a result, the PoA might be terminated due to that buyers would no longer like to buy the CERs and support the PoA’s implementation.

According to the “guidelines on completeness check of requests for registration (EB 48, Annex 60)”, the processes of CC and the R&I check are set up to “ensure the efficient and timely consideration of requests for registration and issuance” and to “reduce the volume of cases, and the number issues in each case, which the Board will need to consider in the review process”. However, the current CC and the R&I check processes may be inappropriate for PoA projects for the following reasons:

1. Unlike regular CDM projects, the PoA system has only just started:
  - a) So far (as of 2013-1-15), only 68 PoA projects have been registered, which is only 1.17% of the registered CDM projects’ volume;
  - b) The world’s first PoA was registered in year 2009, four years after the first CDM registration;
  - c) The world’s first issuance of PoA CERs took place as late as 2012-12-27.

Therefore, the PoA is not as mature as the regular CDM system. The strict CC and R&I check which is necessary in the regular mature CDM systems for improving efficiency should not to be equally applied on the PoA system which is just on start.

In addition, due to lack of registration experience, there is lack of cohesion between the PDD writer/ auditor and the CC and R&I check reviewers on some detailed issues, so the possibility of misunderstandings and the designation of inappropriate “incomplete” conclusions could be considered high.

2. Unlike regular CDM projects, the PoA projects are usually much more complicated. For example:
  - a) By bringing in the coordinating/managing entity (CME), a two-level operation management is applied by the PoA;
  - b) Different projects with varied methodologies, technologies, and implementation scenarios could be combined and included in one single PoA;
  - c) Multiple LoAs needs to be applied for some PoAs crossing countries or provinces;
  - d) “CPA inclusion mode” with detailed inclusion criteria is included;
  - e) Significantly bigger project boundary (provincial, national or even multinational) is applied by the PoA.

All of the above makes the PoA-DD and CPA-DD as well as the validation reports complex and difficult to understand. Therefore, the possibility of misunderstandings between the PDD writer/ auditor and the CC and R&I check reviewers is quite high which may cause an inappropriate “incomplete” conclusion.

3. Unlike regular CDM projects, the PoA projects usually have a high time-cost. For some complicated PoAs (e.g. manure treatment and biogas utilization PoA), it may take two years from the structuring of the business model and management system to the submission of registration request. Thus, we find it rash to end the project by informing “incompletion” without any clarification and revision chance by the PPs.
4. Compared to regular CDM projects, the PoA projects focus more on the mini-scaled, widely distributed, and user-side emission reduction projects, such as the distribution of efficient light bulbs, household biogas utilization and so on. Obviously, these project types make great sustainable development contribution, have more impact on daily life, and present the trend of worldwide emission reduction movement in the future. However, the PoA mode and these user-side project types also have significantly higher developing costs, and it is necessary to support and protect these PoA projects rather than set up more barriers with the CC

and R&I checks.

5. As opposed to regular CDM projects, the PoA registration process is less transparent and the waiting list as well as the CC and R&I check processing can not be tracked on the EB website. By searching on the PoA page, we found that for the PoAs submitted in the same period, the duration between PoA submission and the web publication of registration request vary widely, between 30 days and 93 days<sup>4</sup>. This implies that the registration procedure for PoAs is somehow different from that of regular CDM. Therefore, considering the importance of obtaining registration by 2012-12-31 and the different processing procedures by the EB, special care needs to be considered for PoA. Please see the following table for more details.

PoA No.	Submission Date on Request Form	Starting date of the period for registration requesting	Duration between the two time spots, (days)
7959	09/11/2012	19/12/2012	41
5962	16/11/2012	21/12/2012	36
7763	17/10/2012	21/12/2012	66
7864	26/10/2012	21/12/2012	57
8232	22/11/2012	22/12/2012	31
8055	06/11/2012	29/12/2012	54
7883	30/10/2012	29/12/2012	61
8027	06/11/2012	29/12/2012	54
8438	28/11/2012	01/01/2013	35
7892	06/11/2012	01/01/2013	57
8261	11/11/2012	28/12/2012	48
6283	07/11/2012	02/01/2013	57
8188	13/11/2012	03/01/2013	52
8088	09/11/2012	03/01/2013	56
8058	06/11/2012	03/01/2013	59
7897	30/10/2012	05/01/2013	68
<b>8060</b>	<b>13/12/2012</b>	<b>11/01/2013</b>	<b>30</b>
3143	19/11/2012	11/01/2013	54
8426	29/11/2012	12/01/2013	46
8301	20/11/2012	12/01/2013	54
<b>7699</b>	<b>15/10/2012</b>	<b>15/01/2013</b>	<b>93</b>
8260	16/11/2012	15/01/2013	61
Max time duration, days			93
Min time duration, days			30

In a word, the strict completeness check and R&I check rules are set up based on the mature CDM procedure and inappropriate for the current PoA system which needs more support and protection by the EB and the carbon market. The possibility of miscommunication between the PDD writer/ auditor and CC and R&I check reviewer is quite high which may cause an inappropriate “incomplete” conclusion. Considering the importance of registration by 2012-12-31, an “incomplete” does not mean a re-submission, but might be a registration failure and a termination of the PoA. This is not the original purpose of the “completeness check and R&I check”. Thus, it is strongly suggested that special care needs to be considered to avoid this.

*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).*

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Considering all above, it is suggested that:

- **A round of clarification and revision could be conducted for the completeness check and R&I check for PoA projects.**

As mentioned before, an “imcomplete” after 2013-1-1 does not mean a re-submission, but might be a registration failure and a termination of the PoA. Then it is not reasonable to notify the project failure without any clarification and revision, especially for some cases where the issues addressed for “imcomplete” are minor and detailed, or where the same statement and situation have already been accepted by EB during the registration of another project. Thus, a round of clarification and revision will help to improve the effectiveness and efficiency of the PoA CC and R&I check procedure.

- **Or, track back the PoA registration date to the completeness of first requesting registration if the project has originally been submitted before 2012-12-31.**

This is also a solution which could “reduce the volume of cases, and the number issues in each case, which the Board will need to consider in the review process”, but will not result in destructive impact on some high-quality PoAs because of complex issues or issues that may have arisen due to miscommunication or other problems.

We hope that the proposal could be seriously considered by the EB since this is quite a common concern, and some other entities have already submitted same or similar queries via the stakeholder interaction:

Date	Name	Subject
11 November 2012	Rama Chandra Reddy, The World Bank Group, Carbon Finance Unit	Request for registration of projects and PoAs submitted during 2012 to be registered with date of registration in the first commitment period
08 August 2012	Mr. Alfonso Lanseros, CO2 Solutions	Registration date
28 May 2012	Mr. Vivek Amin, Abellon Clean Energy Limited	Clarification on PoA CDM projects submission deadline

Thank you for your consideration.

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

N/A

#### **Section below to be filled in by UNFCCC secretariat**

Date when the form was received at UNFCCC secretariat	15 January 2013
Reference number	2013-217-S

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#### **History of document**

<sup>4</sup> [http://cdm.unfccc.int/ProgrammeOfActivities/request\\_reg.html](http://cdm.unfccc.int/ProgrammeOfActivities/request_reg.html)

All PoA projects being published for registration request on the date of 2013-1-15 are included in the assessment.

<b>Version</b>	<b>Date</b>	<b>Nature of revision</b>
01.2	08 February 2012	Editorial revision.
01.1	09 August 2011	Editorial revision.
01	04 August 2011	Initial publication date.
<b>Decision Class:</b> Regulatory <b>Document Type:</b> Form <b>Business Function:</b> Governance		