




F-CDM-RtB

 CDM: FORM FOR SUBMISSION OF “LETTER TO THE BOARD” (Version 01.1) <i>(To be used only by the Project Participants and other Stakeholders for submitting Letter to the Board as per Modalities and Procedures for Direct Communication with Stakeholders)</i>	
Name of the stakeholder ¹ submitting this form (individual/organisation):	Project Developer Forum Gareth Phillips (Chair)
Address and Contact details of the individual submitting this Letter:	Address: 100 New Bridge Street, London, EC4V 6JA Telephone number: +65 6578 9286 E-mail Address: gareth.phillips@pd-forum.net
Title/Subject (give a short title or specify the subject of your submission)	Submission relating to the annotated agenda of the 63rd meeting of the CDM Executive Board / annex 9 (project standard)
Please mention whether the Submitter of the Form is:	<input type="checkbox"/> Project participant <input checked="" type="checkbox"/> Other Stakeholder, please specify
Specify whether you want the Letter to be treated as confidential ² :	<input type="checkbox"/> To be treated as confidential <input checked="" type="checkbox"/> To be publicly available (UNFCCC CDM web site)
Purpose of the Letter to the Board:	
Please use the space below to describe the purpose for submitting Letter to the Board. (Please tick only one of the four types in each submission)	
<input type="checkbox"/> Type I: <input type="checkbox"/> Request Clarification <input checked="" type="checkbox"/> Revision of Existing Rules <input checked="" type="checkbox"/> Standards. Please specify reference EB63 Annex 9 (project standard) <input type="checkbox"/> Procedures. Please specify reference <input type="checkbox"/> Guidance. Please specify reference <input type="checkbox"/> Forms. Please specify reference <input type="checkbox"/> Others. Please specify reference	
<input type="checkbox"/> Type II: Request for Introduction of New Rules	
<input type="checkbox"/> Type III: Provision of Information and Suggestions on Policy Issues	
Please use the space below to describe in detail the issue that needs to be clarified/revised or on which the response is requested from the Board as highlighted above. In doing this please describe the exact reference source including the version (if any).	

¹ Note that DNAs and DOEs shall not use this form to submit letter to the Board.

² Note that the Board may decide to make this Letter and the Response publicly available



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To cdm-info@unfccc.int
From gareth.phillips@pd-forum.net
Date 17 September 2011
Subject **Submission relating to the annotated agenda of the 63rd meeting of the CDM Executive Board / annex 9 (project standard)**

Mr Martin Hession,
Honorable Members of the CDM Executive Board,

The Project Developer Forum (PD Forum) welcomes the new consolidated CDM project standard (Version 01), published on 12 September 2011 and would like to thank the secretariat for its hard work on this document before and after the Integrated Workshop in Bonn. We appreciate the approach to consolidate all guidelines and standards in one document that will be the sole guidance for project developers in the near future.

Nevertheless, we would like to highlight some issues in the draft document that should be addressed before approval to improve the usability of the document. Some issues are obviously typographical and editorial errors that may create unnecessary misunderstandings between DOEs and PPs; some issues need more consideration as they refer to requirements that may be difficult or sometimes impossible for project participants to fulfil.

Please see our comments for each paragraph as follows:

General: Please add references and/ or weblinks for the sources of all documents mentioned in the PS (For example, in paragraph 80, provide a reference for “General principles for bundling” (EB21, Annex 21”).

Paragraph 9

It should be clarified that until the documents in appendix B are revised in accordance with this Standard that the Standard takes precedence over these.

Paragraph 11

To avoid misinterpretations by DOEs we further would like to suggest defining

b) “should” is used for a recommended **but not mandatory** means for meeting a requirement. **Other means which offer the same level of accuracy or intended result are allowed.**

c) “may” is used for what is allowed, but is **not mandatory nor** required

In our experience, in order to demonstrate conservativeness, DOEs often interpret “should” and “shall”.

We also note that the definition of these terms is not the same in the VVS and recommend that the VVs is brought into line with the PS.

