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JIAG communication to JISC 23

JISC 23

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Chair JIAG

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JIAG appreciates the report on the ‘future operation of JI’ which truly resulted from a unique period of reflection.

The report should be seen in the context of **a period of uncertainty** until a new international agreement comes into force.

Call for input of non-JIAG members for JISC23 closed 7 October 2010.

Impact cancellations of JISC meetings



The cancellations of JISC meetings had a negative impact on the perceived attractiveness of track 2.

In the **extra step**, compared to track 1, a review has to be dealt in one or two JISC meetings. With the cancellation of two JISC meetings in 2010 and no schedule available for 2011, **significant uncertainty** on the delay by a possible review is introduced.

Besides assuring **sufficient funding** the following can be done:

- Improve the administrative process in publishing Determination and Verification reports;
- Make the review procedure 'smarter'.

The success of JI



JIAG believes that the draft report is too negative on the success of JI. Indeed much of the attention is to the CDM market, also because it is heavily debated.

JI is a mechanism that has **'silent support'** plus track 1 developments are less visible.

However if you express the success of the mechanism in reduction per tonne of emission, JI and CDM are getting quite close. Taking out the industrial gases out of CDM even shows that JI is more successful than CDM....

Post-2012 ERU issuance



The draft report includes a statement saying that without a second commitment period agreed, no ERUs can be issued from reduction generated post-2012 (par 78 & par 114). JIAG believes that there is **no legal basis** for such statement.

Based on an legal analysis JIAG concluded that ERUs **can continue to be issued** up to the end of the true-up period (assuming Host Country approval).

The role of JISC post-2012



JIAG supports the conclusion of the report that the JISC has set up a credible infrastructure for JI. JIAG believes that the JISC should continue to take this role after 2012, even if no new international agreement is in place:

- The role JISC is required **in ERU issuance** up to the true-up period.
- After the true-up period it is unclear if ERUs can be issued. However, domestic trading schemes might very well want to use the credible infrastructure approving new project and making **verification final**. This ‘final verification’ can be used as **compliance instrument** by these schemes!

Concluding remarks



This report serves three purposes:

1. to suggest improvements of JI during the remaining years of the **first** commitment period;
2. to have JI continue as a mechanism in absence of a second commitment period (**gap** period);
3. to provide directions to what direction JI should evolve in a **second** commitment period.

As the JISC is the authority in JI the report can be **more outspoken** in providing recommendation to the CMP on the future operation of JI during a second commitment period



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