

April 30, 2012

CDM Executive Board  
P.O. Box 260124,  
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**Subject: Comments on the Annotated Agenda for the 67<sup>th</sup> meeting of the Executive Board (EB)**

Dear Members of the CDM Executive Board,

With regards to Annex 8 and 9 to the Meth Panel Report, a new requirement has been inserted that "eligibility criteria related to costs and revenues parameters shall be updated every two years to correctly reflect the technical and market circumstances of a CPA implementation". It is not clear why this time frame of 2 years has been included and we do not think it is justifiable, since it will substantially increase the costs associated with PoAs applying ACM0001, ACM0002 and any other methodology which is required to make such regular updates. We recommend alternative approaches should be explored for assessing the continued additionality of the PoAs to ensure that the most cost effective regulatory requirement is imposed to preserve environmental integrity.

With regards to Annex 8 to the Meth Panel Report, proposing revisions to ACM0001, we note that the CME is now asked to consider relevant technical and economic parameters<sup>1</sup> that are listed. The parameters identified are only relevant for project types where the financial analysis (FA) is fixed ex ante and not relevant for projects where the FA is defined for each individual activity. We therefore recommend that these listed parameters are only required for certain cases.

Furthermore, different *Types of CPA* are considered "different" if one of the following is not the same:

- Baseline scenario: Partial OR total release of the gas OR use of electricity from the grid OR captive power plant;
- In case of heat generation;
- The project activity will: flare, generate electricity, generate heat, supply gas to a network, combine any use;
- The legal and regulatory framework introduces a distinction.

The effect this will have is that any change (use of gas, geographical location, or baseline scenario) in the CPA, will **need** specific eligibility criteria, and any variation will require a "Generic CPA template", generating unnecessary sets of repetitive documents for each variation. We recommend that the

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<sup>1</sup> (a) Ranges of certain design specifications (ranges of sizes of landfill and amounts of waste disposed);  
(b) Ranges of efficiency of the landfill gas capture system;  
(c) Type of solid waste disposal site: (i) New solid waste disposal site, (ii) Existing solid waste disposal site;  
(d) Ranges of costs (capital investment, operating and maintenance costs, etc.);  
(e) Ranges of revenues (income from electricity, heat or LFG sale, subsidies/fiscal incentives, ODA).

definition of “different” determining different types of CPA is more clearly defined, and that some of these differences be treated within the CPA, for instance the regulatory ones which are already monitored within the methodology (i.e. parameter AF which under earlier versions of ACM0001 was the percentage of gas that was flared before the project activity due to local regulations).

Annex 8 to the proposed agenda of EB67 presents a concept note on expansion of “Guidelines on demonstration of additionality of micro-scale project activities”. The two options to either i) Extend the positive list of technologies or ii) Revise the micro-scale additionality guidelines to enable the application of the guidelines at the unit level of distributed emission reduction activities rather than at the aggregate CDM project activity level do not need to be mutually exclusive. In other words the combination of both option 1 expanding the positive list and option 2 revising the micro-scale additionality guidelines could be considered as an additional third option.

The concept note contained in Annex 8 to the proposed agenda of EB67 also presents a summary of the inputs received regarding the definition of a “special underdeveloped zone” (SUZ). The summary made of the World Bank input (submitted on 03.04.2012), is somewhat confusing. To clarify, we recommend the deletion of the paragraph 2(a) of the micro- scale additionality guidelines since micro scale projects do not need to be limited to a special geographical zone explicitly. The nature of micro scale projects means they will always be projects that promote minimum standards of living (e.g., access to electricity using off-grid renewable energy (micro hydro, wind, solar), improved cook stoves, water purification, energy efficient lamps etc. in all areas. We do not see a necessity for introducing a geographical limitation to such projects, since by doing so some areas within least developed countries or the small island developing States (LDCs/SIDS) or in a special underdeveloped zone of the host country may be excluded unnecessarily.

If however, the EB decides that a definition of a SUZ is necessary, we recommend that further consultations with stakeholders are undertaken to define procedures for identification of special underdeveloped zones. As a result we recommend the EB also to consider the option of deleting the paragraph 2(a) in addition to the other two options presented in Para 18 of the Concept Note, since the reasons for excluding this recommendation have not been justified.

Finally and relating to annexes 14 and 15 to the proposed agenda of EB67 on suppressed demand we recommend to include all methodologies that can relate to a situation of suppressed demand including those for project activities in the area of energy efficiency and agriculture in the review process and not just those that are on the currently recommended priority list.

We will be pleased to provide further information and clarifications at your request.

Yours sincerely



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