

Chairman and Members of the CDM Executive Board
UNFCCC Secretariat
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Subject: Call for public inputs on the draft "Tool for baseline scenario identification and baseline emission calculations"

Date	Our Reference	Tel.	Email
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Honourable Members of the CDM Executive Board,

This input is made by the Designated Operational Entities and Independent Entities Association, a recently established organisation of independent auditing companies accredited under CDM and/or JI. Our members, which are by nature also members of the DOE/AE Forum have committed to spend resources to proactively prepare suggestions and recommendations in order to provide fast and efficient input/feedback to our counterparts at the governance side. We welcome this opportunity to provide our initial feedback on the draft "Tool for baseline scenario identification and baseline emission calculations".

When reviewing the recent draft and in particular the three elements of the recent draft ("draft tool for baseline identification", "draft tool for baseline emissions calculation", "draft tool for the determination of the most attractive alternative of a CDM project component"), it has to be recognized that these kinds of documents, excepting the last one, seems to create a new class of "tool documents" rather than being considered as "regular" methodological tools. To date all methodological tools have delivered procedures for specific aspects of methodologies, which could be dealt with in the same way for some or many methodologies. The intention of these drafts appears to be a generalisation of the whole baseline section of methodologies being applicable in all CDM methodologies.

The tool provides guidance as to how to develop new methodologies rather than delivering a simplification in new or existing methodologies. This can be seen for example in the statement given in paragraph 7 of the "draft tool for baseline identification": "*For each component of the proposed project activity, only one of the following Methodological Approaches for Baseline Setting (MABS) is to be used for the purpose of methodology development*". We want to express our concern that such a generalisation is considered as a very sensitive issue which has to be introduced very carefully. If implemented inappropriately, it might take away or hide well established guidance which is already given in existing methodologies. During the previous years DOEs have been required by the various revisions of the accreditation standard to set-up the assessment teams ensuring sufficient sectoral expertise within the team. Reducing references to sector-specific aspects within methodologies by referring to more generic approaches is considered a loss of guidance for these sectoral experts. For those the new tool text would need to be translated into their (professional) language. Otherwise the mere existence of this guidance covering all aspects of technological solutions in a sophisticated but unnecessarily complex manner could create further hurdles to identify and recruit qualified auditors.

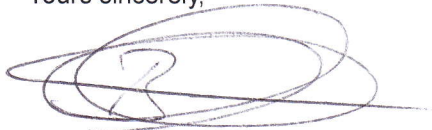
Furthermore we want to point to the fact, that the “draft tool for the determination of the most attractive alternative of a CDM project component” is inconsistent in the context of the existing “Guidelines for objective demonstration and assessment of barriers” when it does not refer to the advice of integrating risks like technology failure risks in the investment analysis.

In conclusion we recommend to:

- reconsider the introduction of the “tools” at this stage
- consider and clearly set out the purpose of the documents, whether to be used as methodological tools or as guidance for methodology development
- engage in further consultation with stakeholders to establish if and how the existing baseline tool should be improved

We remain at your disposal to further discuss this issue.

Yours sincerely,



Werner Betzenbichler
General Manager

**Designated Operational Entities and
Independent Entities Association**