

Date: 27 January 2011

CDM Executive Board
UNFCCC Secretariat
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Subject: Response to the comment to request for issuance

Dear members,

With reference to the request for review to the request for issuance of "Bailongjiang Shuiboxia Hydropower Station" (Ref. 2866) for the monitoring period: 21/12/2009 to 29/05/2010, we wish to provide the response and clarification as follows.

Comment in the request for review:

It was observed that the DOE performed an initial verification. However, the initial verification activities and the on-site visit (16/03/2010) were done prior to the publication of the monitoring report version 1 (04/06/2010). Paragraph 62 of the Modalities and Procedures of the CDM stipulates that a DOE may only conduct verification activities after it has made the monitoring report publicly available. The DOE shall clarify why it has not conducted the verification in accordance with the requirements of paragraph 62 of the Modalities and Procedures of the CDM.

Clarification by DOE:

The IETA/PCF validation and verification manual provides common validation and verification approaches and have been followed by most validation and verification entities.

It includes the concept of initial verification, an activity that can be conducted separately from a periodic verification as an option to the project developers to reduce risks associated with issuance. One of these risks is a delay in the issuance of CERs due to problems not related with the correctness of the reported emission reductions. An initial verification is an effective means of identifying such problems. The scope of an initial verification can include an on-site assessment, and it is often the case that on-site work is conducted prior to the completion of the monitoring report.

It is worth noting that, when making its application for the accreditation of its processes and procedures for CDM verification services, LRQA included a process for initial verification (Ref. CDM and JI (UNFCCC) Verification and Certification assessment).

This process was accepted by the CDM-EB.

With regard to the details of the request for review, section 4.1 of the verification and certification report clearly explains that all of the requirements related to the verification process were fully undertaken as part of the first periodic verification, regardless of any initial verification activities that had already been conducted. As such, it can be reasonably argued that the review of documents and the on site assessment conducted as part of the first periodic verification were undertaken after the monitoring report was made public, in accordance with the requirements of the CDM M&P Paragraph 62.

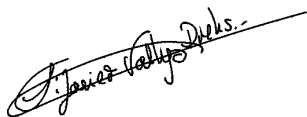
However, in order to ensure that there is no misunderstanding with regard to the relationship between the initial verification and the public availability of the monitoring report, LRQA has amended section 4.1 and other parts of the verification and certification report to remove reference to the initial verification.

We sincerely hope the above clarification will sufficiently justify the verification/certification and request for issuance of the project activity for acceptance by the Executive Board.

Michiaki Chiba is the contact person for the review process and will address any questions from the Executive Board. His telephone number is +818013799355 and e-mail address is michiaki.chiba@lrqa.com.

Very truly yours,

For Lloyd's Register Quality Assurance Ltd.



Javier Vallejo Drehs
Technical reviewer



Michiaki CHIBA
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