

**Annex 2**

**DRAFT GUIDELINES FOR USERS OF THE
JOINT IMPLEMENTATION PROJECT DESIGN DOCUMENT FORM
FOR SMALL-SCALE PROJECTS
AND THE FORM FOR SUBMISSION OF
BUNDLED JOINT IMPLEMENTATION SMALL-SCALE PROJECTS (VERSION 02)**

Note by the secretariat

1. In paragraph 14 of decision -/CMP.2 (*Guidance on the implementation of Article 6 of the Kyoto Protocol*), the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP), at its second session, amended the thresholds for joint implementation small-scale (JI SSC) projects in accordance with the revised thresholds for SSC project activities under the clean development mechanism (CDM) as defined in decision -/CMP.2 (*Further guidance relating to the clean development mechanism*).
2. In line with this amendment, the secretariat prepared:
 - (a) Draft provisions for JI SSC projects (version 02); and
 - (b) Draft guidelines for users of the JI project design document (PDD) form for SSC projects and the form for submission of bundled JI SSC projects (version 02).
3. The documents referred to in paragraph 2 above were prepared:
 - (a) In consultation with the Chair of the JISC;
 - (b) Taking into account inputs by Mr. Castro, Ms. Gaye, Mr. Sokolov and Mr. Trusca, the JISC members (including alternate members) who had already been involved in the development of version 01 of the documents mentioned above; and
 - (c) Considering the treatment of SSC project activities under the CDM.
4. Below the changes in comparison to version 01 of the guidelines for users of the JI PDD form for SSC projects and the form for submission of bundled JI SSC projects are clearly indicated.



**GUIDELINES FOR USERS OF THE
JOINT IMPLEMENTATION PROJECT DESIGN DOCUMENT FORM
FOR SMALL-SCALE PROJECTS
AND THE FORM FOR SUBMISSION OF
BUNDLED JOINT IMPLEMENTATION SMALL-SCALE PROJECTS**

Version 024

<i>Revision history of the document</i>		
Document version	Adoption	Revision
Version 01	JISC 05 ¹	Initial adoption of the document developed on the basis of paragraphs 2 (d), (e) and (f) of decision 10/CMP.1
Version 02	JISC 06	Revision to reflect the amendment of the thresholds for type II and type III joint implementation small-scale (SSC) projects in paragraph 14 of decision -/CMP.2 (<i>Guidance on the implementation of Article 6 of the Kyoto Protocol</i>) in line with the revised thresholds for SSC project activities under the clean development mechanism as defined in paragraph 28 of decision -/CMP.2 (<i>Further guidance relating to the clean development mechanism</i>)

¹ Fifth meeting of the Joint Implementation Supervisory Committee



CONTENTS

	Page
PART I (General guidance)	
A. General information on the joint implementation project design document form for small-scale projects and the form for submission of bundled joint implementation small-scale projects.....	32
B. Glossary of joint implementation small-scale terms.....	54
PART II (Joint implementation project design document form for small-scale projects)	
A. Information note for the joint implementation project design document form for small-scale projects.....	144
3	
B. Specific guidelines for users of the joint implementation project design document form for small-scale projects.....	164
5	
PART III (Form for submission of bundled joint implementation small-scale projects)	
A. Information note for project bundling, including the form for submission of bundled joint implementation small-scale projects.....	292
8	
B. Specific guidelines for users of the form for submission of bundled joint implementation small-scale projects.....	313
0	



PART I

A. General information on the joint implementation project design document form for small-scale projects and the form for submission of bundled joint implementation small-scale projects

1. These guidelines are to assist users of the joint implementation project design document form for small-scale projects (JI SSC PDD form) and the form for submission of bundled joint implementation small-scale projects (F-JI-SSC-BUNDLE).
2. The JI SSC PDD form and the F-JI-SSC-BUNDLE were elaborated by the Joint Implementation Supervisory Committee (JISC) in accordance with decisions 16/CP.7 and 10/CMP.1 and the guidelines for the implementation of Article 6 of the Kyoto Protocol as contained in decision 9/CMP.1 and the annex thereto (hereinafter referred to as JI guidelines).
3. Project participants that wish to submit a project design document (PDD) for a JI small-scale (JI SSC) project to an AIE under the verification procedure under the JISC, as defined in the JI guidelines, paragraphs 30–45, shall submit a completed JI SSC PDD form. If proposed JI SSC projects are to be bundled a completed F-JI-SSC-BUNDLE shall be submitted to the AIE.
4. The JI SSC PDD form and the F-JI-SSC-BUNDLE can be obtained electronically from the JI section of the UNFCCC website (<http://ji.unfccc.int/>) or by e-mail (ji-info@unfccc.int) or in printed format from the UNFCCC secretariat (fax: +49 228 815 1999).
5. Terms, which are underlined with a broken line in the JI SSC PDD form or the F-JI-SSC-BUNDLE, are explained in the “Glossary of joint implementation small-scale terms” which is included in these guidelines. Users of the JI SSC PDD form and the F-JI-SSC-BUNDLE are strongly recommended to consult the most recent version of the glossary.
6. Project participants should also consult the section “Guidance / Clarifications” of the JI section of the UNFCCC website (<http://ji.unfccc.int/>). Its contents may also be obtained from the UNFCCC secretariat (e-mail: ji-info@unfccc.int, fax: +49 228 815 1999).
7. The JISC may revise the JI SSC PDD form or the F-JI-SSC-BUNDLE, if necessary. Revisions come into effect once adopted by the JISC, bearing in mind the provisions below.
8. Revisions of the JI SSC PDD form or the F-JI-SSC-BUNDLE do not affect projects the PDD of which:
 - (a) Has already been used as the basis for a determination by an AIE; or
 - (b) Has already been submitted to an AIE for determination prior to the adoption of the revised JI SSC PDD form or F-JI-SSC-BUNDLE; or
 - (c) Is submitted to an AIE within a month following the adoption of the revised JI SSC PDD form or F-JI-SSC-BUNDLE.
9. The JISC will not accept documentation using the previous version of the JI SSC PDD form or the F-JI-SSC-BUNDLE six months after the adoption of a new version.



