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(^1) 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>
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</tbody>
</table>
  Address: 1818 H Street N.W. Washington, D.C. 20433, USA  
  Telephone number: (202) 458-4695  
  E-mail address: rreddy1@worldbank.org |
| Title/Subject (give a short title or specify the subject of your submission) | Crediting period of a programme of activity (PoA) and a component project activity (CPA) |
| Please mention whether the submitter of the form is: |  
  ☐ Project participant  
  ☑ Other stakeholder, please specify  
  Multilateral Development Bank |
| 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).

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\(^1\) DNAs and DOE-s 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.

Version 01.2/ 8 February 2012
Honorable Members of the CDM Executive Board,

We would like to express our concern about the proposed changes to the definition of crediting period in a programme of activity "as contained in Revision of regulatory documents due to introduction or changes to provisions related to PoA, paragraphs 7-8, 15-16 and 161&162 (Section 2.1) on crediting period of a PoA and CPA, Annex 10 of the annotated agenda of the seventieth meeting of the CDM EB.

1. The recommended changes suggest the selection of the crediting period at a PoA level and the requirement that all crediting periods of the included CPAs are also renewed along with the crediting period of a PoA at the time of renewal, i.e. if a renewable crediting period is chosen for the PoA, each renewable crediting period of the PoA shall be at most seven years and may be renewed at most three times such that total duration of 28 years (60 years for A/R PoA) is not exceeded. Further it is recommended that the first renewal of the crediting period of a PoA along with all CPAs included shall be undertaken seven years after the start date of the crediting period of a PoA. Similarly if a fixed crediting period is chosen for the PoA, maximum length of the crediting period shall be 10 years. For example, if a CPA is added in the 5th year of the fixed crediting period of the PoA, it will be only eligible for 5 years of crediting.

2. We would like to point out the potential negative impacts of the above recommendation on PoA development, especially for LDCs/SIDs as more than 50% of the registered PoAs are in LDCs/SIDs. Firstly, setting up the crediting period at a PoA level is contradictory to the definition of a PoA, which is a framework for action for duration of 28 years (60 years for A/R PoAs). Secondly, the definition indicated in paragraph 49 of Decision 3/CMP.1 is applicable only at the CPA level. Thirdly, imposing linkage of a CPA crediting period renewal with renewal of the PoA will adversely affect the inclusion of CPAs and will jeopardize the scaling-up efforts introduced through the PoA framework. Fourthly, the renewal of crediting periods of all included CPAs at the time of the PoA renewal is detrimental to PoA implementation as it is costly and cumbersome to renew all the included CPAs that have not completed their crediting period and such a requirement favours single project activities over inclusion of CPAs under a PoA. The proposal also adds more complexities in PoA implementation contrary to the intention of keeping the complexities of PoA project cycle at a manageable level.

3. Considering the negative impacts of the proposals of paragraphs 15-16 and 161-162 on crediting period at PoA and CPA on PoA development and implementation, we suggest to retain the current procedure of the selection of crediting period at CPA level and renewal of crediting period of a CPA be treated separately from the updating of a PoA.

With kind regards,

Rama Chandra Reddy
Acting Team Leader, Policy and Methodology
Carbon Finance Unit, World Bank

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).

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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

Version 01.2/ 8 February 2012
<table>
<thead>
<tr>
<th>Version</th>
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<tr>
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