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*

Name of the stakeholder[1] submitting this form (individual/organization):	Gestora de Programa Marco Palma, S.L.
Address and contact details of the individual submitting this form:	Address: Costanilla de los Angeles, 13 28013 Madrid SPAIN Telephone number: +34 607 97 38 67 E-mail address: lphilp@cmepalma.com
Title/Subject (give a short title or specify the subject of your submission)	CPA previously at validation as a CDM Project
Please mention whether the submitter of the form is:	☒ Project participant ☐ Other stakeholder, please specify
Specify whether you want the letter to be treated as confidential[2]:	☐ To be treated as confidential ☒ To be publicly available (UNFCCC CDM web site)

Please choose any of the type(s) below[3] to describe the purpose of this submission.

☒ **Type I:**

☒**Request for clarification** ☐**Revision of existing rules**

- ☐ Standards. Please specify reference
- ☒ Procedures. Please specify reference PCP v02.0 (EB66 An64)
- ☐ Guidance. Please specify reference
- ☐ Forms. Please specify reference
- ☐ Others. Please specify reference

☐ **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).

[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.
[3] Latest CDM regulatory documents and information are available at: http://cdm.unfccc.int/Reference/index.html .

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To: cdm-info@unfccc.int

From: Larry Philp (Managing Director) lphilp@cmepalma.com

Date: 2 July 2012

Re: CPA previously at Validation as a CDM Project

Honourable Members of the CDM Executive Board

Dear Mr. Duan,

After having reviewed the Project Cycle Procedure and the Project Standard, we would like to pose the following question to the Board: Would the Executive Board apply any specific considerations or limitations for including a project as a CPA in a PoA if previously it had initiated but then terminated validation as an individual CDM project activity? Based on our review of the PCP, PS, VVS and other EB decisions, we have not identified any precedent from the EB that would inhibit such an inclusion.

We have also identified a procedural issue that might by worthy of the Board's consideration.

Clearly, the CPA would have to comply with all the eligibility criteria, including those related to the starting date of the CPA, for such a situation to be viable. In such a situation, the CME might investigate the circumstances regarding the termination of the previous validation, above and beyond its mandate to assure compliance with the eligibility criteria. Such circumstances could range from purely contractual disputes between the PP and DOE (i.e. continuous, unjustified delays in performing services or in payments for services rendered) to a "red flag" issue that effectively prevented the validation from moving forward. Logically, the CME would request the full audit trail and DNA approval dossier from the CPA implementer, since a previous "red flag" at validation would also pose as a risk for potential erroneous inclusion.

The DOE performing validation of the inclusion of the CPA might require further assurance of the authenticity of the original audit trail documents provided by the CPA. Only the DNA and/or first DOE could provide such assurance. Furthermore, the first DOE might be bound by confidentiality restrictions under the original contractual relationship that would impede it from providing such assurance, unless so obliged by the Executive Board.

Would the first DOE be obliged to provide assurance of the authenticity of the original validation documents provided by the CPA? Could the Board establish a mechanism, either directly between DOEs or through the Secretariat, to facilitate the exchange of such information on a confidential basis?

We are grateful for your attention to the request for clarification in this letter and would be pleased to discuss any of the issues raised at your convenience.

Respectfully yours,

Laurence W. (Larry) Philp
Managing Director

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).	
>> [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	11 July 2012
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History of document

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01.2	08 February 2012	Editorial revision.
01.1	09 August 2011	Editorial revision.
01	04 August 2011	Initial publication date.
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