

Basel 10/11/2011

NEW VERSIONS METHODOLOGIES ACM0016 AND AM0031

Dear Members of the EB

The EB has announced time ago that the transport sector is not represented sufficiently in the CDM. One of the internationally most acclaimed methods to reduce GHG emissions in the transport sector is the promotion of modern Mass Rapid Transit Systems including BRTs or rail-based systems. Two methodologies have for this purpose been developed and have been used by various projects: ACM0016 and AM0031.

The MP has realized early 2011 two public sessions to gather stakeholder information for reforming these methodologies under the objective of removing barriers to such projects.

The new versions of AM0031 and ACM0016 as proposed by the MP are however not reducing barriers but will include a barrier which will make 90% of all potential public transit projects non-feasible. Stakeholder comments in this direction have NOT been taken into account by the MP. The result is that the additionality path, acclaimed as innovative, presents a barrier which cannot be overcome by the large majority of projects – also the project BRT TransMilenio, acclaimed by the UNFCCC widely as a model project, would **not** pass that test. Using the traditional additionality test as approved by the EB however projects would pass. Thus the MP is proposing something which is far more demanding in financial terms than the normal EB approved additionality test and would create a barrier which cannot be overcome. We have translated the approach to renewable energy projects (hydro, wind, solar) and we have found that virtually **no** renewable energy project would pass a comparable barrier as the MP is wanting to introduce for transport projects. Under the header of “improving access” the UNFCCC is effectively excluding public transport from the CDM. While this seemingly is the intention at least of part of the MP members we cannot believe that this is the intention of the EB and the UNFCCC.

We would like to reiterate that we manage as company more than 50 MRTS worldwide and 90% of all MRTS in validation are managed by our company. We thus have an excellent overview of what is possible and what is not possible in MRTS.

While we do think that the MP has made an acceptable while still insufficient job concerning simplification of the above mentioned methodologies the part of additionality is a complete failure. We thus strongly suggest that:

- The EB rejects the new versions of the methodologies ACM0016 and AM0031

- Removes this task from the MP which after more than 1 year has proven its obvious lack of competence in this area and hand the task over to a competent and professional external expert group composed of people with experience in public transport and the CDM.

Yours truly

A handwritten signature in black ink, appearing to read 'J. Grütter', written in a cursive style.

Jürg Grütter

CEO Grütter Consulting AG