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From	werner.betzenbichler@beCe-experts.com
Date	18. September, 2011
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Subject	**Call for public input on "Issues included in the annotated agenda of the sixty-third meeting of the CDM Executive Board and its annexes"**

Honorable Members of the CDM Executive Board,

The DOE/AIE Forum appreciates the initiative of the CDM Executive Board to improve the communication between the Board, the UNFCCC Secretariat and their stakeholders and welcomes the opportunity to provide input on "Issues included in the annotated agenda of the sixty-third meeting of the CDM Executive Board and its annexes"

This input has been prepared by the Chair of the DOE/AIE Forum by consolidating comments received from various DOEs after inviting all members of the DOE/AIE Forum to provide feedback on their experiences, concerns and to make suggestions for improvement.

New Standards and Procedures as discussed during the Integrated Workshop (annexes 4 to 11)

The consolidation of standards and procedures is very much welcomed by members of the DOE/AIE Forum and we appreciate the opportunity for input both at the Workshop held in Bonn in August, and through this call for inputs. We also welcome the development of greater clarity of procedures for PoAs and simplification of the procedures for post-registration. However, we do have a real concern that there has been insufficient time available to ensure that stakeholder inputs can be fully considered and that documents are fully consistent. Given the importance of these documents to the ongoing trust and credibility of the Clean Development Mechanism, we urge the EB to allow additional time to ensure consistency prior to final implementation. This comment particularly relates to:

- the sharing of responsibilities by CMEs and DOEs in PoA
- the procedure on erroneous inclusion as included in the Project Cycle Procedures
- the application of the standard for sampling and surveys in DOE assessments
- issues on post-registration changes as provided by the Project Standard
- several aspects within the Validation and Verification Standard

We note that the CDM Glossary of Terms has not been presented in a revised form. Please note that this, too, needs modification to prevent inconsistencies with the new standards and procedures.

Individual comments to each draft as provided by the annexes to the annotated agenda are given within the annexes to this letter. They comprise generic comments, comments on individual paragraph s and comments on editorial issues.

Use of First-of-its-kind barrier and the Assessment of Common Practice (annex 15)

The draft proposal for a decision by EB requests the revision of the additionality tool. With regard to the fact that the assessment of a common practice analysis is treated within the VVS and considering the fact that we recommend to delay the release of the VSS until overall consistency is achieved, we suggest to integrate an update of the additionality tool and its implications in the first version of the VVS.

Significant Deficiencies in Past Validation, Verification or Certification Reports (annex 16)

We want to express our great disappointment that the announced “information note on addressing significant deficiencies in past validation, verification or certification report” has not been made publicly available during the period of this call for input. We hope that this means that its consideration by the EB will be delayed until a later Board meeting. If not however, the EB is requested taking into account the overall consensus among all stakeholders reached during the integrated workshop that a procedure on significant deficiencies should be limited to cases of fraud and gross negligence (related to accreditation issues). Excess issuance resulting from human error (wherever it may occur) has to be treated differently and we urge the EB to consider the levels of potential financial penalty for a DOE assumed in the procedure (which could run to 10s or even 100s of millions of US dollars) in the context of the value of validation and verification assignments. We understand that the inclusion of an appeals process, as requested during the workshop, requires a further decision by CMP and understand this issue as the reason why no such procedure has been released along the annotated agenda.

The DOE/AIE Forum welcomes the development of improved standards and guidance documents which will be helpful to further expand a credible and successful CDM. We look forward to further contributing on this matter.

Kind regards,

Werner Betzenbichler
Chair of the DOE/AIE Forum

Annexes:

	Comments on:
Annex 1	Draft standard for demonstration of additionality of a programme of activities
Annex 2	Draft standard for the development of eligibility criteria for the inclusion of a project activity as a CPA under the PoA
Annex 3	Draft standard for application of multiple CDM methodologies for a programme of activities
Annex 4	Draft standard for sampling and surveys for CDM project activities and programme of activities
Annex 5	Draft clean development mechanism project standard
Annex 6	Draft clean development mechanism validation and verification standard
Annex 7	Draft clean development mechanism project cycle procedure

Comments to

Draft standard for demonstration of additionality of a programme of activities

Generic comments

It needs to be mentioned that the validation of eligibility criteria along this standard is not embedded in the concept of erroneous inclusion, which is part of the project cycle procedure. In cases eligibility criteria do not sufficiently protect the inclusion of non-additional CPAs, issues on erroneous inclusion might cause difficulties for the including and not the validating DOE. As sometimes the practicability of eligibility criteria might be proven only along the progress of a PoA an option for ex-post changes might be necessary.

As this issue addresses other documents we see this standard ready for approval by EB once the individual comments and suggestions below on specific paragraph s are reflected appropriately.

Specific comments to individual paragraph s

paragraph 4: as per "DRAFT CLEAN DEVELOPMENT MECHANISM PROJECT CYCLE PROCEDURE" paragraph 2 (e) 'Procedures for approval of the application of multiple methodologies to a programme of activities (version 1.0)' have been replaced, hence definitions shall be referred to the consolidated Project Cycle Procedures rather than this Procedure. Same wrong reference has also occurred in other PoA Standards.

paragraph 5: needs further clarification on 'a programme of action...'. Examples shall be established to show tangible cases. It is also unclear when some policy only setting up a target or intended target and let the industries or private companies decide what measures/technologies to take, will that also be a policy defined here which 'includes a programme of action…'?

paragraph 7 (b): Last paragraph 'In that case, the eligibility criteria shall be based on the specified range for the defined parameters, and full re-testing of additionality (e.g. via investment analysis) is not required for each CPA.' In case an additionality test only at the CPA level is considered still applicable as discussed during the PoA workshop the 'shall' has to be revised to 'should'. In any case, this paragraph should still allow for full re-testing of additionality for cases where this is deemed necessary.
Is the paragraph applicable to 7 b(i) (ii) (iii) or only to 7 (b)(iii)?

