



**Institute for Solid Waste Research &
Ecological Balance (INSWAREB)**
(The Unique Techno-Scientific Organisation in NGO Segment)

Notes in response to the Call from CDM-EB for public inputs on Programme of Activities (PoA)

If we analyse PoA, it is another bundling mechanism of larger dimension to accelerate the pace of registration of similar projects by minimising the repeated dependence on DNA for Host Country Approval, and various other delaying aspects associated with validation and registration. All these reliefs would benefit the PE immensely rather than the DOE. But the reluctance of DOEs to take up projects under PoA has jeopardized the purpose for which this mechanism is devised.

Project Entities (PEs), who are referred as coordinating/managing entities in Annex 39, are not finding conducive environment in submitting their projects under PoA. The general complaint is that the DOEs are not willing to take up the projects under PoA. When interacted with DOEs, it was learnt that the DOEs' responsibility and accountability vide Annexure 39 clause 14 b) and 35 b) are not acceptable to them. Understandably, it would be beyond their means to own the liability if the inclusion of a CPA proves to be erroneous for what so ever reasons.

To get a better picture on this stalemate the implications may be discussed as follows:

The evaluation of a CDM Project and due diligence on the part of DOE are far superior than that of DNA. Hence, once the CDM-PoA-DD and CDM-CPA-DD are accorded with host country approval and registered with the CDM-EB, the role of DNA should become passive on that particular project.

DNAs, being generally government authorities, are free from accountability and, thus, scope for complacency or negligence is more prevalent in DNA rather than DOE. There are startling instances on the part of DNA giving rulings on CDM Projects without getting into the salient technological details available in PDD. Also there are glaring instances of DNA giving rulings on projects without getting into the details of Statutes of National and State Governments, just to bring pressure on PEs.

First of all the parameters in judging 'Erroneous inclusion of CPA' need to be defined for clarity. In the absence of such clarity, the members of DNAs are liable to blackmail the genuinely included CPA on flimsy grounds.

As the DOEs have been conferred with the privileges of including CPA in the registered PoA directly, the DOEs need to own certain accountability. But the liabilities associated with 'Erroneous inclusion' be transferred to the PE. Then how could the mechanism be devised?



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The DOEs would be permitted to obtain a legal undertaking/ one-to-one agreement from the PE to the extent of the liability in the following lines:

“ The PE indemnifies the DOE by all aspects, in the case of erroneous inclusion of CPA, by accepting to transfer to a cancellation account maintained in the CDM registry by the Executive Board, an amount of reduced tonnes of carbon dioxide equivalent to the amount of CERs issued as a result of the erroneous CPA, out of the overall accrual of CERs to the PoA in the immediate offing through the earnings of other CPAs.”

As this subject offered to give credence to DNA in identifying erroneous CPA, in the event of upholding this status, it is desirable that the functional disciplines of DNAs be subjected to monitoring by a select body of UNFCCC. In the case of PoA where DNA's role is limited to first project, DNAs are liable to be too fastidious out of abundant precaution that may take them away from judiciousness. *Justice delayed is justice denied.* Denying/delaying a befitting CDM project from getting CER-benefits is more an uncalled for act on the part of DNA for which it is constituted. For this purpose, the following issues may be deliberated at CDM-EB:

1. CDM-EB should have a DNA-Review Committee (DRC) to review the functionalities of DNAs with particular reference to the unjustified denial/delays of projects at each DNA.
2. No CDM project should be kept pending with a DNA beyond 60 days without any action.
3. Once the PE submits the clarifications, the project has to be decided by DNA one way or the other within 60 days.
4. If a CDM project is turned down by DNA, the PE of such denied/delayed CDM Project can appeal to the DRC for a review. If the review of the DRC proved positive for accepting a CDM project, and an opinion is issued to the project to this effect in writing under copy to DNA, the DNA has no other option than to extend Host Country Approval to the project within 15 days of receipt of DRC endorsement.

Hope with the above steps, the reservations of DOEs to take up projects under PoA would be greatly resolved, and the DNAs would be desisted from harassing/exploiting genuine CPAs.

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For Institute for Solid Waste Research &
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