

Time lags and bottlenecks of selected JI projects

Hanna-Mari Ahonen, GreenStream Network Plc.

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Description of data

This memo presents preliminary findings of an analysis of Joint Implementation (JI) projects that have been developed by the following JI market participants:

- GreenStream Network Plc on behalf of the Multilateral Carbon Credit Fund (MCCF) and of confidential clients;
- the Finnish Environment Institute on behalf of the Finnish CDM/JI Pilot Programme; and
- the Nordic Environment Finance Corporation (NEFCO) on behalf of the Baltic Sea Region Testing Ground Facility (TGF).

A total of 19 JI projects at advanced stage (with at least a Final Determination Report) were analysed. Table 1 summarises the key characteristics of the dataset.

This analysis explores experiences of a sub-set of advanced JI projects for which data was available. This sub-set of data is not representative of the global JI pipeline in terms of host country or technology balance so the results of this analysis should not be generalised. Instead, this analysis should be treated as a preliminary case study.

In this analysis, "Registered JI projects" refer to projects whose Determinations have been deemed final under JI Track 2 or that have been registered as JI Track 1 projects by the host country. "Early movers" refer to JI projects whose determination started (i.e. the PDD was published for comments) before the launch of the JI Track 2 Procedures by the JI Supervisory Committee (JISC) on 27 October 2006.

Table 1. Key characteristics of analysed JI projects

Category	No.	Description
Total	19	Total number of JI projects analysed
Project cycle	19	Jl projects with Final Determination Report
	10	Registered JI projects *
	10	Jl projects with Monitoring Reports available
	8	Jl projects with Verificaiton Report available
	7	Jl projects with ERUs issued
Start date	9	Early mover JI projects**
Track	4	Track 2 projects
	15	Track 1 projects
Host country	4	Ukrainian JI projects
	7	Estonian JI projects
	5	Russian JI projects
	3	Lithuanian JI projects
Project type	6	Energy efficiency
	5	Wind
	4	Fuel switch
	4	Methane avoidance

Preliminary findings

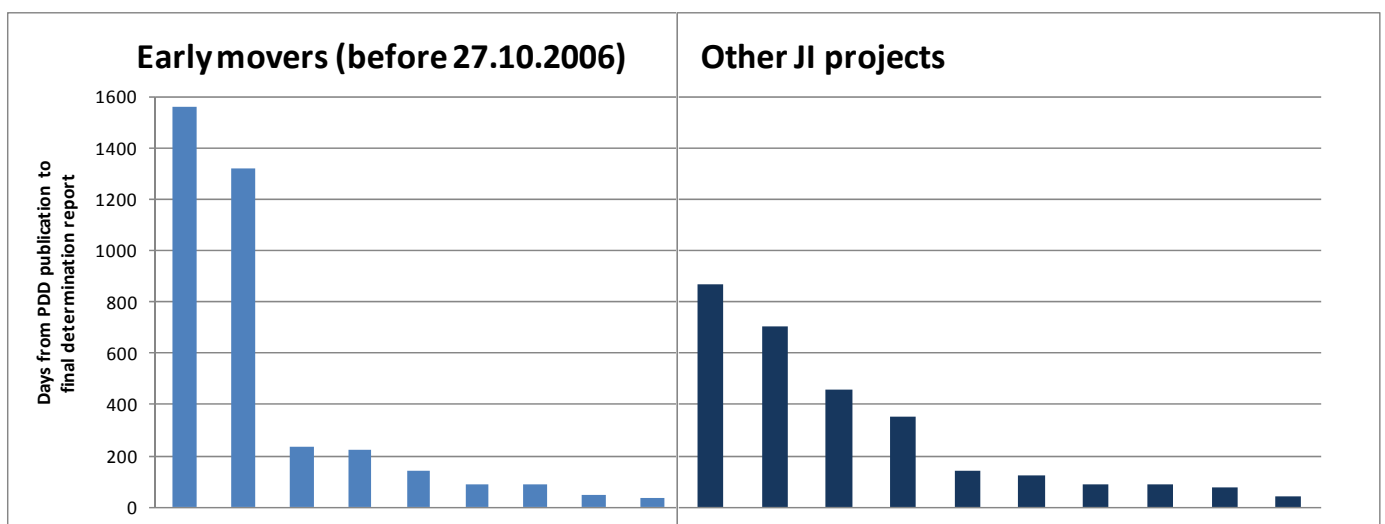


Figure 1. Time lag between PDD publication and Final Determination Report

Table 2. Data for time lag between PDD publication and Final Determination Report

	Early movers	Others
No. of projects	9	10
Average (days)	416	295
Median (days)	141	134