paragraph 8(c): 'Types of combinations as indicated in paragraph 11 (a) to 11 (d) of the .Standard for application of multiple CDM methodologies for a PoA.' it was told that all PoA Standards will be consolidated to PCP during the August workshop, if it is the case, all the references related to PoA Standards may need to be revised again to the respective paragraph s in PCP.
If the criteria shall be presented for each possible combination this also should (would have to) be presented via CPAs submitted with the PoA for validation, covering the requirements to show the applicability and viability of the eligibility criteria. It has to be pointed out that this issue is not addressed in any part of the requirements for PoAs, where it is always meant that only one CPA will be included with the PoA in validation.

paragraph 9: If a new or existing policy includes CDM in its definition, may be understand as triggered by CDM.

paragraph 10: Examples shall be given for such connections '…how the CPA implementation results from the policy.' Besides, for PoA results from a policy, a description on how CDM are alleviating these barriers shall be defined, e.g., the CDM revenues are exclusively used to compensate stakeholders, build up necessary infrastructures, used as subsidies to end users, etc. otherwise, there is no essential logic why the PoA needs CDM revenue, when those barriers cannot or will not be fully overcome by CDM revenues. In other words, the usage of CDM revenue generated from the PoA shall be defined and monitored.

paragraph 10(a): '… environmentally effective but faces one of the barriers described under (b) to (d).' has wrongly referred to (b) to (d) but rather (ii) to (iv).

paragraph 10(a) (i): This paragraph is confusing, this shall be rather a definition on 'environmental effectiveness' than a barrier description. The last sentence 'For the PoA to be additional, it should
effectively contribute to the GHG emissions reduction' cannot be considered as a barrier or additionality demonstration, it is unclear how to quantify the 'effectively contribute ...', every CDM projects are contributing to GHG emission reductions, HFC and NO2 projects are the biggest contributor, but if they need to be defined as the amount, then projects such as cookstoves, CFL, biogas digesters with little ER but more sustainability development will not be appreciated. Reconsideration of this paragraph is necessary.

paragraph 10(a)(ii): there is no benchmark to compare to define a 'low cost-effectiveness', needs further clarification. "Refers to meeting a given environmental quality goal at the least cost". "Least" implies comparison. Comparison means options or previous experiences, and it is difficult to demonstrate in LDC countries.

paragraph 10(a)(iii): It can be treated as a perverse incentive for unequal police. Besides, how are those policy barriers going to be alleviated by CDM is unclear. The inequity of stakeholders is sometimes impossible to be overcome only by financial support. It might also lead to controversial situation of certain stakeholders are ignored or their consultation with negative comments be taken as a barrier for this policy, which deviates from the initial purpose of stakeholder consultation. Seriously consideration shall be taken for this paragraph .

paragraph 10(a)(iv): '…the dominant culture and traditions.' this again cannot be easily solved by financial income from CDM, and same situation may happen as described in comments for paragraph 10(a)(iii).

Footnote 5: is more reasonable, however, contradicts the best practice example set in Appendix 1 of this document, since there uses wind as a technology that can define a range of parameters. Consistency of examples and explanations shall be ensured.
The conclusion of this footnote is that the investment analysis is not possible to be made at POA level, especially in renewable energy.

Appendix 1: The impact of this best practice guidance will be really negative to develop a RE POA in LDC, especially those related to wind energy and hydro energy.

Appendix 1 paragraph 2: '(e.g. investment barrier at 0.2 EUR per CFL)' is not clear how to define/calculate this barrier at this amount per CFL, is it a financial gap or a price for one CFL? Further explanation shall be given.

Appendix 1 paragraph 4(b): It is not realistic to estimate for wind farms or hydro plants in same region, there are other costs, e.g., O&M cost, construction costs due to different geographical conditions, tax ratios, subsidies, etc., which will not be reflected in simply a range of parameters and ensure that other parameters are comparable.

Editorial issues

Footnote 5: The units are kWh and not kWhr

Comments to

Draft standard for the development of eligibility criteria for the inclusion of a project activity as a CPA under the PoA

Generic comments

At several sections there is reference to the sharing of responsibilities of CMEs and DOEs in the context of checking and including CPAs. But this sharing, which was under discussion in the PoA workshop in May and also during the integrated workshop is not further clarified and no provisions are clearly made within the VVS and the Project Cycle Procedure. Thus, we strongly recommend refraining from the approval of this draft standard until consistency by clear regulations is reached.

Furthermore aspects of the DOE assessment for the inclusion of CPAs, an on the validation of the suitability and completeness of eligibility criteria as given under this draft are not reflected in the VVS and should be integrated there.

Specific comments to individual paragraph s

paragraph 5 and footnote 3: as per "DRAFT CLEAN DEVELOPMENT MECHANISM PROJECT CYCLE PROCEDURE" paragraph 2 (e) 'Procedures for approval of the application of multiple methodologies to a programme of activities (version 1.0)' have been replaced, hence definitions shall be referred to the consolidated Project Cycle Procedures rather than this Procedure. Same wrong reference has also occurred in other PoA Standards.

paragraph 8: shall also require avoiding double counting on individual subsystem/units within a CPA or in different CPAs, CDM projects or PoAs.
This requirement is not confirmed or evidenced in the liability of the CME, and there is not any share of responsibilities as mentioned in footnote 1 (see paragraph 10 where liability directly falls back to the DOE (the term …"the DOE has confirmed" --- contradicts the statement in the paragraph s before and the statement in the footnote)

paragraph 9: VVS requirements for DOE to validate such management system are still unclear, e.g., shall ISO9001 auditors be sufficient to validate such management system based on ISO9001 standards? Or is an ISO9001 certificate continuously obtained during the PoA duration by the CME sufficient? Further clarification is necessary. How has this requirement to be reported and evidenced (is this indirectly a requirement that CME need some kind of ISO certification to be qualified which does not make sense and would contradict the PoA idea).

