



United Nations
Climate Change Secretariat

Nations Unies
Secrétariat sur les changements climatiques

Mr. Fernando Freitas
Essencis Soluções Ambientais S.A.
Rodovia dos Bandeirantes, km 33
Caieiras – SP
Brazil

Date: 6 June 2014
Reference: 2014-356-S, INQ
Direct line: +49 228 815 1669

Sent by e-mail to: ffreitas@essencis.com.br

Re.: Registration fee and share of proceeds to cover administrative expenses (SOP-Admin) due for the issuance of CERs in the context of the current and forecasted market situation for the global carbon market (which faces very low levels of liquidity and price for CERs)

Dear Mr. Freitas,

On behalf of the Chair of the CDM Executive Board (the Board), I would like to thank you for your letter of 24 April 2014, regarding alternative approaches to the payment of share of proceeds (SoP) fees due to adverse market conditions. Your letter has been made available to the Board.

I would like to inform you that the Board, at its seventy-fourth meeting, considered the issue of share of proceeds and registration fees and agreed to continue with the current arrangements¹.

The rationale for the Board's decision not to reduce or waive the registration fees or SoP (administration or adaptation) or both was based on the fact that it amounts to approximately 5 to 10% of the total issuance costs of projects. Further waving the registration fee would result in two third reduction in registration fees while not reducing the costs of processing registration, the Board agreed to continue with current arrangements.

Thank you for your understanding.

Yours sincerely,

Rajesh Sethi
Secretary to the CDM Executive Board

¹ Please refer to paragraph 44 of the EB74 meeting report, available at https://cdm.unfccc.int/EB/archives/meetings_13.html#74.