10. In accordance with the JI guidelines, the working language of the JISC is English. The JI SSC PDD form and the F-JI-SSC-BUNDLE shall therefore be completed and submitted in English.
11. The JI SSC PDD form and the F-JI-SSC-BUNDLE shall not be altered. They shall be completed without modifying/adding headings, logo, format or font. Tables shall not be modified or deleted. However, rows may be added as needed.
12. The completed JI SSC PDD form and F-JI-SSC-BUNDLE shall include in section A.1. the version number and the date of the document.
13. If a section of the JI SSC PDD form or the F-JI-SSC-BUNDLE is not applicable, it shall be explicitly stated that the section is left blank on purpose.
14. The JI SSC PDD form and the F-JI-SSC-BUNDLE are applicable to JI SSC projects only.



B. Glossary of joint implementation small-scale terms

Joint implementation (JI) means the mechanism referred to in Article 6 of the Kyoto Protocol. “For the purpose of meeting its commitments under Article² 3, any Party³ included in Annex I may transfer to, or acquire from, any other such Party emission reduction units resulting from projects aimed at reducing anthropogenic emissions by sources or enhancing anthropogenic removals by sinks of greenhouse gases in any sector of the economy, provided that:

- (a) Any such project has the approval of the Parties involved;
- (b) Any such project provides a reduction in emissions by sources, or an enhancement of removals by sinks, that is additional to any that would otherwise occur;
- (c) It does not acquire any emission reduction units if it is not in compliance with its obligations under Articles 5 and 7; and
- (d) The acquisition of emission reduction units shall be supplemental to domestic actions for the purposes of meeting commitments under Article 3.”⁴

The Conference of the Parties (COP), by its decision 16/CP.7, recommended the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP) to adopt, at its first session, a decision on guidelines for the implementation of Article 6 of the Kyoto Protocol. Accordingly, the COP/MOP adopted decision 9/CMP.1.

The following glossary of JI SSC terms is meant to facilitate the completion of the JI SSC PDD form and the F-JI-SSC-BUNDLE. It takes up general JI terms with specific relevance for JI SSC projects, elaborates on them in a JI SSC context, as appropriate, and defines additional terms applicable to JI SSC projects only. This glossary shall be used taking into account the guidance on criteria for baseline setting and monitoring and the provisions for JI SSC projects developed by the JISC in accordance with paragraph 2 (f) of decision 10/CMP.1.⁵

² In this glossary, the term “Article” refers to an Article of the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC), unless the context otherwise indicates.

³ In this glossary, the term “Party” means, unless the context otherwise indicates, a Party to the Kyoto Protocol. “Party included in Annex I” (also “Annex I Party”) means a Party which is included in Annex I to the UNFCCC, as may be amended, or a Party which has made a notification under Article 4, paragraph 2 (g), of the UNFCCC, and which has ratified the Kyoto Protocol.

⁴ Article 6, paragraph 1, of the Kyoto Protocol.

⁵ **The thresholds for JI SSC projects were amended in paragraph 14 of decision -/CMP.2 (Guidance on the implementation of Article 6 of the Kyoto Protocol).**



Terms in alphabetical order

Accredited independent entity (AIE)

An entity accredited by the JISC in accordance with standards and procedures contained in appendix A of the JI guidelines. Under the verification procedure under the JISC, defined in paragraphs 30–45 of the JI guidelines, an AIE is responsible for the determination of whether a project and the ensuing reductions of anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks meet the relevant requirements of Article 6 of the Kyoto Protocol and the JI guidelines.

Decision 10/CMP.1, paragraph 3, stipulates:

- Designated operational entities (DOEs) under the clean development mechanism (CDM) may act provisionally as AIEs under Article 6 until the JISC has approved its procedures for accreditation;
- Those DOEs that apply for accreditation under the approved procedures for accreditation may continue to act provisionally as AIEs until a final accreditation decision is taken;
- The determinations and relevant activities undertaken under these provisions shall be valid only after the accreditation of the independent entity is finalized.

Attributable

See “*Measurable and attributable*”.

Authorization of a legal entity to participate in a JI project

See “*Project approval by the Parties involved*”.

Baseline

The scenario that reasonably represents the anthropogenic emissions by sources or anthropogenic removals by sinks of greenhouse gases (GHGs) that would occur in the absence of the proposed JI project.

Criteria for baseline setting are listed in appendix B of the JI guidelines:

- A baseline shall cover emissions from all gases, sectors and source categories listed in Annex A of the Kyoto Protocol, and anthropogenic removals by sinks, within the project boundary;
- A baseline shall be established:
 - (a) On a project-specific basis and/or using a multi-project emission factor;
 - (b) In a transparent manner with regard to the choice of approaches, assumptions, methodologies, parameters, data sources and key factors;
 - (c) Taking into account relevant national and/or sectoral policies and circumstances, such as sectoral reform initiatives, local fuel availability, power sector expansion plans, and the economic situation in the project sector;
 - (d) In such a way that emission reduction units (ERUs) cannot be earned for decreases in activity levels outside the project activity or due to force majeure;



(e) Taking account of uncertainties and using conservative assumptions;

- Project participants shall justify their choice of baseline.

According to paragraph 3 (d) of the JI guidelines, the JISC is responsible for the review and revision of reporting guidelines and criteria for baselines and monitoring in appendix B of the JI guidelines, for consideration by the COP/MOP, giving consideration to relevant work of the Executive Board of the CDM, as appropriate. Moreover, decision 10/CMP.1, paragraph 2 (f), stipulates that the JISC shall develop, as soon as possible, guidance with regard to appendix B of the JI guidelines, including provisions for SSC projects as defined in paragraph 6 (c) of decision 17/CP.7⁶, as appropriate.

A baseline has to be set in accordance with appendix B of the JI guidelines and further guidance on criteria for baseline setting and monitoring developed by the JISC.

According to decision 10/CMP.1, paragraph 4 (a), project participants may, but are not obliged to, apply methodologies for baselines and monitoring, including methodologies for small-scale project activities, approved by the Executive Board of the CDM, under JI, as appropriate. Baseline and monitoring methodologies approved by the Executive Board are publicly available, together with relevant guidance, on the UNFCCC CDM website (<http://cdm.unfccc.int>) or through a written request sent to the secretariat by e-mail (cdm-info@unfccc.int) or fax (+49 228 815 1999).

