



Mr. Dirk Forrister
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Date: 27 November 2012
Reference: 2012-163-S
Direct line: +49 228 815 1687

Sent by e-mail to: swartz@ieta.org,

Re.: IETA clarification to the annotated agenda of EB 69 on matters related to withdrawing or suspending letters of approval as per EB68 para 119

Dear ~~Mr. Forrister~~, *Dirk*

Thank you for your letter received on 18 September 2012, which has been made available to the CDM Executive Board.

On behalf of the Chair of the Board, I would like to thank you for your communication about the Board's recommendation to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) regarding procedures for withdrawal or suspension of letters of approval (LoAs), as recorded in paragraph 119 of the meeting report of the Board's sixty-eighth meeting and the issues it raises for stakeholders.

As you are aware, the CMP, at its seventh session, requested the Board to assess the implications of the withdrawal or suspension of LoAs and make recommendations to the CMP at its eighth session.

In considering the matter at its sixty-eighth meeting, the Board came to the view that, while fully aware of the importance of LoAs for the clean development mechanism (CDM) and investors in the CDM in particular, it was not in a position to make recommendations to the CMP on how LoAs should be withdrawn or suspended by Kyoto Protocol Parties. The Board considered that such actions would be up to each of the relevant Parties and not for the Board to control or comment on. As such, while the Board is well aware of the impact a withdrawal or suspension would have on the companies and Parties involved in an affected project activity, it did not feel it was appropriate to list the implications to the Parties.

However, the Board agreed that from a practical perspective, the Board itself would need to take action if a Party informed it of the withdrawal or suspension of a LoA. In that regard, it would need certain information from the Party withdrawing the LoA. As a result, the Board recommended to the CMP that if a Party withdraws or suspends a letter of approval, then the Party should provide the Board with relevant details, including the implications of the withdrawal or suspension.



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The CMP, at its eighth session, may consider the view of the Board in relation to LoAs and may offer further guidance.

Irrespective of how the CMP responds to the Board's recommendation, the Board may need in 2013 to consider measures to include in the current CDM rules and requirements to enable the Board to process a notification from a Party that a letter of approval is being withdrawn or suspended. In that context, the Board may ask for input from stakeholders, including on the issues that you raise in your letter. We encourage you to provide such input at that time.

Thank you once again for contacting the Board with your concerns and requests.

Yours sincerely,

Andrew Howard
Secretary to the CDM Executive Board