

**Annex 2****DRAFT PROCEDURES REGARDING CHANGES DURING PROJECT IMPLEMENTATION****Note by the secretariat**

1. At its twentieth meeting, the Joint Implementation Supervisory Committee (JISC) took note of the information and analysis prepared by the UNFCCC secretariat regarding priority areas and agreed on two areas for further work by the JISC in 2010: applying the concept of materiality in determinations and verifications; and changes during project implementation from a determined project design and/or monitoring plan. At the same meeting, the JISC also requested the secretariat to conduct a call for public inputs on the two areas.
2. The JISC considered the public inputs and requested, at its twenty-first meeting, six members/alternate members of the JISC, Ms. Borja, Mr. Chowdhury, Ms. Gaye, Mr. Sokolov, Ms. Voitekhovitch and Mr. Yatilman, with the support of the secretariat, to prepare a draft procedure regarding changes during project implementation from a determined project design and/or monitoring plan for the JISC's consideration at its twenty-second meeting, with a view to also discuss this first draft during the roundtable consultations to be held in June 2010.
3. The draft procedures for changes during project implementation, prepared in accordance with paragraph 2 above, are attached below.



Joint Implementation Supervisory Committee

PROCEDURES REGARDING CHANGES DURING PROJECT IMPLEMENTATION

Version 01

A. Background

1. Paragraphs 30–45 of the annex to decision 9/CMP.1 on guidelines for the implementation of Article 6 of the Kyoto Protocol (hereinafter referred to as JI guidelines) define the verification procedure under the Joint Implementation Supervisory Committee (JISC).
2. After considering inputs received during the development of the determination and verification manual (DVM), the JISC discussed priority areas for further guidance and agreed to develop further guidance regarding changes during project implementation.
3. The design of a JI project may change during the course of its implementation, compared to the project information provided in the project design document (PDD) and its supporting information.
4. The JI guidelines, including its Appendix B, along with the “Guidance on criteria for baseline setting and monitoring” address changes to a project’s monitoring plan, but does not address changes to the project design occurring during implementation of a project for which the determination in accordance with paragraph 33 of the JI guidelines (determination) has already been deemed final in accordance with paragraph 35 of the JI guidelines.
5. The present document extends existing guidance by providing general procedures regarding changes during project implementation.

B. Procedures regarding changes during project implementation from a determined project design

6. Changes, if any, to the project’s design as described in the PDD, that occur after the determination has been deemed final, shall be justified by project participants. The project participants shall prepare a detailed description of all changes that have occurred since the determination was deemed final and provide justification for these changes. The description and justification shall be made publicly available and shall be included as an annex to the next monitoring report submitted for determination in accordance with paragraph 37 of the JI guidelines (verification) by the AIE.
7. The AIE shall in a separate section of the verification report form (F-JI-VRep) list all revisions to the project design and express a determination opinion. The AIE shall determine whether the conditions defined by paragraph 33 of the JI guidelines are still met for the project, and specifically that:
 - (a) the physical location of the project has not changed;
 - (b) the emission sources and baseline scenario have not changed;
 - (c) the changes are consistent with the JI specific approach or the clean development mechanism (CDM) methodology upon which the determination was prepared for the project;
 - (d) the changes do not alter the original determination opinion for the project.
8. A positive determination opinion regarding the changes in accordance with paragraph 7. above, shall be a condition for expressing a positive verification opinion in any subsequent verification reports provided by the AIE.

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