In the case of a JI SSC project, which is a JI project aimed at reducing anthropogenic emissions by sources, the baseline relates to emissions by sources within the project boundary.

Bundle

See “*Bundling*”.

Bundled

See “*Bundling*”.

Bundling

The bringing together of projects meeting the relevant JI SSC threshold(s) and not being a debundled component of a large project at various stages in the project cycle under the verification procedure under the JISC, i.e. PDD, determination referred to in paragraph 33 of the JI guidelines, monitoring and determination referred to in paragraph 37 of the JI guidelines. Bundled JI SSC projects may, but do not necessarily, pertain to the same SSC project category. All projects in the bundle shall:

- (a) Have the same crediting period; and
- (b) Comply with the provisions for JI SSC projects developed by the JISC, in particular the relevant JI SSC threshold(s); and
- (c) Retain their distinctive characteristics (i.e. location, technology/measure etc.).

The composition of a bundle shall not change over time.

⁶ **The thresholds for JI SSC projects were amended in paragraph 14 of decision -/CMP.2 (Guidance on the implementation of Article 6 of the Kyoto Protocol).**

**Confidential/proprietary information**

In accordance with paragraph 40 of the JI guidelines, information obtained from project participants marked as proprietary or confidential shall not be disclosed without the written consent of the provider of the information, except as required by applicable national law of the host Party. Information used to determine whether reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks are additional, to describe the baseline methodology and its application, and to support an environmental impact assessment referred to in paragraph 33 (d) of the JI guidelines, shall not be considered as proprietary or confidential.

Crediting period

The period for which reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks may be determined by an AIE.

Projects starting as of 2000 may be eligible as JI SSC projects if they meet the requirements of the JI guidelines. ERUs shall only be issued for a crediting period starting after the beginning of 2008. The project participants shall choose the starting date of the crediting period to be on or after the date the first emission reductions are generated by the JI SSC project. The crediting period shall not extend beyond the operational lifetime of the project. The end of the crediting period can be after 2012 subject to the approval by the host Party. The status of emission reductions generated by JI SSC projects after the end of the first commitment period may be determined by any relevant agreement under the UNFCCC.

Debundled

See “*Debundling*”.

Debundling

The fragmentation of a large project into smaller parts. As a general rule, a debundled component of a large project is not eligible to benefit from the specific provisions for JI SSC projects.

A proposed JI SSC project shall be deemed to be a debundled component of a large project if there already exists a JI (SSC) project with a publicly available determination in accordance with paragraph 34 of the JI guidelines:

- Which has the same project participants; and
- Which applies the same technology/measure and pertains to the same project category⁷; and
- Whose determination has been made publicly available in accordance with paragraph 34 of the JI guidelines within the previous 2 years; and
- Whose project boundary is within 1 km of the project boundary of the proposed JI SSC project at the closest point.

If a proposed JI SSC project is deemed to be a debundled component of a large project, but both together, the component and the other JI (SSC) project(s), do not exceed the thresholds for JI SSC projects, the component can be regarded as a JI SSC project and benefit from the relevant provisions.

⁷ The second part of this sentence applies if the already existing project is a JI SSC project.



Determination

Under the verification procedure under the JISC, defined in paragraphs 30–45 of the JI guidelines, an AIE is responsible for the determination of whether a project and the ensuing reductions of anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks meet the relevant requirements of Article 6 of the Kyoto Protocol and the JI guidelines.

Determinations of reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks pursuant to paragraph 37 of the JI guidelines are also referred to as verifications, whereas determinations pursuant to paragraph 33 of the JI guidelines regarding PDDs are also simply referred to as determinations (in the narrower sense of the term).

Emission reduction unit (ERU)

A unit issued pursuant to the relevant provisions in the annex to decision 13/CMP.1 and equal to one metric tonne of carbon dioxide (CO₂) equivalent, calculated using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5 of the Kyoto Protocol.

Host Party

A Party on the territory of which the JI project is physically located. A project located in several countries has several host Parties.

Leakage

The net change of anthropogenic emissions by sources and/or removals by sinks of GHGs which occurs outside the project boundary, and that is measurable and attributable to the JI project.

In the case of JI SSC projects, leakage only has to be considered within the boundaries of non-Annex I Parties, if applicable.

Measurable and attributable

In an operational context, the term “that is measurable and attributable” in paragraph 4 (f) of appendix B of the JI guidelines should be read as “that can be measured and is directly attributable”.

Monitoring

The collection and archiving of all relevant data necessary for:

- estimating or measuring anthropogenic emissions by sources and/or anthropogenic removals by sinks of GHGs occurring within the project boundary during the crediting period and
- determining the baseline of anthropogenic emissions by sources and/or anthropogenic removals by sinks of GHGs within the project boundary during the crediting period, as well as

the identification of all potential sources of, and the collection and archiving of data on, increased anthropogenic emissions by sources and/or reduced anthropogenic removals by sinks of GHGs outside the project boundary that are significant and reasonably attributable to the project during the crediting period.

Appendix B of the JI guidelines defines criteria for baseline setting and monitoring.



According to paragraph 3 (d) of the JI guidelines, the JISC is responsible for the review and revision of reporting guidelines and criteria for baselines and monitoring in appendix B of the JI guidelines, for consideration by the COP/MOP, giving consideration to relevant work of the Executive Board of the CDM, as appropriate. Moreover, decision 10/CMP.1, paragraph 2 (f), stipulates that the JISC shall develop, as soon as possible, guidance with regard to appendix B of the JI guidelines, including provisions for SSC projects as defined in paragraph 6 (c) of decision 17/CP.7⁸, as appropriate.

A JI SSC PDD shall include a monitoring plan which has to be established in accordance with appendix B of the JI guidelines and further guidance on criteria for baseline setting and monitoring as well as the provisions for JI SSC projects developed by the JISC.

