



Stakeholder Communication Form

(Version 01.0)

This form shall be used for any CDM-related communication with the UNFCCC secretariat or the CDM Executive Board. All the questions are mandatory unless otherwise indicated.

The completed form and any supplemental documents shall be submitted electronically to cdm-info@unfccc.int, or via fax to +49-228-815-1999 or via post to: Sustainable Development Mechanism (SDM) Programme, UNFCCC secretariat, P.O. Box 260124, D-53153 Bonn, Germany.

SECTION 1: COMMUNICATION HEADER

Please provide your contact information.

Title: Mr. **First Name:** Sai Kishore **Last Name:** Nellore

Name of Organization: VEDA Climate Change Solutions Ltd **E-mail Address:** vedaccsl@gmail.com

Postal Address: Sri Ram Nilayam, H. No. 2-35-15/2,
Nellimarlavari street, Perraju Pet, Kakinada-533003
Country: India

Phone Number: 918842372430
Include country code (e.g. +49-228-815-1999)

Stakeholder Type: CDM Project Participant (PP) If other:

Please indicate from whom you would like to get an answer.

This communication is addressed to¹: Chair of CDM Executive Board (normal track)

SECTION 2: PROJECT ACTIVITY OR PROGRAMME OF ACTIVITIES (PoA)

If this communication refers to a specific CDM project activity/PoA, please answer questions in this section (otherwise proceed to Section 3).

Project/PoA Ref. Number 04531 If applicable, CPA Ref. Number:
5-digit# format 01234 *8-digit# format 0123-4567*

Project Cycle Stage Issuance If other:

If there is no specific CDM Reference Number, please answer the remaining questions in this section (otherwise proceed to Section 3).

Host Country(ies) India

Project/PoA Title Improving Rural Livelihoods Through Carbon Sequestration By Adopting Environment Friendly Technology based Agroforestry Practices

Technology Type Afforestation/reforestation If other:

SECTION 3: YOUR COMMUNICATION

Title/Subject
Maximum 250 characters Issuance of tCERs

Communication Text
Include background, details, and conclusion (unlimited length)

This is in continuation of the previous submission dt.16 July, 2019 to cdm-info@unfccc.int for which a response with Reference no. INQ-08881 dated 07 August 2019 was received as follows:

"I would like to clarify that as per CDM A&R modalities and procedures, a verification of an afforestation or reforestation project activity under the CDM takes into account only the standing stock at the time of verification. The gains and losses of the carbon stocks within the project boundary occurring over the duration of a verification period are not taken into account. It is the net gain in carbon stocks at the time of verification that forms the basis of estimation of tCERs."

¹ In accordance with the "Procedure: Direct communication with stakeholders" (version 02.0), stakeholders may address communications either (a) to the secretariat, in order to seek a fast-track technical or operational explanation regarding the implementation of existing CDM rules, or (b) to the CDM Executive Board, in order to communicate to the Board their views on CDM rules and their implementation, or to seek official clarifications of CDM rules.

	<p>If the modalities and procedures take into account only the standing stock at the time of verification, and the relevant provisions as per Annex II of FCCC/KP/CMP/2014/9/Add.1 state that the verification can be carried out at most once in each subsequent commitment period, at a time selected by the project participants.</p> <p>In this context, what would be the minimum permissible time gap between two verification events in future as the commitment period has not been defined from 2020 onward.</p> <p>As the verification is an assessment of net carbon stock at a particular time, clarity on the time gap between two verification cycles is necessary for assessing the carbon sequestration delivered by the project. The UNFCCC registered CDM Project No.04531 "Improving Rural Livelihoods Through Carbon Sequestration By Adopting Environment Friendly Technology based Agroforestry Practices" has been designed to generate tCERs with the inclusion of short rotation species on degraded lands of small and marginal farmers, to enable improvement of their livelihoods through carbon sequestration and resultant carbon revenues.</p> <p>The CoP Decision requiring CDM A/R Projects to undergo verification at the most once in each commitment period is perhaps to reduce the costs of verification as annual verification may increase the transaction costs abnormally adversely affecting the carbon revenue due to the farmers. But, conducting verification at a gap of five years is not able to capture the entire plantation activity depriving some farmers to loose revenue from carbon credits due to harvest of the plantations between the two verification periods. Since the crediting period of the CDM Project No.04531 is upto 2035, can the project proponents undertake annual or biennial verification to account for all the plantation activity to enable all the participating farmers to receive carbon credits for the plantations raised by them and also based on demand for carbon credits in the market.</p> <p>As explained above, we seek guidance from the CDM Board to clarify whether verification can be undertaken on annual basis or at any intervals that are based on demand from offset buyers.</p>
<p>Supplemental Documents <i>If applicable, list the title(s) of any attached file(s) or link(s)</i></p>	<p>Our submission dated 16 July, 2019 and your reply dt.7 August, 2019</p>
<p>This communication may be made public</p>	<p>Yes</p>

Document information

Version	Date	Description
01.0	02 March 2015	<p>This form supersedes and replaces the following:</p> <ul style="list-style-type: none"> • F-CDM-RtB: <i>Form for submission of Letters to the Board</i> (version 01.2) • F-CDM-RtB-DOE: <i>Form for communication on policy issues initiated by AEs/DOEs</i> (version 01.1) • CDM-RtB-DNA: <i>Form for communication on policy issues initiated by DNAs</i> (version 01.1)
<p>Decision Class: Regulatory Document Type: Form Business Function: Governance Keywords: communications</p>		



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SECTION 1: COMMUNICATION HEADER

Please provide your contact information.

