

September 15, 2011

CDM Executive Board
c/o UNFCCC Secretariat
P.O. Box 260124
D-53153 Bonn
Germany

RE: Comments on the annotated agenda to EB63 and its annexes

Dear Members of the CDM Executive Board,

The “Draft standard for demonstration of additionality of a programme of activities” the “Draft standard for the development of eligibility criteria for the inclusion of a project activity as a CPA under the PoA” and the Draft standard for sampling and surveys for CDM project activities and program of activities” contained in annexes 4,5 and 7 respectively are documents that were revised following the workshop on Project Standard, Validation and verification Standard, Project Cycle Procedures and PoA in August 2011. Whilst we recognise the progress made in these latest versions, we strongly recommend that these documents are not approved at EB63 because the texts are unclear and open to interpretation and they introduce new concepts that are misleading and contradictory. Critical shortcomings in these documents include:

Annex 4: Draft standard for demonstration of additionality of a programme of activities.

- The distinction between category I and category II approaches are not mutually exclusive. Trying to make this distinction is not helpful and adds a further unnecessary layer of complexity to PoA additionality rules that can be expected to stall PoA implementation. We recommend following approved distinction criteria related to the scale of individual units (i.e. micro scale, small scale, large scale) to be included in a PoA and related to approved methodologies.
- The IPCC barrier analysis approach to policy assessment as defined in the paragraph 10 of the draft cannot be validated. The evaluation of national policies as such is not the mandate of the CDM Executive Board and the DOEs. There are approved CDM procedures on how to assess the effects of national policies on project/unit additionality applicable to PoAs and these should be applied. For PoAs targeting measures to support existing mandatory policy implementation, we recommend that additionality on the PoA level is demonstrated based on an assessment of barriers for implementation of policy. The additionality demonstration will be easiest if it is linked to clearly measurable parameters e.g. enforcement rate of a policy.
- The standard should build on the distinction of PoAs by scale of individual units to be included in a PoA e.g. large stand alone units such as landfills compared to dispersed micro units such as cooking stoves. For large stand-alone units additionality testing should be undertaken for each CPA (i.e. unit). In small scale CPAs with micro scale subsystems the eligibility criteria will define the additionality criteria. (See our input in response to the Executive Boards Call for Inputs on PoAs submitted on March 18,

2011). Such an approach will also be consistent with the streamlined standardised approaches envisaged under the recently approved Guidelines for the establishment of sector specific standardized baselines (version 01).

Annex 5: Draft standard for the development of eligibility criteria for the inclusion of a project activity as a CPA under the PoA

- There are contradictory definitions between the latest version of the “General Guidelines to SSC CDM methodologies” and the standard, since the new standard requires not only that each independent CPA subsystem meets micro scale thresholds but also the CPA in aggregate (para.12(j)) in order to apply automatic additionality. This is erroneous as it would de facto result in excluding PoAs from micro scale additionality rules.

Annex 7: Draft standard for sampling and surveys for CDM project activities and programme of activities

- The terminology used within the standard is not consistent with existing PoA terminology. The rationale behind introducing the terms 'homogeneous PoA' and the term "homogenous CPA" (see footnote 14) is unclear and is not consistent with existing definitions of PoAs.
- It is unclear (undefined) what a “common sampling plan” in paragraph 56 means. We suggest to base monitoring for PoAs targeting micro scale activities on the stock of included individual units in each monitoring period instead of imposing statistically sub-optimal monitoring per CPA. This is because in micro scale activity PoAs, CPAs are sets of subsystems introduced by CMEs to comply with CPA inclusion procedures. They do not reflect a statistically optimal stratification of the overall population of included units.

In summary, in order to improve additionality testing and monitoring procedures the relevant distinction is between PoAs addressing micro scale activities and PoAs addressing non micro scale activities (small scale and large scale). Building on this distinction would also allow the avoidance of the the introduction of a whole apparatus of new termini that is not included in approved CDM procedures nor methodologies and that lacks the clarity and objectivity required by DOEs for validation.

We would be happy to provide further input or clarifications on request.

Best Regards,



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