paragraph 10: According to this para the liability and responsibility is kept only by the DOE, hence neither paragraph 8 nor the footnote 1 is not taken into account.

paragraph 11: 'Types of combinations as indicated in paragraph 11 (a) to 11 (d) of the .Standard for application of multiple CDM methodologies for a PoA.' it was told that all PoA Standards will be consolidated to PCP during the August workshop, if it is the case, all the references related to PoA Standards may need to be revised again to the respective paragraph s in PCP.

paragraph 12: Inputs from August workshop regarding followings to be added to eligibility criteria (EC) are missing:

1. ODA confirmation at CPA level. Since PoA level confirmation cannot cover 28 years duration, it is also required by CPA-DD template and shall be considered necessary as one EC;
2. applicability requirements from applied methodologies and tools. Not specifically mentioned in any EC, but is very essential.
3. internal technical review/ approval from CME on each CPA. It is as per current PS and VVS on CME's responsibility on establish a management system and ensure compliance of each CPA to EC;

paragraph 12 (i): Clear guidance is needed on how to validate that the PoA is sufficiently standardized if this point is intended to be kept in the standard as presented.

paragraph 15: '… reflect the consequent changes' is unclear about whether it applies also the latest version of methodology at updating time, or shall keep the same methodology version applied before updating. To be more conservative, it shall update w.r.t. the new version of methodology as well.

Editorial issues

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Comments to

Draft standard for application of multiple CDM methodologies for a programme of activities

Generic comments

There are inconsistencies against the VVS with regard to the entity (DOE or CME) that proposes the application of multiple methodologies. If this is rectified appropriately there are no major objections towards an immediate approval of this draft standard.

Specific comments to individual paragraph s

paragraph 7: as per "DRAFT CLEAN DEVELOPMENT MECHANISM PROJECT CYCLE PROCEDURE" paragraph 2 (e) 'Procedures for approval of the application of multiple methodologies to a programme of activities (version 1.0)' have been replaced, hence definitions shall be referred to the consolidated Project Cycle Procedures rather than this Procedure. Same wrong reference has also occurred in other PoA Standards.

paragraph 7b: The way to make the cross effect analysis is not detailed in the standard. Furthermore, it is detailed in the “Draft clean development mechanism project cycle procedure” that the DOE shall propose methods to account for such cross effects and request for approval by the Board. That is consultancy and it is not considered as DOE activities.

paragraph 9: ‘… compliance with all the eligibility criteria derived from the requirements of all the methodologies’. PoA EC standards has not included even for only one methodology, EC shall be established from the requirements of the methodology and tools.

paragraph 10: The requirements on the assessment of the cross effects shall be clarified in order to be able to validate this issue. Additionally this is a increment on the efforts during validation of PoAs, which reduce the DOEs capacities and should – in our opinion - be better covered by the secretariat and/or meth panel/SSWG.

paragraph 11(b): ‘A single methodology is consistently applied in each CPA of a PoA but using multiple technology(ies)/measures.’ Is inconsistent with the PoA Procedures v4.1, it shall be clarified whether now the definition for ‘A CPA is a single, or a set of interrelated measure(s)… ‘ is not applicable any more. In this case, e.g., a CPA can also use methodology ACM0002, but include all possible renewable energy generation technologies, like wind, hydro, solar, tidal, etc., which may lead to huge confusions in validation and verifications. CDM Glossary of Terms shall be revised then consistently. It might be fine to define a PoA use single methodology, different CPAs can use multiple technologies, but single CPA shall still only use one technology/energy sources.
What kind of measures can be grouped into one CPA?

paragraph 12: PoA-DD and CPA-DD templates shall be updated with updated detailed requirements/ guidance and with better structure.

Editorial issues

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Comments to

Draft standard for sampling and surveys for CDM project activities and programme of activities

Generic comments

This draft standard contains provisions for sampling and surveys to be applied by project developers and by DOEs. It is our viewpoint that the section referring to DOEs is not applicable, reflects a total misunderstanding of the needs for DOEs how and when to apply a sampling approach and is not considered supportive for such situations. Thus we recommend removing the DOE section completely. Anyway provisions how to apply sampling technologies in validation and verification should be treated within the VVS and not as part of this standard. If appropriate, reference could be made then to techniques which are presented within this standard. We want to express our concerns that this section has been developed within requesting input from DOEs on their experiences in CDM and other verification schemes.

Please find below some comments from individual DOEs elaborating on some specific difficulties that require further regulations which are not yet developed:

> *Verification of a survey during verification (several months after the survey was conducted) is difficult. The situation at a household may be different when the DOE visits this household compared to the situation at the time the PP conducted the survey (equipment may be in operation during PP survey, but no longer in operation during DOE site visit). Hence, other approaches for verifying surveys should be established:*
> - *Allow PPs to carry out surveys using independent entities and the DOE will only have to verify that the survey was performed by an independent entity without having to verify the correctness of the results of the survey*
> - *Allow DOEs to observe the survey being performed by the PP. This would require a change of the requirements for verification (para 218 of VVS) and would require allowing a DOE to perform and consider in its verification report verification activities conducted prior to the publication of the monitoring report.*
>
> *The results of sampling conducted by a DOE will almost inevitably return a result which is different from the PP's. Which deviations are acceptable? When is a deviation small enough to still corroborate the original value and from which point onwards should a DOE raise doubt? Furthermore, a DOE's sample will often be taken later than the sample by PP – sometimes by several months or even a year. Failure rates and other parameters which change over time will be affected – how is this to be accounted for?*