Title: Mr. **First Name:** Sai Kishore **Last Name:** Nellore

Name of Organization: VEDA Climate Change Solutions Ltd **E-mail Address:** vedaccsl@gmail.com

Postal Address: Sri Ram Nilayam, H. No. 2-35-15/2,
Nellimarlavari street, Perraju Pet, Kakinada-533003 **Phone Number:** 918842372430
Country: India *Include country code (e.g. +49-228-815-1999)*

Stakeholder Type: CDM Project Participant (PP) If other:

Please indicate from whom you would like to get an answer.

This communication is addressed to¹: Chair of CDM Executive Board (normal track)

SECTION 2: PROJECT ACTIVITY OR PROGRAMME OF ACTIVITIES (PoA)

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Project/PoA Ref. Number 04531 If applicable, CPA Ref. Number:
5-digit# format 01234 *8-digit# format 0123-4567*

Project Cycle Stage Issuance If other:

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Host Country(ies) India

Project/PoA Title Improving Rural Livelihoods Through Carbon Sequestration By Adopting Environment Friendly Technology based Agroforestry Practices

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SECTION 3: YOUR COMMUNICATION

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Maximum 250 characters Issuance of tCERs

Communication Text
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The UNFCCC registered CDM Project has been designed to generate tCERs with the inclusion of short rotation species on degraded lands of small and marginal farmers, to enable improvement of their livelihoods through carbon sequestration and resultant carbon revenues.

We seek guidance of the CDM Board on our concerns regarding verification and distribution of carbon revenue to the participating farmers to enable the DOE to take a considered decision. The ER estimation during the first verification relied only on verifiable standing stock in that particular year in which verification was done through field visits to the project area. This procedure has not taken into account the harvested stock during the preceding years which resulted in underestimation of the ERs generated. Hence, it is requested that in addition to the verifiable

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	<p>standing stock, the plantation area during the preceding years may be estimated from the Annual reports to know the total ERs generated through the planting activity between two verifications. As we should not carry forward the mistakes committed earlier, second verification by DoE should be based on merits of the case as per the CDM Rules and regulations and the CDM Board may provide a clarification / guidance so as not to disadvantage the participating farmers.</p> <p>We seek guidance from the CDM Board about the contention of the DOE that the harvested stock is not verifiable as the same can be verified from the Annual Reports submitted to the World Bank periodically every year. Perhaps, Verification includes field visits to the sample plots and also review of relevant records, reports and other connected documents. Verification may not mean field visits only as it is scheduled once in five years or more essentially to reduce the transaction costs of verification. While inclusion of harvested stock in ER calculations is not permissible under CDM rules, planting stock before harvesting is verifiable from Annual reports.</p> <p>Further, farmer is the sole owner of his land and accordingly he is also the absolute owner of the carbon credits generated on his parcel of land from raising of plantations with his own money. It is not correct to equitably distribute the carbon revenue from the standing stock of a certain number of farmers in the year it is verified to all the participating farmers. This would mean those farmers whose standing stock is verifiable have to forego major part of their revenue to the remaining farmers while other farmers whose planting stock has been harvested before verification lose major part of their carbon revenue and get a fraction of revenue from the farmers whose standing stock is verifiable. This anomaly can be rectified provided the Annual Reports are also taken into consideration for estimating the ERs generated by the plantation activity in the Verification.</p> <p>The CoP Decision requiring CDM A/R Projects to undergo verification at the most once in each commitment period is perhaps to reduce the costs of verification as annual verification may increase the transaction costs abnormally adversely affecting the carbon revenue due to the farmers. Hence, one field verification once in five years or so coupled with verification of Annual Reports during the intervening period would help in reducing the transaction costs and would be in the interest of farmers in this case. Accordingly, the schedule of field verification coupled with verification of Annual Reports do not impact the emission reductions generated from an A/R Project as per the CDM Modalities and Procedures of A/R Projects noted above.</p> <p>As explained above, we seek guidance from the CDM Board to clarify whether verification should take into account both the standing stock at the time of field verification and also the annual reports during the two field verifications to account for all the planting activity undertaken by the participating farmers or should it take into account only the standing stock at the time of field verification which would put the participating farmers at a disadvantage when harvested stock is not accounted for.</p>
<p>Supplemental Documents <i>If applicable, list the title(s) of any attached file(s) or link(s)</i></p>	
<p>This communication may be made public</p>	<p>Yes</p>

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Decision Class: Regulatory		
Document Type: Form		
Business Function: Governance		
Keywords: communications		

7 August 2019



United Nations
Climate Change Secretariat

Nations Unies
Secrétariat sur les changements climatiques

Mr. Sai Kishore Nellore
VEDA Climate Change Solutions Ltd.
Sri Ram Nilayam, H. No. 2-35-15/2
Nellimarlavari street, Perraju Pet, Kakinada-533003
India

Date: 7 August 2019
Reference: INQ-08881
Direct line: +49 228 815 1915

Sent by e-mail: vedaccsl@gmail.com

Re: Issuance of tCERs

Dear Mr. Nellore,

I would like to thank you for your communication of 26 July 2019 with regard to temporary certified emission reductions (tCERs). Your communication has been made available to the CDM Executive Board (the Board) in accordance with the relevant provision of the procedure for direct communication with stakeholders.¹

I would like to clarify that as per CDM A&R modalities and procedures, a verification of an afforestation or reforestation project activity under the CDM takes into account only the standing stock at the time of verification. The gains and losses of the carbon stocks within the project boundary occurring over the duration of a verification period are not taken into account. It is the net gain in carbon stocks at the time of verification that forms the basis of estimation of tCERs.

Thank you for contacting the Board with your request.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rajesh Sethi'.

Rajesh Sethi
Secretary to the CDM Executive Board

¹ https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20150224183036545/eb_proc03.pdf