

## DOE/AE Forum

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Date 19. February, 2012  
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Subject **Call for public input on "Issues included in the annotated agenda of the sixty-sixth meeting of the CDM Executive Board and its annexes"**

Honorable Members of the CDM Executive Board,

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

With regard to the fact the not less than 31 annexes and references to four panel reports have been published along the annotated agenda while in contrast to this amount of new information only four working days plus two days on a weekend were "granted" for reviewing and commenting all documents, we would like to express that such an approach is perceived totally inappropriate for incentivizing stakeholder inputs. We trust in the EB member's capabilities to identify those draft documents which should be re-published for running an adequate stakeholder consultation process before releasing final versions.

Hence, the following focusses on those aspects with special relevance for the DOE work environment in 2012.

### Two-Year Business Plan (Annex 1)

With regard to work on ensuring operational capacities, we want to launch a discussion on expected reasons and solutions for bottleneck situations at the end of 2012 / early 2013. This discussion should be included in the First SDM Coordination Workshop, and an according suggestion will be made to the UNFCCC secretariat. It needs to be reported that a reasonable and sustainable business development at auditing companies does not enable to create many additional human resources that would not be required any longer after that peak in the work load. Joint solutions should be sought. One potential solution is already given within paragraph 32, where reference is made to standardized templates in validation and verification reports. Especially the second one could deliver some relief at the end of 2012, but it would require starting the development of such templates immediately.

While welcoming the introduction of a risk-based approach for project submissions, we want to emphasize that this approach needs transparent documentation for DOE's and project participants enabling them to track that the to-be-developed operational procedures were followed. Such transparency will create trust that there is equal and fair treatment for all entities. The outline of products under this "area of work" does not yet provide clarity whether this aspect will be covered.

The table under paragraph 22 indicates that there is the need to provide guidance to DOEs on materiality. It is our perception that materiality is an auditing principle and is well established at auditing companies (like DOEs). This we would prefer to formulate it the other way round and offer guidance by the DOEs to the UNFCCC secretariat how this principle should be incorporate in the existing standards. Here, we offer our support in the future development which was re-

quested anyway by CMP. Similarly, we would be available for discussions on options how to account for uncertainties.

On the procedure to address significant deficiencies we will remain available for the expected roundtable consultation and hope that this will come to a solution which is acceptable for all sides, soon.

The need to highlight sustainability benefits but also discussing monitoring of sustainability parameter has been identified as a key aspect for the DOE Forum activities this year. In addition to reference to "voluntary measures" we see also a need to track promises which were made at PDD development.

Furthermore we express our support in the activities for promoting and further developing the mechanism.

#### MAP 2012 (Annex 2)

Most of the aspects that were given above can be retrieved in the more specific MAP 2012. There are three DOE calibration workshops planned in Q2 in Latin America, India and China. We recommend to have a fourth one (suggestions were made for Europe and Africa) considering the fact that quite a significant amount of auditors are based Europe.

#### Concept Note on Improved System to predict Long-term Submissions (Annex 5)

This annex contains recommendations that would set further requirements to DOEs on their quarterly reporting and the expected accuracy. We do not share this conclusion which is deemed to be based on a wrong interpretation of the underlying information.

For predicting registration we consider that the given values (figure 2) provide evidence that the system works. On a quarterly basis DOEs are able to estimate appropriately how many validations will come to an end. The fact that the estimated amount is a little bit smaller than the forecasted one is not surprising, as this difference is created by negative validations (no request for registration) and unexpected delays at the end of individual validation. Other than stated by paragraph 8 that there is no information for the big gap in Q3/2010, we see a clear reason by the fact that after EB-54 (May 2010) data with financial benchmarks for wind and hydro power projects in China has been released. This had a strong impact on the market in the following quarter and resulted in numerous revisions of PDDs, thus delaying the validation activities. Hence this gap is not caused by misreporting of information but by change in the regulatory framework.

Figure 3 shows that the DOE surveys are frequently not usable for predicting the amount of requests for issuance. Again this is not surprising, as it reflects the average time demand for performing verifications which quite of in the range of a quarter or even less. Thus all orders which start after delivering the estimation but which are finalized before the end of the following quarter increase the value of actual verifications, which is therefore usually higher than the one resulting from predictions. In conclusion it can be stated that a quarterly survey is not an adequate time frame for developing any high-quality estimation for requests for issuance. But, instead of requesting a higher survey frequency, we recommend to predict the upcoming issuance request by using information on the time monitoring reports are made available and the average time for verification activities for project categories. This data is available with sufficient accuracy after thousands of requests for issuance were made by the DOE community.

In conclusion we recommend not burdening DOEs by measures as suggested by this annex which will not result in improvements of the forecasts.

Draft Work-Plan of the Accreditation Panel (Annex 6)

As one of our core interest it is self-evident that we expect the involvement of the DOE Forum when working on the revision of the accreditation standard and procedure.

As told above, the DOE/AIE Forum welcomes the manifold of activities which is planned in 2012 and which will be helpful to further expand a credible and successful CDM. But before deciding on final version that may have an potential for market distortions, we recommend to launch additional calls for public inputs enable for a more in-depth review of these documents by all interested parties.

We look forward to further contributing on this matter.

Kind regards,

A handwritten signature in black ink, appearing to be 'Werner Betzenbichler', written over a circular scribble.

Werner Betzenbichler  
Chair of the DOE/AIE Forum

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February 19, 2012  
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