



Mr. Manish Dabkara  
EKI Energy Services Limited  
Enking Embassy, Office no. 201, Plot 48, Scheme 78 Part-  
2, Vijay Nagar, Indore-452010, Madhya Pradesh  
India

Date: 6 August 2020  
Reference: INQ-10048  
Direct line: +49 228 815 1915

*Sent by e-mail: manish@enkingint.org*

**Re.: Request to change in upfront issuance fee model for project activity and program activity**

Dear Mr. Dabkara,

I would like to thank you for your communication of 17 July 2020 regarding the payment of share of proceeds (SOP). 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.<sup>1</sup>

In view of the growing trend of accumulating certified emission reductions (CERs) in the pending account and pending SOP payment, and also taking note of the UN audit objections in this regard, the Board revisited the regulatory provisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) on SOP,<sup>2</sup> at its ninety-fifth meeting (11 – 13 July 2017) and agreed to revise the rule on the timing of SOP payment for issuance of CERs to full upfront payment of SOP prior to the start of the completeness check of a request for issuance. In their considerations, the Board, among other things, had considered the implications of this change on project participants. More recently, at 104<sup>th</sup> meeting (9 – 12 September 2019), the Board considered similar requests related to reducing the burden on project participants from the upfront payment of SOP (such as INQ-07822<sup>3</sup>). However, the Board agreed not to make any changes to the current procedure.

Thank you for contacting the Board with your request.

Yours sincerely,

Rajesh Sethi  
Secretary to the CDM Executive Board

<sup>1</sup> [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20150224183036545/eb\\_proc03.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20150224183036545/eb_proc03.pdf)

<sup>2</sup> See para 37 in decision 7/CMP.1, available at <http://unfccc.int/resource/docs/2005/cmp1/eng/08a01.pdf#page=93>

<sup>3</sup> <https://cdm.unfccc.int/stakeholder/submissions/index.html>