

KOE Environment Consultancy, Inc. (Japan)

China Office: 〒100035. C Squat Chengming Plaza, No.2 South Street, Xizhimen inside, Xicheng district, Beijing

Email : cy@cncdm.cn

Tel: 010-62219066

Fax: 010-66001008

Dear Sirs,

Please find below the comments in regard to the draft "Procedures for Requests for Registration of a proposed CDM Project Activity", the draft "Procedures for review for requests for registration", the draft "Procedures for Requests for Issuance of Certified Emission Reductions", the draft "Procedures for review for requests for issuance", which are in a call for inputs from stakeholders. In case you have any further inquiries please let us know how we can kindly assist you.

Yours sincerely,

Daniel Cao

4/3/2010

According to paragraph 39 of decision -/CMP.5, Executive Board (EB) was requested to revise the review procedures for below objectives:

- (a) Provide designated operational entities and project participants with adequate opportunity to address issues raised in reviews;
- (b) Include an independent technical assessment of the analysis conducted by the secretariat;
- (c) Include a process for the Executive Board to consider objections raised by members of the Executive Board to outcomes of assessments;
- (d) Ensure efficient and timely consideration of registration and issuance requests;

Based on these provisions, the following comments were made in Part I and Part II with reference to the draft procedures for request for issuance/review for request for registration and issuance respectively:

Part I: Comments regarding the *DRAFT PROCEDURES FOR REQUESTS FOR ISSUANCE OF CERTIFIED EMISSIONS REDUCTIONS (version 1)* (hereafter referred to as “procedures for issuance”)

Comment 1: the length of publication regarding the request for issuance is longer than previous procedure, which was not in line with the relevant decision in CMP5 with reference to the “efficient and timely consideration of registration and issuance requests”. Hence this item may be necessary to be revised.

This comment is made based on below concerns:

Concern: according to below provision in the draft procedures for issuance:

- 2. *the request for issuance will be deemed finalized if the secretariat does not receive a request for review from a Party involved or at least three members of the Executive Board, as prescribed in the “Procedures for Review of Requests for Issuance.” within 21 calendar days of the date of publication.*

Obviously, 21 calendar days publication is longer than former one, which will lead to lower efficiency of issuance requests. As per the paragraph 39 of decision -/CMP.5, this item should be shortened to 14 calendar days at least.

Part II: Comments regarding the *DRAFT PROCEDURES FOR REVIEW FOR REQUESTS FOR REGISTRATION (version 1)* and the *DRAFT PROCEDURES FOR REVIEW FOR REQUESTS FOR ISSUANCE (version 1)* (hereafter referred to as “procedures for review”)

Comment 1: EB should make proportionate efforts to improve completeness check in the aspects of “efficiency”, so as to guarantee the “materiality” of following review in the revised procedures. So EB is highly recommended to provide an updated “guidance of completeness check” to clarify the requirement of timeline and competence.

This comment is made based on below concerns:

Concern 1: Currently only in paragraph 14, Annex 60, EB48 the efficiency issue was mentioned as below:

14. Where the completeness check has taken in excess of 30 days the DOE will be granted an extension of the validity period of the methodology to resubmit a complete request for registration equal to the number of excess days taken to inform the DOE of the issues of non-compliance.

Such nonrestrictive requirement is considered not enough to well control the length and quality of completeness check, particularly compared with the timeline stipulated in revised review procedures.

To ensure efficient and timely consideration of registration and issuance requests, it would be necessary of EB to provide a clear deadline to finish completeness check e.g. with 30 days since the start date.

Concern 2: Given the fact that the stage of “request for review” is tend to be removed from the revised review procedures, the materiality of review by EB should ensured, which means the “minor issue” shall not lead to a “review” in practice.

To do so, the minor issue, if any, is supposed to be identified and closed during the process of completeness check. Otherwise, the efficiency and materiality of “review” would be undermined. Therefore the clarity would be very necessary regard to the time limit and completeness of “completeness check” when the new review procedure was in place.

Comment 2: EB should provide appropriate procedure to ensure well attainment of paragraph 9, decision -/CMP.5. In particular, some specific steps should be adopted to seek inputs regarding policy issue from the host country.

This comment is made based on below concern:

Concern 1: In the draft of revised procedure, no procedure was provided to specifically collecting clarification from DNA of host country, which however was required in paragraph 9 in decision -/CMP.5:

9. Requests the Executive Board to take fully into account, in its work and in

the work of its support structure, the laws, regulations, policies, standards and guidelines that apply in the host countries, and in case of need seek inputs from designated national authorities of the host countries;

Therefore, it is recommended to add such provision in relevant paragraph of revised procedure. For instance, below item is suggested to be added in paragraph 9:

“c) Where the request for review is mainly with reference to the laws, regulations, policies, standards and guidelines that applied in the host country, a formal inquiry with the DNA of host country should be made simultaneously.

At the same time, such action should be stipulated in paragraph 10 and following paragraph in the procedure accordingly.

Comment 3: EB should give more detailed guidance regarding the “response” by DOE/PP to clarify the standard to which extent the documents of response should meet. Here it is recommended of EB to endue DOE/PP with enough opportunity to address issues raised in reviews.

This comment is made based on below concern:

Concern 1: according to below provision in decision -/CMP.5:

39. Requests the Executive Board to ensure that the revised procedures for review: (a) Provide designated operational entities and project participants with adequate opportunity to address issues raised in reviews;

In the draft of review procedure, only 2 weeks is left to DOE/PP to prepare the response after the notification of the review. Although there would be still 9 weeks to receive additional information from DOE/PP followed the further issues raised by the secretariat, it is still ambiguous in defining which documents shall be provided in the first 2 weeks after the notification of review and which ones could be provided later. It would be helpful to improve the efficiency of EB secretariat by stipulating the document types that needed to be prepared in the initial response.

Comment 4: in term of efficiency improvement, the fixed 12 weeks timeline is not so appropriate in preparing the final assessment and recommendation by EB secretariat. Some more flexible and motivating forms of timeline are expected in the revised procedure.

This comment is made based on below concern:

Concern 1: according to below provision in the draft of revised procedure:

14. the secretariat, on the basis of the responses from and further communication with project participants and DOE, shall prepare a final assessment and recommendation for the consideration of the Executive Board no later than 12 weeks after the notification of the review to the project Participants and the DOE.

The fixed 12 weeks seems too long and not so reasonable since the DOE/PP probably submitted their response at an earlier point before 9 weeks after the notification of the review. In that case, the secretariat was obliged to have their work done no later than 3 weeks after receiving DOE/PP's complete response, so as to encourage DOE/PP to develop their response as soon as possible.

For this purpose, the time requirement is suggested to be revised as below:

“the secretariat, on the basis of the responses from and further communication with project participants and DOE, shall prepare a final assessment and recommendation for the consideration of the Executive Board no later than the earlier date between the two points: a) 3 weeks after receiving the complete response by the project Participants and the DOE, OR b) 12 weeks after the notification of the review to the project Participants and the DOE.

Comment 5: the transparency should be better ensured regarding the role and process of the secretariat during the review process.

This comment is made based on below concern:

Concern 1: as per the draft of revised procedure, the final assessment and recommendation shall be prepared by the secretariat in regard to the response by DOE/PP following a request for review. For the purpose of transparency, more specific procedures shall be set up in this process. At least, the final assessment and recommendation report should be public on the web page of UNFCCC before the EB meeting in which the decision was made.