According to decision 10/CMP.1, paragraph 4 (a), project participants may, but are not obliged to, apply methodologies for baselines and monitoring, including methodologies for small-scale project activities, approved by the Executive Board of the CDM, under JI, as appropriate. Baseline and monitoring methodologies approved by the Executive Board are publicly available, together with relevant guidance, on the UNFCCC CDM website (<http://cdm.unfccc.int>) or through a written request sent to the secretariat by e-mail (cdm-info@unfccc.int) or fax (+49 228 815 1999).

Monitoring plan

See “Monitoring”.

Operational lifetime of a project

The period during which the project is in operation. The crediting period shall not extend beyond the operational lifetime of the project.

Party involved

A Party that provides a project approval in accordance with paragraph 31 (a) of the JI guidelines, in written form.

Project

A measure, operation or action aimed at reducing anthropogenic emissions by sources and/or enhancing anthropogenic removals by sinks of GHGs.

A JI SSC project is a project aimed at reducing anthropogenic emissions by sources of GHGs that meets the thresholds referred to below. Three types of JI SSC projects are defined:

(a) Type I JI SSC projects: renewable energy projects with a maximum output capacity ~~equivalent~~ of up to 15 megawatts (MW) (or an appropriate equivalent):

- “Maximum output capacity” is defined as installed/rated capacity, as indicated by the manufacturer of the equipment or plant, disregarding the actual load factor of the plant;
- “15 megawatts” is defined as 15 MW(e)⁹. “Appropriate equivalent” is defined as appropriate equivalent of 15 MW(e). Project proposals may also refer to MW(p) or MW(th). In these cases an appropriate conversion factor to MW(e) has to be applied;¹⁰

⁸ **The thresholds for JI SSC projects were amended in paragraph 14 of decision -/CMP.2 (Guidance on the implementation of Article 6 of the Kyoto Protocol).**

⁹ (e) denominates electric, (p) peak and (th) thermal.



(b) Type II JI SSC projects: energy efficiency improvement projects which reduce energy consumption, on the supply and/or demand side, by up to ~~the equivalent of 1560~~ gigawatt hours (GWh) per year **(or an appropriate equivalent)**:

- “Energy efficiency improvement” is the improvement in the service provided per unit power, i.e. projects which increase unit output of traction, work, electricity, heat and/or light per MW input are energy efficiency improvement projects;
- The reduction of energy consumption is measured in watt-hours with reference to a baseline. Lower consumption as a result of lower activity shall not be taken into consideration;
- Demand side, as well as supply side, projects shall be taken into consideration, provided that a project results in a reduction of maximum ~~1560~~ GWh per year;
- **“60 gigawatt hours ” is defined as 60 GWh(e). “Appropriate equivalent” is defined as appropriate equivalent of 60 GWh(e) and is calculated applying an appropriate conversion factor;**

(c) Type III JI SSC projects: other projects that ~~both reduce anthropogenic emissions by sources and directly emit less than 15~~ **result in emission reductions of less than or equal to 60** kilotonnes (kt) of CO₂ equivalent annually:

- Type III JI SSC projects ~~shall not exceed total direct emissions of 15 kt of CO₂ equivalent annually, and must reduce GHG emissions~~ **are limited to projects that result in emission reductions of less than or equal to 60 kt CO₂ equivalent annually;**
- They could include, inter alia, agricultural projects, fuel switching, industrial processes and waste management.

The three types of JI SSC projects referred to above are mutually exclusive. If a JI project includes more than one JI SSC project type component, it can benefit from the specific provisions for JI SSC projects, if each component meets the relevant threshold criterion, i.e. for a project with both a renewable energy and an energy efficiency component the thresholds for type I and type II JI SSC projects have to be met.

In the JI SSC PDD it has to be shown that the proposed JI SSC project meets the relevant JI SSC threshold(s) during the whole crediting period. The same applies to all proposed JI SSC projects which are to be bundled. If during any monitoring period relevant thresholds are exceeded on an annual average basis, this shall be determined by the AIE and ERUs shall only be issued up to the maximum emission reduction level estimated for the JI SSC project for that period in the JI SSC PDD, or, in the case of a bundle, estimated for the bundle for that period in the F-JI-SSC-BUNDLE.

In addition to meeting the thresholds mentioned above JI SSC projects have to conform to an eligible SSC project category, i.e. means a project category approved by the Executive Board of the CDM or an additional project category approved by the JISC. Changes in the list of eligible project categories do not affect JI SSC projects whose determination has already been published in accordance with paragraph 34 of the JI guidelines.

¹⁰ E.g. 45 MW(th) may be regarded as equal to 15 MW(e).



Project approval by the Parties involved

According to paragraph 20 of the JI guidelines, a “Party involved in an Article 6 project shall inform the secretariat of:

- (a) Its designated focal point for approving projects pursuant to Article 6, paragraph 1 (a);
- (b) Its national guidelines and procedures for approving Article 6 projects, including the consideration of stakeholders’ comments, as well as monitoring and verification”.

Paragraph 31 of the JI guidelines stipulates that project participants shall submit to an AIE a PDD that contains all information needed for the determination of whether the project has been approved by the Parties involved.

This approval by the Parties involved should be unconditional and in writing and shall be attached to the JI PDD at the latest before the final determination report is made publicly available.

Such written approval constitutes the authorization by a designated focal point of a specific legal entity to participate in the specific JI project.

The approval covers the requirements of paragraphs 29 and 31 (a) of the JI guidelines.

A written approval by a Party may cover more than one project provided that all projects are clearly listed in the approval.

In the case of multilateral funds, written approval from each participant’s designated focal point is not necessarily required. However, if written approval is not provided, rights and privileges in terms of being a Party involved may be given up.

Project boundary

The project boundary shall encompass all anthropogenic emissions by sources and/or removals by sinks of GHGs under the control of the project participants that are significant and reasonably attributable to the JI project.

In the case of a JI SSC project, which is a JI project aimed at reducing anthropogenic emissions by sources, the project boundary is defined considering anthropogenic emissions by sources.

Project participant

In accordance with the use of the term “project participant” in the JI guidelines, a project participant is (a) a Party involved or (b) a legal entity authorized by a Party involved to participate in the JI project.



Small-scale (SSC) project

See “Project”.

Small-scale (SSC) project category

See “Project”.

