

## DOE/AE Forum

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Date 14. November, 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-fifths 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.

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 CDM two-year business plan  |
| Annex 2  | Compliance with indicative timelines for different processes  |
| Annex 3  | Synthesis Report of the DOE's Annual Activity Reports   |
| Annex 5  | Draft standard for sampling and surveys for CDM project activities and programme of activities                                  |
| Annex 7  | Draft clean development mechanism validation and verification standard  |
| Annex 8  | Draft CDM project standard  |
| Annex 9  | Proposed implementation plan for the CDM project standard, validation and verification standard and the project cycle procedure |
| Annex 10 | Draft guidelines for completing the CDM project design document form  |
| Annex 14 | Draft CDM project cycle procedure   |

Date November 14, 2011  
Subject Call for public inputs on "Issues included in the annotated agenda of the sixty-fifth meeting of the CDM Executive Board and its annexes"  
to Annex 1 Draft CDM two-year business plan

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## **Comments to**

### **Draft CDM two-year business plan**

#### **Generic comments**

Even accepting a week of delay this important document has not been made publicly available within the deadline of the commenting period. We regret not being able to comment and thus limit our comments to an appeal to EB to include resources for the support of the DOE/AIE Forum (telephone conferences, at least one physical Forum Meeting) and the required training measures to be conducted after the release of the extensive set of new standards and procedures.

Date November 14, 2011  
Subject Call for public inputs on "Issues included in the annotated agenda of the sixty-fifth meeting of the CDM Executive Board and its annexes"  
to Annex 2 Compliance with indicative timelines for different processes

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## **Comments to**

### **Compliance with indicative timelines for different processes**

#### **Generic comments**

The duration of performance assessments (PA) and regular surveillance (RS) assessments taking around 9 months is considered inappropriate and points to the weakness of the approach applied. The submissions of outcomes from such assessments to EB lag behind the actual development at individual DOEs. We strongly recommend continuing the started development on re-designing corresponding elements of the accreditation procedure in order to achieve higher efficiency.

## **Comments to**

### **Synthesis Report of the DOE's Annual Activity Reports**

#### **Generic comments**

With regard to paragraph 31, the list of CDM activities for which individual DOEs declined to perform validation or verification, we would like to prevent any possible misinterpretation by declaring that it is considered as professional care when declining assessments due to a limited availability of human resources. Nothing has been reported that PPs could not identify any service provider at all.

Furthermore we would like to highlight that only 45 % of the DOEs reported making a profit. This directs to serious problems which are at least partly caused by costs for accreditation, losses at suspensions and the doubling of working by the short half-life of standards to assess against. We recognize that all these conditions are improving, but as long as so many report financial difficulties, further efforts are required to enable also a sustainable development for validators and verifiers.

## **Comments to**

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

#### **Generic comments**

The section on how the DOE shall verify a sampling plan and samples is significantly improved and describes much better the process that we apply and can apply to keep verification costs at reasonable levels. Only time and experience will show how paragraph 25 can be implemented. From the outset, the approach looks reasonable.

We recommend applying the current approach (a telephone conference following a call for input) more frequently as telephone interaction obviously delivered a significantly improved output which reflects all comments received.

## Comments to

### Draft clean development mechanism validation and verification standard

#### Generic comments

Although we submitted many comments at the call to the annotated agenda of EB-63, we see most of our suggestions and requests, which would have led to further clarity, not yet reflected in the recent draft. However, as most of these aspects were not considered core issues that would disqualify the document in total, we confirm that an approval of the VVS will not create major difficulties. Nonetheless we still see scope for significant further improvement.

#### Specific comments to individual paragraphs

- Para 22: What is the difference between para 22 (c) and the cross checking described in para 22 (a)(ii)?
- Para 22: Are all the items in the list in para 22 required or only some of them, as necessary.
- Para 36: It is not clear why further clarifications must always be requested, if the comment indicates that the project does not comply with CDM requirements, but the comment is clear. It should only be required to request further information in case the comment does not specify what the non-compliance is.
- Para 65: It should be specified that existing facilities should be interpreted in the context of para 68 and existing shall not be linked to the implementation status of a Green-field project. It should for example be possible to justify that no site visit to a new wind farm is considered regardless of whether the wind farm is not yet constructed, under construction or already in operation at the time of validation.
- Para 80: The text currently indicates that the DOE shall request a revision of the methodology. However, it would be more correct to specify that the DOE shall request the PP to request a revision of the methodology.
- Para 107: It must be specified that earlier versions of the guidance for prior consideration required a notification to either the UNFCCC or the DNA. Hence, there is a period of time where projects implemented after 2 August 2008 only had to submit one notification to either the UNFCCC or the DNA.
- Para 107: Submitting a new methodology or publishing a PDD within 180 days should be considered equivalent to submitting notifications. Submitting a request for revision of a methodology should be considered equivalent to submitting a new methodology.
- Para 114: This paragraph should also refer to paragraph 93 (E+ / E-).
- Para 120: It needs to be clarified if all items listed in paragraph 120 shall be carried out, in particular if item (b) is always necessary.
- Para 121: Item (c) is only applicable in case an internal benchmark is used. If a benchmark representing the expected rate of return in the relevant sector is applied, it would be not appropriate to consider benchmarks applied internally by the PP in the past.
- Para 128-130: Recently adopted common practice and first of its kind guidance should be incorporated here.