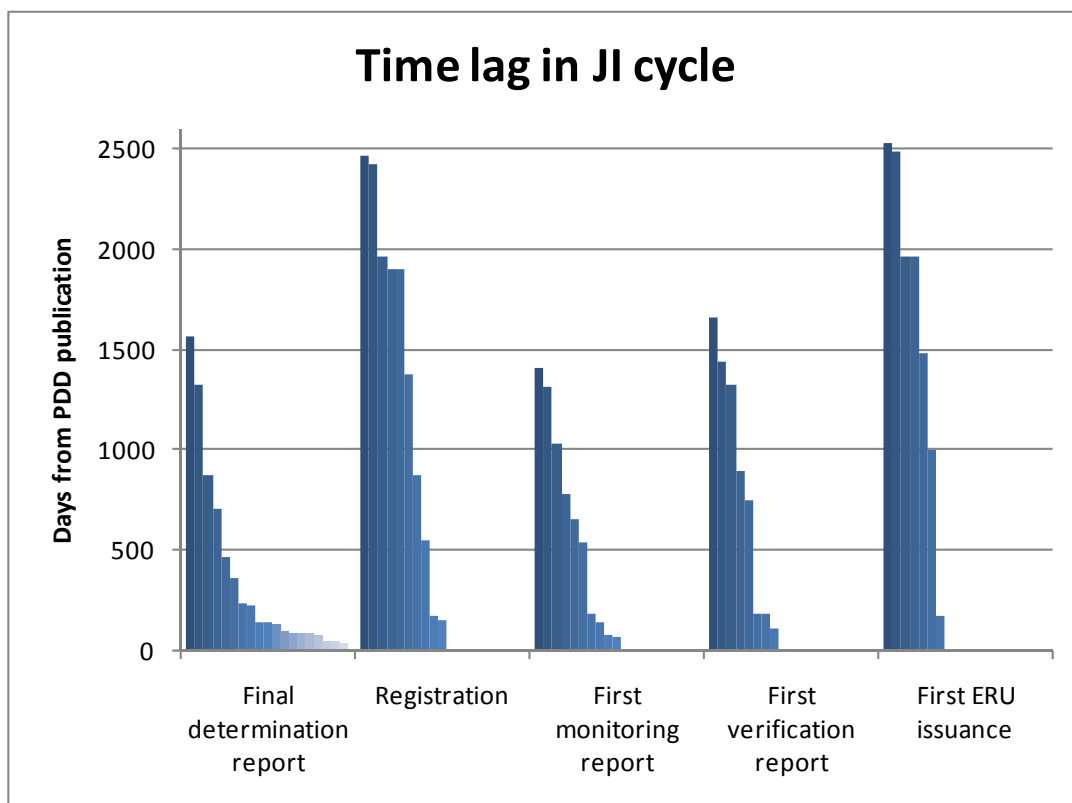


Figure 2. Time lag in JI cycle

Table 3. Data for time lag in JI cycle

	Final determination report	Registration	First monitoring report	First verification report	First ERU issuance
No. of projects	19	10	10	8	7
Average	352	1375	616	815	1656
Median	141	1634	590	819	1965

Figure 2 illustrates the considerable variation in time lags of different JI projects. The time lag between the publication of the PDD and the issuance of first ERUs ranges from almost seven years (for an early mover JI project) to less than six months (for a recent Track 1 project).

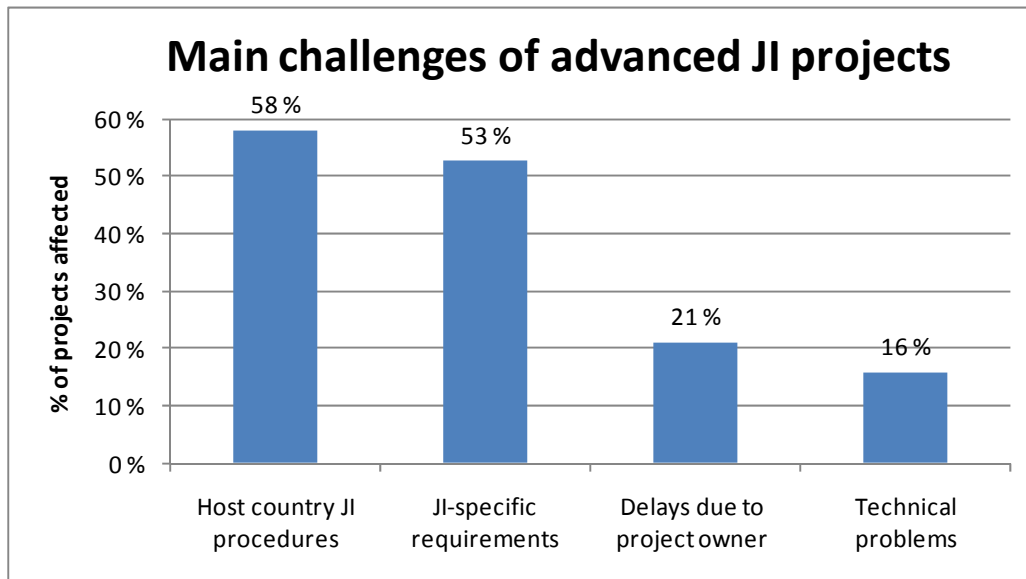


Figure 3. Main challenges of advanced JI projects

Figure 3 lists the main challenges that have caused delays in the progress of the analysed JI projects, including:

- **Host country JI procedures:** e.g. delays due to delays in host country JI approval and/or ERU issuance processes
- **JI-specific requirements:** e.g. delays linked to the project's JI cycle which are specific to developing the project as a JI project, such as time spent on revision of JI-specific documentation, lack of Accredited Independent Entities (AIEs), slow responses by Independent Entities (IE) etc.
- **Delays due to project owner:** e.g. cases where delays have been caused by lack of responsiveness from the project owner's side e.g. in ERPA negotiations, data submissions, decision-making and general communication.
- **Technical problems** e.g. cases where the project has been delayed - or its implementation has been threatened - by technical (i.e. non-JI) matters, such as lack of required permits, problems with construction etc.

Preliminary conclusions

The preliminary analysis of selected JI projects reveals considerable variation in time lags of JI projects and highlights the critical role of well-functioning JI institutions in enabling the prompt realisation of JI benefits.

Over half of the analysed JI projects experienced delays due to (the lack of) host country JI procedures and JI-specific requirements. Effective communications between participants and well-managed technical implementation can speed up the JI cycle but even the most dedicated project participants cannot overcome delays caused by the lack of JI institutions (e.g. lack of AIEs or host country approval procedures).

A well-functioning JI mechanism requires minimizing the uncertainties of the key steps in the JI cycle, especially in terms of eligibility criteria and timelines.