Small-scale (SSC) project type

See “Project”.

Stakeholders

The public, including individuals, groups or communities affected, or likely to be affected, by the project.

Starting date of a JI project

The date on which the implementation or construction or real action of the project begins. Projects starting as of 2000 may be eligible as JI projects if they meet the requirements of the JI guidelines. ERUs shall only be issued for a crediting period starting after the beginning of 2008.

Track 1 procedure

See “Track 2 procedure”.

Track 2 procedure

The verification procedure under the JISC, defined in paragraphs 30–45 of the JI guidelines.

A Party included in Annex I of the UNFCCC with a commitment inscribed in Annex B of the Kyoto Protocol is eligible to transfer and/or acquire ERUs issued in accordance with the relevant provisions, if it is in compliance with eligibility requirements listed in paragraph 21 of the JI guidelines. A Party acquiring ERUs has to fulfill all the eligibility requirements. A host Party wishing to issue and transfer ERUs has to fulfill the minimum criteria defined in paragraph 24 of the JI guidelines. If the host Party does not meet all the eligibility requirements, the project has to be implemented under the verification procedure under the JISC, i.e. the Track 2 procedure. If the host Party meets all the eligibility criteria, it may verify reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks from a JI project as being additional to any that would otherwise occur according to its own rules, i.e. under the Track 1 procedure. A host Party that fulfills all the eligibility requirements may at any time elect to use the Track 2 procedure.

Verification

See “Determination”.



PART II

A. Information note for the joint implementation project design document form for small-scale projects

1. The completed JI SSC PDD form presents information on the essential technical and organizational aspects of a SSC project and is a key input for determinations regarding the SSC project under the verification procedure under the JISC as defined in paragraphs 30–45 of the JI guidelines.
2. The completed JI SSC PDD form contains information on the SSC project, the baseline, and the monitoring plan chosen.
3. The three types of JI SSC projects are mutually exclusive. If a JI project includes more than one JI SSC project type component, it can benefit from the specific provisions for JI SSC projects, if each component meets the relevant threshold criterion, i.e. for a project with both a renewable energy and an energy efficiency component the thresholds for type I and type II JI SSC projects have to be met. Such SSC projects may submit one JI SSC PDD, provided that information regarding the following (sub)sections is provided separately for each of the components of the project:
 - A.4.2. Small-scale project type(s) and category(ies);
 - A.4.3. Technology(ies) to be employed, or measures, operations or actions to be implemented by the small-scale project;
 - A.4.4. Brief explanation of how the anthropogenic emissions of greenhouse gases by sources are to be reduced by the proposed small-scale project, including why the emission reductions would not occur in the absence of the proposed small-scale project, taking into account national and/or sectoral policies and circumstances;
 - B. Baseline;
 - D. Monitoring plan;
 - E. Estimation of greenhouse gas emission reductions.
4. The project participants shall submit the completed JI SSC PDD form, together with attachments, if necessary, to an AIE for determination. The AIE then examines the adequacy of the information provided in the JI SSC PDD, especially whether it satisfies the relevant provisions of the JI guidelines and the provisions for JI SSC projects developed by the JISC. Based on this examination, the AIE makes a determination regarding the SSC project.
5. Bearing in mind paragraph 40 of the JI guidelines, project participants shall submit documentation that contains confidential/proprietary information in two versions:
 - A marked-up version where all confidential/proprietary parts have been made illegible by the project participants (e.g. by covering those parts with black ink) so that it can be made public;



- A version containing all information, i.e. including parts which shall be treated as strictly confidential by all persons handling this documentation (AIEs, JISC members and alternate members, and panel, subcommittee and working group members, external experts requested to consider such documents in support of the work of the JISC, and the secretariat, as applicable).
6. Specific information on the usage of the JI SSC PDD form with regard to bundled SSC projects is given in part III of this document.



B. Specific guidelines for users of the joint implementation project design document form for small-scale projects

**CONTENTS OF THE
JOINT IMPLEMENTATION PROJECT DESIGN DOCUMENT FORM
FOR SMALL-SCALE PROJECTS**

- A. General description of the small-scale project
- B. Baseline
- C. Duration of the small-scale project / crediting period
- D. Monitoring plan
- E. Estimation of greenhouse gas emission reductions
- F. Environmental impacts
- G. Stakeholders' comments

Annexes

Annex 1: Contact information on project participants



SECTION A. General description of the small-scale project

A.1. Title of the small-scale project:

Please indicate:
 - The title of the SSC project;
 - The version number of the document;
 - The date of the document.

A.2. Description of the small-scale project:

Please include in the description the purpose of the SSC project.

A.3. Project participants:

Please list project participants and Parties involved in this section and provide contact information in annex 1. Information shall be provided in the following tabular format.

<u>Party involved</u> *	Legal entity <u>project participant</u> (as applicable)	Please indicate if the <u>Party involved</u> wishes to be considered as a <u>project participant</u> (Yes/No)
Party A	<ul style="list-style-type: none"> • Legal entity A1 • Legal entity A2 • ... 	Yes/No
Party B	<ul style="list-style-type: none"> • Legal entity B1 • Legal entity B2 • ... 	Yes/No
...	<ul style="list-style-type: none"> •

* Please indicate if the Party involved is a host Party.

A.4. Technical description of the small-scale project:

A.4.1. Location of the small-scale project:

A.4.1.1. Host Party(ies):

A.4.1.2. Region/State/Province etc.:

A.4.1.3. City/Town/Community etc.:

A.4.1.4. Detail of physical location, including information allowing the unique identification of the small-scale project:

Please do not exceed one page.

**A.4.2. Small-scale project type(s) and category(ies):**

Please specify and justify the SSC project type(s) and category(ies) of the proposed JI SSC project. JI SSC projects have to conform to one of the SSC project categories approved by the Executive Board of the CDM¹¹ or an additional SSC project category approved by the JISC. Additional SSC project categories under JI may be approved by the JISC either on its own initiative or based on submissions by project participants. Project participants may make a substantiated request in writing to the JISC providing information about the project/technology and a definition of the new SSC project category proposed. In approving additional SSC project categories the JISC may draw on expertise, as appropriate. The JISC shall expeditiously, if possible at its next meeting, make a decision. Changes in the list of eligible SSC project categories do not affect JI SSC projects whose determination has already been published in accordance with paragraph 34 of the JI guidelines.