Specific comments to individual paragraph s

paragraph 5: Please rephrase to clarify this standard's applicability to PoAs.

paragraph 12: It should be noted that requiring +-10% relative precision for very low proportions can lead to extremely large sample sizes. E.g. for reliable equipment, the failure rate after one year may be as low as 2%. If this failure rate were to be determined by a sampling approach, the number of samples that would be required to arrive at 90/10 confidence/precision would be huge (i.e. several thousand). This is caused by the fact that 10% relative precision translates into 0,2% absolute precision in the above described example. Due to this, the current version of the standard imposes very strict requirements on uneven proportions, while fairly even proportions require much smaller sample sizes. This seems arbitrary and unjust.

paragraph 16:As monitored parameters are not always linked directly to the emission reductions, there can still be very high uncertainties w.r.t. CERs.

paragraph 23 (b), Field Measurements: If data is extrapolated from a limited number of time periods to the entire crediting period, the most conservative time periods are to be selected. Which time periods are to be selected, the most conservative X%? Further clarification would be of help. Furthermore, a clarification of the term “stable” would be of help.

paragraph 25: Clarification regarding the definition of “sampling errors” and “non-sampling errors” would be of help.

paragraph 26 (a): What is the meaning of “obvious reason”?
paragraph 26 (c): What is the meaning of “clear sampling approach”?
paragraph 26 (c): The omission of the two lower paragraph s is welcomed as they would have led to consultancy by DOEs.
paragraph 26 (g): The omission of fraud is welcomed.

paragraph 46: Sampling with probability proportional to size is in effect “stratified sampling” and has been described in paragraph 32ff.

paragraph 50 (iii): There should not be any option for the DOE to draw a separate sample. What should the DOE do when the separate sample will give different results (and most likely it will give different results).

paragraph 51: Alternatives for (a) and (b): These requirements appear arbitrary.

paragraph 54: “high degree of standardization” is difficult to define as it is the nature of any PoA to comprise of CPAs which are somewhat alike.

paragraph 58 (b): paragraph 51 (b) refers to paragraph 50 (ii), i.e. the situation where PP already conducted a sample. However, DOEs are also allowed to draw samples for non-homogeneous PoAs where PP has chosen (for whatever reasons) to monitor each individual subsystem. Hence, paragraph 50 (b) is the adequate cross-reference but it should not refer to paragraph 50 (ii). This referencing problem could be avoided by referencing paragraph 51 (a) and (b) in paragraph 50 (i)-(iii) rather than the other way around.

Editorial issues

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Comments to

Draft clean development mechanism project standard

Generic comments

The DOE welcomes the release of a project standard. Before approval we would like to point to an issue which we consider inappropriately treated although solutions have been worked out during the integrated workshop. This refers to the separation in post-registration changes into cases that do not require and those which require approval by the EB. The lack of clear guidance will result in different interpretations by DOEs and project participants. During the Bonn workshop solutions like a white list and reference to the variations within the sensitivity analysis of an approved PDD have been discussed.

Specific comments to individual paragraph s

paragraph 47: 'if required by the methodology' the following guidelines should be applied... Does this mean they do NOT need to be applied if not referenced in the methodology? For example SSC meths. Please make it clear.

paragraph 48: This is a new requirement for validation and it is not clear how this will affect all the verifications where the PDD does not include this requirement.

paragraph 49 (e): This requirements would imply that the design of the PDD does (has to) already include all the characteristics of the equipments to be used for future monitoring which is not realistic in practice.

paragraph 54: The request to validate that the PPs “seriously consider” all comments shall be clarified as this is a fully subjective issue that would differ from even auditor to auditor and for sure DOE to DOE.

paragraph 70: Mentioning here the term “should” does not request the PPs to comply with the guidelines, “shall” shall be used here.

paragraph 83 (c): what does 'environmentally safe and sound' actually mean? It is known that this is from the M&Ps, but some definition would be useful.

paragraph 94: The paragraph implies that the PDD at validation already have a complete and detailed information of the monitoring equipment, the personnel in charge of that and the institutions that will perform the calibration, this is not a realistic requirement and will create several discussions with PPs and even be impossible to be fulfilled.

paragraph 170: The para requires that the DOE shall have the contract with the CME, which – as local company / institution / body ..- in most of the cases is an entity not known by the DOEs and that cannot give any assurance for contractual issues. WE shall ask to take the requirement out and give the possibility (as currently practiced) to have a contract with other PPs different than the CME

paragraph 174: This paragraph is related to the inclusion of CPAs and the wording applied is defining a (complete) validation, which implies different requirements. The para shall be consistent with the PoA requirements

paragraph 198: This paragraph mentions that the PPs determine if a deviation needs a prior approval by the EB, but in reality it is the responsibility of the DOE to do this determination, hence this shall be made clear in the requirement.

paragraph 201: This paragraph does not clarify which corrections are meant. It shall be made clear that during verification we have no mandate to carry out a new validation of the project this means corrections can only be related to types or comparable. A list of potential corrections which can be considered here should be added.

paragraph 231 (c): The term “validation” mentioned in this paragraph shall be clarified. Is this only related to the quality management competences of the CME or to other activities, see also comment on paragraph 9 of annex 5

7.6: what level of analysis is sufficient, if the host country does not require an EIA? Do transboundary impacts have to be explicitly mentioned in the analysis?

8.5: This section can be incorporated paragraph 29. This makes 8.5 dispensable. Reasons are provided below.