Paragraph 13

The reference to “the intended user” lacks clarity. The intended users should be defined as:

a) **The CDM Executive Board**

b) **Entities requiring assurance of the validity of CERs produced by the registered project activity.**

Paragraph 17

We are missing the concept of confidentiality here. We would like to suggest here or later in the document to add that confidential information may be blacked out or is omitted as long as it is not related to additionality.

**Paragraph 22**

(a) Please delete “and” and replace with “or” as these actions are mutually exclusive

Paragraph 26

(b) **Footnote 4:** Please explicitly add “emails” as allowed evidences as this is sometimes the only available evidence and was accepted in EB62 annex13.

Paragraph 34

Methodologies may refer to documents which will be superseded by the PS. It should be clarified here that compliance with such superseded documents is not required.

Paragraph 35

The version of the PS valid at the time of submission of the CDM project activity should also be specified.

Paragraph 40

Replace “shall” with “may” as we do not think that E+/E- shall be discussed in each project.

Paragraph 41

Replace “shall” with “may” as above.

Paragraph 49

As the detailed monitoring plan is mostly not available during the validation stage and to avoid lengthy and time consuming prior approval as far as possible we would like to replace “The monitoring plan shall also include the following” by “The description of the monitoring plan shall also include the following” to be consistent with the sentence before and make clear that the monitoring plan in the PDD is a framework for the real monitoring plan which will be applied following implementation of the project activity.

For the avoidance of doubt we would like to suggest changing the sub-paragraphs as following:

- (a) Description of the operational...
- (b) Description of the provisions....
- (c) Description of the responsibilities...
- (d) Description of the quality assurance...
- (e) Description of the uncertainty levels
- (f) Description of the calibration frequency...”

(e) Replace “Uncertainty levels, methods and the associated accuracy level of measuring instruments to be used for various parameters and variables; and” with “Minimum uncertainty levels, methods and the associated minimum accuracy level of measuring instruments to be used for various parameters and variables; and” as discussed during the workshop in Bonn.

(f) We would like to suggest adding “industry best practices” as last fall back option.

Paragraph 66

(e) Adding the date of submission after all PP’s have signed the MoC is technically difficult as no handwritten data are allowed in the MoC. Hence, we would like to suggest allowing the date of submission to be handwritten.

Paragraph 70

Replace “should” with “shall” as we do not think that this is only a recommendation.

Paragraph 72

Replace “together with supporting documentation” with “together with available supporting documentation”.

Paragraph 75

The description of small-scale project activities should correspond to those in paragraph 6(c) of Decision 17/CP.7

Paragraph 77

We would like to suggest changing to “...the GHG emissions that can be claimed during this particular year shall be capped at the level which is equivalent to the relevant small scale threshold”. We are afraid that otherwise the projections of the GHG emissions may be inflated to avoid losses during verification, a wrong and unnecessary incentive that should be avoided.

**Paragraph 83(a)**

This effectively duplicates 29(f). It could be deleted or just make reference to 29(f).

Paragraphs 86 and 87

Paragraph 86 states that PPs shall use [a list of methods to determine the performance of equipment].

Paragraph 87 states that PPs may also use [performance data from test results]. The literal interpretation of this is that in all cases PPs must use one of the methods listed in paragraph 86 and optionally may make an additional determination of the performance using the method stated in paragraph 87. This would potentially provide the PP with two values for the performance with no guidance which should actually be applied. The two paragraphs should be revised to clarify whether:

- a) the PP can choose freely whether to use the method in paragraph 87 rather than any of the methods listed in paragraph 86; or
- b) the PP must use one of the methods listed in paragraph 86 and can only use the method in paragraph 87 in the case that none of the methods in paragraph 86 are available. (In this case, paragraph 87 could be included as item (e) in paragraph 86); or
- c) the PP must use one of the methods listed in paragraph 86 but may also use the method in paragraph 87. In this case, guidance should be provided on how to choose which result to apply.

Paragraph 94

Replace “specify” with “describe” to be consistent with para 49.

Paragraph 178

We would like to suggest changing to “...in accordance with the description of the monitoring plan included in the registered PDD” for consistency with other parts of the document

Paragraph 184a)

We suggest deleting the part in brackets as the frequency of monitoring should be in accordance with that described in the monitoring plan and PDD. The time interval is irrelevant.

