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Comments on the “Draft CDM Validation and Verification Manual”

Submitted by
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COMMENTS ON DRAFT CDM VALIDATION AND VERIFICATION MANUAL

Reference	Comments
II	Applicability of the revised VVM for DOEs to incorporate the same on ongoing validation / verification should also be mentioned.
III c	CDM EB should lay down more emphasis by further qualifying this clause. Maintaining the team composition during the entire validation process has been the most challenging task by DOEs and hence a stringent compliance criteria for the ensuring the competence of the team need to be established.
V c 3	<p>(i) Specific guidelines for re-opening the closed CLs, CARs and FARs by DOEs should be provided. There have been many occasions when DOEs re-open these issues quoting subsequent revisions of methodologies and any CDM EB decisions on similar projects.</p> <p>(ii) Specific guidelines for issuing additional CLs, CARs and FARs by DOEs for projects under validation and verification should be provided by CDM EB. Again, there have been many occasions when DOEs issue additional CLs, CARs and FARs quoting subsequent revisions of methodologies and any CDM EB decisions on similar projects.</p>
V D	<p>(i) The experience gained by DOEs and CDM EB in evaluating the need or adequacy of the “30 day period” for stakeholder consultation process should be utilized to reconsider in revising this period. A quick evaluation of comments received from global stakeholders for over 1000 projects registered could provide adequate basis for this reconsideration. This period could be considered to be revised downwards to 15 days for all CDM projects excluding A/R projects.</p> <p>(ii) Guidance should be provided by CDM EB for the organization of stakeholder comments for Programmatic CDM projects (pCDM). The criteria for PoA level and CPA level stakeholder meetings should be clearly stated to avoid arguments between DOEs and Project Participants.</p>
V E 1.2	The contents of the Project Title has always been under discussions due to varying parameters in the project before and after host country approval. Guidance on what parameters should be mentioned in the project title could be provided by CDM EB. This will enable to clearly identify any change in the critical parameters of the project to subsequently re-apply for changes with

	DNA or with relevant local authorities for issuing revised approvals / licenses with new changes.
V E 5.2.2 (90)	Guidance needed from CDM EB mandating DOEs to issue an information sheet to the Project Participants (PP) on the general principles of validation process (during site visits) alongwith the list of documents essential during the site visit. Such communication should be sent to PP atleast a week before site visits. This is to enable PDD appreciate the efforts of DOEs as the former are always driven by consultants. On many occasions DOEs complain lack of documentation by PP and non-readiness for validation.
V E 6 .2.1	CDM EB should provide specific reference or list out specific type of documentary evidence to demonstrate PP's seriousness in considering CDM before Project registration and if commenced before the start of validation. On many occasions PP and DOEs differ in accepting the right type of documentary evidence ins establishing the PP's seriousness.
V E 6 .2.1 (127)	<p>CDM EB's guidance mandating DOEs to question on the availability of funds for PPs to commence project prior positive validation of their CDM project is not a healthy sign for CDM projects development and progress.</p> <p>CDM EB may commission a study to analyse the basis for mandating DOEs to question on the availability of funds for PPs.</p> <p>It has been widely accepted that the CDM revenues are so insignificant in influencing the business decision for a majority of the registered and pipeline CDM projects. CDM revenues most of the times enable a better IRR and mitigate risk from the project performance related risks.</p> <p>We sincerely hope CDM EB has analysed all the 1000 odd registered projects to propose the above guidance. It will be a challenging task to demonstrate that all these 1000 odd registered CDM projects have been implemented only after receiving the positive validation opinion. This guidance also questions the COP/MOP decision in allowing registration CDM projects with retroactive carbon credits as well.</p> <p>This CDM EB guidance if implemented could also be construed <i>as that all CDM projects should not commence unless they receive positive validation from DOEs.</i></p>