(a) This sub-paragraph is similar to paragraph 29 (d). The same applies to large scale projects as well.
(b) This reference can also be provided in paragraph 29 (e).
(c) Same applies to LSC projects as well (Refer to EB41 Annex 12 Section A.4.3). Hence, it can also be incorporated in paragraph 29.

8.8: The complete section 8.8 can be incorporated in the corresponding section 7.5. since the monitoring methods and procedure also apply to large scale projects.

12.2 (e): Which start date is meant? The start date as defined in the CDM Glossary of terms? Or the start date of operation? In the verification stage the first does not make sense. But as per the CDM definitions the start date is the date of commitments to expenditures. Hence, clarification is requested from EB.

APPENDIX A: Documents superseded by the ‘Clean development mechanism project standard.’
- Guidance on programme of activities (PoA) has already been replaced by PoA Procedures (version 3).

Editorial issues

paragraph 188: Should be „plant load factor“.
paragraph 198: “bu” should be “by”.

Comments to

Draft clean development mechanism validation and verification standard

Generic comments

First of all we would like point to the issue of identified inconsistencies and missing sections as presented in the annexes above. From our perspective this huge amount of such cases does not yet enable an approval of this draft standard.

In case such an approval will be anyway delayed the results of the recent call for input on the validation process with regard to the global stakeholder consultation should be considered. Conclusions resulting from this call should be included in a necessary revision of the draft.

Furthermore there are several inconsistencies with regard to the use of the term CDM project activity vs. project activity. Furthermore references to revised documents (PDD, MP) and original versions appear inconsistent.

Finally it needs to be mentioned that the introduction of the new VVS requires an applicable timeline which does not disturb ongoing activities. As reference to the standard and its requirements is made within validation and verification reports and accompanying protocols we recommend to consider an application within validations and verification which start after setting the standard into force.

Specific comments to individual paragraph s

paragraph 13 - Evidences are definitely not “generated” but have to be “obtained” during the validation or verification, this shall be corrected here in this paragraph .

paragraph s19 , 20 - The sampling approach shall be clearly defined, especially for paragraph 19 a verification sampling approach shall be available and discussed with the DOEs before this is included in a standard

paragraph 20: The sampling guidance is not correct for the case of the DOE applying a sample of CPAs for verification. The sample size of CPAs to be verified shall be defined in the PoA-DD (in case the PP selects the option that not all CPAs shall be verified, but only a sample thereof). This sample size will obviously have to be defined in accordance with the sampling standard, but the verifying DOE will in this case not again re-evaluate the sampling size, but apply the sampling size indicated in the PoA-DD.

paragraph 24 (a) (ii) - The term “independent background investigation” should be changed to “independent research” as an investigation could mean a long and lasting procedure and is out of the scope of DOEs work.

paragraph 32 requires submission of “the supporting documents”. Clarification is welcome what supporting documents are sufficient for UNFCCC for registration as submitting all documents could lead to very high amount of pieces of evidence.

paragraph 37: This paragraph currently requires that in case any stakeholder comments “indicate that the proposed project activity does not comply with the CDM requirements; then the DOE shall request further clarification from the entity providing the comment”. Most comments indicate non-compliance. Why is it necessary to always request further clarifications and why

not only in case the claim made is not clear or the DOE seeks to have further substantiation for the claim made?

paragraph 45 It is common practice by several DNAs to issue LoA based on final validation report only with only the CAR remaining for LoA pending. In line with paragraph 45 (b) e.g. version 0 of Validation report (VR) is submitted to DNA to request LoA and after reception VR is revised confirming this only change, upgrade VR to version 0.1 and submitted to UNFCCC for requesting registration. Clarification is requested whether this means that DOE doesn't have to assess the LoA in accordance to paragraph 44?

paragraph 53: Contribution to sustainable development: this seems to be an unnecessary repetition of
paragraph 40(c)

paragraph 54 – 59: Section 7.6.4.1: MOCs: This appears to be an additional responsibility and burden on DOEs. The DOEs are now asked to validate 'corporate identity of all project participants and focal points included in the Modalities of Communication (MoC) statement, as well as, the personal identify, including specimen signatures and employment status, of their authorized signatories' through one of three options, either (a) Directly checking evidence for corporate, personal identity and other relevant documentation; and/or (b) Notarized documentation; and/or (c) Written confirmation from the project participant or the coordinating/managing entity who submits to it the MoC statement that all corporate and personal details, including specimen signatures, are valid and accurate.. Given the additional burden associated with (a) and (b), the most likely evidence supplied by PPs is likely to be (c) – a written confirmation that the details in the MOC are correct. The added value in this is not visible – why not just include a statement in the MoC form saying 'I hereby confirm that all corporate and personal details, including specimen signatures, are valid and accurate'. Otherwise we create an additional document that PPs have to prepare and DOEs have to audit. Also, the VVS now introduces reporting requirements on MoCs that did not exist before. Previously the MoC was submitted with the request for registration but not normally described in the validation report. What would be the added value of this, especially given the fact that should PPs wish to update the MoC (e.g. withdrawal of a PP) they can submit a revised MoC directly to the UNFCCC without going through a DOE under the current procedures? Therefore what is the added value of introducing more DOE checks of the MoC at one stage, when DOEs are not involved and do not check MoCs at the later stage if they are revised?

