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To JI-info@unfccc.int (uploaded on JI interface)
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Page 1/2
Subject **Call for public inputs on
baseline setting and monitoring**

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Honorable Members of the JI Supervisory Committee,

We appreciate the initiative of the JISC to get the view of stakeholders on the draft "Guidance on criteria for baseline setting and monitoring" as the three issues put forward are of core relevance with regard to integrity and practicality of Joint Implementation. Clear unambiguous guidance is of utmost importance, not only but in particular for AIEs when performing determinations.

Please find below our views on the three issues raised:

- a) *Whether and how comparable cases should be defined in the context of a JI specific approach already taken in comparable cases*

To facilitate and enhance comparability in determining approaches amongst AIEs we support the need for clear regulations in the context of acceptable references to comparable cases. To accommodate practical challenges and to ensure sufficient flexibility we suggest to limit the definition to guidance that sets verifiable ranges for selected parameters which would (automatically or likely) qualify for being a comparable case (i.e. +/- 5 % in power output / capacity increase / boundary / leakage etc). If the specific case is beyond such a comparability range the PP would have to explain and the AIE to validate the arguments provided before accepting any reference to a comparable case.

- b) *Whether the 'de minimis rules' should be used to define the project boundary and estimating leakage and how such rules should relate to the concept of JI*

It is understood, that 'de minimis rules' do not support and justify any omissions of data reporting but refer to the acceptance of estimations in case no material impact has to be expected by applying these rules. Hence, and as long as the application of the 'de minimis' rules to define the project boundary and estimating leakage does not affect the assessment of the additionality of the JI track 2 project under consideration, we fully support the use of this concept to define the project boundary and estimating leakage. The concept of "de minimis" rules should be a standard approach when determining a JI project as it relates to materiality.

c) *Whether the concept of prior consideration of JI should apply under the Track 2 procedure.*

The concept of prior consideration is understood as a core element to ensure environmental integrity also in JI track 2 (especially in countries which do not fulfill all reporting requirements). We therefore wish to refer to the detailed input by DOE/AIE Forum for JISC25 dated 5 May 2011. In our submission we presented four lines of arguments why the concept of prior consideration of JI has been considered as an integral part of JI standards, guidance and forms for many years:

1. Prior consideration is imbedded in paragraph 3 of Additionality Tool Version 05.2. If additionality is demonstrated by using the above tool, as envisaged in JI Guidance on criteria for baseline setting and monitoring Version 02 Annex 1 paragraph 2(c), then the tool's paragraph 3 has to be taken into account.

2. JI Guidelines for users of JI PDD Form require to "briefly summarize the history of the project (incl. its JI component)". The history of JI component has to report about the beginning which has to be included in the scope of determination by the AIE. This is/can be regarded as the determination of prior consideration in JI terms.

3. According to JI Guidelines for users of the JI PDD Form, "Starting date of the project" should be indicated in PDD Section C.1 in terms as follows: "The starting date of a JI project is the date on which the implementation or construction or real action of the project begins". Once the starting date is indicated in PDD Section C.1, an AIE will request to provide evidence that the project at hand is the JI project from the standpoint of the project participant.

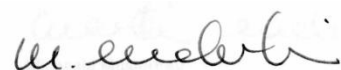
4. Guidance on criteria for baseline setting and monitoring Version 02 paragraph 24 instructs that "a baseline shall be identified by listing and describing plausible future scenarios on the basis of conservative assumptions and selecting the most plausible one". Logically, for project participants, scenarios can only be regarded as referring to the future if they were identified before the start of the project activity. **This again presumes that JI should be considered before the start of the project activity and evidence has to be provided to the AIE (otherwise the project itself has become the baseline and therefore cannot be considered as additional).**

Finally, given that ERUs are traded in the same market as CERs lowering the standard in JI track 2, especially for projects in countries that do not qualify for JI track 1, would have negative credibility impacts not only on JI, but also on CDM and the UNFCCC compliance carbon market over all.

We therefore are of the view that prior consideration of JI is an inherent element of the additionality concept and therefore should strictly apply under JI track 2 - unambiguous guidance is required by JISC.

We trust that our views expressed are helpful to continue and further expand JI as a credible and effective market based instrument. We are looking forward to further contributing on this matter.

Kind regards,



Martin Enderlin
Co-Chair of the DOE/AIE Forum