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FRAMEWORK CONVENTION ON CLIMATE CHANGE - Secretariat CONVENTION - CADRE SUR LES CHANGEMENTS CLIMATIQUES - Secrétariat

Date:

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Reference:

JSK/OB/axh

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Mr. Leonid Yaskin General Director CJSC Bureau Veritas Certification Rus

Dear Mr. Yaskin,

On behalf of the Joint Implementation Supervisory Committee (JISC), I would like to thank you for your message requesting clarification regarding track switching and ITL numbers. In accordance with the procedures for requests for clarification under the verification procedure under the JISC (version 01), the Vice-Chair of the JISC, instructed the secretariat to answer on behalf of the JISC.

First, it is important to clarify that neither the JISC nor the part of the secretariat supporting JISC and Track 2 have responsibilities with respect to the JI Track 1 process, except for what was decided through decision 3/CMP.3, which requests "the secretariat...to develop a web-based interface that shall be used by designated focal points of Parties that have provided information in accordance with paragraph 20 of the joint implementation guidelines..." and also requests the secretariat to provide transparent project information, receive JI project identifiers through the JI information system and provide information to the international transaction log (ITL). On the basis of this mandate, the secretariat developed the interface to be used by designated focal points (DFPs) of countries that have informed the secretariat of their national guidelines and procedures for approving JI projects for the operations mentioned above.

According to paragraph 23 of the JI guidelines, a Host party that meets the eligibility requirements for track 1 may verify reductions in emissions from a JI project as being additional to any that would otherwise occur. Upon such verification, the host Party may issue the appropriate quantity of ERUs in accordance with the relevant provisions of decision 13/CMP.1. When corroborated with paragraph 25 of the same document, which says that "a host Party which meets the eligibility requirements may at any time elect to use the verification procedure under the JISC", your interpretation that a JI project whose determination has been deemed final under Track 2, may select to use either Track 2 or Track 1 for verification of emission reductions and issuance of ERUs is correct.

However, in order to use Track 1 approach for a verification of ERUs generated by a JI project, the respective project must be registered as a Track 1 project by the DFP of the host Party (notwithstanding that the same project has already been deemed final by the JISC under the Track 2 approach). In this situation, the respective JI project will receive through the JI Info-System a project identifier which will be recognized by the International Transaction Log as generated for a JI Track 1 project. This project identifier will be used by the host Party DFP to convert AAUs into ERUs in the national registry for the respective JI project in accordance with the host Party's national procedures and guidelines. As a result, ERUs issued by the host Party under Track 1 will be differentiated from the

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ERUs issued for a Track 2 project, which will enable any interested person participating in the carbon market to distinguish between ERUs by host Party and by Track.

Finally, it is also important to highlight that it is the interest of both Parties and stakeholders to provide transparent information regarding JI projects, especially regarding Track 1 projects registered by the host Parties. In case the same JI project is registered as both Track 1 and Track 2, we strongly recommend that the respective DFP inform the secretariat about the situation. In this context, please note that regardless of track, the project should have a unique name. To avoid confusion, we therefore recommend adding text in the project title to identify it as a track 1.

Thank you again for contacting the JISC with your request for clarification.

Sincerely,

John Kilani

Secretary of the Joint Implementation Supervisory Committee