



Designated Operational Entities
& Independent Entities Association

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Subject **Views on the Review of the JI**

Submission in response to the invitation by the CMP8 to provide further views

At its eighth session, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) recalled its provisions to initiate the first review and revision of the JI guidelines, as contained in decisions 4/CMP.6, paragraph 15 and 11/CMP.7, paragraphs 14–17.

The CMP invited all Parties, and admitted observer organizations to submit to the secretariat by 18 February 2013, further views on how the JI guidelines and other CMP decisions pertaining to JI should be revised.

The D.I.A. strongly supports the continued efforts of the international community to improve the effectiveness of its flexible mechanisms, here in this context especially of the JI.

In our capacity as the voice of engaged Designated Operational Entities and Independent Entities we would like to direct the attention to an issue of special relevance for our member organisations which can refer to more than a decade of direct involvement in the registration process of JI activities.

In spite of the fact that JI might be considered as the mechanisms which remains easily applicable in case many Parties of the Convention are willing to accept emission limitations within a future agreement, the recent market prospects for the coming years do not create any incentive to maintain an accreditation as Accredited Independent Entity beyond its date of expiration. Costs for accreditation will exceed any potential income by validation and verification services most likely for several years, if the modalities and procedures for accreditation remain as before. Due to these circumstances we expect a strong loss in capacities, in worst case even not leaving enough resources to maintain the resulting small demand on services.

Recognizing the discussions of the two Accreditation Panels for JI and CDM regarding potential synergies and several submissions by Parties referring to similar approaches, we strongly recommend taking the following action:

- Provide the mandate to the CDM Executive Board and the JI Supervisory Board to undertake joint action regarding the accreditation of DOEs and IEs;
- Establish a joint Accreditation Panel for CDM and JI;
- Offer entities to apply for accreditation as DOE or IE or both, without doubling the fees if both is applied for;
- Combine the accreditation assessments in accreditation, regular surveillance and re-accreditation of an entity applying for / maintaining both accreditations;
- Adapt the modalities and procedures for JI and CDM accordingly;



Following these recommendations would reduce the burden of entities maintaining both accreditations. Consequently it might have a positive feedback regarding transaction costs of both mechanisms, which are anyway under pressure by the recent market prices.

We trust that our views expressed are helpful to continue and further expand JI as a credible and effective market based instrument. We are looking forward to further contributing on this matter.

Werner Betzenbichler

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The Designated Operational Entities and Independent Entities Association (D.I.A.) is registered as an association in Geneva, Switzerland, creating a collective voice to represent the interests of companies auditing greenhouse gas (GHG) emission reduction projects in international carbon markets. The purpose of D.I.A. is to be an independent, not-for-profit organization dedicated to the development and establishment of effective processes and criteria for, and related to, the determination, validation and verification of emission reduction and sequestration projects and to represent the members at relevant bodies that administer the various GHG programmes that accept UNFCCC accredited bodies to carry out determination and validation or verification services.

Please note that opinions, ideas and recommendations contained within this document are the views of D.I.A., and do not necessarily represent those of its individual member organisations.