



15 January 2009

UNFCCC,
JI Supervisory Committee,
Attn: Georg Børsting, Chairman
Haus Carstanjen
Martin-Luther-King-Strasse 8
53175 Bonn
Germany

Dear Georg,

I am writing to you on behalf of the International Emissions Trading Association (IETA) and in response to the call for public input to comment on the necessity to develop a determination and verification manual (DVM) for Joint Implementation. IETA believes that the development of a DVM, with proper consideration, consultation and review, would be highly beneficial to all parties involved in developing and implementing JI Track II projects. A pragmatic DVM would also assist in encouraging the overall successful participation in JI projects. IETA looks forward to providing detailed input into this development process as we believe it will proceed.

IETA recognizes that the JISC has successfully been able to leverage the experiences from the CDM EB in the development of its procedures and modalities, however IETA feels that in this particular instance there is a clear need not to use the CDM VVManual as the starting point for the DVM. Uniqueness is necessary for the DVM due to the fact that there are some fundamental differences in the way CDM and JI projects are validated and verified. Under the CDM, a project only has the option to use a predefined and pre-approved methodology whereas under JI this is not the case. Consequently, with an emphasis on the need to bring consistency into the work being done by validators and verifiers, the DVM should require that they persistently ask the same types of questions while performing their work, whilst also allow them to work with pre-approved methodologies and non-approved methodologies. The flexibility of JI allows, to a greater extent than CDM, project developers to pioneer new areas and approaches for reducing emissions at lowest cost. A DVM should not seek to curtail the inherently flexible nature of JI.

IETA and the World Bank previously developed a Validation and Verification Manual, which covered both CDM and JI projects, and formed the basis in composing the current CDM VVManual. While this validation checklist is still relevant in terms of defining an approach to indispensable validation, the landscapes of the CDM and JI have evolved since that time and as such require modifications, as was done for the CDM VVManual.



At the same time, ISO 14064 has now been finalized and is operational, which should provide a suitable framework from which the DVM could be developed.

The way the standard requires validators & verifiers to ask project developers questions when assessing projects as well as integrate the concept of materiality and level of assurance might be of particular convenience.

IETA recognizes that the JISC may not have the time and resources to quickly prepare a determination and verification manual. Comments above reflect our feeling that earlier initiatives would provide a good basis on which a DVM could be built. IETA would also like to reiterate that, as indicated in Poznan, we would like to seek ways in which we can provide support in the development of the DVM through our partners and members. IETA could form a group that would help draft a DVM. However, if you find this proposal attractive, we would appreciate if the JISC would nominate 1 or 2 JISC members to the drafting team so that they could provide guidance and general oversight. We feel that including JISC members in a possible DVM drafting team would allow for it to be more easily adopted once finalized. Once the first draft is ready, we also propose a workshop to be held with participation of all the JISC members and concerned stakeholders.

IETA looks forward to further contributing to the development process of the DVM and we will keep the JISC informed about our attempt to set up a DVM drafting group. We hope you find our input constructive and await any questions or comments that you may have.

Yours truly,

Henry Derwent
President,
International Emissions Trading Association

Cc:
CDM Executive Board members

International Emissions Trading Association (IETA) - Membership

IETA is a not-for-profit business organization that is dedicated to ensuring that the objectives of the UNFCCC and ultimately climate protection are met through the establishment of effective global systems for trading in greenhouse gas emissions (GHG) by businesses, in an economically efficient manner while maintaining societal equity and environmental integration.



IETA is active in the EU, North America, the UNFCCC, and around the world, promoting market mechanisms to environmental problems.

IETA's membership is currently 186 companies out of which 51% represent project developers, intermediaries, financial institutions, brokers, verifiers, legal firms, etc engaged in a new economic activity as a result of the GHG market. The balance of 49% represents industrial organizations.

IETA Chairman:

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144	PointCarbon	181	Vale
145	PricewaterhouseCoopers	182	Van Ness Feldman, PC
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