

Annex 5

**INFORMATION NOTE ON IMPACT OF PUBLIC INPUTS REGARDING THE
DEVELOPMENT OF A DETERMINATION AND VERIFICATION MANUAL ON
DOCUMENTS ADOPTED BY THE JOINT IMPLEMENTATION SUPERVISORY
COMMITTEE****A. Background**

1. At its eighteenth meeting the JISC requested the secretariat to prepare an analysis on the impact of all inputs received so far regarding the development of a determination and verification manual (DVM) (i.e. through public calls, UNFCCC JI workshops and roundtable) on existing JISC documents, and present it at the next meeting with a view to starting its consideration on the areas for further changes in JISC documents.
2. Based on this, the secretariat prepared this information note to provide a summary of the feedback received during the calls for public inputs on the contents of a DVM from 27 April until 17 May 2009 and 20 August until 16 September 2009 and also the inputs from the roundtable consultations with interested stakeholders on the development of a DVM and joint implementation programme of activities (JI PoA) on 16 June 2009 and the technical workshop held in conjunction with the seventeenth meeting of the JISC in Kiev, Ukraine.
3. Inputs were received from the following organizations: Climate Experts (CE), International Emissions Trading Association (IETA), Japan Quality Assurance Organization (JQA), Mitsubishi UFJ Securities (Mitsubishi), TÜV Rheinland Immissionsschutz und Energiesysteme GmbH, The World Bank (WB), CTF Consulting (CTF), Nordic Environment Finance Corporation (NEFCO), Joint Implementation Action Group (JIAG) and Project Developer Forum (PDF), as well as from the stakeholders at the roundtable consultation and the technical workshop.

B. Analysis

4. The secretariat has identified inputs received from the organizations mentioned above that may necessitate some action or action has already been taken. A summary of the inputs is provided in Table 1. General considerations for information and formatting of the DVM were not included. The sections without inputs were not listed. The bold inputs are the areas where action by the JISC may be necessary. The normal text indicates that action has been taken by the JISC or the JISC decided to not take any action.

Table 1. Summary of Inputs

<u>Section of the DVM</u>	<u>Sub-section</u>	<u>Inputs</u>	<u>Input provider</u>	<u>Relevant documents*</u>
Background		Recognize some specific JI features: environmental integrity of ERUs transfer, compliance with national guidelines and procedures, ensure simplified and innovative approaches	WB	DVM
Objectives		DVM should provide clear definition and interpretation of key terms and features of determination and verification, clear acknowledgement and treatment of multi-project baseline setting and monitoring	WB	Guidance Guidelines Glossary



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<u>Section of the DVM</u>	<u>Sub-section</u>	<u>Inputs</u>	<u>Input provider</u>	<u>Relevant documents*</u>
		Paragraph 7 on the first draft, regarding the difference between DVM and VVM, should be more detailed or supported by examples and references	CTF	DVM
Principles		Introduction and definition of the concept of materiality	NEFCO, technical workshop	
		DVM should clarify the requirements for the AIE in providing adequate feedback and justifications when considering PDDs and monitoring reports.	WB	DVM
		DVM should provide clear guidance for modalities of communication of an AIE with the third party technical and sectoral expert(s)	WB	
		Modality of communication between the AIE and project participant	Roundtable, technical workshop	
		DVM should clarify that level of accuracy required at the determination/verification process should be in consistence with the official national practices	WB	
Determination	General	Include specific procedures for projects that are transferred from Track1 to Track 2	JIAG,CTF	
		Include “determination flow” (schematic of the project cycle)	JQA	DVM
	Publication of PDD	Clarify the term “official translation”	PDF, NEFCO, JQA	DVM
		Allow use of the PDD template version that was valid at the time of launching the determination	NEFCO	
		It should be explicitly stated how additionality can be demonstrated without disclosing or at least publishing all confidential information	NEFCO	
		Legal ownerships of the project participants have to be disclosed with the authorization by the Parties involved	TÜV Rheinland	
	Project boundary	The definition of project boundary is not essential	CE	Guidance Guidelines Glossary
		DVM should clarify and allows simplified treatment of a project boundary	WB	Guidance Guidelines Glossary



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		Propose new language for requirements and guidance relating to project boundary. Also suggestion of add examples	JQA	DVM
	Leakage	Sources and sinks which are not under control of the project participant but have significant emission/removal shall be considered as leakage	JQA	Guidance Guidelines Glossary
		AIE shall determine leakage taking market impact into consideration	JQA	Guidance Guidelines
		DVM should clarify and allows simplified treatment of leakage	WB	Guidance Guidelines Glossary
	Baseline setting	Clarify the use of CDM methodologies fro JI projects	WB, IETA, Mitsubishi, JQA, JIAG, NEFCO, roundtable, technical workshop	Guidance Guidelines Glossary DVM
		Provide further guidance on what versions of CDM methodologies	WB, IETA, Mitsubishi, JQA, JIAG, NEFCO, roundtable, technical workshop	Guidance Guidelines Glossary DVM
		Clarify that the JI-specific approach does not have a mandatory requirement for baseline setting to be widely applicable to a range of projects with similar types of activities	WB	Guidance Guidelines Glossary
		The baseline scenario and baseline emissions shall be clearly (separately) described	CE	Guidelines
		Propose of a stronger AIE role regarding the determination of JI approach that may include standardization of the method by the JISC	CE	
		The methodology should include the explanation of why its formulas are needed	CE	
		The applicability conditions of the methodology shall be specified clearly because they include important information why the methodology can be used	CE	



