4th CDM Roundtable

Session I: Materiality

Bonn, Germany, 8 June 2012
Background

- Following the CMP’s decision in Durban (9/CMP.7 – “Materiality standard under the clean development mechanism”), the Board initiated the development of guidelines on the application of materiality for DOEs in verifications.

- Under the objective of improving objectivity, clarity and integrity in the CDM (CDM-MAP 2012), the guidelines are to be delivered in the third quarter of 2012.
Contribution from Stakeholders

- Inputs provided during the Joint CDM & JI Workshop in March 2012
- Several examples of application of materiality provided by D&IA and PD Forum
- Inputs provided on the concept note presented at EB67

(in addition to all inputs provided in the work carried out by the SBSTA in 2011)
The objectives of these guidelines are to:

- Facilitate a uniform interpretation and application of the concept of materiality by DOEs in verifications
- Improve transparency, consistency and efficiency in verifications and verification/certification reports submitted in the CDM project cycle
Scope of the Guidelines

- These guidelines are applicable to DOEs for the verification of any type of CDM project activities.

- They are not applicable to:
  - Verification of programmes of activities.
  - Validation of project activities or programmes of activities.
  - Uncertainties related to measurement.
  - Temporary deviations from the registered monitoring plan or applied methodology.
Walk-through the draft Guidelines
Further related work

- The VVS will be updated to include the concept of materiality, the thresholds, and level of assurance
Particular issues for consideration

➢ In addition to any comments on the draft guidelines, stakeholders are invited to provide inputs on the following:

- Where / How can the guidelines be further improved through the inclusion of additional information and examples?
- Are there any missing elements?
- What additional guidance should be included in section V. D on when materiality thresholds are surpassed?
- What information should be reported by DOEs to allow the Secretariat / Board to apply materiality to the assessment of requests for issuance?

(to be discussed in the break-out session)
Next steps

Work plan for developing the guidelines comprises:

- 4th CDM Roundtable – Secretariat to collect inputs from stakeholders on the draft guidelines and other issues
- EB 68 – Secretariat to present a draft guidelines for the Board’s consideration, and based on the Board’s decision, possible launch of a call for public inputs on the revised draft guidelines
- EB 69 – Secretariat to present a final draft for the Board’s consideration and adoption
Thank you!