

CDM Executive Board  
UNFCCC Secretariat  
Martin-Luther-King-Strasse 8  
D 53153 Bonn  
Germany

27 October 2013

Dear Members of the Executive Board,

The Climate Markets & Investment Association (CMIA)<sup>1</sup> is an international trade association representing firms that finance, invest in, and provide enabling support to activities that reduce emissions. CMIA's membership accounted for 75 per cent of the global carbon market in 2010, valued at approximately USD 120 billion.

We would take this opportunity to firstly congratulate the Board on its work this year to promote the CDM in light of difficult market conditions and its work to develop the CDM into a mechanism that is 'fit for purpose' in the evolving global carbon market.

However, it is with concern that we view annex 10 of the annotated agenda to EB76, Draft procedure: Process for dealing with letters from DNAs that withdraw approval/authorization. CMIA's members have invested in a significant proportion of registered CDM projects on the basis that both the Host Country and Annex 1 LOAs are unconditional and are valid for the duration of the crediting period(s) of a registered project.

We are gravely concerned that Host Countries could use this procedure to trigger the withdrawal of LOAs thereby stopping the issuance of certified emission reductions without justification or means of redress by Project Participants.

We respect the right of Host Countries to address concerns raised with the operation of a project but would suggest that this can be done via the following, established routes:

- Host country legislative and regulatory procedures
- Via verifying DOE, who is required to verify that the project is compliant with host country regulations prior to requesting issuance
- Raising a request for review at the point that issuance is requested

Finally, the CMIA understands that withdrawal of LOAs is one topic that will be covered as part of the review of CDM modalities and procedures. We would suggest that the Board postpone any decision on this issue until after this review has taken place and there has been further opportunity for discussions with stakeholders on this issue.

Kind regards,



Miles Austin  
Executive Director

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<sup>1</sup> See [www.cmia.net](http://www.cmia.net).