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):	Project Developer Forum
Address and contact details of the individual submitting this form:	Address: 100 New Bridge Street, London, EC4V 6JA Telephone number: +65 6578 9286 E-mail address: office@pd-forum.net
Title/Subject (give a short title or specify the subject of your submission)	Delays continuing to exceed the CMP mandated maximum and possible solutions
Please mention whether the submitter of the form is:	☐ Project participant ☒ Other stakeholder, please specify NGO
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
- ☐ 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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Honorable Members of the CDM Executive Board,
Dear Mr. Duan,

The PD Forum noted again in its submission to EB69 the length of time it takes for projects to be registered after the DOE requests for registration. While the completeness and information and reporting checks are generally completed within the scheduled times, the time projects spend awaiting scheduling exceeds the limit mandated by the CMP (Decision 8/CMP.7, para 27):

"[CMP] Urges the Executive Board and the secretariat to continue taking measures to ensure that the average waiting time between the receipt of submissions for registration and issuance and the commencement of completeness checks is less than 15 calendar days".

For projects that have been registered in calendar year 2012 to date, 80% have exceeded the mandated limits, and almost 60% also exceeded the aggregate timelimit[4]. The CMP limit applies throughout the year, and not just before the annual meeting of the CMP.

This contravention of the CMP mandated timelines has become more urgent to address due to the large volume of projects that have recently entered and that are still expected to enter the UNFCCC pipeline before the end of the year, and the imminent eligibility deadline.[5] While we acknowledge that this eligibility deadline is not in the control of the EB, the excessive delays in the system are, and the negative impacts of the delays, i.e. ineligibility for the EU ETS, should be of the greatest concern to the EB.

To avoid the impacts of delays on both the project participants and the UNFCCC secretariat, the PD Forum offers two solutions to the Executive Board below, as well as requesting that the completeness checks become more reasonable and fewer projects are classed incomplete for immaterial and insignificant reasons (or misunderstandings).

Your consideration of these suggestions would be very welcome and we would of course be available to discuss them further with you.

Yours sincerely,

Dr. Sven Kolmetz,
Co-Vice Chair
Project Developer Forum

[4] This aggregate limit is 73 days, including 28 days online, 23 days information and reporting check, 7 days completeness check and 15 days waiting after registration fee payment and before the completeness check starts.
[5] Non-LDC projects are only eligible in the EU ETS if registered on or before 31 December 2012; this therefore represents an eligibility deadline for 98% of the CDM pipeline.

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).
To avoid the impacts of delays on both the project participants and the UNFCCC secretariat, the PD Forum offers two solutions to the Executive Board: **1) Redefining the effective registration date** The definition of the effective registration date can be redefined as the date of the **first** submission, i.e. normally the date of the registration fee payment. With a redefined registration date in this manner, all project submitted prior to the end of the year can be successfully registered. This would releave some of the pressure on the RIT and UNFCCC to complete all the checks on the large volume of projects expected. It would also take away the devastating impact on projects of immaterial, insignificant, or unfortunately misunderstood or mistaken incompleteness messages. If considered critical, in order to maintain the perceived incentive to submit high quality documentation, we propose that the date of the first **complete** submission determines the earliest start date of the crediting period. In this way, projects that are submitted later this year but which still meet CDM requirements are not discriminated against; while the incentive to submit good quality project documentation remains. A fuller description of this suggestion, can be found in a previous submission by the PD Forum, which can be found on our website: http://pd-forum.net/files/8c3c33984a92510649504d13866ba903.pdf **2) Introducing delay-day discounting** Alternatively, the concept of 'delay-day discounting' can be introduced in the registration process. The EB has already developed such a 'delay-day discounting' solution for projects and PoAs with expiring methodologies for which the Secretariat is unable to meet the deadlines (see para 69 of PCP, EB 66 Annex 64). For projects that have been awaiting scheduling beyond the mandated 15 days and receive an incompleteness note or a request for review, delay days should be deducted from the length of the overall process, which would then set the effective registration date earlier. The registration date will be fixed at the date of the second submission minus the delay days with respect to target timelines. By allowing either redefining of the effective registration date, or 'delay-day discounting', the RIT and secretariat would not need to compromise the quality of their work in order to meet the PCP deadlines, that are naturally becoming difficult to meet due to the extremely large number of new submissions. Moreover project developers will not be harmed from delays beyond those processing times set out at by CMP.7, that may prevent projects being registered before the EU ETS deadline of 31st December 2012. In particular those projects that receive incompleteness checks or request for reviews, but still meet the CDM rules, will then not miss the deadline due to delays awaiting scheduling.

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	25 September 2012
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History of document

Version	Date	Nature of revision
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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