CDM: FORM FOR SUBMISSION OF A "LETTER TO THE BOARD"
(Version 01.2)

This form should be used only by project participants and other stakeholders for submitting a "Letter to the Board" in accordance with the latest version of the Modalities and procedures for direct communication with stakeholders.

<table>
<thead>
<tr>
<th>Name of the stakeholder submitting this form (individual/organization):</th>
<th>World Bank Carbon Finance Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address and contact details of the individual submitting this form:</td>
<td>Address: 1818 H Street N.W. Washington DC. 20433, USA</td>
</tr>
<tr>
<td></td>
<td>Telephone number: (202) 473-6363</td>
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<tr>
<td></td>
<td>E-mail address: <a href="mailto:koppermann@worldbank.org">koppermann@worldbank.org</a></td>
</tr>
<tr>
<td>Title/Subject (give a short title or specify the subject of your submission):</td>
<td>Implementation Schedule for VVS Track</td>
</tr>
<tr>
<td>Please mention whether the submitter of the form is:</td>
<td>☐ Project participant</td>
</tr>
<tr>
<td></td>
<td>☒ Other stakeholder, please specify Multilateral Development Bank</td>
</tr>
<tr>
<td>Specify whether you want the letter to be treated as confidential:</td>
<td>☐ To be treated as confidential</td>
</tr>
<tr>
<td></td>
<td>☒ To be publicly available (UNFCCC CDM web site)</td>
</tr>
</tbody>
</table>

Please choose any of the type(s) below to describe the purpose of this submission.

- ☒ Type I:
  - ☒ Requirement of modification
  - ☒ Revision of existing rules
  - ☒ Project Standard, Validation and Verification
  - ☒ Project Cycle Procedures

- ☐ Type II: Request for introduction of new rules
- ☐ Type III: Provision of information and suggestions on policy issues

Please describe in detail the issue on which you request a response from the Board, including the exact reference source and version (if applicable).

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1. DNAs and DOEs shall use the respective DNA/DOE forms for communication with the Board.
2. As per the applicable modalities and procedures, the Board may make its response publicly available.
Subject: Proposed implementation schedule for the VVS track

Dear Members of the CDM Executive Board,

The timeline stipulated in the implementation plan for the CDM Project Standard (PS), Validation and Verification Standard (VVS) and Project Cycle Procedures (PCP) (Annex 6, EB65 Report referred to as the VVS Track) anticipates the enforcement of the new procedures governed as per the VVS track by October 1, 2012, by which date documentation used under the previous track governed by the Validation and Verification Manual (VVM) will no longer be valid.

Whilst we fully commend the development of the VVS track as part of efforts to streamline the process for registration/issuance, we consider its implementation in the course of 2012 as particularly ill-timed. The introduction of the VVS track requires the replacement of existing documentation necessary for registration and issuance, resulting in revisions to a large number of documents, the withdrawal and replacement of several more documents as well as the preparation of new documents. Whilst many of the changes help consolidate existing provisions with few new elements, the redrafting of the documents to ensure consistency with language in the VVS, PS, and PCP may result in misinterpretations by the PP or the DOEs and may lead to additional delays and administration costs. Considering that 2012 is the last year of the first commitment period of the Kyoto Protocol, it is an already very busy year for all stakeholders of the CDM. As a result, the impact of the changes in documentation required by the implementation of the VVS track will impose significant costs on all stakeholders and may lead to significant delays, causing some projects to fail achieving registration by December 31, 2012.

Please provide any specific suggestions or further information which would address the issue raised in the previous section, including the exact reference source and version (if applicable).

We would therefore suggest that this timeline be postponed until at least January 1, 2013.

Furthermore, to smooth the transition from the existing VVM track to the VVS track, we would recommend that:

- Stakeholders be invited to identify aspects of the VVS track that are unclear,
- The Secretariat publish a list of frequently asked questions and answers at quarterly intervals on the UNFCCC website, and
- That the effectiveness of the VVS track be reviewed after one year of implementation.

We thank you for your consideration.

Yours sincerely,

[Signature]

Joëlle Chassard
Manager
Carbon Finance Unit

Version 01.2/ 8 February 2012
Version 01.2/ 8 February 2012