## Comments to

### Draft CDM project standard (Agenda EB65/Annex8)

#### Generic comments

We appreciate the separation in post-registration changes into cases that do not require (Annex A) and those, which require approval by the EB. We note that several comments made on the annotated agenda 63 have been taken on board. Nonetheless, we wish to repeat our concerns, which we raised at EB63 as several requirements can not be fulfilled in practical life (§56, §98), are not clear (§98, §218) or are misleading (§75). **Most importantly, we seek a crucial clarification on the question if a verifying DOE has a mandate and obligation to re-assess parameters and information, which were provided at the validation stage.** .

Last, but not least: to enhance user friendliness we kindly ask for providing links to all cross-references (such as "Guidance on ...", "General principles on ..." etc. and provide a guidance document that clarifies that respective grace periods applied to form, guidance, methodologies, standards etc.

#### Specific comments to individual paragraphs

- Para 56 (e) (formerly §49e): This requirements would imply that the design of the PDD does (has to) already include all the characteristics of the equipment to be used for future monitoring which is not realistic in practice.
- Para 75 (formerly §70): Mentioning here the term "should" does not request the PPs to comply with the guidelines, "shall" shall be used here.
- Para 31 (c) (formerly §83c): What does 'environmentally safe and sound' actually mean? It is known that this is from the M&Ps, but some definition would be useful.
- Para 98 (formerly §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.
- Para 201 (formerly §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, should be added.
- Para 218 (new): Thresholds need to be included in paragraph 218 (d) which have to be exceeded before the submission of a revised PDD and an assessment in accordance with paragraph 219 is required. For parameters, which for example influence the investment analysis used to demonstrate additionality, the threshold could be the variation, e.g.+/- 10%, considered in the sensitivity analyses.

Date November 14, 2011  
Subject Call for public inputs on "Issues included in the annotated agenda of the sixty-fifth meeting of the CDM Executive Board and its annexes"  
to Annex 9 Proposed implementation plan for the CDM project standard, validation and verification standard and the project cycle procedure

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## **Comments to**

### **Proposed implementation plan for the CDM project standard, validation and verification standard and the project cycle procedure**

#### **Generic comments**

The suggested approach with an effective date is reasonable and so is 1 May 2012 as the effective date. The Board may however consider to implement earlier a) the process for post registration changes that do require prior approval by the EB and b) the process to give DOEs two days to correct minor editorial errors during the completeness check.

At the same time, we request clear rules for projects which will be submitted before the enforcement of the new standards. In case belonging documents will be reverted in the CC or IRC there should be no need to update references, templates etc., in case such corrections can only be provided after the deadline.



## **Comments to**

### **Draft guidelines for completing the CDM project design document form**

#### **Specific comments to individual paragraphs**

Para 12: It is requested to align the grace period with the one for methodologies, i.e. extending the six months to eight months, as the rationale behind this period is the same.

Date November 14, 2011  
Subject Call for public inputs on "Issues included in the annotated agenda of the sixty-fifths meeting of the CDM Executive Board and its annexes"  
To Annex 14 Report on sustainable development co-benefits and negative impacts of CDM projects activities

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## **Comments to**

### **Draft CDM project cycle procedure**

#### **Generic comments**

With disappointment we recognize that several aspects in the procedure on erroneous inclusion of CPAs as discussed in the PoA workshop in Bonn this May are still not reflected at all (e.g. review by second DOE, 30 day period for acquiring CERs for cancellation). We still see this procedure misplaced at the used section as it should be dealt with in a joint revision together with the significant deficiency procedure.

#### **Specific comments to individual paragraphs**

Para 128: Replacement of CERs issued shall only be in case of professional negligence or fraud by the DOE in assessing the compliance with the PoA's eligibility criteria.

Para 138-154: It needs to be clarified if and how the process described in paragraphs 138-154 applies to post registration changes that do not require prior approval by the EB in accordance with appendix A of the project standard