

March 18, 2011

**Dear Sir/Madam,**

Hereinafter are our views to the *call for public inputs on areas and means for direct communication of relevant stakeholder groups within the registration, issuance and methodology processes and the Board.*

**1. Inputs on areas for direct communication of relevant stakeholder groups within the registration, issuance and methodology processes and the Board**

The areas for direct communication between relevant stakeholder groups and the Board are generally confined to:

- 1) Issues relevant to ordinary project participants and stakeholders, such as the "Call for public inputs on the "Guidelines for demonstrating additionality of renewable energy projects =<5 MW and energy efficiency projects with energy savings <=20 GWh per year", for information on what the stakeholders and participants take account of in the investment decision, expressing the representative opinion for participants and stakeholders.
- 2) Issues relevant to stakeholders with professional superiority and sufficient experiences, like banks and similar institutions, on the default values for the expected return on equity for the draft revision to the Guidelines on the Assessment of Investment Analysis, which has great impact on the additionality of project activities involved and on which there are quite different opinions between the stakeholders and the drafter/the Board, showing the conclusion from the special stakeholders with financial analysis and scientific demonstration skills based on practical evidence.
- 3) Issues relevant to specific project participants and stakeholders, for example, one of the difficult problems of effective electricity happened in China, confused by experts of the Board and mistakenly referred to by DOEs in validation and review, which involves only the project activity from China as well as the thesis titled A Study and Reflections on CDM EB's Rejection and Cancellation of China's CDM Project Registration: A Study on Effective Power, publicly issued on the monthly of Sino-Global Energy, volume 15, issue 9, in September 2010, provided to the secretariat of the Board by Beijing Wenhui Economic Consult Center, displaying the view for the specific regional participants and the study result on the title from the specific stakeholders with deep research ability.
- 4) Issues relevant to all of the project participants and stakeholders, for instance, the idea to set up an independent ruling penal to deal with appeals for non-compliance by DOEs and experts of the Board in response to the "Call for public inputs, inviting views on procedures for appeals in accordance with the CMP requests in paragraphs 42-43 of Decision [2/CMP.5](#) and views on how the procedures for appeals referred to above interrelate to revised procedures for registration, issuance and review currently under the Board's consideration in accordance with paragraph 37 of Decision 2/CMP.5", which touches upon not only impartiality to all the project activities but also complicated methodology and legitimacy.

Therefore, it is distinct that the direct communication to the Board shall be taken with different types and groups of project participants and/or stakeholders who are involved in these issues shown as above because the aim of the direct communication between focus on actual information feedback directly from relevant project participants and/or stakeholders. In

a word, the project participants and/or stakeholders groups are recognized by the type of issues to be considered for direct communication with the Board.

## **2. Inputs on means for direct communication of relevant stakeholder groups within the registration, issuance and methodology processes and the Board**

There are three factors that shall be considered on means for the Board to have direct communication of the project participants and/or stakeholders, i.e. effect, time and cost. In this regard, we put forward the following preference to be considered:

Establish two new forums of one for the ordinary project participants and stakeholders and the other for the specific project participants and/or specific and professional stakeholders in accordance with the different categories of issues showing as above. The best way for the two new forums, we believe, is the tow-way direct communication on line at <http://cdm.unfccc.int/stakeholder/index.html>, for example, being afraid of the communication effect, the time and the cost, even spoken English ability, and avoiding the defect of the one-way communication without feedback and further discussion like call for public inputs, if the topics are publicly informed beforehand. As compared with those comments the professional and/or specific stakeholders, but not limited to, might be recognized by assessment of the comments on call for public inputs from the very beginning, for instance, the Project Developer Forum as the representatives of the project participants, the World Bank and International Emission Trade Association (IETA) as the professional stakeholders, Beijing Wenhua Economic Consult Center as the specific stakeholders, etc., who have brought forward constantly their comments with experiences, specialty, applicability and credibility.

As for how to take the tow-way direct communication, the secretariat of the Board could draw up a program in detail on a practice basis.

Regards,

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