Please also demonstrate that the proposed project is eligible as a SSC project and show that it meets the relevant JI SSC threshold(s) during the whole crediting period. If during any monitoring period relevant JI SSC thresholds are exceeded on an annual average basis, this shall be determined by the AIE and ERUs shall only be issued up to the maximum emission reduction level estimated for the JI SSC project for that period in the SSC PDD.

A.4.3. Technology(ies) to be employed, or measures, operations or actions to be implemented by the small-scale project:**A.4.4. Brief explanation of how the anthropogenic emissions of greenhouse gases by sources are to be reduced by the proposed small-scale project, including why the emission reductions would not occur in the absence of the proposed small-scale project, taking into account national and/or sectoral policies and circumstances:**

Please explain briefly how anthropogenic GHG emission reductions are to be achieved (details to be provided in section B.) and provide the estimate(s) of anticipated total reductions in tonnes of CO₂ equivalent as determined in section E. Max. length: one page.

¹¹ The most recent list of SSC project categories approved by the Executive Board of the CDM is available under <<http://cdm.unfccc.int/methodologies/SSCmethodologies/approved.html>>.

**A.4.4.1. Estimated amount of emission reductions over the crediting period:**

Please indicate the length of the crediting period and provide estimates of total as well as annual emission reductions. Information shall be provided using the following tabular format.

	Years
Length of the <u>crediting period</u>	
Year	Estimate of annual emission reductions in tonnes of CO ₂ equivalent
Year A	
Year B	
Year ...	
Total estimated emission reductions over the <u>crediting period</u> (tonnes of CO ₂ equivalent)	
Annual average of estimated emission reductions over the <u>crediting period</u> (tonnes of CO ₂ equivalent)	

A.4.5. Confirmation that the proposed small-scale project is not a debundled component of a larger project:

Please confirm and show that the proposed JI SSC project is not a debundled component of a larger project.

A.5. Project approval by the Parties involved:

Written project approvals by the Parties involved should be attached.



SECTION B. Baseline

A baseline has to be set in accordance with appendix B of the JI guidelines and further guidance on criteria for baseline setting and monitoring developed by the JISC.

As appropriate, project participants may, but are not obliged to, apply the most recent versions of the simplified baseline and monitoring methodologies for SSC project activities approved by the Executive Board of the CDM. In this case, all explanations, descriptions and analyses shall be made in accordance with the selected methodology.

B.1. Description and justification of the baseline chosen:

Please describe and justify the baseline chosen in accordance with appendix B of the JI guidelines and further guidance on criteria for baseline setting and monitoring developed by the JISC.

If an approved simplified CDM baseline and monitoring methodology is used, please provide a reference and justify its applicability. All explanations, descriptions and analyses shall refer to the selected methodology.

Please provide the key information and data used to establish the baseline (variables, parameters, data sources etc.) in tabular form.

B.2. Description of how the anthropogenic emissions of greenhouse gases by sources are reduced below those that would have occurred in the absence of the small-scale project:

Please explain how and why the SSC project is additional. Include (a) a description of the baseline scenario, (b) a description of the project scenario, and (c) an analysis showing why the emissions in the baseline scenario would likely exceed the emissions in the project scenario.

If an approved simplified CDM baseline and monitoring methodology is used, all explanations, descriptions and analyses, inter alia with regard to additionality, shall be made in accordance with the selected methodology.

Effects of national and/or sectoral policies and circumstances on the baseline of the proposed JI SSC project shall be summarised in this section as well.

B.3. Description of how the definition of the project boundary is applied to the small-scale project:

Please define the project boundary of the proposed JI SSC project.

If an approved simplified CDM baseline and monitoring methodology is used, all explanations, descriptions and analyses, inter alia with regard to the project boundary, shall be made in accordance with the selected methodology.



B.4. Further baseline information, including the date of baseline setting and the name(s) of the person(s)/entity(ies) setting the baseline:

Please provide date of baseline setting (DD/MM/YYYY).

Please also provide contact information and indicate if the person/entity is also a project participant listed in annex 1.

**SECTION C. Duration of the small-scale project / crediting period****C.1. Starting date of the small-scale project:**

The starting date of a JI project is the date on which the implementation or construction or real action of the project begins.

Projects starting as of 2000 may be eligible as JI projects if they meet the requirements of the JI guidelines. ERUs shall only be issued for a crediting period starting after the beginning of 2008.

C.2. Expected operational lifetime of the small-scale project:

Please state the expected operational lifetime of the project in years and months.

C.3. Length of the crediting period:

Please state the length of the crediting period in years and months as well as its starting date.

Please note that ERUs shall only be issued for a crediting period starting after the beginning of 2008 and that the crediting period shall not extend beyond the operational lifetime of the project.



SECTION D. Monitoring plan

A monitoring plan has to be established in accordance with appendix B of the JI guidelines and further guidance on criteria for baseline setting and monitoring developed by the JISC.

As appropriate, project participants may, but are not obliged to, apply the most recent versions of the simplified baseline and monitoring methodologies for SSC project activities approved by the Executive Board of the CDM. In this case, all explanations, descriptions and analyses shall refer to the selected methodology.

The monitoring plan needs to provide information relating to the collection and archiving of all relevant data necessary for

- estimating or measuring project emissions,
- determining baseline emissions and
- assessing leakage effects, as applicable.

The monitoring plan should reflect good monitoring practice appropriate to the project type.

Project participants shall implement the determined monitoring plan and provide data in accordance with the plan through their monitoring reports.

Please note that data monitored and required for determination are to be kept for two years after the last transfer of ERUs for the project.

D.1. Description of monitoring plan chosen:

Please provide an outline of the monitoring plan. A detailed description shall be provided in section D.2.

If a national or international monitoring standard has to be applied to monitor certain aspects of the project, please identify this standard and provide a reference as to where a detailed description of the standard can be found.

If an approved simplified CDM baseline and monitoring methodology is used, please provide a reference and explain its applicability. All explanations, descriptions and analyses shall be made in accordance with the selected methodology.

