

31 May 2011

English only

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Subsidiary Body for Scientific and Technological Advice

Thirty-fourth session

Bonn, 6–16 June 2011

Item 10(b) of the provisional agenda

Methodological issues under the Kyoto Protocol

Materiality standard under the clean development mechanism

**Views on the issue of materiality under the clean
development mechanism**

Submissions from Parties and relevant organizations

Addendum

1. In addition to the four submissions contained in document FCCC/SBSTA/2011/MISC.2, one further submission has been received.
2. In accordance with the procedure for miscellaneous documents, this submission is attached and reproduced* in the language in which it was received and without formal editing.

* This submission has been electronically imported in order to make it available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the text as submitted.

FCCC/SBSTA/2011/MISC.2/Add.1

GE.11-61434

Please recycle 

Submission from Grenada on behalf of the Alliance of Small Island States (AOSIS)

Subsidiary Body For Scientific and Technological Advice (SBSTA)

Submission by Grenada on behalf of the Alliance of Small Island States (AOSIS)

April 2011

**Further guidance to the Clean Development Mechanism
on the issue of materiality**

Grenada welcomes the opportunity to present views on behalf of the forty three (43) members of the Alliance of Small Island States (AOSIS) on the issue of materiality in the context of the Clean Development Mechanism, in response to the request for the submission of views contained in FCCC/CMP/2010/L.8, paragraph 30s and 31.

The concept of materiality is one used in fields such as auditing and accounting. Designated Operational Entities (DOEs) have expressed the view that it would make their job of validation and verification more consistent and reliable.

The issue of materiality is one that the Executive Board of the Clean Development Mechanism has grappled with for some time, without resolution. The main reason for divergence is rooted in Article 12 of the Kyoto Protocol, which establishes the CDM and requires that emission reductions resulting from each CDM project activity must be certified on the basis of real, measurable and long-term benefits related to the mitigation of climate change, and must be certified on the basis of reductions that are additional to any that would occur in the absence of the certified project activity.

It is extremely important that there be adherence to the requirements of approved methodologies, to ensure that emission reductions certified as resulting from each project activity are in fact real and measurable. Some approved methodologies do already include a concept of materiality in their requirements.

While some levels of the concept of materiality could be considered in some specific areas, the preferred approach of AOSIS would be to include the concept of materiality only where the concept can be applied in a manner that does not compromise the environmental integrity of the CDM process and its delivery of real, measurable and long-term benefits related to the mitigation of climate change under Article 12 of the Kyoto Protocol.
