

## 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	<b>Technical</b>	<p><b>Combined tool to identify the baseline scenario and demonstrate additionality</b></p> <p><b>Version 6 - draft</b></p>	<b>2.2.5</b>	<p>A problem that we see in the current revision is related to the following clauses:</p> <p>“2.2.5 This tool is only applicable to methodologies for which the potential alternative scenarios to the proposed project activity available to project participants cannot be implemented in parallel to the proposed project activity.</p> <p>Footnote 1: For a transport CDM project where the identified potential alternative scenarios are (a) development of new rail infrastructure to satisfy transportation demand for 100 per cent of cargo by rail, or (b) transport of 100 per cent of cargo by road. The alternative scenarios shall be defined in a way that these scenarios are mutually exclusive.</p> <p>Mutual exclusivity comes up again in Step 1a.”</p> <p>In the example of the switch from road to rail modality it is evident that the road modality will continue to exist. Also it is not realistic to require that 100% of freight will be transferred to rail.</p> <p>Likewise we can imagine many scenarios where project and baseline scenario will continue to exist in parallel. For example a company might implement a biomass boiler to substitute use of fuel oil, but it will probably maintain the fuel oil boiler as back-up and possibly even use both in combination.</p>	<p>We propose that mutual exclusivity is not a requirement.</p>
2	<b>Technical</b>	<p><b>Combined tool to identify the baseline scenario and demonstrate additionality</b></p> <p><b>Version 6 - draft</b></p>	<b>4.3.1</b>	<p>4.3.1. Step 2a: No private capital is available from domestic or international capital markets due to real or perceived risks associated with investments in the country where the project activity is to be implemented, as demonstrated for example, by the credit rating of the country or other country investment reports of reputed origin.</p> <p>We suggest that the word “private” is retained as additional qualification as many auditors and stakeholders are not aware of the difference between the capital market (which is inherently</p>	<p>4.3.1. Step 2a: No private capital is available from domestic or international capital markets due to real or perceived risks associated with investments in the country where the project activity is to be implemented, as demonstrated for example, by the credit rating of the country or other country investment reports of reputed origin. The effective financial support by public financing institutions, development banks and grand financing instruments illustrates the presence of an Investment Barrier.</p>

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				private) and public and development financing, which is an instrument to address the failure of the “private” capital markets to finance projects due to perceived risks and uncertainties. <b>Also this would retain equal text with the Additionality Tool.</b>	
3	Technical	<p><b>Combined tool to identify the baseline scenario and demonstrate additionality</b></p> <p><b>Version 6 - draft</b></p>	several	<p>In several sections the document makes reference to relevant source of information, such as</p> <p>31 a: “independent (financial) expert or documented by official publicly available official financial data”.</p> <p>31 b: “based on banker’s views and private equity investors/funds’ required return on comparable projects”</p> <p>Suggestion is to include research and academia, as these are traditionally the most relevant and reliable sources as they aggregate the general markets data.</p>	Include “established professional research companies” such as Bloomberg and Ibbotson or “established academic sources”

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