



Joint Implementation *Action Group*

Joint Implementation Supervisory Committee
Attn. Mr. Leguet
P.O. Box 260124
D-53153 Bonn
Germany

Subject: JIAG input for JISC 21 on the applicability of guidance documents

8 April 2010

Dear Chair of the Joint Implementation Supervisory Committee (JISC),
Dear members and alternate members of the JISC,

In reaction to a request for clarification from Global Carbon BV the JI Secretariat published a clarification, dated 2 March 2010, regarding the versions of guidance documents that apply to PDDs that are under determination.¹ The clarification considers five different documents providing guidance, guidelines and provisions for JI project developers (hereafter referred to as 'Guidance documents'). The clarification from the Secretariat stated that in absence of guidance from the JISC on when a new version come into effect, the most recent version has to be applied to all JI projects for which the determination according to Paragraph 33 of the JI guidelines has not yet deemed final by the JISC.

The JIAG wants to raise a **significant** concern on this clarification from the JI Secretariat. By retroactive applying new versions of the Guidance documents any PDD under determination may have to be revised. This could make obsolete all progress made up to that moment on determination and obtaining host country approval. Setting the determination process of a project back to the very start of determination could delay final determination of a project significantly. This does not only apply to projects that are in the process of determination but also to projects that are only waiting for the necessary approval from the Parties involved.

On the other hand, if host country approvals were already obtained, the impact on project determination may be even more severe. In that case the host country insists on a revision of its decision due to a change in the PDD and determination report. Due to the irrevocable character of an approval, the project host has no other option than to withdraw the project from the UNFCCC web-site and start the determination process from scratch with a 30 days publication

¹ See <http://ji.unfccc.int/Ref/Guida/reqClarifications.html>

of the PDD. The project host would also choose for this approach to avoid any risk that the host country refuses issuance of ERUs at a later stage.

The “Guidance on criteria for baseline setting and monitoring” have been changed twice. The second change was at JISC 18 (22-23 October 2009) with the adoption of version 02. At the same meeting also version 4 of the “Guidelines for users of the JI PDD form” was adopted.

All PDDs which have not finalized the determination and were published before the latest revision of the “Guidance on criteria for baseline setting and monitoring” will have to apply the new version. This concerns 197 (!) projects² for which the PDD was published before the 23rd of October 2009. For these projects the clarification from the Secretariat has the following consequences:

- The PDD should be changed the it makes reference to the version number of the guidance and guidelines and/or includes specific quotations from these guidance/guidelines and if the project is developed following a JI specific approach;
- If a positive determination has already been obtained, the determination report has to be updated. Most determination reports include a reference to the latest version and date of the PDD that was the basis of a positive determination opinion. Any update of a PDD, however insignificant, requires the a revision and reissuance of the determination report;
- Any changes to the determination report, requires a new Internal Technical Review.
- Some of the projects have already obtained a Letter of Approval from the Parties involved. Although any approval is in principle irrevocable, changes to the PDD and determination report could lead to issues with the host country and/or investor country, in particular during the issuance process.

The JIAG believes that this was not the intention of the JISC when adopting new versions of the JI guidance and guidelines.

The JIAG requests the JISC to provide guidance on when specific versions come into effect. We suggest introducing similar provisions as those that regulate the application of new versions of CDM methodologies. The version of the Guidance documents that applies to a JI project is the version that was applicable at the date of publication of the PDD for public stakeholder consultation under article 32 of the JI Guidelines, with a grace period of two months.

Yours sincerely,

Lennard de Klerk
JIAG Chair

² Article 8 of the JISC Report of the 18th JISC meeting held, dated 23 October 2009.

Annex 1: JIAG Members

JIAG members		
	Company	Nominated representative
1	Global Carbon (chair)	Mr. Lennard de Klerk
2	Climate Focus (secretariat)	Ms. Charlotte Streck, Mr. Jelmer Hoogzaad
3	Core Carbon Group	Mr. Morten Prehn Sorensen
4	Vertis Environmental Finance	Mr. James Atkins
5	Carbon Trade & Finance	Mr. Ingo Ramming
6	FutureCamp	Mr. Roland Geres
7	GreenStream Network	Ms. Hanna-Mari Ahonen

