

TABLE FOR COMMENTS

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| # | Area* | Related CDM regulatory document (if any) | Para no. (if any) | Issue (Description of an issue concerning a specific CDM rule or operation that you consider results in unnecessarily high burdens or transaction costs on stakeholders, together with a description of the observed burdens or costs and their implications) | Proposed change (Description of an idea for simplification/streamlining of a particular CDM rule or operation and expected implications on the efficiency and integrity of the CDM) |
| 1 | Other project cycle step- Methodology clarification | “General guidance on leakage in biomass project activities” | Par 18 | <p style="text-align: center;"><u>Consistent clarify in guidelines and methodologies</u></p> <p>The referred to guideline document has been referred to in a number of methodologies including AMS I.I version 04.0 par 4(b).</p> <p>The guidelines do not provide the method to be used to calculate the leakage emissions. Such lack of clarity jeopardises the development of projects by causing unnecessary delays in the development process</p> | The CDM team should ensure that all documents including guidelines have clear instructions to the project developer on approach to use. |
| 2 | Inclusion of previously excluded CPAs | Project Standard version 09.0 | 320-322 | <p style="text-align: center;"><u>Inclusions of excluded CPA in another POA</u></p> <p>While we welcome the fact that the CDM now allows for the voluntary exclusion of component project activities from a programme of activities it seems that the excluded CPA cannot be included in another POA (par 322).</p> <p>There are a number of reasons that would warrant an exclusion from a POA. Some of the reasons could come as a result of the CMEs incompetence.</p> <p>A CPA implementer should be allowed to join another POA once excluded from a POA where they were not happy with the CMEs performance.</p> | The CDM should have provisions to allow a CPA to not only be excluded from a POA s but to also be re included in another POA. |
| 3 | Registration | Project cycle procedure version 09.0 Appendix 1 | | <p style="text-align: center;"><u>Waving registration fee</u></p> <p>We believe that the EB should consider waiving or at least lowering the registration fees for non-LDCs, as this is becoming an increasing burden to project developers especially considering today’s carbon market status.</p> <p>Whilst other development costs have considerably gone down (DOE fees, consultancy fees etc.) the registration fees have not been revised or lowered to account for the lower returns expected as a result of much lower CER price.</p> | Waive registration fee. |

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| 4 | Post registration changes | (Based on project development experience) | | <p><u>VVM to VCS change</u></p> <p>VVM to VVS conversion of registered project documents increases the time and cost of project development.</p> <p>The CDM does not provide any guidelines for when and how the conversion of documents from VVM to VVS is required or needs to be done leaving the consultant and project developer at the mercy of the DOE and their interpretation.</p> | <p>Provisions should be put in place by the CDM that allows a project, if once was registered under the VVM to continue with the same documentation standard until the renewal of crediting period or during inclusion of subsequent CPAs.</p> <p>Alternatively the CDM should specify the degree of alteration on the project documentation that would warrant the change of a project that was registered under VVM to VVS.</p> <p>Otherwise, there should be some guidelines on the minimum required sections that need to be revised when one is required to revise a PDD that had used from the VVM to VVS.</p> |
| 5 | Registration | | | <p><u>Small scale threshold limit</u></p> <p>The small-scale threshold limit for distributed units for PoAs should be based on the individual units capacity and not on the cumulative capacity i.e. 15 the cumulative emission reductions or Me. I.e. 60kt CO₂e</p> | <p>CDM team should consider allowing PoAs which focus on distribution of units and which are automatically additional to include as many units as possible. This will reduce the cost incurred by inclusion of many CPAs</p> |
| 6 | Registration | Project Standard version 09.0 | Par 34 | <p><u>ODA proof and validation</u></p> <p>CDM requires that in cases where public funding from Parties included in Annex I to the United Nations Framework Convention on Climate Change is involved for projects, the project participants or the coordinating/managing entity shall provide an affirmation obtained from Parties included in Annex I that such funding does not result in a diversion of official development assistance, and is not counted towards the financial obligations of those Parties.</p> <p>It really can take a very long time to get this letter from the party involved in the project.</p> <p>This can lead to delays in the project development and high costs as a result of delayed registration and longer contracting period with the DOE and consultancy firms.</p> | <p>The CDM should consider designing a template that will be used by all projects for declaration of non-diversion of ODA as is done by the Gold Standard.</p> <p>The project developer would sign the letter.</p> <p>Alternatively CDM could consider allowing the project developer to submit the ODA letter post registration. This would allow for more time to follow up on the letter from the necessary parties and not jeopardize the project by extending validation contracts and delaying registration.</p> |