D.2. Data to be monitored:

Please provide tables and complete them in line with the methodological approach chosen.

This section shall also provide for the collection and archiving of information on environmental impacts, in accordance with procedures as required by the host Party, where applicable. Please provide information on the collection and archiving of information on the environmental impacts of the project. Please provide reference to the relevant host Party regulation(s). If not applicable, please state so.



D.3. Quality control (QC) and quality assurance (QA) procedures undertaken for data monitored:

Please explain qualitatively how quality control and quality assurance procedures are undertaken.

If an approved simplified CDM baseline and monitoring methodology is used, all explanations, descriptions and analyses shall be made in accordance with the selected methodology.

D.4. Brief description of the operational and management structure that will be applied in implementing the monitoring plan:

D.5. Name of person(s)/entity(ies) establishing the monitoring plan:

Please provide contact information and indicate if the person/entity is also a project participant listed in annex 1.



SECTION E. Estimation of greenhouse gas emission reductions

Estimates and formulae used should be consistent throughout the document.

If an approved simplified CDM baseline and monitoring methodology is used, all explanations, descriptions and analyses shall be made in accordance with the selected methodology.

E.1. Estimated project emissions and formulae used in the estimation:

Please provide estimates of anthropogenic emissions of GHGs by sources of the project within the project boundary (for each gas, source etc.; emissions in units of CO₂ equivalent). Alternatively, please provide directly estimated emission reductions due to the project. Please also provide the formulae used.

E.2. Estimated leakage and formulae used in the estimation, if applicable:

Please provide estimates of any leakage. Estimates should be given for each gas, source etc. (in units of CO₂ equivalent). Please also provide the formulae used. If not applicable, please state so.

E.3. Sum of E.1. and E.2.:

E.4. Estimated baseline emissions and formulae used in the estimation:

Estimates should be given for each gas, source etc. (emissions in units of CO₂ equivalent). Please also provide the formulae used.

E.5. Difference between E.4. and E.3. representing the emission reductions of the project:

E.6. Table providing values obtained when applying formulae above:

The result of the application of the formulae mentioned above shall be indicated using the following tabular format.

Year	Estimated <u>project</u> emissions (tonnes of CO ₂ equivalent)	Estimated <u>leakage</u> (tonnes of CO ₂ equivalent)	Estimated <u>baseline</u> emissions (tonnes of CO ₂ equivalent)	Estimated emission reductions (tonnes of CO ₂ equivalent)
Year A				
Year B				
Year ...				
Total (tonnes of CO ₂ equivalent)				



SECTION F. Environmental impacts

F.1. Documentation on the analysis of the environmental impacts of the project, including transboundary impacts, in accordance with procedures as determined by the host Party:

If applicable, please provide a short summary and attach the documentation to the JI SSC PDD.

F.2. If environmental impacts are considered significant by the project participants or the host Party, provision of conclusions and all references to supporting documentation of an environmental impact assessment undertaken in accordance with the procedures as required by the host Party:



SECTION G. Stakeholders' comments

G.1. Information on stakeholders' comments on the project, as appropriate:

Please provide:

- A list of stakeholders from whom comments on the project have been received;
- Nature of the comments; and
- Whether and how the comments have been addressed.

If not applicable, please state so.



Annex 1

CONTACT INFORMATION ON PROJECT PARTICIPANTS

Please copy and paste table as needed. Please fill in the following mandatory fields for each organisation listed in section A.3.: organisation, name of contact person, street, city, postal code, country, phone and fax or e-mail.



PART III

A. Information note for project bundling, including the form for submission of bundled joint implementation small-scale projects

1. Projects meeting the relevant JI SSC threshold(s) and not being a debundled component of a large project may be bundled at the following stages in the project cycle under the verification procedure under the JISC:
 - (a) PDD;
 - (b) Determination referred to in paragraph 33 of the JI guidelines;
 - (c) Monitoring;
 - (d) Determination referred to in paragraph 37 of the JI guidelines.
2. Bundled JI SSC projects may, but do not necessarily, pertain to the same SSC project category.
3. All projects in the bundle shall:
 - (a) Have the same crediting period; and
 - (b) Comply with the provisions for JI SSC projects developed by the JISC, in particular the relevant JI SSC threshold(s); and
 - (c) Retain their distinctive characteristics (i.e. location, technology/measure etc.).
4. The composition of a bundle shall not change over time.
5. If proposed JI SSC projects are to be bundled, a completed F-JI-SSC-BUNDLE and a written statement signed by all project participants indicating that they agree that their individual projects are part of the bundle and nominating one project participant to represent all project participants in communicating with the JISC shall be sent to the AIE.
6. The Parties involved in the projects of the bundle shall indicate in their project approval in accordance with paragraph 31 (a) of the JI guidelines that they are aware of the bundle.
7. The AIE shall forward the documents referred to in paragraphs 5 and 6 above to the secretariat when making the determination referred to in paragraph 33 of the JI guidelines with regard to the projects in the bundle publicly available in accordance with paragraph 34 of the JI guidelines. All documents referring to a bundle shall be submitted to the secretariat at the same time.
8. In the case of project bundling, taking into account paragraphs 9 and 10 below, a single SSC PDD may be used for the whole bundle provided that all the projects pertain to the same JI SSC project category, apply the same technology or measure and are located in the territory of the same host Party. Otherwise, separate SSC PDDs have to be submitted for each project in the bundle. All SSC PDDs pertaining to a particular bundle shall be published at the same time, whenever the publication of PDDs is required under the verification procedure under the JISC.



9. If projects in a bundle use the same baseline, this has to be justified by considering the particular situation of each project in the bundle.

10. If projects are bundled, a separate monitoring plan shall apply for each of the constituent projects or an overall monitoring plan, which, inter alia, may also propose to monitor performance of the constituent projects on a sample basis, shall apply for the bundled projects. In the latter case the projects have to be located in the territory of the same host Party, have to pertain to the same SSC project category and have to apply the same technology or measure, and the AIE shall determine, in accordance with paragraph 11 below, that the overall monitoring plan reflects good monitoring practice appropriate to the bundled projects and provides for collection and archiving of the data needed to calculate the emission reductions achieved by the bundled projects.

