

# Priority Areas for Further Guidance – Summary of Discussion Paper

Twentieth meeting of the Joint Implementation  
Supervisory Committee (JISC 20)

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# Background

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- **During 2009, JI workshops, roundtables and calls for public inputs during the development of the DVM resulted in significant feedback**
- **At the 19<sup>th</sup> meeting of the JISC, the secretariat summarized all inputs received and was requested by the JISC to prepare a discussion paper covering four priority areas:**
  - Materiality
  - Standardization of the joint implementation approach
  - Multi-project emission factors
  - Deviation during project implementation from a determined project design document and/or monitoring plan
- **A paper entitled “Information note on priority areas for consideration for further guidance by the Joint Implementation Supervisory Committee”, was provided as Annex 1 to the agenda for this meeting**

# Materiality

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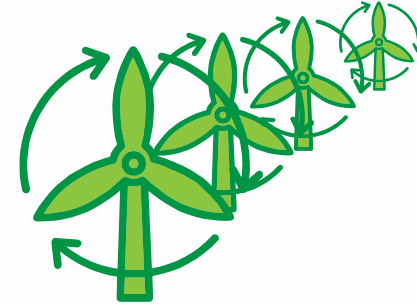
- **Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements**
- **Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cutoff point rather than being a primary qualitative characteristic which information must have if it is to be useful**
- **CMP5 “Requests the [JISC] to conduct an assessment of the implications of possible inclusion of the concepts of materiality and level of assurance in [JI]...”**
- **Key decisions involve defining to what processes materiality should apply and what the required level of materiality should be**



# Standardization of the JI approach and multi-project emission factors

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- Rules were developed in 2006 based in part on public consultations to help inform the development.



- Limited experience has been gained since.

- Given the availability of standardized methodologies through CDM and the availability of emission factors from a large number of sources, including the EU, IPCC, and CDM, it is not clear what cost effective improvements can be achieved in these areas under JI.

# Changes during implementation to an already determined PDD

- Several inputs from the development of the DVM highlighted that many projects change during implementation
- Other than for revisions to the monitoring plan, existing JISC documents offer no guidance
- As of mid-January 2010, none of the 17 finalized determinations have requested any type of deviation after the determination was finalized
- One of the eight verification reports received to date contains a revised monitoring plan
- If the JISC wishes to develop further guidance regarding changes to the project design during implementation, key issues will include defining acceptable changes and the role of the AIE in asserting that the project's implementation corresponds to the PDD?
- Procedures have been developed under CDM