After paragraph 59 the reporting requirement is indicated with bullet point (a). Clarification is welcome to whether this is a separate paragraph e.g. paragraph 60.

paragraphs 66 – 67: Cases for onsite visits: Confirmation that Bundled SSC project activities with >15k tCO2e do not necessarily require an onsite visit inline with paragraph 68. Is the "not" in paragraph 66 (c) intended or not?

paragraph 72: It is clear that DOEs must apply any relevant clarifications to the methodology/tools. However, it should be specified how to treat clarifications that are applicable to other methodology versions than the applied one.

paragraph 78 - The paragraph implies that the DOE has no possibility to give a negative opinion when the project does not comply with the applicability conditions. This is not reasonable and should not be included in a standard –it only will create endless discussions and loops with the PP.

paragraph 90 - This requirement implies that the methodologies are going to be changed every time that a project situation shows a further project emission. This would lead to a dramatical increase of the the workload of the DOEs

paragraph 93: Wording is hard to understand, especially for non-native speakers. It should be re-worded. Did they mean "If the methodology requires several alternative scenarios to be con-

sidered in the identification of the most plausible baseline scenario, the DOE shall, based on financial expertise and local and sectoral knowledge, determine whether all realistic and credible scenarios are considered by the project participants, and that no alternative scenario has been excluded"?

paragraph 97: is a repetition of paragraph 95
paragraph 114 states "[…] and these shall be considered as evidence only after the DOE shall assess the reliability and authenticity of such […]". Clarification is welcome as the sentence seems to be incomplete.

paragraph 119 (a) is inconsistent with related EB60 Annex 7 Step 1a scenario S1 which states "The list of alternatives includes […] the project activity undertaken without being registered as a proposed CDM project activity."

paragraph 120 clarification is requested whether this paragraph is still necessary due to the update of paragraph 118 which states now "Where the baseline scenario is not prescribed in the approved methodology, […]".

paragraph 118 – 121: Section 7.9.6.2: Identification of alternatives: This seems to be just a repetition of the requirements already contained in section 7.9.4 – baseline scenario identification. It seems like there is no need to have this additional section.

paragraph 125: It needs to be clarified if a DOE is expected to perform all these actions (AND) or may only perform one or several of these (OR).

paragraph 125 (c): The DOE 'shall' review feasibility reports, public announcements and annual financial reports…these are not available in all cases. It should state 'where available' or 'where these exist'.

paragraph 125 (e): assess the sensitivity analysis…' – sensitivity analysis is not required for simple cost analysis, therefore this should say 'where applicable'

paragraph 127: There is a superscript "28" given at the abbreviation "(FSR)" but without further description or footnote.

paragraph 139: Environmental impacts: what level of analysis of environmental impacts is acceptable in the case where the PPs are NOT required to complete an EIA by the host country requirements?

paragraph 148 - It is not possible to predict the likelihood to achieve the anticipated emission reductions. Such a statement in the validation stage could mean that the PDD overestimates the possible CERs which then would need to be corrected. It is not clear what is the intention behind this para.

paragraph 160 (b) is inconsistent with related EB54 Annex 13 paragraph 2 which states that bullet point (b) has to be fulfilled in conjunction with (c) and (d) by the word "and" which is missing after (b) in this paragraph . Is this now to be fulfilled separately or still in conjunction. Specification is welcome.
The DOE is supposed to assess whether there is an application to register another small scale project activity, registered within the previous 2 years. How can an application to register a project already be registered within the previous 2 years? This is not only a question of wording –it affects the meaning of the requirement. Applications to register CDM projects obviously will not yet be registered in last 2 years, and so they will therefore be ignored by DOEs, meaning that potential de-bundling risks are ignored.

paragraph 199: The DOE shall scrutinize the CPA and the specific CPA-DD against the latest version of the PoA. If the DOE confirms that the CPA meets the requirements of the PoA it shall upload the CPA and the validation report via the dedicated interface. In case of greenfield CPAs the including DOE may raise a FAR (or a similar instrument) regarding the implementation of

the CPA with regards to the compliance with the eligibility criteria. Such FAR shall be considered by the DOE performing the Verification functions according to section 8.5.2 below.

paragraphs 230, 231: CAR/CL definition for verification
It is not clear what is the difference between a CAR and a CL with the definitions provided for verification (they are clear for validation in para 27).

- paragraph 230(a): "The DOE shall raise a CAR if one of the following occurs ……. if the evidence provided to prove conformity is insufficient"
- paragraph 230 (a) clarification requested if non-compliance with the monitoring plan or methodology found and sufficiently documented this in the PDD, DOE does not have to trigger a CAR.
- paragraph 231: "The DOE shall raise a clarification request (CL) if information is insufficient or not clear enough to determine whether the applicable CDM requirements have been met"
- Please reword the text about insufficient evidence from the definition of CAR for verifications.

paragraph 230 (c) - The para mentions "will impair the estimate of emission reductions". It should be clear that the emission reductions in verification are not estimated but are achieved emission reductions - this shall be corrected

paragraph 235 (b): Specification is welcome w.r.t. the related section or paragraph within the CDM Project Standard any deviation or the proposed or actual changes should comply with.

paragraph 241: It is asked that "the DOE should bring to the attention of the Board issues which may enhance the level of accuracy and completeness of the monitoring plan." This is not specified as a reporting requirement, and it is not clear whether this should be stated in the verification report, or raised brought to the attention of the Board in some other way.
For monitoring aspects that are not specified in the methodology, particularly in the case of small-scale methodologies (e.g. additional monitoring parameters, monitoring frequency and calibration frequency), the DOE should bring to the attention of the Board issues which may enhance the level of accuracy and completeness of the monitoring plan". How are DOEs meant to 'bring to the attention of the Board' these issues? Please clarify. Should this be included in the verification report, or by some other means e.g. submitted as a comment on the methodology via the methodology view page on the CDM website?

paragraph 242 reporting requirement should be a statement WHETHER the requirement is met (not *that* the requirement is met, since this assumes a certain conclusion)

paragraph 245(b): 'relevant Board decisions' are mentioned. It is very important that Board decisions relating to one or more specific methodologies are also listed in the list of clarifications on the methodology view page, otherwise such decisions cannot be found!

paragraph 245 (c) refers to section 8.3.4. of the VVS however there is no such section could be indentified in latest draft.

