

Public inputs to the “Draft Investment analysis guidance”

14 December 2010

Dear Sir,

We would like to appreciate the Board for its continuing efforts to improve the CDM process. We would like to submit public inputs on the "Draft Guidance on Investment analysis"

1. The fundamentals of the method adopted are very much relevant and acceptable
2. This method of standardisation is very much appreciated and is the right approach to make the CDM project approval process more consistent and standard
3. This method would clearly reduce the uncertainties of the CDM registration of projects and help Pps to confidently take up the projects. This method would reduce the time lag of CDM registration and allow the CDM EB to focus on more important activities
4. Please state explicitly in the guidance that the “inflation rate” needs to be added to the default value to arrive at the nominal value. Not stating it clearly has given rise to a lot of speculation amidst validators and Pps.
5. Please state clearly whether Consumer Price Index (CPI) or the Wholesale Price Index (WPI) based inflation rates shall be considered. As you would be aware, worldwide, the CPI is the standard inflation rate adopted. Therefore, it would be greatly appreciated if this explanation is also included in the “Draft Guidance”.
6. Also, please clarify whether the time period for which the inflation rate is to be adopted. Whether we need to adopt the “one year annual average” before the project decision making time or the 6 monthly average etc
7. Since the benchmark would vary with time, please clarify whether the default values would be updated every year

Thanking you



Yours truly,

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