



Joint Implementation Action Group

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

Subject: Determination and verification fees for JI projects

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

Version 2 of the “Provisions for the charging of fees to cover administrative costs relating to the activities of the joint implementation supervisory committee” defines the fees that project participants and Independent Entities pay to cover the administrative costs of the JISC.

The provisions stipulate that upon submission of a determination report regarding a project design document, project participants make an advance payment on future fees during verification. The advance payment is calculated based on the expected annual amount of reductions, as average over the crediting period. The advance payment is capped at a maximum of USD 350,000. Projects expected to generate below 15,000 tCO₂e/year are exempt from the pre-payment.

If no verification report is submitted, any advance payment above USD 30,000 will be reimbursed. Projects with an average amount of reductions above 157,500 tCO₂e/year will have an advance payment exceeding that amount.

In the current fee structure large projects need to make a significant advance payment. On the other hand, particularly the implementation of large projects tends to take relatively long. This stretches the time between submission of the determination report and the first verification. In the meantime, the project developer can no longer allocate these financial means for project development, e.g. to attract finance for project implementation. In the current business environment where access to capital is difficult, this creates a barrier to JI project development. The JIAG is convinced that revising the fee structure will lower the entry barrier for JI projects developers under JI Track 2.

If a project does not materialise or verifications are not finalised at the JISCa question arises on when the project developer can request for a reimbursement of the refundable part of the advance payment. The current JI guidelines do not clarify this.

The JIAG kindly asks the JISC to consider capping the advance payment to a USD 30,000 fixed fee. This advance payment is not reimbursable in the absence of final verifications.

With kind regards,

Lennard de Klerk
JIAG Chair

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	Camco International	Mr. Charles Purshouse
5	Vertis Environmental Finance	Mr. James Atkins
6	Carbon Trade and Finance	Mr. Ingo Ramming
7	FutureCamp	Mr. Roland Geres
8	GreenStream Network	Mr. Jussi Nykanen