paragraph 251 refers to "using the approach mentioned". Specification w.r.t which exact approach in which paragraph, e.g. paragraph 250, would be welcomed.

paragraph 253 please clarify the inconsistency between this paragraph and related EB52 Annex60 which states instead of "[…] the DOE shall determine whether […]", "[…] the DOE shall ensure that […]".

paragraph 256 (a): This paragraph still allows the DOE to apply the most conservative assumption in case of only partial data being available for a parameter. It is not clear whether "most conservative assumptions" is limited by paragraph s 214-215 of the project standard (Changes that do not require prior approval by the Board) or whether the DOE may still apply other "most conservative assumptions" without prior approval by the Board.

paragraph 265 - It is not clear what kind of corrections are meant in this requirement. It shall be made clear what is meant as in a verification it cannot be expected that a new validation is done.

paragraph 282 and paragraph 283 clarification is requested if the DOE at time of verification shall assess against the applied version of methodology and all corresponding later versions in case of a PDD revision post registration or only the latest current valid version. Further whether only the revised parts shall comply with all later versions/latest valid version of the corresponding methodology and therefore result in the case that any change post registration is a new complete validation.

paragraph 289 (e) Take into account the Validation Report of the DOE who included the CPA into the PoA and any potential FAR (or similar instrument) regarding compliance of the actually implemented CPA with the eligibility criteria.

paragraph 300(d): 'Systematically verify and certify the correct implementation and operation of the recordkeeping system.' Is unclear about how to systematically verify and certify the recordkeeping system. Is an extra certification of the record keeping system necessary? When different DOEs are conducting verification for different monitoring periods, how to ensure systematical? Further details are necessary.

Section 7.6.4 ff - This section(s) is a due diligence of identities of companies and people, which is out of the normal work of a DOE. The described tasks shall be in the responsibility and work of the secretariat, additionally the possibilities given imply that only notarized documentation can be used as evidence.

Editorial issues

paragraph 24: What is the difference between (c) and (a)(ii)?

paragraph 35: typo in "to"

paragraph 245 (b) (iv) should be a main sub bullet (ie 245 (c)) since it is not a sub set of 245 (b).

paragraph 260 the dot behind "deviations" and "in accordance" should be removed.

Please clarify if the requirement after paragraph 233 is a separate paragraph or belongs to paragraph 233 ("The DOE shall report on all CARs, CLs and FARs […]").

Footnote 2, paragraph 237, paragraph 238 (d), paragraph 260, paragraph 269, paragraph 270, paragraph 272, paragraph 277 refer to "Project standard". Please specify if these paragraph s refer to the CDM Project Standard.

Appendix B point 1 and 2 refer to paragraph 268 (a) and (b) however the related paragraph would be now paragraph 249 (a) and (b).

At several paragraph s it has to be checked that the project activity is implemented as per registered PDD, paragraph 227 (b) (i), paragraph 234 (a), paragraph 235 (a), paragraph 240. Streamlining would be welcome e.g. to one paragraph.

The VVS refers at several points to the Project cycle procedure (PCP). DOE welcomes if further specification to the related section or paragraph of the PCP is provided.

Page 42, 8.4 Programme of activities / Component project activities: CPA definition shall be updated in CDM Glossary of Terms and be consistent with other standards as either 'CDM Programme Activity' or 'Component project activities', but shall not have two different expressions.

Page 45, 8.4.1.5 ‘Inclusion of a crediting period of a CPA under a registered PoA’ shall be ‘Renewal of a …’

Footnote 31 is wrong as 1 % of 15 MW is 150 kW and not 15 kW.

Comments to

Draft clean development mechanism project cycle procedure

Generic comments

There are several sections where Secretariat requests a response/action by DOEs within 2 days. As discussed in Bonn this is considered inappropriate in case information is sent after closure of business before a weekend. Thus at least 3 days should be used in these cases.

With regard to the document structure which follows the timeline of a project along from development to the end of the crediting period we recommend to relocate the section of erroneous inclusion of CPAs and to place it under section X. Erroneous inclusions is not detected and treated at registration but fits to the treatment of significant deficiencies. Such a change would also reflect the historic aspects when this procedure was developed because of the absence of PoA in the Marrakech Accords. Furthermore we recommend to not set the display of this erroneous procedure in this standard on hold similarly to the missing section of deficiencies and to align it with this section once developed. Several aspects as discussed in the PoA workshop in Bonn this May are not reflected at all (e.g. review by second DOE, 30 day period for acquiring CERs for cancellation), but could be dealt with in a joint revision together with the deficiency procedure.

Furthermore we recommend using this opportunity to correct outdated provisions which do not reflect project development reality. Not DOEs require the approval of deviations and revisions of methodologies but project participants do so for getting projects registered under such circumstances. DOEs might detect deviations and a missing applicability, but they do not work on the development of revisions which would clearly contradict their intended role. Adjusting the standard (explicitly the wording as the process was always performed differently) at these positions is considered a minor effort but a necessary clean-up action.

Specific comments to individual paragraph s

paragraph 14 (d): It is impossible to forecast the total amount of emission reductions of all CPAs. In the most of the POAs the number of CPAs is not known.

paragraph 15: The edition is confused; it seems that the DOE shall have contract relationships with all Project Participants.

paragraph 20: The procedure does not account for situations where the DOE has received responses to CARs and CLs, but the responses were not sufficient and further clarification is being sought from the PPs. This the most common situation for ongoing validations, and it must be reflected in the options!

paragraph 33 - The statement of "…or upon the request from the project participants or coordinating/managing entity before the publication of the PDD or PoA-DD, finds…" implies a validation activity without publication of a PDD. This would be a consultancy activity that is not allowed for DOEs. It should be clarified what this means for the validation performed afterwards. Would the DOE submitting the request be disqualified for the later validation. Wording "find" seems to be incorrect.

paragraphs37, 64, 67, 140, 188, 191: The possibility welcome of shortened timelines in case of Incompletes due to editorial issues. However, to ensure the possibility of DOEs to answer adequately, the deadline should be changed to either 2 working days or at least 3 days (to avoid

problems with weekends). The DOES welcome the change in the consequence for missing the deadline from “rejection” to “incomplete”. Additionally, the secretariat is kindly asked to also notify the PP directly about the detection of editorial mistakes in order to avoid unnecessary delay.

