Stakeholder Communication Form

(Version 01.0)

This form shall be used for any CDM-related communication with the UNFCCC secretariat or the CDM Executive Board. All the questions are mandatory unless otherwise indicated.

The completed form and any supplemental documents shall be submitted electronically to cdm-info@unfccc.int, or via fax to +49-228-815-1999 or via post to: Sustainable Development Mechanism (SDM) Programme, UNFCCC secretariat, P.O. Box 260124, D-53153 Bonn, Germany.

SECTION 1: COMMUNICATION HEADER

Please provide your contact information.

Title: Mr.	**First Name:** Sven	**Last Name:** Kolmetz
Name of Organization: Project Developer Forum Ltd.		**E-mail Address:** office@pd-forum.net
Postal Address: 100 New Bridge Street, London EC4V 6JA **Country:** UK		**Phone Number: 491712798223** *Include country code (e.g. +49-228-815-1999)*
Stakeholder Type: Non-Governmental Organization (NGO)		If other:

Please indicate from whom you would like to get an answer.

This communication is addressed to[1]**:** Chair of CDM Executive Board (normal track)

SECTION 2: PROJECT ACTIVITY OR PROGRAMME OF ACTIVITIES (POA)

If this communication refers to a specific CDM project activity/PoA, please answer questions in this section (otherwise proceed to Section 3).

Project/PoA Ref. Number	*5-digit# format 01234*	If applicable, CPA Ref. Number: *8-digit# format 0123-4567*
Project Cycle Stage	Issuance	If other:

If there is no specific CDM Reference Number, please answer the remaining questions in this section (otherwise proceed to Section 3).

Host Country(ies)		
Project/PoA Title		
Technology Type	[Choose an item]	If other:

SECTION 3: YOUR COMMUNICATION

Title/Subject *Maximum 250 characters*	Issuance fees have become a serious barrier
Communication Text *Include background, details, and conclusion (unlimited length)*	Dear Members of the EB, Regarding your “Call for input on "Issues included in the annotated agenda and related annexes of the one hundredth meeting of the CDM Executive Board " 14 to 21 August 2018, 24:00 GMT)" we would like to comment, particularly on Annex 4 and its Appendices, as follows: We commend the Executive Board for the continued operation of the CDM, and the introduction of installments for the payment of the Share of Proceeds (the issuance fee). However, we do not believe this concession has gone far enough to counter the significant detrimental effect on project cash-flow of the requirement of upfront payment of this fee. Therefore, we would like to bring the following to your attention.

[1] In accordance with the “*Procedure: Direct communication with stakeholders” (version 02.0)*, stakeholders may address communications either (a) to the secretariat, in order to seek a fast-track technical or operational explanation regarding the implementation of existing CDM rules, or (b) to the CDM Executive Board, in order to communicate to the Board their views on CDM rules and their implementation, or to seek official clarifications of CDM rules.

	The Project Developer Forum (PD Forum) is a collaborative association and collective voice of companies and practitioners that are developing and financing greenhouse gas (GHG) emission reduction projects worldwide. Some of our members have substantial business activities in South Africa. Other members of our organisation work on a global scale and evaluate your country as an opportunity to deploy climate financing and carbon market instruments to accelerate investments for GHG mitigation and sustainable development. This submission is supported by the International Emissions Trading Association (IETA), the International Carbon Reduction & Offset Alliance (ICROA), and the Climate Markets & Investment Association (CMIA). Issuance fees under the CDM are significantly higher than for most voluntary carbon standards. Most of these voluntary standards also allow for the payment of issuance fees only at the time that credits need to be transferred to the buyer, whereas the CDM now requires payment prior to the start of the issuance process, which also takes much longer than for other standards, particularly in case of reviews. This has significant cash-flow implications for projects, as it locks up cash for many months before the reductions can be monetised. Therefore, the CDM has put itself at a significant disadvantage compared to the other standards. As there is no significant compliance demand for CERs under the EU ETS or any other regime, and there hasn't been for many years, much of today's trade of CERs is for voluntary purposes. Pricing in the market has been low for many years, often barely above the level of the CDM issuance fees. While we understand that the EB needs the issuance fees to finance the mechanism, the impact has been most severely felt by small project developers, rather than the projects that caused the backlog of payments. We believe that the unintended consequences of this new payment regime could be significant, and damaging to the CDM in the long term. In addition to demanding payments upfront, the introduced penalties for a rejected or withdrawn issuance, which could be up to USD 30,000, further increases the risk for developers, and does not reflect the work carried out / cost incurred by the UNFCCC relating to such rejction / withdrawal. As a result of the new payment structure and penalties, we have now been seeing many project developers (including our members) deciding to issue under voluntary standards rather than the CDM, which means that the CDM foregoes all income. Because most demand is for voluntary reasons, developers can make this choice without impacting the claims that buyers can make. We are also seeing that developers (our members) are forced to wait with the issuance request of a second and subsequent projects, until they have been able to monetise the reductions from their first project. This severely restricts the operations of these developers. We believe the impacts we see are significant enough to ask the EB to reconsider its issuance fee regulations. A few thoughts on improvements are: 1. Only request upfront payments if a project already has an outstanding payment; 2. Exclude small projects from upfront payments; 3. Take into account the developer's payment records - developers that have paid many times before could be excluded from upfront payments; 4. Reconsider issuance fee levels, which, given the EB's build up reserves, should be perfectly possible. 5. Withhold only the incurred cost relating to a submission, rather than the full issuance fee, and repay the balance in case of rejection / withdrawal. Yours sincerely
Supplemental Documents *If applicable, list the title(s) of any attached file(s) or link(s)*	
This communication may be made public	Yes

