

EB 37

Relations with Designated
Operational Entities

Validation and Verification Manual

- ❑ Meeting on 17 and 18/01/08
- ❑ DOEs/AEs, members of the Accreditation Panel and members of the UNFCCC CDM secretariat
- ❑ Unique opportunity to share vision and concerns about the validation/verification process

Starting date of the project activity

□ Justification

- The guidelines for completing section B.5 (additionality section) of the PDD require that "If the starting date of the project activity is before the date of validation, provide evidence that the incentive from the CDM was seriously considered in the decision to proceed with the project activity. Hence, the definition of the starting date is of relevance for the assessment of the additionality of a project.
- Para 76 of EB 33 states that "The Board agreed to clarify that the primary purpose of defining the start date of a project activity is to ensure that project activities submitted for registration comply with the requirements of paragraph 13 of Decision 17/CP.7
- Para 13 of Decision 17/CP 7 relates to projects that can claim retroactive credits. Nonetheless, this guidance also seems to apply to other projects than projects claiming retroactive credits and a confirmation thereof is requested.

Starting date of the project activity (cont.)

□ Proposal

- Implementation: Decision or contract for purchasing equipment/ starting construction
- Construction: Physical start of construction
- Real action: Start of project operation (e.g. generation of electricity)

Approval of already operational project activities

□ Justification

- There are still quite a lot of projects requesting registration although they are in operation since several years.
- Many of such projects are set under request for review by good reasons as there has to be convincing argumentation and evidences that CDM triggered a decision several years ago, while not starting immediately registration activities (validation) the same time.
- There should be a limitation for a time gap between the starting date of the project activity and the starting date of validation.

Approval of already operational project activities (cont.)

□ Proposal

- No limitation is required in the first two years starting with the first registration in a host country and the same for the approval of projects using a new (consolidated) methodology.
- Afterwards for this country or methodology a project has to be submitted latest within one year after the proven starting date of the project activity.
- Using such a limitation will phase out many activities for which there have been reviews and rejections in 2007.
- The approach is comprehensible and allows for future adjustments towards purely non-started activities.

Affidavit by top management of Project Participants

□ Justification

- It remains the task and risk of the DOE to detect, inconsistencies, incorrect statements, misleading documentation and hidden information from the Project Participants.
- As a principle, DOEs are presented documentation and evidences they have to assume that are correct to the best knowledge and no information has been hidden intentionally.
- DOEs do not have a prerogative to doubt these evidences.

Affidavit by top management of Project Participants (cont.)

□ Proposal

- As part of the MoC, it should be required that the top management (e.g. CEO, Owner) should sign the MoC which should include a statement (affidavit) that all information provided by the project participants is complete and correct due to the best knowledge and no information has been hidden intentionally .
- Such a procedure will provide a clear picture that requests for review are not only issued because of concerns in the quality of the DOE's work but also because of the concerns on the validity and rightfulness of the statements in a PDD.
- Hence such a measure would strengthen the perception that DOEs and EB are working on the same goals and the same side.

Tool for the demonstration and assessment of additionality

□ Justification

- There is currently lack of guidance as to how financial analysis is to be performed, current version leaves scope for inconsistencies across different financial analyses.

□ Proposal

- Refer to doc “Input to EB-Meeting by DOE/AE Forum” EB37

Next interactions with the Board and the secretariat

- CDM Workshop
- EB 38

Thank you for your attention!