Paragraphs 41, 70, 79, 144, 194, 205: Please provide separate notifications for PP and DOE regarding the scheduled phone call.

paragraph 56 - In the third line it is mentioned that “the DOE, shall propose methods…” - This is incorrect and in clear contradiction to annex 6 paragraph 10

Section V.A (Request for registration): The procedures do not make it clear: if a request is re-submitted and treated as a new submission, does the version of the meth have to be updated, if the grace period has expired? Please clarify this in the procedures.

paragraph 67 & paragraph 191: 3 days to respond to editorial errors identified in the I&R check of the Secretariat.

paragraph 67: The deadline of two days is considered to be not enough, due to time difference between host countries and several DOEs.

paragraph 72 & paragraph 142: Suggestion to add the flowing sentence to these paragraph s: “The Secretariat may seek clarifications from the DOE and/or Project Participants when preparing the summary note”. Requiring the Secretariat to do so seems to be something that the Secretariat is not likely to accept, but they should at least be given the option. This is also more in the spirit of paragraph 21 of Decision 3/CMP.6 requesting the EB “to enhance its communications with project participants and stakeholders, including through the establishment of modalities and procedures for direct communication between the Executive Board and project participants in relation to individual projects”

paragraph 77: To improve transparency, it is suggested to add a statement at which stage of completeness.

Section V B.4 (finalisation and implementation of the ruling – review of request for registration) is very confusing. Please can it be re-worded to make it clearer. It implies that there are two final decisions by the Board: paragraph 98: “if the Board’s final decision is to reject…the secretariat shall provide the Chair of the Board with an information note, containing a proposed ruling incorporating the final decision”. So this is a FINAL DECISION. but then paragraph 99 and 100 refer to this information note as a ‘proposed ruling’ and state that “The proposed ruling shall become the final ruling of the Board 10 days after the date when the proposed ruling was made available to the Board, unless a member of the Board objects to the proposed ruling”. So it seems that the FINAL RULING is not really a final ruling! it is all very confusing. Can the wording be revised?

paragraph 119: ‘secretariat to contract a DOE’ has been opposed during August workshop, since another DOE is a competitor in the market, hence does not hold independence on conducting such review. It shall be a third party beyond EB (secretariat), DOE and PP.

paragraph 124: ‘Where, for any of the CPAs excluded in accordance with paragraph 118 (a) or 122 above, the Board determines that the including DOE failed to adequately assess their … ’, it is not justified when the erroneously included CPAs are due to fraud from PPs, while DOE has performed due diligence on adequately assess the CPAs, it shall not be determined by the EB only based on exclusion of any CPAs, that the DOE has "failed to adequately assess … ", it shall justify the reason of erroneous inclusion, and based on whose mistake, corresponding entity shall pay back the excessive issuance.
Besides, it has also not mentioned when the CPAs are not included in the sampling DOE conducted during inclusion, DOE is not liable for such excessive CERs.

paragraph 125: shall also be applicable for withdrawal of CPAs besides CDM or PoA.

paragraph 131 – This paragraph is related to expected activities. How can an expected activity be validated, based on "rumours" design data or similar at the starting date of project activity? This shall be clarified in the requirements

paragraph 132: The paragraph implies that every PoA that is validated cannot have any change on the design apart from expanding the geographical coverage. This is not realistic.

paragraph 135: The reference to paragraph 131 (a) seems to be wrong and should be paragraph 131 (b)(ii). What if the deviation is due to totally independent reasons? In such instances, there should be a possibility to ask for more than one deviation.

paragraph 143: Clarification on the sentence "If the DOE does not submit the requested documents and/or information by this deadline, the secretariat shall not process the request submission any further" would be good. Does that mean that the request is rejected? Can it be resubmitted?

paragraph 171(b): whether 'the same set framework' is the same as the 'management system' shall be clarified, and the PoA-DD and CPA-DD shall specify the sections for such description on 'management system' they are not the same.

paragraphs176, 177: do not include provisions for the completeness check on the side of the Secretariat. From procedure, it looks like there should be no additional check of the MR, accept the eligibility of the DOE, which is obviously not the case in reality. The check itself is useful, but it should be described in the procedure.

paragraph 171(c): is unclear with which paragraph s in PS shall be included in DOE validation opinion on assessing compliance of new CME.

paragraph 179: Reporting of status of registered project activity or programme: Presumably the PP will have their own interface, and DOEs will not be required to upload anything for this? Otherwise additional costs will be involved.

paragraph 233b): Verification report or verification opinion? (see also paragraph 125b) Wording should be consistent.

paragraph 240: here shall define PoA renewable crediting period as 7 years and renewable 3 times rather than 7 years renewable twice for CDM project activity.

Page 19, C.1. Submission of component project activity design documents: CPA definition shall be updated in CDM Glossary of Terms and be consistent with other standards as either 'CDM Programme Activity' or 'Component project activities', but shall not have two different expressions.

Editorial issues

paragraphs35, 62, 138, 186, 208: A timeline for the scheduling would be helpful.

paragraph 216 footnotes 16 and 17: the formula is considering a 30% error not a 0.3% error.

paragraph 190: may or shall?