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Document information

Version	*Date*	*Description*
01.0	02 March 2015	This form supersedes and replaces the following: • F-CDM-RtB: *Form for submission of Letters to the Board* (version 01.2) • F-CDM-RtB-DOE: *Form for communication on policy issues initiated by AEs/DOEs* (version 01.1) • CDM-RtB-DNA: *Form for communication on policy issues initiated by DNAs* (version 01.1)

Decision Class: Regulatory
Document Type: Form
Business Function: Governance
Keywords: communications

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Project/PoA Ref. Number	*5-digit# format 01234*	If applicable, CPA Ref. Number: *8-digit# format 0123-4567*
Project Cycle Stage	Validation	If other:

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Host Country(ies)	All less developed countries	
Project/PoA Title		
Technology Type	Renewable electricity	If other:

SECTION 3: YOUR COMMUNICATION

Title/Subject *Maximum 250 characters*	Exclusion of solar PV from positive list seems not to be appropriate to us
Communication Text *Include background, details, and conclusion (unlimited length)*	Dear Members of the EB, The revised tool 21 and the revised ACM0002 document proposes to exclude “Solar photovoltaic technologies” from the “Simplified procedure to demonstrate additionality” (see section 5.3.1 on page 14 of the CDM-MP76-A06 - Draft Large-scale Consolidated Methodology: ACM0002: Grid-connected electricity generation from renewable sources Version 19.0). However, we demand to not implement this exclusion as this would delay the adoption and implementation of solar photovoltaic technologies in countries where this technology is not yet well established. The fact that the current status of regulation only benefits countries with the need to support the adoption of this technologies is already warranted by paragraph 29.(a), which limits the benefits of the “Simplified procedure to demonstrate additionality” to countries where “the percentage share of total installed capacity of the specific technology in the total installed grid

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	connected power generation capacity in the host country is equal to or less than two per cent". To further substantiate our request, we would like to offer the following arguments: While the proposed exclusion of "Solar photovoltaic technologies" from the "Simplified procedure to demonstrate additionality" may be motivated by its observed reduction in Levelized Cost of Energy, we would like to present the following facts: Due to the intermitting nature of Solar PV, it is not comparable to other technologies. Its lower value in terms of constant energy generation and dispatchability needs to be compensated. The countries with less than 2% of Solar PV almost certainly do not have domestic production of solar panels and will need to import the technology, generating an impact on the countries' trade balances. LCOE is very susceptible to capital costs and countries where such technologies have not yet been adopted generally suffer from high capital costs and lack of access to capital. Solar PV requires large upfront capital expenditures, usually in foreign currencies, that generate exposure to exchange rate fluctuations and increase capital costs. In summary, the proposed change would negatively impact countries that are facing the most significant challenges to adopt the technology, and that did not yet have the chance to build the basic enabling environment for its implementation. Therefore, the proposed changes are in conflict with the objective to facilitate and accelerate the broad and equitable adoption of transformational technologies by all parties. Hence, we would like the board to re-consider the electronic decision of the MP77.
Supplemental Documents *If applicable, list the title(s) of any attached file(s) or link(s)*	
This communication may be made public	Yes

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