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**To** CDM Contact Group, COP17 Durban  
**From** Gareth Phillips, Chair of PD-Forum  
**Date** 1 December 2011  
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**Subject** Issues related to the CDM

## **Intervention read out by Gareth Phillips (Chair of PD-Forum) in CDM Contact Group, COP17, Durban**

On behalf of Project Developer Forum and Carbon Markets & Investor Association (CMIA), thank you Chair for the opportunity to address the contact group on issues related to CDM.

The PD Forum and CMIA's membership includes the largest grouping of investors, technology transfer, capacity building and sustainable development organizations. Since our inception, the PD Forum and CMIA have delivered many submissions and participated in numerous events with the purpose of supporting and enhancing the environmental integrity of the CDM. We remain totally committed to this goal.

We commend the CMP and CDM EB for the progress made over the past year, especially in relation to the consolidation of processes in the VVS, PS, and PCP; efforts to improve stakeholder consultation and improved scope for submission of inputs.

It is at this pivotal stage, however, as we enter the final year of the first commitment period of the Kyoto Protocol, we take this opportunity to highlight four key issues related to the continued success of the CDM:

1. Implementation of materiality as approved yesterday by SBSTA as quickly as possible,
2. Continued efforts to operationalize direct communication with project participants on project specific issues, especially as related to projects that undergo a request for review or are recommended for an outright rejection of registration or issuance,
3. Continued efforts to define and implement implementation schedules that minimize the impact on registration and issuances, particularly in view of the EU's 2012 deadline for accepting particular classes of CERs. We remain particularly concerned about potential unintended consequences arising from the adoption of the PS, the VVS and the PCP.
4. The establishment of accredited, EB approved, training programs for all stakeholders involved in the CDM process,

Finally, as we look more strategically at the decision making coming out of the EB, we have observed significant resources being directed into measures for scaling up of CDM activities. The PD Forum and CMIA would definitely like to see a scale up of CDM activities but we are all too aware of the lack of demand.

The real challenge, and the one on which more resources should be focused, is to not only ensure the continuation of CDM, but also to put in place agreements -- whether of a global or linking nature -- that will help to create a demand for certified emission reductions. Otherwise, we foresee, amongst a number of other impacts, a continuation of the exodus from the project development and DOE communities and the loss of momentum and intellectual capacity which will take years to recover.