11. In the case of project bundling the AIE shall also determine that the conditions for bundling are satisfied, including that the overall monitoring plan for the bundled SSC projects is appropriate, if applicable. The determination by the AIE pursuant to paragraph 33 of the JI guidelines takes into account and concerns all the projects in the bundle. If the determination is conducted on the basis of an overall monitoring plan, a common monitoring report shall be provided in accordance with paragraph 36 of the JI guidelines and the determination referred to in paragraph 37 of the JI guidelines shall cover all of the bundled projects.

12. If a review is requested in accordance with paragraph 35 of the JI guidelines with regard to a bundled project, the determination of all projects in the bundle is concerned.

13. If during any monitoring period relevant JI SSC thresholds are exceeded on an annual average basis, this shall be determined by the AIE and ERUs shall only be issued up to the maximum emission reduction level estimated for the bundle for that period in the F-JI-SSC-BUNDLE.

14. If JI SSC projects are bundled, a single report by the AIE on the determination referred to in paragraph 37 of the JI guidelines:

- (a) Shall be provided in the case of usage of a single SSC PDD as referred to in paragraph 8 above and an overall monitoring plan as referred to in paragraph 10 above;
- (b) May be provided in all other cases if it appraises each bundled project separately and covers the same monitoring period.



B. Specific guidelines for users of the form for submission of bundled joint implementation small-scale projects

SECTION A. General description of the bundle

A.1. Title of the bundle:

Please indicate:

- Title of the bundle;
- Cross-reference(s) to the PDD(s) of the SSC projects bundled;
- Version number and date of the document;
- Version number(s) and date(s) of the cross-referenced PDD(s).

A.2. Description of the bundle:

Please include in the description the purpose of bundling.

A.3. Project participants:

Please list project participants and Parties involved in this section and attach contact information to the completed form. Information shall be provided in the following tabular format.

<u>Party involved</u> *	Legal entity <u>project participant</u> (as applicable)	Please indicate if the <u>Party involved</u> wishes to be considered as a <u>project participant</u> (Yes/No)
Party A	<ul style="list-style-type: none"> • Legal entity A1 • Legal entity A2 • ... 	Yes/No
Party B	<ul style="list-style-type: none"> • Legal entity B1 • Legal entity B2 • ... 	Yes/No
...	<ul style="list-style-type: none"> •

* Please indicate if the Party involved is a host Party.

**SECTION B. Technical description of the bundle****B.1. Location of the small-scale projects bundled:****B.1.1. Host Party(ies):****B.1.2. Region(s)/State(s)/Province(s) etc.:****B.1.3. City(ies)/Town(s)/Community(ies) etc.:****B.1.4. Details of physical locations, including information allowing the unique identification of the small-scale projects bundled:**

Please do not exceed one page.

B.2. Type(s), category(ies) and technology(ies)/measure(s) of the small-scale projects bundled:

Please complete the following table. Add rows, as needed.			
Title of the SSC project	SSC project type	SSC project category	Technology/measure
Please demonstrate that the <u>bundled SSC projects</u> will meet the relevant JI SSC threshold(s) during the whole <u>crediting period</u> . If during any <u>monitoring period</u> relevant JI SSC thresholds are exceeded on an annual average basis, this shall be determined by the <u>AIE</u> and <u>ERUs</u> shall only be issued up to the maximum emission reduction level estimated for the <u>bundle</u> for that period in the F-JI-SSC-BUNDLE.			

Title of the SSC project	SSC project type	SSC project category	Technology/measure

Please demonstrate that the bundled SSC projects will meet the relevant JI SSC threshold(s) during the whole crediting period. If during any monitoring period relevant JI SSC thresholds are exceeded on an annual average basis, this shall be determined by the AIE and ERUs shall only be issued up to the maximum emission reduction level estimated for the bundle for that period in the F-JI-SSC-BUNDLE.

B.3. Fulfilment of the provisions for project bundling:

Please briefly describe how the provisions for <u>project bundling</u> are fulfilled.

**B.4. Estimated amount of emission reductions over the crediting period:**

Please indicate the length of the crediting period and provide estimates of total as well as annual emission reductions due to the bundle. Information shall be provided using the following tabular format.

	Years
Length of the <u>crediting period</u>	
Year	Estimate of annual emission reductions in tonnes of CO ₂ equivalent
Year A	
Year B	
Year ...	
Total estimated emission reductions over the <u>crediting period</u> (tonnes of CO ₂ equivalent)	
Annual average of estimated emission reductions over the <u>crediting period</u> (tonnes of CO ₂ equivalent)	



SECTION C. Duration of the bundle / crediting period

C.1. Starting date of the bundle:

The starting date of the bundle is the date on which the implementation or construction or real action of the earliest SSC project begins.

Please also state the starting dates of the proposed JI SSC projects in the bundle. Projects starting as of 2000 may be eligible as JI SSC projects if they meet the requirements of the JI guidelines. ERUs shall only be issued for a crediting period starting after the beginning of 2008. The project participants shall choose the starting date of the crediting period of the single SSC projects to be on or after the date the first emission reductions are generated by the projects.

C.2. Expected operational lifetime of the small-scale projects bundled:

Please state the expected operational lifetime of the projects in the bundle in years and months as well as its ending date. The crediting period of the single SSC projects shall not extend beyond the operational lifetime of the projects.

C.3. Length of the crediting period:

All projects in the bundle shall have the same crediting period. Please state the length of the crediting period in years and months as well as its starting date.

**SECTION D. Monitoring plan****D.1. Monitoring plan(s) used:**

Please state whether an overall monitoring plan shall be applied. If projects are bundled, a separate monitoring plan shall apply for each of the constituent projects or an overall monitoring plan, which, inter alia, may also propose to monitor performance of the constituent projects on a sample basis, shall apply for the bundled projects. In the latter case the projects have to be located in the territory of the same host Party, have to pertain to the same SSC project category and have to apply the same technology or measure, and the AIE shall determine that the overall monitoring plan reflects good monitoring practice appropriate to the bundled projects and provides for collection and archiving of the data needed to calculate the emission reductions achieved by the bundled projects.