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To cdm-registry@unfccc.int
From leo.perkowski@pd-forum.net
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Subject

**Suggestions by the PD-Forum following EB62
“Information Note on Concepts for Streamlining the
Authorization of Participation in the CDM” and UNFCCC
MoC presentations at UN Workshop in August 2011**

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Dear Sir or Madam,

The PD-Forum noted the EB62 agenda item Annex 5 “Information Note on Concepts for Streamlining the Authorization of Participation in the Clean Development Mechanism” discussed by the EB at EB62. This note signified potential implications for current MoC procedures.

Following EB62, there was a UNFCCC Integrated Workshop on Standards on 24-26 August 2011 in which there was a breakout session on MoCs. The result of this recent breakout session was a call to PPs to provide simplification or optimization suggestions directly to the CDM registry.

As a result of the above two developments, the PD-Forum prepared this letter to provide suggestions on streamlining the participation in the CDM and MoCs directly to the CDM registry. (Please note that on 5 September 2011, the PD-Forum received an email from Sana Ligorsky from the UNFCCC with draft MoC elements in the new standards documents VVS and the PCP. As we have just received this from Sana, we will respond to Sana’s email separately directly back to Sana as soon as possible. In the meantime, this letters holds and is valid.)

Problems faced with the current authorization process – changes of PP details

The current process for changing an existing MoC is based on individual, project-by-project notifications via the MoC electronic interface. This signifies, for example, that a PP involved in numerous projects would be required to process a separate change to each project MoC in order to update something as routine as a name or address change. As some PPs are associated with hundreds of project activities, this can quickly become an administrative burden for both the PP and the secretariat.

If however, the secretariat maintained a separate database to house the names of PPs of all registered projects, by the organization’s name listed in the PDD, then an administrative change could be addressed one time for several project activities.

The current process for any changes to the MoC is divided into four main steps:-

- Uploading of data into cells via the electronic interface. This data becomes the basis for the creation of the MoC form.
 - This process is repeated for each individual project. An online form can be copied

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- if requests are identical, but individual forms are required for each project.
- It is also repeated for every PP if authorized by more than one Party under several Letter of Approvals (LoAs) related to the same project activity;
 - The secretariat then reviews the submitted data and compares it to the original or most recent MoC;
 - Once the data is approved, the PP receives an email notification and is able to download the MoC form in PDF format, sign it and upload an electronic version of the signed MoC form. Note: Provided the requests are identical, the same MoC can be used for up to 10 projects. As the interface-generated MoC forms are project specific, the focal point has to create its own MoC in order to make use of this option;
 - The secretariat then reviews the uploaded “signed” form, approves the transaction, and updates the project page on the website.

While promoted as user friendly, we have had feedback from many users that the process is not clearly understood and very time consuming. As a result, it can take several months to transact a simple name change.

Potential solutions – proper database of PPs at the UNFCCC

As introduced in the section above in the second paragraph, we suggest the secretariat establish and maintain a PP database to house PP organizational details. Through the use of a PP database:

- Changes of PP details, such as those suggested above, could be made to the central database and not to the individual MoC. A properly managed database of PPs at the UNFCCC could massively reduce the amount of paperwork for all PPs with multiple projects.
- The four steps mentioned above need to be reduced. PD-Forum members recommend that PPs be allowed to upload a signed MoC at the same time as the data is added to the cells in the online interface, rather than wait for approval in between. This way the full request could be made in one step and the request could be approved by the Secretariat in one single step, which would save time and reduce work for all involved, both the Secretariat and PPs. To make this work, MoC templates in word format for different type of requests would have to be made available as no project specific PDF form would be generated in the online interface. This has additional benefits as the process of signing a MoC before creating the form in the online interface more accurately reflects the order of events in practice. It is practical for both PPs and Focal Points if a PP is able to supply the Focal Point with a signed and completed MoC with updated contact details for example, rather than provide the Focal Point with the new details and then wait for the Focal Point to enter the data into the online interface, for the form to be approved by the secretariat and for a MoC form to be generated and sent back to the PP for signing.
- Changes can be made to a PP’s contact individual or address without affecting the individual project MoC.
- When PPs do not understand the MoC, there needs to be an avenue for PPs to speak directly to secretariat staff to resolve this.

