

CDM-POA8950-RULE01

Ruling note

Request for renewal of PoA period for
“Guacamaya Small Scale Hydropower
Programme of Activities”

Version 01.0



United Nations
Framework Convention on
Climate Change

1. The CDM-Executive Board decided to reject the proposed request for renewal of programme of activities (PoA) period for CDM PoA “Guacamaya Small Scale Hydropower Programme of Activities” on 11 March 2022, in accordance with the “CDM project cycle procedure for programmes of activities”, version 02.0 (PCP-PoA), paragraphs 296, 105 and 106. Further, in accordance with paragraph 109 of the PCP-PoA, the ruling shall contain an explanation of the reasons and rationale for the final decision, which are as follows:
 - (a) The DOE (Earthood Services Private Limited, Earthood) failed to:
 - (i) Validate the updated eligibility criterion on additionality, in accordance with paragraphs 137 and 378 of the “CDM validation and verification standard for programme of activities”, version 02.0 (VVS-PoA), and paragraphs 123 and 124 (g)(iv) of the “CDM project standard for programme of activities”, version 02.0 (PS-PoA);
 - (ii) Comply with requirement of paragraph 91 of PCP-PoA with regard to the submission of post-registration changes (PRC) request as response to issue raised in the request for review.
 - (b) The relevant requirements are:
 - (i) VVS-PoA, paragraph 137 states “The DOE shall assess how each eligibility criterion, including the conditions that corresponding CPAs meet the requirement pertaining to the demonstration of additionality, is defined in accordance with the applicable requirements in the “CDM project standard for programme of activities”, and is verifiable as well as sufficiently objective and comprehensive to permit the assessment of the inclusion of corresponding CPAs in the PoA.”;
 - (ii) VVS-PoA, paragraph 378 states “The DOE shall determine whether the coordinating/managing entity has updated sections of the PoA-DD relating to the eligibility criteria for inclusion of CPAs in the PoA, the baseline, estimated GHG emission reductions or net anthropogenic GHG removals, the monitoring plan and the PoA period using the valid version of the approved methodologies and, where applicable, the approved standardized baselines and the other methodological regulatory documents that are applicable to the PoA.”;
 - (iii) PS-PoA, paragraph 123 states “The coordinating/managing entity shall define the eligibility criteria for inclusion of CPAs in the proposed CDM PoA, setting out required conditions for a proposed CPA to be included in the PoA, and shall demonstrate the usability of the eligibility criteria for assessing the inclusion of CPAs in the PoA. ...”;
 - (iv) PS-PoA, paragraph 124 states “The eligibility criteria shall cover as a minimum the following: (g) Conditions to ensure that CPAs meet the requirements for demonstration of additionality as follows: (iv) If investment analysis is used for the demonstration of additionality under the options referred to in subparagraphs (i) or (ii) above, the conditions shall: a. Define the input parameters that will be used in the investment analysis, together with a description of how the values for these parameters will be obtained for

each CPA. The additionality of each CPA shall then be assessed by using the actual values, applicable to that CPA at the time of inclusion, in the investment analysis conducted for the purpose of demonstrating the additionality of the CPA; or b. Define technical and economic criteria with a range of values for each input parameter, which qualify a CPA for inclusion in the PoA.²⁵ Under this option, the eligibility criteria shall be updated in accordance with the requirements specified in the applied methodologies,²⁶ the applied standardized baselines and the other applied methodological regulatory documents, following the process of post-registration changes in accordance with the “CDM project cycle procedure for programmes of activities”. At the time of inclusion of a CPA, the coordinating/managing entity shall assess whether the actual values applicable to the CPA at that time fall within the range”;

- (v) PCP-PoA, paragraph 91 states “For each issue (or sub-issue) raised in the request for review, the coordinating/managing entity and the DOE, shall either: (a) Respond by making any revisions that they deem necessary to the PoA-DD and/or validation report to ensure, inter alia, that all facts are clearly stated and sufficiently validated; or (b) Respond in writing by addressing why no revisions to the PoA-DD and/or validation report are necessary.”
 - (c) The reasons and rationale for the final decisions are:
 - (i) The terms “not limited to” stated under investment barrier, technological barrier and barrier due to prevailing practice and “such as” stated under other barriers do not set out conditions that are sufficiently objective and comprehensive for inclusion of CPAs;
 - (ii) The eligibility criterion on additionality has not defined the input parameters that will be used in the investment analysis or technical and economic criteria with a range of values for each input parameter, which qualify a CPA for inclusion in the PoA, for CPAs which will demonstrate the additionality through investment barrier;
 - (iii) The eligibility criterion on additionality has not referred to the use of valid applicable tool for first-of-its-kind (methodological tool 23: “Additionality of first-of-its-kind project activities”) for CPAs which will demonstrate the first-of-its-kind through barrier due to prevailing practice;
 - (iv) The submission of PRC request as response to issue raised in the request for review is not in line with paragraph 91 of PCP-PoA.
2. In accordance with paragraphs 296 and 116 of the PCP-PoA, if the coordinating/managing entity wishes wish so, this renewal of PoA period may be resubmitted for validation and request for renewal of PoA period provided it meets the CDM requirements.

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