



PROJECT DEVELOPER FORUM

Credible Climate Action.

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To **CDM Executive Board**
From sven.kolmetz@pd-forum.net
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Subject **Transition from CDM to Voluntary Market to Art. 6.4 mechanism**
Classification: Not confidential – this letter will be distributed to interested parties and published online

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As you may know, 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 and removal projects in all regions of the globe. PD Forum members are comprised of organizations and individuals who bring valuable experience and expertise in this domain and, have always been vocal advocates of new and innovative approaches to reduce GHG emissions and increase GHG removals, both natural and technological.

As an active player of the carbon market, we would like to share our perspectives on the transition of CDM projects into the Art 6.4 mechanism. Following COP26, the overall concept and timeline about transition from CDM to Art 6.4 mechanism were decided.

The transition process will have 2 stages:

- 1) Request stage - Being made to secretariat and the CDM host party by project participant before 31 December 2023.
- 2) Approval stage – Being submitted to the Supervisory Body by the CDM host party before 31 December 2025.

However, the election of the new Supervisory Board and details about related processes still needed to be finalised during following COPs. So, it seems reasonable to assume that it will likely take a few years before Art 6.4 is fully operational.

During this time, project developers and related stakeholders of vulnerable projects in CDM mechanism are expecting to face critical operational risks. The vulnerable projects can be operated only by Carbon Revenue. So, these vulnerable projects will not survive during this transition period between CDM and Art 6.4 mechanism.

To mitigate these risks, the PD Forum has the following requests about transition of CDM projects into Art 6.4 mechanism:

1. A simplified and expedited (automatic) transition process for vulnerable projects, especially in LDCs and SIDS
2. After transition to Art 6.4 mechanism, all provisional ERs from 2021.01.01 to transition date should be issued as Art 6.4 ERs.
3. There should be no barrier or restriction on continuing projects in Voluntary Markets during the transition period and then returning to Art 6.4 mechanism after the transition.

Yours sincerely,
Dr. Sven Kolmetz on behalf of the members of PD Forum

