

May 20, 2009

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Honorable Members of the Joint Implementation Supervisory Committee,

We would like to express our appreciation for the opportunity to submit our views and inputs for the *Draft Guidance on Programme of Activities under the Verification Procedure under the Joint Implementation Supervisory Committee*. In our views, the *Draft Guidance* constitutes an important achievement of the JISC. Efficient and pragmatic development of JISC Guidance for JI PoAs may provide further incentive to the “Track 2” JI activities. We believe that the development of JI PoAs can greatly benefit from the flexibility and specific features of JI as they are defined in the *JI Guidelines*<sup>1</sup>, JISC guidance, and reiterated in the *Additional guidance on the implementation of Article 6 of the Kyoto Protocol* by CMP.4.

Our inputs contain comments and suggestions on selected key sections of *Draft Guidance*. We are looking forward to the opportunity to comment on the draft glossary of terms relative to the JI PoAs, as well as on the eventual draft for JI PoAs Design Document when available.

We would be happy to provide clarifications and contribute to further discussions on these topics if the JISC finds this helpful.

With kind regards,



Neeraj Prasad  
Carbon Finance Unit  
The World Bank

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<sup>1</sup> Decision 9/CMP.1 *Guidelines for the implementation of Article 6 of the Kyoto Protocol*, and its Annex B *Criteria for baseline setting and monitoring*.

Section of the Draft Guidance	Comments
<p>2. <u>General principles</u></p>	
<p>(8) <i>The physical boundary of a JI PoA may cover more than one country.</i></p>	<p>It is suggested that the definition of a project boundary of a JI PoA should be interpreted not only as having a specific geographical location, but in a more flexible manner to allow other identification parameters that would better take into account of a variety of programme designs and types of JPAs.</p> <p>The boundary of a JPA in some cases could be defined on the basis of other parameters:</p> <ul style="list-style-type: none"> <li>• Technical characteristics of a JPA - defined as purchase of equipment with pre-specified technical parameters;</li> <li>• Time period - a JPA being identified as a set of activities implemented in a specified period of time (e.g. monitored by dated invoices);</li> <li>• Implementing institutions - a JPA being identified as a set of activities/customers managed and/or financed by an individual institution.</li> </ul> <p>Unambiguous identification of each JPA is still ensured to avoid double counting. At the same time, the expanded definition would allow greater homogeneity of the equipment population, period of usage or user characteristics within a JPA, resulting in a greater confidence in the sample data.</p>
<p>(10) <i>Arrangements related to communication and distribution of ERUs under a JI PoA shall be done between the project participants of the JI PoA and the coordinating entity.</i></p>	<p>It is suggested that depending on the agreement between the project participants, any participating entity, including the coordinating entity could be designated for communication with JISC and distribution of ERUs between project participants. This is to avoid delays and risks in case when the coordinating agency does not have sufficient capacity or experience of the JI procedures and of the modalities of ERUs issuance and transfer.</p>
<p>(12) <i>A JPA is qualified to be a small scale (SSC) type if a total size of a JPA does not exceed the limits for SSC.</i></p>	<p>It is suggested that the JISC clarifies that a SSC JI PoA should be considered and treated as SSC JI project to ensure that simplified approaches are equally available to SSC JI PoA.</p>
<p>2. <u>Baseline setting and monitoring</u></p> <p>(21) <i>A JI PoA-DD shall define the type of information that is to be provided for each JPA to ensure that additionality, baseline and monitoring are unambiguously</i></p>	<p>It is suggested that the additionality demonstration for the JI PoA as a whole should be considered sufficient and need not be repeated for each individual JPA. There should be a provision for allowing that, if a JPA is eligible to join a JI-PoA, it is additional. The following are</p>

<p><i>defined for each JPA.</i></p>	<p>possible examples:</p> <ul style="list-style-type: none"> <li>• JI PoA that is financed, managed, implemented and monitored by the Coordinating/ Managing Entity;</li> <li>• JPAs represent a set of homogeneous groups of activities identical to the project activities already finally determined.</li> </ul>
<p><u>5&amp;6. Determination and verification</u></p> <p><i>(22) The procedures for determination regarding a JI PoA-DD shall be the same as for a PDD for a JI project referred to in the JI guidelines and all relating documents approved by the JISC.</i></p> <p><i>(29) The procedure for verification of a JI PoA shall be the same as for a JI project referred to in the JI guidelines and all relating documents approved by the JISC.</i></p>	<p>In principle, the <i>JI guidelines</i> and JISC Guidance provide sufficient flexibility in terms of e.g. baseline setting as a multi-project baseline and approaches for the demonstration of additionality.</p> <p>At the same time, the determination and verification procedures for JI PoA should take into account the specificities of baseline setting and monitoring for programs that may differ from the approaches made available by the <i>JI Guidelines</i> and JISC Guidance for individual activities.</p> <p>We would like to welcome the JISC suggestion to include a separate section for JI PoA in a DVM recognizing the specific needs of JI PoA in order to avoid overburdening the determination and verification procedures for programs and rationalize the correspondent transaction costs.</p>
<p><u>7. Fees</u></p> <p><i>(31) For each JPA subsequently added, an associated fee is to be paid at the time of the coordinating entity informs the JISC of the addition.</i></p>	<p>It is suggested that JISC consider waiving additional fees for the subsequent additional JPAs. In fact, no incremental effort of processing subsequent JPA(s) should be required from the JISC in case of addition of a subsequent JPA(s) identical to a set of JPA(s) already finally determined by the JISC.</p>