It is our understanding that the Information Note on streamlining authorization of participation in the CDM was in part raised because of concern that NGOs cannot submit methodology revision and new methodology requests without being associated with a registered project activity. Those (including NGOs) who have direct experience and involvement with CDM projects need to be given authorization to submit methodology changes and new methodologies rather than giving blanket authorization for methodology changes to entities not involved with projects. Otherwise, you may then have methodologies that are impractical.

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Concerns and suggestions arising from the UNFCCC Integrated Workshop

The workshop presentation mentioned; “F-CDM-MOC for which the secretariat identifies inconsistencies or omissions at the post registration stage shall be required to be resubmitted through the DOE who performed validation”. Although the PD-Forum understands that the secretariat wants to make the DOEs more responsible for due diligence of MoC signatories, we worry that involving the DOE could significantly lengthen the process.

- **Suggestion:** *The pre-registration process should be improved so that inconsistencies are identified before registration.*

The workshop presentation also mentioned: “PPs can directly submit to the secretariat a new F-CDM-MOC (if there is a reason that does not allow them to make a submission through FP scope (b))”. The PD-Forum would be grateful if the secretariat/registry could clarify what types of changes they would allow from the PPs directly. Although PD Forum members are in favor of changes that facilitate the process, it is important that the scope of authority of the nominated focal point and the terms outlined in the MoC are enforced and respected.

The PD-Forum noted mention that there is a “Procedure already in place for multiples changes”. As outlined above, the only procedure in place at this point as we understand it, is the option to upload the same signed MoC for up to 10 requests provided that the requests are identical. Although we are grateful for this option, we deem it to be insufficient.

The PD-Forum notes that at this workshop there was a call for “Any suggestions for simplification or optimization? For example: Are electronic means of authentications an option and how could deployment be made in the absence of direct contact between the secretariat and PPs”.

The PD-Forum believes that a system that relies on signatures of PPs and Focal Points is not only time consuming, but also represents a security risk. At this point, many focal point signatures are still visible on the UNFCCC website, which facilitates the forging of these signatures for anyone who chooses to.

- **Suggestion:** *the PD Forum suggests implementing a more advanced log-in system, such as those employed by the national registries. There could be rather strict authentications requirements when an account/login is set up, but after that forwarding of CERs, additions of PPs, and changes in focal point contact details could simply be made in the system, without signatures or originals. Changes to PPs contact details could be made by PPs themselves without going through the focal point (which has already been suggested above).*

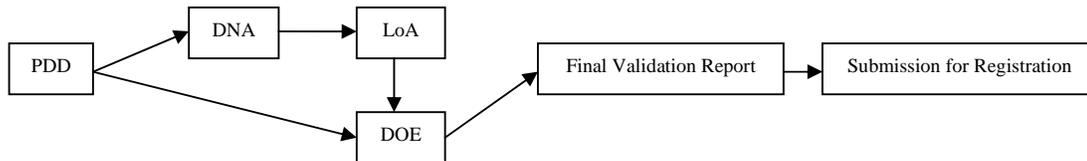
Other issues: DNA “diagramme” on the UNFCCC website

We note that some project developers are experiencing unnecessary stumbling blocks in obtaining host country LoAs from DNAs with little or no previous experience issuing LoAs. The unnecessary blocks exist due to the interpretation of the “diagramme” posted on the UNFCCC website, <http://cdm.unfccc.int/DNA/index.html>. According to that diagramme, the step for issuing the LoA follows the DOE validation report. This is in contradiction with the DOE validation process which requires LoA(s) from all PPs listed in the PDD before presenting a final validation report. Despite several attempts by PPs to clarify the issue, some DNAs have shown no flexibility on the matter. We ask the secretariat to please clarify this LoA issuance process via direct communication with all DNAs that the validation report from the DOE is not a prerequisite, as per UNFCCC rules, to issue LoA(s) and/or the amendment to the DNA diagramme (as below) and/or addition of a clarifying footnote in the posted diagramme.

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As always, members of the PD Forum look forward to working with the secretariat and other stakeholders to address the above issues and finding lasting solutions amenable to all.

Kind regards,

Leo S. Perkowski
Vice Chair, Project Developer Forum