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		Provide elaboration and more guidance of multi-project emission factor approach, such as a database of standard emission factors	NEFCO, JQA, technical workshop	Guidance Guidelines Glossary
		New formulation of paragraph 24: “local availability of technologies/techniques, skills and know-how and availability of best available technologies at the time the decision to go ahead with the project was taken”; to avoid the use of “in the future”	PDF	DVM
	Additionality	New formulation of paragraph 29 (d): change from “positively determined” to “deemed final”	JQA	
		Clarification on how additionality can be addressed: as a whole project or for each measure	JQA	Guidance Guidelines
		New formulation of paragraph 29 (c) on the second draft: “other approaches may be applied provided they are based on the provision of traceable and transparent information showing that the baseline was identified on the basis of conservative assumptions, that the project activity is not part of the identified baseline scenario and that the project will lead to reductions of anthropogenic emissions by sources of enhancements of net anthropogenic removals by sinks of GHG”	PDF	DVM
		Allow the use of the version of the additionality tool that was valid at the time of launching determination	NEFCO	Guidance Guidelines
		DVM would need to clarify the rule in the “Guidelines for users of the PDD form” that requires to justify the applicability of additionality demonstration approach. The requirement is unnecessary and contrary to the “Guidance on criteria for baseline setting and monitoring”	WB	Guidance Guidelines
		Simplified approaches for additionality demonstration	WB	Guidance Guidelines
		Introduction of a positive list of project types and applicable areas as being the technological additional as best available technology or first of its kind until a certain market penetration rate or specific benchmark	TÜV Rheinland, CE	



<u>Section of the DVM</u>	<u>Sub-section</u>	<u>Inputs</u>	<u>Input provider</u>	<u>Relevant documents*</u>
		Include examples of additionality barriers and determination criteria	JQA	DVM
		For projects that have started operation prior to submission of the PDD for determination, the AIE should confirm with the host Party DFP whether there are and what are the requirements for confirming that a project has considered JI prior to the start of its implementation.	Mitsubishi	
	Monitoring	Introduction of the option to monitor impacts of energy savings measures	TÜV Rheinland	
		Use of text based on ISO 14064-2:2006	EITA	
		Suggestion of developing a standard monitoring report template	JIAG, CTF, NEFCO	
		The AIE should determine whether the monitoring approach is in compliance with national, regional and sectoral regulations and standards. DVM should provide clear guidance on the priority of the national statistical procedures for surveys and sampling for projects	WB, JQA, TÜV Rheinland	Guidance
		Further guidance to understand what level of monitoring is expected. It might be helpful to define a certain level of required accuracy, QA/QC procedure for certain stages of emission	JQA	Guidance
	Environmental impact	New formulation of paragraph 44: "The AIE shall assess, if required by host country rules, whether the PDD provides:"	JIAG	DVM
	Stakeholder consultation	An additional local stakeholder consultation process for JI project shall take place	TÜV Rheinland	
		The AIE shall determine that the project participants have identified the stakeholders effected by project and have taken into consideration their concerns and issues	IETA	
	Determination regarding SSC projects	Clarify that it is possible for a project that meets the small-scale criteria to decide to be presented as a large-scale project	NEFCO	DVM



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Verification	Determination report	Provide guidance on how to treat SSC projects in case the SSC threshold is exceeded	NEFCO	
		No need to have reference to the internal technical review as it is part of the accreditation procedure	JIAG	DVM
		New formulation of paragraph 62 (d): “All main documents and annexes...”	JQA	Procedure on public availability of documents
	General	The AIE shall confirm that the project participant has adhered the requirements set out in the PDD and in the modalities and procedures	IETA	
		Include a “verification flow”	JQA	DVM
	Compliance with the monitoring plan	The AIE shall assess whether the monitored items are in compliance with the monitoring plan, and not whether they are identified, reliable and transparent	JQA	DVM
	Revision of monitoring plan	Further guidance on deviation from determined monitoring plan	JQA, WB, EITA, NEFCO, roundtable	Guidance
		Change in the Guidance, paragraph 75 (c), the word completeness to a more appropriate term	CTF	Guidance Guidelines

*Guidance: Guidance on criteria for baseline setting and monitoring

Guidelines: Guidelines for users of the JI PDD forms, Guidelines for users of the JI PoA DD form, Guidelines for users of the JI SSC PDD form and the form for submission of bundled JI SSC projects

Glossary: Glossary of joint implementation terms

DVM: Determination and verification manual

Procedure on public availability of documents: Procedures on public availability of documents under the verification procedure under the Joint Implementation Supervisory Committee
