

## Input on the procedures for appeals in accordance with the CMP requests in paragraphs 42-43 of Decision 2/CMP.5

April 2010

Dear members of the CDM Executive Board,

Thank you very much for providing us the opportunity to submit inputs on the procedures for appeals against Designated Operational Entities (DOEs) in accordance with the CMP request. Here, I would like to submit my views as follows.

### **Definition of “stakeholders directly involved”**

First of all, in the Decision 2/CMP.5 paragraph 42, it mentions “appeals that are brought by stakeholders directly involved.” This should be limited to the project participants (PPs) indicated in the section of A.4 of the project design document (PDD) and those which are authorized by the designated national authority (DNA). The definition of stakeholders directly involved will clarify who can be eligible to make appeals in this process.

### **Consequence of validation/verification decision of a DOE**

In the draft procedures for an appeal process against a DOE by project participants (EB51 proposed agenda – Annotations, Annex 2), there is a proposed option that PPs can file an appeal to the Executive Board (EB) against the decision of negative validation/verification opinions and the scope of the appeal shall be limited to the technical aspects with respect to the application of requirements of the CDM.

In my view, it is not necessary to establish an appeal process to EB against a DOE at validation level in the following reason.

1. In accordance with the CDM accreditation standard, it requires a DOE to establish an independent appeal panel and documented procedures relating to receiving complains, handling disputes and appeals and those procedures shall be made available to the CDM secretariat and PPs. This will ensure that the proper response and justification will be made in the case of negative validation/verification decision of the DOE and if PP does not satisfies such decision.
2. If we allow establishing a certain procedure to appeal to the EB by PPs, it will make many negative consequences such as, for example, some DOEs may not take

validation/verification if there are any possibilities for negative decision for proposed projects. The workload of the EB will also increase as such appeal process will be introduced, which may lead to delay the registration and verification process.

To address this, the EB should periodically review the status of validation activities including projects received negative validation/verification decisions and check, if necessary, how a DOE addressed appeals by PPs and if a DOE made appropriate measures in accordance with the CDM accreditation standard.

### **Establishing appeal process against DOEs by PPs after the registration request or issuance request was rejected by the EB**

The EB may consider establishing an appeal process against DOEs by PPs after a proposed project was rejected by EB. In the process of review and rejection for registration and issuance, DOEs may not appropriately address the issues in relation to the technical aspects of the CDM. And, if the request for registration as well as the issuance request was rejected by the EB and PPs are not satisfied with the responses of DOEs after a PP has taken all the opportunities provided by the DOE's system of complains, disputes and appeals.

The procedures for an appeal process against DOEs by PPs after the registration request or issuance request was rejected by the EB should be established.

In such an appeal process, an independent body will be established by the EB. The EB may instruct the CDM Accreditation Panel to take corrective measures for the DOEs concerned. The decision of the EB will not be changed because of this process.

I hope my view will be taken into account during the discussion

Sincerely yours,

Kazuhisa KOAKUTSU

Sub-Director, Market Mechanism Group,  
Institute for Global Environmental Strategies (IGES)

\*The views expressed herein are solely those of the submitter. They do not reflect the views of IGES or other researchers.