



5 March 2010

CDM Executive Board
UNFCCC Secretariat
Martin Luther King Strasse 8
P.O. Box 260124
D-53153
Germany

Dear Mr. Mahlung,

I write to you on behalf of the International Emissions Trading Association (IETA) in response to the calls for input the Executive Board issued at EB 52 regarding:

- Draft Procedures for Requests for Registration of a Proposed CDM Project Activity,
- Draft Procedures for review for requests for registration,
- Draft Procedures for Requests for Issuance of Certified Emission Reductions, and
- Draft Procedures for Review for Requests for Issuance.

IETA greatly appreciates the opportunity to comment on these drafts and commends the Executive Board and Secretariat for working to improve the timelines in the system.

Given the similarities among these documents, IETA will address them all together in this letter.

1. First and foremost, IETA would like to express our view that the request for registration and request for issuance processes should be viewed holistically, as one process from start to finish. **In other words, we believe that completeness checks and the new appeals process that the CMP requested the EB to develop in Copenhagen should be addressed in these draft procedures, in addition to the other elements that are already contained within them.**

Given the fact that significant delays in the completeness check processes for registration and issuance have become an enduring problem, IETA believes that attempts to deal with the backlog and to streamline and simplify the completeness check process in general must be considered integral to the design of a truly effective, efficient registration and issuance process.

Moreover, it is also necessary to coordinate the tasks entailed in the completeness check procedure with those undertaken by the Secretariat during their technical assessment. For example, information checking should not be duplicated.

IETA suggests that the revision of the completeness check procedures ensure that the completeness check is only a quantitative check on the forms and types of information provided, rather than a qualitative check, which should take place in the technical assessment. In other words, this should be a purely administrative task. We also suggest that the EB apply binding timelines to the completeness check process and reduce those timelines to approximately one week. IETA believes that these changes should not be difficult to make if the completeness check phase is made a purely administrative task.



IETA also believes that the way that the new process of appeal for project decisions must also be considered integral to any exercise to overhaul the registration and issuance procedures since it will make a fundamental change to those procedures. The process of appeal that is chosen must ensure that it is truly independent from the first decision taken, so **the body responsible for hearing appeals can not have had contact with the project previously.**

2. IETA is weary of the decision to give the task of the “independent technical review” requested by the CMP to the Registration and Issuance Team (RIT).

First, it is unclear how the RIT assessment proposed in these procedures differs significantly from the assessments that are currently undertaken. We request that the EB and Secretariat please elaborate on this.

Second, on numerous occasions, IETA has noted our deep concern that the RIT has no mandate to apply the concept of materiality to their assessment. **We see the incorporation of the concept of materiality into the RIT’s decision-making criteria should the Board choose to go this route.**

3. IETA also believes very strongly that *if* the secretariat is to take the lead role in assessing registration and issuance requests, then:

- It must be assured that the secretariat contains the necessary technical capacity and that the number of staff increases considerably, which IETA is concerned about given the track record of filling vacancies over the past two years.
- There is a need for repercussions if timelines are not met.

4. **IETA would like to suggest, however, that the Board consider designing the assessment in a way that the secretariat and the RIT do their analysis in parallel instead of in succession.** This might both save time as well as ensure that there is truly an independent assessment by the RIT. The Board will then have two thorough assessments (2 opinions) on which to base their judgment

5. **IETA would like to suggest the creation of a fast-track procedure in the case where both the RIT and Secretariat are in agreement that the project should be registered or CERs issued.** In this case, the EB could be asked to electronically vote to take a decision on the project, with 3 “no votes” from EB members being required to bring the discussion back to the agenda of the next meeting.

6. **IETA believes that the new procedures should stipulate that the date of registration is the date the request for registration was originally submitted by the DOE, in the case of a request for review or corrections.** IETA and several other stakeholder groups have suggested this before and would greatly appreciate a thorough discussion of this idea by the Board.



7. IETA believes that direct communication between the Secretariat, DOEs and the Project Participants should be mandatory when clarifications are sought during technical assessment and later at the review process.

8. IETA believes that the timelines contained within these procedures are excessive for issuance requests. There is no reason provided as to why the period for requesting review of issuance request has been extended from 15 to 21 days. IETA believes that the current timelines should be reduced or maintained.

Also, Para 23 of both Registration and Issuance review procedures provides 3 weeks for the Secretariat to assess whether corrected documentation is in line with what was requested. This seems excessive to IETA, and we suggest that it be changed to 1 week.

9. IETA suggests that the technical assessments by the Secretariat and the RIT should be provided to the DOE and Project Participant, and that they should be allowed to respond. The response then should be considered by the EB at the same time as they are considering the Secretariat and RIT assessment.

10. Concerning correction criteria: IETA believes that these criteria can be a heavy administrative burden for all involved, and frequently have no impact on emission reduction credits. **We believe that the new procedures should indicate that a request for corrections should incorporate the concept of materiality and therefore be strictly limited to those issues that impact baseline scenario and additionality determination in the case of registration, or emission reduction calculation in the case of an issuance request.**

11. Finally, IETA would simply like to point out a few typos in the document:

- Regarding the Registration procedure: It still says that DOE pay the registration fee, and
- Regarding the review of issuance request procedure: the PAC is still referenced.

In closing, I would like to reiterate that IETA greatly appreciates the opportunity to contribute to this call for input and hopes that our comments prove useful. Given that these draft procedures have changed substantially in a short time, IETA would like to kindly suggest that a second call for input be released should new drafts with substantive changes be developed in the upcoming meetings.

Sincerely,

Henry Derwent, IETA President and CEO