



## 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](mailto: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.*

<b>Title:</b> Mr.	<b>First Name:</b> Gerald	<b>Last Name:</b> Dunkel-Schwarzenberger
<b>Name of Organization:</b> CARBON Climate Protection GmbH		<b>E-mail Address:</b> DUNKEL@CARBON-AUSTRIA.COM
<b>Postal Address:</b> Am Suedblick 7, Top 2, 3550 Langenlois		<b>Phone Number:</b> 436769006915
<b>Country:</b> Austria		<i>Include country code (e.g. +49-228-815-1999)</i>
<b>Stakeholder Type:</b> CDM Focal Point (FP)		If other:

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

**This communication is addressed to<sup>1</sup>:** 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).*

<b>Project/PoA Ref. Number</b>	<i>5-digit# format 01234</i>	<b>If applicable, CPA Ref. Number:</b>	<i>8-digit# format 0123-4567</i>
<b>Project Cycle Stage</b>	[Choose an item]	If other:	

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

<b>Host Country(ies)</b>			
<b>Project/PoA Title</b>			
<b>Technology Type</b>	[Choose an item]	If other:	

### SECTION 3: YOUR COMMUNICATION

<b>Title/Subject</b> <i>Maximum 250 characters</i>	Continuance of the CDM beyond 2020
<b>Communication Text</b> <i>Include background, details, and conclusion (unlimited length)</i>	As summarized in our letter attached we urge the CDM Executive Board to take all necessary interim measures to enable the continuous operation of CDM projects and PoAs and the corresponding issuance of CERs until a future CMP decision.
<b>Supplemental Documents</b> <i>If applicable, list the title(s) of any attached file(s) or link(s)</i>	Letter attached, dated 19 <sup>th</sup> August 2020
<b>This communication may be made public</b>	Yes

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<sup>1</sup> 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.

## Document information

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

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Chair, Vice Chair and Members of the CDM Executive Board  
UNFCCC Secretariat  
Martin-Luther-King-Strasse 8  
D 53153 Bonn  
Germany

August 19, 2020

## **RE: Continuance of the Clean Development Mechanism (CDM) beyond 2020**

Dear Mr. Diagne, Mr. Kassi and Honourable Members of the CDM Executive Board!

Firstly, please let us introduce to you: Hu-Chems Fine Chemical Corp. is based in South Korea and is a world leading chemical product manufacturer that provides core materials of fine chemical such as nitric acid, DNT, MNB and ammonium nitrate. CARBON Climate Protection GmbH is an Austrian based project development, investment and consultancy company of climate protection projects under the CDM. CARBON's CDM projects are located in Africa, Asia and Latin America. Recently, we were able to sign ERPAs with long-term delivery obligations with partners active on the voluntary carbon market.

We are contacting you today concerning latest development of the operation of one of our CDM projects. The CDM Executive Board has recently issued a Request for Review of the renewal of our CDM project's crediting period, apparently based on the lack of decisions by the COP/CMP about how to deal with CDM projects beyond the end of the 2<sup>nd</sup> Commitment Period of the Kyoto Protocol.

This decision by the CDM Executive Board was very unexpected and surprising for us, since it has been our understanding that the CDM would continue to operate until there was a decision to transfer it to the Art. 6 market mechanisms. Moreover, the CP approved the UNFCCC Executive Secretary's proposed programme budget for the biennium 2020-2021 including the CDM Executive Board's projected CDM budget for 2020-2021 ("two-year business and management plan 2020-2021"). Now being confronted with the Request for Review for our CDM project, the situation is very unclear for us and it is more important than ever **to obtain regulatory certainty and robust guidance by the CDM Executive Board about the operational CDM continuation post 2020.**

In the absence of a decision regarding the Art. 6 market mechanisms or any interim solution, CDM project activities are not only essential part of countries efforts to reduce GHG (e.g. one of the “Low-Carbon Green Growth” policies) but also highly important for private companies (voluntary) action to fight against climate change. **Unfortunately, the latest EB activities would not allow CDM project activities to generate CERs anymore from 1 January 2021 onwards** and their income stream would be completely cut off (in our case this would mean that strict liabilities are due when failing to deliver CERs under our ERPAs). **Consequently, such a situation would lead to the shutdown of most CDM projects and to uncontrolled emission of additional millions of tons of greenhouse gases per year.** This seems contrary to the intention of the CDM and cannot be in the interest of CDM Executive Board!

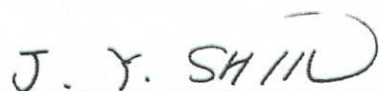
Under these difficult and unprecedented circumstances, we are seriously concerned about the operation and continuance of CDM projects beyond 2020. We welcome the fact that the CDM Executive Board will consider the implications of postponement of the CMP at its 107<sup>th</sup> meeting.

**But we urge the CDM Executive Board to provide feedback on this issue prior to its 107<sup>th</sup> meeting, and to take necessary interim measures to ensure that CDM projects and CDM Programmes of Activities can continue to operate, reduce additional GHG emissions and issue CERs accordingly until a future CMP decision.**

In order to continue CDM project activities and therefore to further reduce additional GHG emissions we seriously hope that the CDM Executive Board will take all necessary actions to overcome the shut-down and to approve the Request for Renewal of CDM Crediting Periods as soon as possible.

In case you have any further question, please don't hesitate to contact us.

Yours sincerely,

Handwritten signature of Shin Jin Yong in blue ink.

- Shin Jin Yong -

CEO & President

Huchems Fine Chemical Corp.

Handwritten signature of Gerald Dunkel-Schwarzenberger in blue ink.

- Gerald Dunkel-Schwarzenberger -

Managing Director

CARBON CLIMATE PROTECTION GmbH