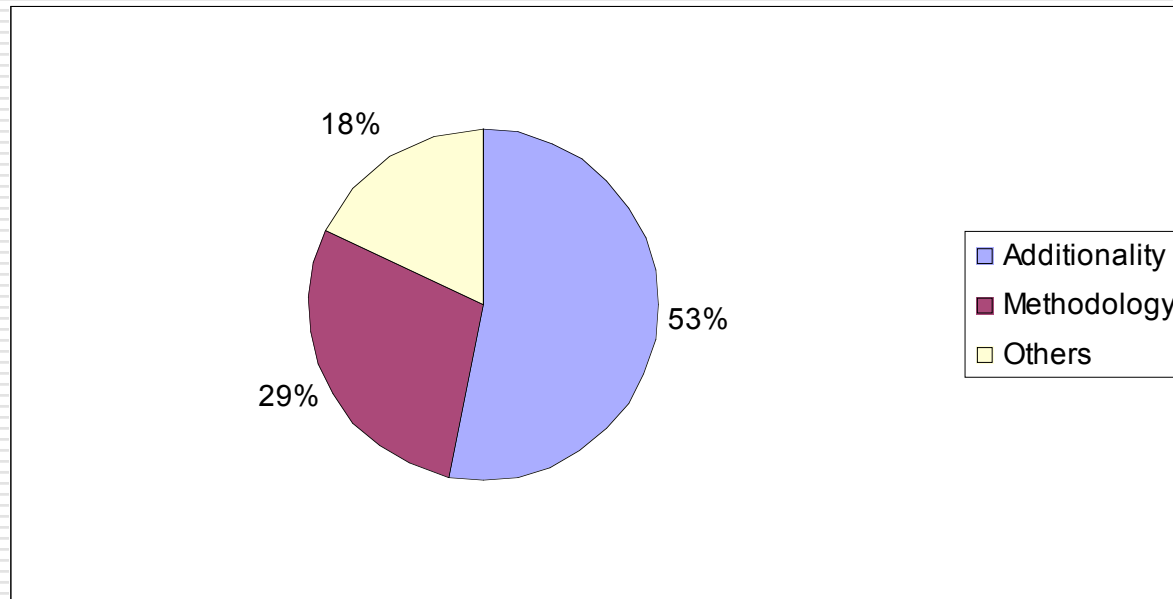


EB 39

Relations with Designated
Operational and Applicant Entities

“Rejections by DOEs” Statistics

- During EB 38, as a reaction to the “Rejections by DOEs” Statistics presentation, the Board asked the Forum to split the figures presented, in the various causes for rejection.



Validation and Verification Manual

- Last interaction on 11/04/2008
 - Thanks to the Board to facilitate the presence of its members

- 1st DOE/AIE Forum meeting in 2008
 - Thanks the secretariat to support the Forum in this meeting

Validation and Verification Manual – Forum inputs

- Monitoring report format (also an input for EB39)
- Compilation of the other inputs sent separately to the secretariat on 15/04/2008

DOEs Regional Calibration Meetings

- India
 - 1st meeting in Mumbai (09/02/2008)
 - Following a request from the Board, the minutes of this meeting were sent, on confidential basis, to the secretariat on 13/05/08
- China
 - Beijing - September
- Latin America
 - Sao Paulo – October
- Coping with important “carbon events” in these regions

EB 37 – Paragraph 16

- “The Board, in consideration of synthesis report of annual activity reports by DOEs, took a serious note of, inter alia, incidents of attempts of falsification of documents by project participants, as reported by some entities in their annual activity reports. The Board, in the same meeting, further requested the CDM-AP to submit proposals and suggestions to address those issues.”
- “The secretariat, in order to support the CDM-AP for developing such proposals and suggestions, would like to seek the Forum’s support. In this respect, we would request for some more and specific information on such cases.”
- Information sent, on confidential basis, to the secretariat on 13/05/2008

DOE/AIE org

- ❑ Analysis on an EB by EB basis of review cases as well as EB decisions.
- ❑ Back office support for the Forum chair to manage submissions and interaction with UNFCCC including Forum meetings
- ❑ Attendance at EB meetings as a representative of the Forum Chair
- ❑ Structure also applicable for JI

Verification of veracity of information validated

- DOEs should use professional judgment and professional skepticism to provide conclusion in positive form (reasonable level of assurance) whether project activity fulfills relevant UNFCCC criteria for CDM. However, this should not involve authentication of the evidences by DOEs.
- Validation / Verification contracts include conditions that the project participants provide comprehensive and authentic documents and information, indemnifying the DOE from liabilities arising from validation/verification opinions arising from untruthful information.
- Refer to EB37 input "Affidavit by top management of Project Participants"
- Source: INTERNATIONAL STANDARD ON ASSURANCE ENGAGEMENTS 3000, ASSURANCE ENGAGEMENTS OTHER THAN AUDITS OR REVIEWS OF HISTORICAL FINANCIAL INFORMATION

Programme of Activities

- ❑ Programmatic CDM could finally bring on board a lot of projects that are “out of the game”
- ❑ DOEs are really supportive of Programmatic CDM and are keen to initiate the practical exercise of validation and verification
- ❑ However, DOEs are reluctant to move forward while the liability issues of Programmatic CDM are not solved
- ❑ Even so, 2 projects were already uploaded for public comments

Programme of Activities – 1st specific request

DOE/AE Forum

- ❑ DOEs are only liable for issued CERs if as part of the spot check/review of the DOEs performance the DOE's accreditation has been withdrawn or suspended and the review reveals that excess CERs were issued.
- ❑ For Programme of Activities (PoA), DOEs are liable for issued CERs from a CDM programme activity (CPA) if a DNA involved in the PoA or a Board member identifies any error that disqualifies a CPA from inclusion in the PoA and the Board decides to exclude the CPA from the PoA.
- ❑ The Board, based on a review report by another DOE, may decide to exclude CPAs already included in the PoA at an earlier stage and the DOE that has requested the inclusion of these CPAs is liable for all CERs issued for these CPAs.
- ❑ While a DOE for normal CDM project activities is only liable if significant deficiencies are identified in the relevant validation, verification or certification report for which the entity was responsible, the DOE is for PoAs liable for CERs issued even if there is for example a disagreement of interpretations between the DOE and the Board with regard to the inclusion of a CPA (or several CPAs) to a PoA

Programme of Activities – 1st specific request - cont

- The liability of a DOE having requested the inclusion of a CPA shall be limited to only cases where significant deficiencies are identified in the relevant validation of the CPA requested to be included in the PoA by the DOE.
- The Procedures for registration of a programme of activities as a single CDM project activity and issuance of certified emission reductions for a programme of activities hence need to be revised
- It is suggested to introduce a time limit for a DNA involved in the PoA or a Board member to identify any error that disqualifies a CPA from inclusion in the PoA.
- It is suggested to remove a DOE's liability for CERs issued for CPAs included in the PoA at an earlier stage.

Programme of Activities – General proposal

- The Board should revisit the liability part of the Programmatic CDM procedures, with the support of its Legal Counsel
- This should be done expeditiously, in such a way that a solution is provided by EB40

Pending issues

- ❑ Starting date of the project activities – Input to EB37
- ❑ Approval of already operational project activities – Input to EB37
- ❑ Affidavit by top management of Project Participants – Input to EB37
- ❑ Tool for the demonstration and assessment of additionality – Input to EB37

Next interactions with the Board and the secretariat

- EB 40

Thank you!