Paragraph 191

Replace “should” with “shall”.

Paragraph 198

Replace “bu” with “by”. Just a typo.

Paragraph 198, 199, 214 and 215

We strongly recommend rewording paragraphs 214 and 215 as the proposed procedures will act to penalise projects for events which are often beyond their control and will have a disproportionate effect upon projects in LDCs and distributed projects such as cook stove projects. Automatically setting the baseline emissions to zero and the project emissions to 100% and 110% in case of electricity consumption, can cause excessive penalties for projects that have high safety capacities installed (e.g. flares). Assuming that cook stoves for which monitoring data has been lost are operated at maximum capacity is totally inappropriate. The approach contradicts the basic premise that emission reductions = baseline emissions – project emissions – leakage.

Instead, we propose that 214 and 215 are replaced as follows

214. Where project participants have not collected verifiable monitoring data in compliance with the monitoring methodology, project participants shall use interpolated data, conservatively calculated and corroborated by other sources of data, to estimate the values of the missing data. DOEs shall accept these data if the aggregated value of all of the estimated data in a monitoring report divided by the aggregated value of total baseline, project and leakage emissions reported in the monitoring report in question is less than or equal to the thresholds in paragraph 215 below. If the aggregated value of the missing data divided by the aggregated value of baseline, project and leakage emissions exceeds the threshold, DOE shall seek prior approval of the Board.

215. The following thresholds shall apply to paragraph 214:

- (a) [X1] [0.5] per cent of the emission reductions [or removals] for project activities achieving a total emission reduction [or removal] of more than [Y] [500,000] tonnes of carbon dioxide equivalent per year;
- (b) [X2] [2] per cent of the emission reductions [or removals] for large-scale project activities achieving a total emission reduction [or removal] of [Y] [500,000] tonnes of carbon dioxide equivalent per year or less;



(c) [X3] [5] per cent of the emission reductions [or removals] for small-scale project activities other than projects covered under paragraph 215(d) below;
 (d) [X4] [10] per cent of the emission reductions [or removals] for the type of project activities that are referred to in decision 3/CMP.6, paragraph 38.

X1, X2, X3 and X4 shall be set at 5% for an initial trial period.

PD Forum believes that this is a much more practical way of approaching the challenge of missing data which brings transparency, credibility and fairness to the CDM process whilst ensuring conservativeness, and thereby enhances the CDM's environmental integrity. If the Board agrees with this approach, then it would need to be reflected in the VVS as well.

Furthermore, we wish to point out the term "registered monitoring plan" is not accurate. There is a registered PDD which contains, as per paragraph 49 of the PS and the PDD template, a description of the monitoring plan. There is no such thing as a "registered monitoring plan". This terminology needs to be addressed throughout the Project Standard.

Please see our input to the VVS, where further and important descriptions of the relationship between the monitoring methodology, section B.7 of the PDD and the monitoring report are provided.

Paragraph 216

Footnote 16 and 17: There is a typo as the unit of the accuracy is actually per cent. Hence, kindly replace "0.3" with "0.3%" or with "0.003" to avoid misunderstandings.

Paragraph 218

Replace "... do not have to request prior approval" with "shall not request prior approval" in case the DOEs, seeking to be conservative, interpret this differently.

Thank you for taking the time to consider our comments with regards to the development of PS and if you need further clarification with regards to the areas outlined above then please do not hesitate to contact us.

Kind regards,

Gareth Phillips
 Chair, Project Developer Forum

Please use the space below to any mention any suggestions or information that you want to provide to the Board. In doing this please describe the exact reference source including the version (if any).

[replace this bracket with text, the field will expand automatically with size of text]

If necessary, list attached files containing relevant information (if any)

- [replace this bracket with text, the field will expand automatically with size of text]

Section below to be filled in by UNFCCC secretariat



Date when the form was received at UNFCCC secretariat	

History of document

Version	Date	Nature of revision
01.1	09 August 2011	Editorial revision.
01	04 August 2011	Initial publication date.
Decision Class: Regulatory Document Type: Form Business Function: Governance		