

September 3, 2008

CDM Executive Board  
c/o UNFCCC Secretariat  
P.O. Box 260124  
D-53153 Bonn  
Germany

Honorable Members of the CDM Executive Board,

**Submission of Comments on “Programme of Activities”**

In response to the call for public comments by the CDM Executive Board at its 41<sup>st</sup> meeting, this submission addresses specific paragraphs of “Procedures for Registration of a Programme of Activities as single CDM project activity and issuance of certified emission reductions for a Programme of Activities, Version 2”. Our comments are contained in the enclosed attachment.

In addition, we would like to use this opportunity to bring the following concerns to your kind attention:

We are currently experiencing excessive delays in the validation process of Programmes of Activities, which result in heavy losses of Certified Emission Reductions. To address this problem we would like to suggest to the CDM Executive Board to consider redefining the start date for the generation of CERs as the start date of the global stakeholder consultation process, i.e., the date of publication of the CDM project documents on the website by the relevant DOE. This solution would avoid the losses that are the result of the capacity constraints in the DOE system. The proposed solution appears reasonable since a proposed CDM activity, once registered, can be considered additional from the start date of the stakeholder consultation process and should therefore be eligible to receive the CERs that can be generated, verified and certified for that period of time.

We would also like to request clarification regarding the preparedness of the Secretariat to register Programmes of Activities and CDM Project Activity (POA-DD and CPA-DD), as some DOEs claim that the Secretariat’s registration protocol is not yet ready. We kindly suggest that the CDM Executive Board encourage DOEs and Secretariat staff to complete validation and registration of submitted Programmes of Activities, so that valuable experience can be gained from the implementation, monitoring, verification and issuance of CERs from these programs.

With kind regards,

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Comments on “Procedures for Registration of a Programme of Activities as single CDM project activity and issuance of certified emission reductions for a Programme of Activities, Version 2”

1. Paragraph 2 (e) regarding *demonstration of additionality of the Program of Activities (PoA) as a whole*. It would be useful to specify that for programs that are entirely financed, managed, implemented and monitored by the Program Coordinating / Managing Entity and in which each CDM Project Activity (CPA) is a replication of an identical, already registered project activity, demonstration of additionality of the PoA as a whole is sufficient and need not be repeated for each individual CPA.
2. Paragraph 4 (a) regarding definition of *boundary for a CPA*, under a geographically defined POA states that the CPA-DD should include, “Geographic reference or other means of identification, Name/contact details of the entity/individual responsible for CPA”, with examples of stationary and mobile CPAs.

We understand that the main reason for requiring clear delineation of CPAs is to avoid double counting by unique identification of each activity within one distinct CPA. Emerging experience with program design indicates that the boundary of a CPA in some cases needs to be defined on the basis of *technical characteristics*, a *time period* or *implementing institutions*. For example:

- a. Programs that involve specific equipment could define CPAs based on unique technical characteristics of the equipment (e.g., power rating, capacity or size). For example, each CPA may sell a pre-defined rated piece of equipment (e.g., 15-30W solar home systems) and this equipment can be traced to the owner and therefore uniquely identified and easily monitored.
- b. Programs that involve the sale of equipment could define CPAs based on the time period during which the equipment was sold (e.g., January-March 2009). As the bill of sale is the key identification parameter, this will ensure proper monitoring.
- c. Programs that involve lending by banks could define CPAs based on the individual institutions, as each institution maintains its own set of proper legal and customer records and presents this for monitoring and verification.

For the above cases, defining boundaries in terms of geographical area would not be practical or even feasible. An expanded boundary definition would ensure that extensive application of CPAs under a PoA is possible, thus maximizing the effectiveness of PoAs in reducing emissions. The expanded definition would allow greater homogeneity of the equipment population, period of usage or user characteristics resulting in higher confidence in the sample data for each CPA. A strong customer database, managed by the Program Coordinating / Managing Entity, would be required to uniquely identify and link each consumer to any one CPA; this database would be easily available for monitoring and verification. An expanded definition would also dissuade potential monopolistic practices around PoAs in an exclusive geographical area.

3. Paragraph 8 (a) regarding *additionality of POA* should refer to paragraph 2 (e).

4. Paragraph 13-15 regarding *identification and consequences of erroneous inclusion*, should consider the request by the DOEs to define areas for potential errors and specify a time-period for identification of the errors.

Similarly, paragraph 34-39 regarding *identification and consequence of erroneous renewal*, should address the “liability” issue raised by the DOE. Paragraph 39 should refer to paragraph 36 (a), (b) and (c).

The Chair of the DOE Forum identified key issues in a presentation at EB39. It appears that DOEs are expecting a response from the CDM Executive Board to their proposed solutions before completing pending validations of PoAs. Given that the programs and projects are already facing delays in the validation process, we hope that the Executive Board will address the liability issues as soon as possible.

5. Paragraph 24 and other relevant paragraphs regarding modalities of communication should provide that the party identified as focal point in the modalities of communication, as agreed between project participants, shall submit a request for forwarding of CERs. This is fully consistent with the standardized format of modalities of communication, which allows the sharing of responsibilities between the Coordinating / Managing entity and other project participants.
6. Paragraph 25-28 regarding application of an *approved methodology* should clarify that the version of an approved methodology used at the time of registration of a Programme of Activities (CDM-POA-DD), along with the generic CDM-CPA-DD, shall remain frozen and valid for all future CPAs registered under the POA until the time of renewal of the crediting period of the POA, at which time all CPAs are revised and submitted, using the latest version of the methodology.
7. Current rules for PoAs require the use of only one methodology for one PoA, which hinders the development of programs that include two complementary activities. For example:
  - An animal waste management program could involve two methodologies, AMS III.D (methane recovery) and AMS I.D (grid connected renewable power generation), or AMS III.R (methane recovery) and AMS I.C (thermal energy for the user).
  - A landfill program could involve two methodologies, ACM0001 (methane recovery) and AMS I.D. (grid connected renewable power generation).

PoAs using methodologies that apply to multiple technologies should be allowed to use the relevant technologies. For example, a single program using a grid connected renewable power generation methodology (AMS I.D. or ACM0002) should be allowed to include CPAs implementing different renewable energy technologies that are eligible to use this methodology, such as solar, wind and hydro.