	<p>Most of the CDM projects receive CDM revenues on an annual basis. There are possibilities that potential CDM projects if not registered could also be implemented under voluntary schemes or even by investors pumping additional investments that otherwise would have been received under the CDM. In the worst case such commissioned projects operate under loss or reduced IRR.</p> <p>Alternatively CDM EB may provide mandatory guidance to DOEs to check whether Annex I buyers have invested in CDM projects and have transferred appropriate technologies based on the principles and definition of CDM.</p>
V E 6.6	Common Practice Analysis for LSC projects
V E 9.2 (149.(a))	A specific list of stakeholders (SH) could be provided by CDM EB for guidance to avoid arguments between PP and DOE interms of completeness of stakeholders' attendance for the SH meeting organized by PP.
V E (4)	<p>We believe that existing guidelines provided by CDM EB for implementing pCDM projects have more scope to modify even before gaining experience. Most of the leading DOEs are not submitting techno-commercial offers for validating pCDM projects due to many prevailing uncertainties in the process restricting them to evaluate the overall manpower and related costs. A few of the issues are listed below for CDB EB to provide specific guidelines related to pCDM. These queries were sent to a few DOEs and UNFCCC secretariat during February 2008. While one DOE replied that they are unable to answer these queries till June 2008, we are yet to receive reply from UNFCCC. The issues are listed below. A few of which relates to CDM EB to provide valuable guidelines for validation.</p> <ol style="list-style-type: none"> 1. Can capacities of all Small Scale CDM (SSC) projects in one CPA exceed the SSC capacity limits for that Type ? 2. Will a Host Country Approval (HCA) from one country DNA be sufficient for a PoA to be successfully registered and subsequent CPAs get Host Country Approval from other countries as and when developed ? 3. Can different technologies be implemented for single and similar GHG emission reductions activity for different applications.? e.g fuel switching from oil to biomass utilizing biomass boiler, biomass fired thermic fluid

	<p>based heat transfer for process heat requirement in textile and paper mills ?</p> <p>4. Should there be a specific policy or programme announced by governments to qualify for pCDM or whether a standard or a programme initiated by private sector addressing overall national policies also qualify ?</p> <p>e.g CFL falls under national programme or policy whereas fuel switch from furnace oil to biomass for thermal energy comes under general programme of govt to promote biomass utilization but the private promote the same by implementing standard equipments.</p> <p>5. Can both Program & the End User be owned and run by the same entity?</p> <p>6. What will be the requirements and difference in procedures in case of organizing stakeholders meeting at PoA level & CPA level.</p> <p>7. Can the PoA have a scenario of possible additionalities' criteria or scenarios for the given activity. This is to highlight for e.g a scenario where fuel switching may have different level of barriers in different parts of the Country due to the overall status of a particular Sector, say Textile.</p> <p>8.What is the criteria to choose from on organizing PoA level or CPA level stakeholder consultation ?</p>
VI B 1 (176)	<p>Type error : <i>In the case it is not possible to carry out the site, the DOEs shall justify the appropriateness of not conducting the site visit. To read as</i></p> <p>In the case it is not possible to carry out the site visit, the DOEs shall justify the appropriateness of not conducting the site visit.</p>
VI B (179)	<p><i>“In addition to reviewing the monitoring documentation, the DOE shall verify that the project participants address issues identified at validation which need to be checked at the verification.”</i></p> <p>We request CDM EB to provide more clarity this statement as follows :</p> <p><i>“In addition to reviewing the monitoring documentation, the DOE shall verify that the project participants address issues related to monitoring identified at validation which need to be checked at the verification.”</i></p>
VI B 2 (180)	<p>Verification of Data : increase in CERs</p>
VI C 2	<p>(i) Specific guidelines for re-opening the closed CLs, CARs and FARs by DOEs should be provided. There have been many occasions when DOEs re-open these issues quoting subsequent revisions of methodologies and any CDM EB decisions on similar projects.</p> <p>(ii) Specific guidelines for issuing additional CLs, CARs and FARs by DOEs for projects under verification should be provided by CDM EB. Again, there have been many occasions when DOEs issue additional CLs, CARs and FARs</p>

	quoting subsequent revisions of methodologies and any CDM EB decisions on similar projects.
VI D 1.3 203 (c)	<p>CDM projects after implementation may result in increase or decrease in emissions.</p> <p>Reduction in GHG emissions is possible due to delay in implementation of capacity in Phase II as observed in few projects.</p> <p>Increase in GHG emissions is possible due to increase in Plant Load Factor, reduction in use of fossil fuels in the CDM project activity etc.,</p> <p>CDM EB guidance is hence required for DOEs to assess such scenarios leading to increase or reduction in GHG emissions. Especially CDM EB guidance is required for treating projects which have delayed implementation of capacity in Phase II (as mentioned in PDD) or projects which have decided not to implement Phase II.</p> <p>Hence we suggest re-wording of this sentence as follows :</p> <p>“Description of information (data, key variables) in the monitoring report which is different from that stated in the PDD that have caused increase or decrease in the GHG emission reductions in the current monitoring period and/or could potentially increase or decrease the delivery of emission reductions in the future monitoring periods.</p>