

2010-10-08

To
The Executive Board
UNFCCC secretariat
Haus Carstanjen
Martin-Luther-King-Strasse 8
53175 Bonn
Germany

Sub: DRAFT PROCEDURE REGARDING THE CORRECTION OF SIGNIFICANT DEFICIENCIES AND THE EXCESS ISSUANCE OF CERS

Dear Sir/Madam:

May I request your attention to the followings inputs with respect to the request of broad on (c), (d), and (e).

1. On adoption the 'DRAFT PROCEDURE REGARDING THE CORRECTION OF SIGNIFICANT DEFICIENCIES AND THE EXCESS ISSUANCE OF CERS' is going to escalate the cost of validation and verification as DOEs will very likely introduce a penalty clause to optimize the risk and make an attempt to transfer the responsibility/liability to project proponent(s).
2. There will also be a situation where members of DOEs could yield erroneous validation report as well as monitoring report/verification due to their incompetency [which is very common in case of few validators] as the human resource of DOEs are poorly staffed with least or no experiences. In such cases, there should be a provision, which will restrict DOEs to transfer the possible penalty to project proponent.
3. A possible good practice to address this situation could be to introduce an indicative range of validation, verification fees to DOEs by defining a higher ceiling of fees, which shall not be crossed by DOEs. Indeed, this upper ceiling should be separate for small scale; large scale and POA project activities.
4. In addition, there should also be obligatory provision through which DOEs will submit a Letter of Intent and declaration to EB, UNFCCC prior to executing any validation or verification agreement with project proponent/participants, where DOE will state 'why are they taking up the project for validation by specifying their outcome through a pre-validation due diligence'. This document can also be uploaded by DOE during hosting the PDD for global stakeholder comments.
5. However, in a situation where a project participant provides false or misleading information to a DOE, and that information led to the excess-issuance of CERS, in such situation a provision should made to adjust the excess CERS in the next issuance from the same project. This will mitigate the risk at the DOEs level as well as the accountability of project participant will also enhanced.

Sincerely,

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