

**Comments on “Proposed Draft Procedures for REGISTRATION of a proposed CDM project activity”**

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I thank the Executive Board and the secretariat for giving me this opportunity to comment on the proposed new rules for registration, issuance and review.

While my focus is on the proposed new draft procedures for registration, most of the comments made herein apply equally to proposed new procedures for issuance.

**Premise:**

1. I acknowledge that requests by decision-/CMP.5 to the EB CDM focus on revising the existing timelines for registration, issuance and review processes, as outlined in decision 3/CMP.1 and decision 4/CMP.1.

2. I note therefore that the spirit of decision-/CMP.5 must be interpreted as being primarily concerned with making the overall process of registration and issuance more efficient --and in particular rather quicker, compared to current times, as indeed language in decision-/CMP.5 paragraph 39(d) indicates.

**Facts:**

3. As illustrated in the appendix to these comment, the current process of registration is rather long. Based on publicly available statistics on the status of CDM projects, it can be broken into the following steps: 1) Completeness checks by the Secretariat, lasting on average three to four months; 2a) Registration process, regulated as per 3/CMP.1, annex,

paragraphs 41 (etc.), i.e., 4 to 8 weeks; 2b) Review cases, which depending on a number of factors may last 6 to 18 weeks.

At regime, the timelines above imply that the 50-75 projects submitted for registration on average each month generate the following reservoirs: a) 150-250 projects awaiting completeness check by the secretariat (current number is 261 on UNFCCC website); b) 50-75 submitted to the EB for registration (currently 50) –of which about 40-60 are registered at each EB meeting, while c) the remainder 10-35 enters a pool of 30-100 projects under various stages and timelines of review (currently 35 under review; 94 awaiting modifications).

4. From the above analysis, it follows that a main bottleneck of the overall process is the completeness check requested of the Secretariat, both in terms of time required to complete and actual number of projects in waiting. The second bottleneck is the overall review process, which is a concern, provided the number of cases sent for review increases over time.

5. From the above analysis, it also follows that the processes of registration and issuance are the least problematic, both in terms of time and number of projects in waiting.

### **General Considerations**

6. It is assumed that decision-/CMP.5 was drafted with full knowledge of the dynamics described above. Indeed paragraphs 38 and 39 focus on one of the two identified bottlenecks.
7. It is therefore surprising to see a narrow interpretation of paragraph 37 of decision-/CMP.5 –implicit in the proposed draft procedures being commented—as purely referring to the 4-8 weeks deadline necessary for CDM project activities to undergo registration by the EB. It is my opinion that the main focus of new procedures should rather focus on reducing the main

bottleneck of the entire process, i.e., the stage of completeness check first, and secondly the review process.

8. This revision is in my mind possible within the requests of CMP.5, noting that paragraph of decision 3/CMP.1, annex, paragraph 41 (and 65 etc.) refers to timelines of eight (four) weeks “*after the receipt by the Executive Board of the request for registration.*” Therefore, the request by CMP5 to revise timelines as indicated in 3/CMP.1, annex, paragraph 41, should be interpreted to also allow for the possibility to revise the definition of *when exactly is a request for registration received by the EB*, a process that the CMP has never defined, and which in fact has been left to the EB and secretariat to deliberate upon in various existing guidelines and clarifications—some of which being replaced by the proposed draft procedures.

### **Considerations on Proposed Draft**

9. Given the above considerations and discussion, it appears that the proposed draft procedures do not adequately address the timing and efficiency problems to which CMP5 explicitly refers. This is because the propose drafts: 1) Focuses on shortening the one process that appears to be the least bottleneck of all—i.e., by proposing 21 days instead of eight weeks in order to allow registration without review; and 2) It fails to address a shortening of the completeness check process, which by contrast is the largest bottleneck in the process.
10. Instead of focusing on the major bottlenecks, the proposed procedures eliminate instead the one activity that, within the context analyzed, does not appear to have any role in affecting current (and future) registration timelines: the RIT independent analysis<sup>1</sup>. This is considered quite a negative outcome for

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<sup>1</sup> The RIT is a purely technical body, whose function in practice is to aid the EB in project appraisal. Its timelines for appraisals depend solely on existing procedures. They are currently set to 20 days in view of

at least two reasons: (1) It implies that the Secretariat takes on an additional burden over and above completeness check; and  
(2) It eliminates the RIT, which can be viewed as an independent technical assessment of the work of the secretariat, among others.

- 11.** It is nonetheless recognized that the proposed draft procedures reform the process of completeness check. However the current draft does not specify any timeline for that process, which would instead be highly desirable, given this is the one step in the overall process that has not been regulated by a set timeline for completion.
- 12.** It is therefore not credible that the draft procedures proposed would “ensure efficient and timely consideration of registration and issuance requests,” i.e., the draft procedures appear on the contrary to run counter to specific mandates in decision-/CMP.5 paragraph 39 (d).
- 13.** Specifically, it is unclear how the Secretariat would be able to cope with, on one side, the increased workload needed to reduce the time for completeness check, and on the other, the increased workload needed to analyze and draft project summary reports, without the help of the RIT.
- 14.** Also specifically, it is unclear how adjudicating to the secretariat the full function of appraising requests for registration and issuance without the RIT, would meet requirements in decision-/CMP.5 paragraph (b).