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| 7 | Registration | Project Standard version 09.0 | Par 81 | <p align="center"><u>Post registration validation LOA</u></p> <p>The CDM requires the project participants or CMEs to obtain a LOA from the DNA of Parties involved in the proposed CDM project activity. This LOA is submitted prior to project validation. If the LOA is not provided then a project cannot be registered.</p> <p>In cases where the Parties involved in the proposed CDM project activity are not able to (due to reasons beyond the project developers control e.g. revision of LOA procedural steps, or lack of capacity at the DNA office) issue an LOA then the project developer is stranded, as the project cannot be registered and the validator cannot issue a positive validation opinion.</p> <p>At such a point the project developer has already incurred huge costs e.g. consultancy fees as well as DOE fees.</p> <p>In such cases, the DOE might wish to terminate their validation contract with the project developer. This termination would result in the project developer having to contract another DOE to perform and complete the validation services once the LOA is obtained.</p> | <p>We would like to request the CDM to look into this issue and allow for the delayed validation of LOA.</p> <p>Just like the requirements for validation of the monitoring plan were revised to allow the project developer have to have the monitoring plan validated either pre or post registration, we propose that a similar approach be used in the validation of the LOA.</p> |
| 8 | Issuance | - | - | <p align="center"><u>Retroactive crediting</u></p> <p>Currently crediting under the CDM can only start after registration. Projects are losing credits due to delayed registration caused by various reasons (e.g. LOA delays, or delays by the DOE etc.), which at times are beyond the project developer's control.</p> <p>This is especially true for project with shorter lifetimes e.g. lamps or cook stoves with less than 7 year lifetime.</p> | The CDM should consider allowing for the retroactive crediting of CERs generated from the project start date until the project achieves registration. (Similar to the Gold Standard) |
| 9 | Issuance | Project Standard version 09.0 | 68-71 and 237-230 | <p align="center"><u>Crediting period vs. project lifetime</u></p> <p>Currently the CDM allows for 2 types of crediting period, the 10 year fixed period and 7 year twice renewable crediting period. Projects with longer lifetimes e.g. electricity-generating projects loose out on credits as a result of this requirement.</p> <p>The CDM should consider allowing projects to have crediting periods that are commensurate with lifetime of the project.</p> | The CDM should allow RE projects with a lifetime longer than the maximum allowable crediting period (21 years) to claim emission reductions in line with their technical lifetime. The baseline scenario would still be assessed after every 7 years line with the CDM guidance. At any given point, if the project becomes part of the baseline, it will not be eligible to claim emission reductions. |

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| 10 | Registration/ Issuance | Project cycle procedure version 09.0 | Par 34-35 | <p style="text-align: center;">DOE Reporting</p> <p>Whilst the CDM provides a channel through which DOEs can update them on the validation status of projects, the project developer does not have a platform where he/she can report on rouge DOEs.</p> <p>Due to the current status of the carbon market, a number of DOE have exited the market. Most of these DOEs were reputable firms with a lot of experience in the carbon market. With this taking place, the project developer is left with little choice for credible DOEs and as a result could end up contracting a DOE whose professional methods in dealing with the project validation is questionable leading to the impediment of the CDM project development.</p> | A channel should be created through which the project developer can get in touch with the CDM in case he/she is not satisfied with the working relations and output of the DOE. |
| 11 | Registration | Project cycle procure version 09.0 | 30 | <p style="text-align: center;">Methodology grace period</p> <p>The CDM currently allows a project developer whose project has been submitted for GSC and uses a previous version of an approved methodology or standardised baseline to continue using the same methodology (regardless of the fact that the methodology was revised) unless the methodology grace period for the use of the old methodology has been reached.</p> <p>If the grace period is reached then the project developer must revise the PDD to take into account these changes, a not very time and cost efficient process.</p> | <p>The CDM team should consider providing a longer grace period for the use of previous methodologies.</p> <p>Alternatively, the CDM could fix the applicable version of the methodology for the project to the time of validation start, rather than achievement of registration.</p> |
| 12 | Registration | Project standard version 09.0 | 81 | <p style="text-align: center;">Letter of approval for POA</p> <p>The CDM requires a CME or project participant to obtain a LOA from each Party involved in the proposed CDM project activity or POA.</p> <p>Obtaining LOAs from multiple parties is a time consuming effort that could also result in project delays especially where the DNA is not corporative, available or has a clear process through which the LOA can be obtained.</p> | <p>In order to simplify this process, we would like to request the CDM to consider allowing (in the case of multi country PoAs), the CME to only provide a LoA for the Party where the Specific CPA is located pre registration. The other LOAs could be provided post registration.</p> <p>Alternatively and as mentioned above, the CDM could also allow the CME to provide all the LOAs post registration.</p> |

*Area: Please choose from the following categories:

General; Registration; Issuance; Post-registration changes; Renewal of crediting period; Other project cycle step; Methodology development; Methodology revision; Methodology clarification; Accreditation; Other specific process.

Please divide your inputs on issue by issue using different rows. Please create as many rows as needed.