

Dear CDM EB Chair Mr. Martin Hession:

Responding to “**Call for inputs on Standard for Sampling and Surveys for CDM Project Activities and Programme of Activities**”, I prepared the following inputs. But I am sorry that I misunderstood that the deadline was 30/10/2011. In case you still consider that my input is useful for discussion, please include this to the relevant discussion for sampling.

Thank you very much for your kind consideration.  
Best regards,

  
Naoki Matsuo  
Climate Experts, Ltd.

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### **Comments on “materiality”-related aspects**

The Draft Standard focuses only on the “sampling and survey” and ignore how it is used in the calculation of “emission reductions”.

Therefore, it requests the PPs to apply 90/10 or 95/05 confidence/precision rule as the criterion for sampling for all cases (except for the cases specified by the methodology).

Suppose the project activity is to introduce renewable technology to the households. And the baseline emissions  $BE$  per household is estimated as

$$BE = 3.0 \pm 0.5 \text{ tCO}_2/\text{household}$$

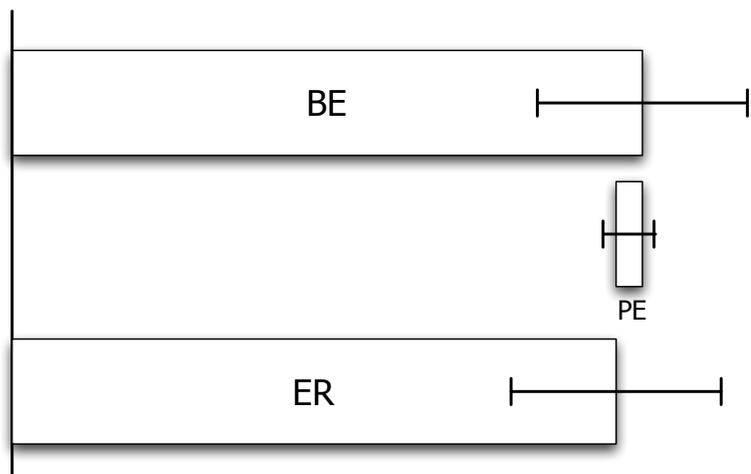
by applying some method. For project emissions  $PE$ , we know that even after the introduction of the renewable technology, some household may use fossil fuel a little bit. It is estimated to be around

$$PE = 0.10 \pm 0.05 \text{ tCO}_2/\text{household}$$

by using provisional sampling survey with small sample numbers

This is very minor emissions much less than the uncertainty level of the baseline emissions.

The whole uncertainty level is dominated and determined by that of the major baseline



emissions.

I would like to stress that it is NOT appropriate to require 90/10 confidence level for these cases (*i.e.*, minor emissions), considering materiality point of view.

Therefore the Standard shall NOT require 90/10 or 95/05 blindly, but require estimation of relative significance in the calculation of emission reductions. The appropriate confidence/precision level can be determined after that.

(In case of a PoA which I am involved, I design the major part to monitor entirely. For minor part, I chose sampling/survey method. I believe this method is theoretically relevant.)

However, the CDM EB has not finalized the guidelines/guidance of materiality for a couple of years.

Most realistic solution is to allow the DOE to validate its appropriateness (tentatively until the materiality guidelines will be prepared by the Board).

One of the barriers for CDM is that top-down decision is required for very minor and project specific aspects through, *e.g.*, request for deviation. DOE is the team of experts for auditing. I believe that they have such competence to judge the appropriateness by themselves.