

# PROJECT DEVELOPER FORUM

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**To** Mr. Paul Leinster  
**From** [gareth.phillips@pd-forum.net](mailto:gareth.phillips@pd-forum.net)  
**Date** 25 June 2012  
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**Subject** **Letter concerning the issuance of UK letter of approval for CDM and JI projects**

Dear Mr. Leinster,

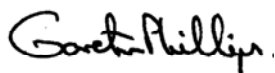
The PD Forum represents 49 of the world's largest CDM project developers. Over 25% of our members are UK-based companies, or have significant operations in the UK, and London has emerged as the most important hub for the global carbon market. An important reason for this has been the support and leadership of the UK Government, including the Environment Agency which has had the responsibility of issuing Letters of Approval for CDM and JI projects for the last 12 months.

However, in recent months the time taken to receive a UK Letter of Approval has grown substantially, from 2 weeks to 4 weeks for standard projects, and from 1 month to over 3 months for large hydropower projects. This delay is of significant concern to PD Forum members, particularly as there are two important deadlines coming: the deadline for project registration for eligible projects from non-LDC countries within the EU ETS is approaching at the end of this year, but before that there is a deadline for specific procedures at the end of September. The consequence of missing these deadlines would be highly damaging to projects – being ineligible for the EU ETS wipes out the value of the Carbon, and having to rewrite everything to comply with the new procedures is likely to take months.

We have observed that there continues to be high levels of motivation and competence amongst staff members in the Environment Agency, but it appears that the amount of work is simply overstressing the resources which are currently available. We hope that these delays can be resolved as soon as possible, and adequate numbers of staff provided to the unit within the Environmental Agency. In particular, we anticipate that there will be a spike in applications from June to October 2012, so we hope the Agency will have sufficient resources available during this period.

We look forward to continuing a dialogue with the UK Government, and are open to responding to any questions.

Kind regards,



Gareth Phillips  
Chairman, Project Developer Forum