



## Will Joint Implementation be the first casualty?

*Continuation of JI still in limbo*

Durban, South-Africa – 6 December 2011 – JI has proved to be a robust and credible mechanism for inspiring entrepreneurs and investors to invest in reducing emissions, with 335 JI projects registered to date. As a gap period is likely to occur after 31 December 2012, the JI Supervisory Committee has proposed a temporary measure to continue JI during this gap period. JIAG applauds the courage and foresight of this proposal.

This temporary measure will allow JI projects to continue issue ERUs until the end of the true-up period of the first Kyoto Commitment Period or the start of a second Commitment Period. With this proposal confidence is given to investors in mitigation projects bridging the gap until a new international agreement has been reached.

Many parties in the Durban negotiations have not supported this gap proposal as they, wrongfully, believe that JI can only continue with a second Commitment Period in place. Some negotiators hide behind technical arguments saying that this proposal constitutes borrowing (which it is not). Other Parties would like to make a continuation of JI contingent to the entry into force of a second Commitment Period.

JIAG would like to see a second Commitment Period as well, but Parties need to be realistic and accept that a gap period is very likely. Using JI has a bargaining chip to achieve a second Commitment Period means in practice holding the private sector hostage. This turns away investors in mitigation projects and we will see a dismantling of JI.

JIAG's urges Parties to accept the temporary gap measure and focus on the conclusion of a second Commitment Period in the near future.

**For further information** we refer to the JIAG website ([www.jiactiongroup.com](http://www.jiactiongroup.com)) which includes a Briefing and Position paper on Joint Implementation in connection with CMP7 in Durban. The paper includes a Questions and Answers section explaining why the JISC proposal is fully in line with the accounting rules of the Kyoto Protocol.

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## About JIAG

The Joint Implementation Action Group (JIAG) is a consortium of JI practitioners. Current JIAG members are Global Carbon, Climate Focus, Vertis Environmental Finance, Carbon Trade and Finance, Greenstream and Future Camp. JIAG is the official communication channel to the JISC on behalf of Project Developers.

The group provides a voice for the interests of JI. Our work includes:

- Providing input and support to the JISC and to negotiators at COP/MOP meetings on design and details of JI, both in its current form and post-2012 – with briefing papers and policy proposals
- Holding side events at Subsidiary Body for Scientific and Technological Advice (SBSTA) and COP/MOP meetings
- Organizing and hosting JI related events to bring together the private sector, research groups and policy makers

Our activities are coordinated to ensure that JIAG's message is coherent and persuasive across all events and all media.

## Joint Implementation

Joint Implementation (JI) is one of the three flexible mechanisms for emissions trading set out in the Kyoto Protocol. Like the Clean Development Mechanism (CDM), it is a mechanism for financing individual projects aimed at reducing GHG emissions. JI credits are created by reducing actual emissions in a project compared to a hypothetical baseline in the future, similar to the way the CDM operates. However, JI is different. It is only for Annex I countries with capped GHG emissions, unlike CDM which is solely in non-Annex I countries with no GHG reduction obligations. This is crucial because JI credits are not offsets, but emission reductions effectively indistinguishable from allowances under a cap-and-trade system. Under JI, the total mandatory emission reductions are unchanged; project-based reductions are simply shifted and credited toward another country.