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current registration timelines. However, given that RIT members are asked to perform their analyses in on paid day, obviously RIT members can easily accommodate any revised timelines, including these drafted ones, without danger of slowing down the process.

**Proposed changes to the Proposed Draft**

15. Based on the considerations made above, the following changes to the draft procedures are hereby submitted:
  
16. Focus on setting a reasonable timeline to the process of completeness check. This can be done in a variety of ways, but should include shifting the burden of proof more on the DOEs than done currently. For instance:
  - (a) Set a limit of four weeks for compliance check by the Secretariat;
  - (b) Requested the DOE to pay the relevant registration or issuance fees at the time of submitting a request for registration to the Secretariat. Such fee would be *non-refundable*. In case of non-compliance, the current application and request for registration is considered not valid. A DOE will need to re-submit a complete set of revised documents to the Secretariat, and pay a new fee at the time of a new request for registration.
  - (c) If the secretariat cannot issue a completeness check within four weeks, the project is considered as “requesting registration” and undergoes the timeline necessary for being registered without review.
  - (d) Once a project is marked as “requesting registration”, PPs refund an amount equal to *one* registration fee to the DOE.
  
17. Once a project is marked as “requesting registration,” it is proposed that the EB and secretariat use the RIT as before, to appraise the validation work of the DOE, with the following modifications.
  - (a) If the project could not undergo a completeness check by the secretariat, a two-team RIT will be formed: the lead RIT member will appraise as done currently; the second RIT member will perform completeness check, and will report to the lead RIT

member. Both will be paid a fee for one day of work and are expected to work for one day.

18. The deadline for RIT members to perform their analyses will be adjusted to fit within any revised timeline for registration –considering only one day of work is required of a RIT member.
19. One option to suit the goal of keeping the completeness check work of the Secretariat within the new proposed timeline is to remove the Secretariat from the task of having to write a project appraisal form for each project, which, given the current RIT TORs, should be based in any case on the RIT appraisal itself. It is noted that, given the current depth of reports asked of RIT members, it will not be a burden to ask RITs to add a short paragraph of summary notes, as the Secretariat currently produces for EB members.
20. If the Secretariat task of producing summary notes is retained, then it is recommended that such note follows more appropriately the language in the current RIT TORs, i.e., paragraphs C.25 and C.32, requesting the Secretariat to write a summary note “on the basis of the RIT member’s appraisal”, so that the independent function of the RIT is maintained and carried forward through the registration process.

**Justification of proposed changes and activities needed**

21. Focusing on completeness checks (16.) allows the EB to reduce a major bottleneck in the current registration process, in line with *decision-/CMP.5 39(d)*.
22. Keeping the RIT in place, in order to perform the same or proposed enhanced tasks in appraisal of registration and issuance (17., 18., 19.) allows the Secretariat to focus on completeness check, thus increasing efficiency in line

with *decision-/CMP.5 39(d)*. In addition, it keeps in place and actually revitalizes a much needed body of independent technical assessment of the work of the Secretariat, in line with *decision-/CMP.5 39(b)*.

- 23.** A sounder and better defined role of the RIT could be considered to suit some of the explicit and implicit needs of CMP5 requests with regards to registration and issuance. To this end, in view of both its current tasks, and in view of those proposed herein in 17. and 19., the RIT should be offered training, in order to ensure performance efficiency and some basic homogeneity of operations. Training could be accomplished through a two day workshop, held annually, which would also serve the purpose of increased exchange and communication between RIT members, Secretariat and EB members.

**Comments on “Proposed Draft Procedures for REVIEW for Requests for Registration (and Issuance)”**

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I thank the Executive Board and the secretariat for giving me this opportunity to comment on the proposed new rules for registration, issuance and review. All of the comments made on new procedures proposed for registration and issuance may apply to these procedures for the review process.

I welcome the proposed efforts to streamline the current two-stage review process into one. As observed in my other comments, I worry nonetheless that these new procedures, rather than working to alleviate the tasks of the Secretariat, appear to increase them, so that the impact on the overall effectiveness of the CDM registration and issuance process is uncertain.



**APPENDIX**

*Analysis of CDM project flows, timelines and reservoirs*

The following is a schematic analysis of project flows in the current CDM process, from submission of “Registration Request Form” by the DOE to the Secretariat, to “Undergoing Registration”, to EB rulings and final registration. Note that the process is assumed to be at regime (i.e., equilibrium flows in and out of boxes). Numbers used are loosely based on current procedures and associated statistics on the UNFCCC website.

LEGEND: project flow:  project pool in reservoir:  residence time:

