



Joint Implementation Action Group

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

Subject: JIAG Recommendations for JISC 26

6 September 2011

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

The Joint Implementation Action Group (JIAG) would like to thank the JISC for the continuous progress on important action areas identified in the work plan for 2011.

The JIAG would like to share with you some suggestions and assessments, based on our analysis of the various draft documents that were made available as annexes to the agenda of the 26th meeting.

Annex 1: - Draft guidance on criteria for baseline setting and monitoring

JIAG welcomes the introduction of the “comparable cases” approach in the setting of the baselines and proving the additionality of the projects. We support the straightforward criteria identified for the demonstration of the comparability.

With regard to these specific criteria JIAG supports *Option 1* contained in *Article 12*. The reason is that *Option 2* is very restrictive and will undermine the usability of the whole approach. If JISC does decide to implement *Option 2* JIAG recommends to substantially increase the threshold for determining comparability of capacity – from five to one hundred percent.

JIAG also supports the revision of *Article 10* to increase the grace period of CDM methodology applicability to eight months.

JIAG also considers proposed changes to the *Article 18* that introduce quantitative thresholds for the consideration of leakages as appropriate.

It is the overwhelming opinion of the JIAG members that revisions introduced in the *Article 44 Annex I* regarding the issue of prior consideration should indicate that prior consideration is not a mandatory requirement of the JI mechanism. If the JISC decides otherwise and proposes that it is mandatory to provide evidence that the incentive from JI was seriously considered in the decision to proceed with the JI project then, given the current status of the JI and an approaching end of the first commitment period, we recommend that JISC aligns the proposed text in the Article 44 with previous materials on the subject (i.e. Guidelines for users of the joint implementation project design document form) to read as follows:

“It is mandatory to provide brief description of the JI component in the history of the project development.”

Annex 2 - Draft recommendations on options for building on the approach embodied in Joint Implementation

JIAG supports this comprehensive document and appreciates that inputs provided by the JIAG and its members as submissions for the JISC 25 and Call for inputs on the draft recommendations to the CMP have made its way into the document.

Annex 3 - Draft annual report of the Joint Implementation Supervisory Committee to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

JIAG welcomes this report as it summarizes the substantial progress achieved so far by the JISC in leading and developing the JI mechanism and contains important concerns about the continuation of JI in post-2012 environment.

Annex 4 – Information note regarding recommendations on amendments to the fee structure to cover administrative costs relating to activities of the JISC

JIAG recognizes the need for proper financing of the JISC’s activities and appreciates the analysis of the options to cover these costs presented in the abovementioned note. proposes additional options for the consideration of the JISC. In addition, the sustainable self-financing of the JISC can only be achieved under the condition that enough projects are being developed and presented for determination.

Therefore, the JISC should design a model that will suite the future operation regime of the JI in terms of applicability and taking into account possible increased volumes of activities. Increasing the fees in the current situation with a limited number of projects will not solve the financing difficulties of the JISC and will adversely affect the mechanism.

We propose that the JISC further considers increasing the fee for Track 1 projects only or streamlining it with the Track 2 fee structure. As substantial amount of the JI projects follow the Track 1 procedure while applying most of the Track 2 standards it seems only logical to streamline the levels of fees between the two Tracks.

Other areas of investigation may be the fees paid by the accredited independent entities (especially those that are deeply involved in Track 1 projects) for maintaining accreditation etc.

We trust you will find these suggestions useful and look forward to continue our support for JI in 2011 and beyond.

Yours sincerely,

Lennard de Klerk
JIAG Chair

Annexes
Annex I: JIAG Members

Annex I
JIAG Members

JIAG members		
	Company	Nominated representative
1	Global Carbon (chair)	Mr. Lennard de Klerk
2	Climate Focus (secretariat)	Mr. Jelmer Hoogzaad, Mr. Moritz von Unger
3	Vertis Environmental Finance	Mr. James Atkins
4	Carbon Trade & Finance	Mr. Ingo Ramming
5	FutureCamp	Mr. Roland Geres, Mr. Thomas Mühlpointner
6	GreenStream Network	Ms. Riikka Sipponen

