

Joint Implementation Supervisory
Committee (JISC)

UNFCCC Project-Based Mechanisms
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Berlin	13 April 2006	

Subject: Call for public input on draft JI PDD form and draft guidelines for users

Dear JISC,

With regard to your call for input on the draft JI PDD, I am pleased to send you the input from Global Carbon B.V., a developer of JI projects.

Section B: Baseline Scenario and Additionality

JI projects take place in Annex I countries and it is *highly likely that by 2012* all Annex I countries will have met the requirements to establish a capped environment. Therefore the guidelines for baselines setting can be less rigorous when it comes to proving the additionality of the project.

The big advantage of JI Track 2 is the fact that will provide an international agreed set of rules. The carbon market would benefit from a well established JI Track 2 procedure as it provides a seller and buyer an independent stamp of approval and therefore more certainty.

In section B.1 of the PDD the baseline scenario has to be established. In our opinion, a similar approach in establishing the baseline scenario should be used as in CDM. For many JI projects CDM methodologies can be used that give clear instructions how to establish the baseline scenario. But we would also recommend the JISC to allow project developers to use the key factor analysis of the ERUPT programme.

In section B.2 of the PDD the additionality of the project should be proved. Given the fact that JI projects will take place in a capped environment, in our opinion the project developer should only prove that the emissions of the project scenario are below the emissions of the baseline scenario. A separate additionality test as required in CDM should not be required. Please note that elements of the Additionality Tool appear in many CDM methodologies to establish the baselines scenario.

One could argue that in these cases it is better to use *JI Track 1* instead. However, Track 1 requires both Parties to set-up its own guidelines and entities to validate and verify projects. This will require a substantial effort of all Annex I Parties. Before *JI Track 1* uncertainties have been settled, the window of opportunity for *JI* will be closed.

Hence the JISC has a great opportunity at this moment to set-up *JI Track 2* that combines the best of two worlds: the experience of CDM and the flexibility of *JI*.

Section G: Stakeholders' comments

To include stakeholders' comments in the PDD is not required by the Marrakech Accords. Although the draft PDD indicate that stakeholders' comments are not obligatory, leaving this section blank could give the impression that the project developer has something to 'hide'. In many case stakeholders' consultation is done later or the project has a negligible impact. We would therefore advice the JISC to remove section G to avoid confusion.

Early Movers

Many *JI* projects have already been developed and determined by entities accredited under the CDM. We would like to urge the JISC not to require determined projects to rewrite and reformat the PDD, but only add missing information where applicable. A re-determination should also not be necessary, unless the Independent Entity would think differently.

Furthermore we support the suggestions of other stakeholders to develop multi-project baselines for *JI* projects.

Sincerely yours,

Lennard de Klerk