

**Annex 12****DRAFT PROVISIONS FOR THE CHARGING OF FEES  
TO COVER ADMINISTRATIVE COSTS RELATING TO THE ACTIVITIES  
OF THE JOINT IMPLEMENTATION SUPERVISORY COMMITTEE (VERSION 03)\*****Note by the secretariat**

1. At its seventeenth meeting, the JISC considered a draft provision for the charging of fees for Joint Implementation programmes of activities (JI PoAs) and agreed in principle to using a simplified approach that is based on a flat rate of USD 0.10 per tonne of CO<sub>2</sub> equivalent, with a view to further elaborating this approach in conjunction with a broad discussion on fees. The JISC requested the secretariat to prepare options to revise the provision for the charging of fees to be considered at its eighteenth meeting.
2. A draft version 03 of the provisions for the charging of fees to cover administrative costs relating to the activities of the JISC is enclosed. This draft provides clarification of the existing provisions for the charging of fees and incorporates JI PoA fee provisions as well as two broad options for a revised and simplified fee structure affecting all JI projects:
  - (a) Provisions for the charging of a flat USD 0.10 per tonne of CO<sub>2</sub> equivalent for all JI PoAs and a further provision that JI PoAs will not be subject to an advance payment of verification fees;
  - (b) Replacing the existing two-tiered structure for verification fees with a flat USD 0.10 per tonne of CO<sub>2</sub> equivalent for all JI projects;
  - (c) Capping the advance payment for all projects to USD 30,000.

\* Version 02 of this document reflects differences/revisions to the fee structure as endorsed by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) in decision 3/CMP.3. The revised fee structure would enter into force as soon as endorsed by the CMP.



**Joint Implementation Supervisory Committee**

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Version **023**

<i>Revision history of the document</i>		
Document version	Adoption	Revision
Version 01	JISC 04 <sup>1</sup>	Initial adoption of the document on the basis of paragraph 2 (h) of decision 10/CMP.1
Version 02	JISC 08	Revision, on the basis of paragraph 16 of decision 3/CMP.2, incorporating preferential treatment of joint implementation small-scale projects regarding advance payments
<b>Version 03</b>	<b>JISC 18</b>	<b>Revision to incorporate provisions for joint implementation programmes of activities, as well as simplifications of the fee structure for all projects</b>

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<sup>1</sup> **Fourth meeting of the Joint Implementation Supervisory Committee**



## Joint Implementation Supervisory Committee

1. The fees to cover administrative costs relating to the activities of the Joint Implementation Supervisory Committee shall be:

- (a) Fees for accreditation:
  - (i) Application fee: USD 15,000 per application (one-off payment, non-reimbursable);
  - (ii) Cost of the work by assessment teams: direct payment from applicant or accredited independent entities;<sup>2</sup>
- (b) Fee for processing of verification reports:<sup>3</sup>
  - (i) USD 0.10 per tonne of CO<sub>2</sub> equivalent of reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks [for the first 15,000 tonnes of CO<sub>2</sub> equivalent generated by the project in question in a given calendar year;
  - (ii) USD 0.20 per tonne of CO<sub>2</sub> equivalent of reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks for any amount in excess of 15,000 tonnes of CO<sub>2</sub> equivalent generated by the project in question in a given calendar year, **except as noted in (iii) below;**
  - (iii) For joint implementation programmes of activities, the fee in accordance with paragraph 14 (b) (i) shall apply to all reductions of anthropogenic emissions by sources or enhancements of removals by sinks in a given calendar year. ];**
  - ~~(iii) A fee calculated in accordance with paragraph 1 (b) (i) and 1 (b) (ii) above and equal to the expected average annual generation over the crediting period of reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks by the project shall be paid as an advance payment when a determination report regarding a project design document is submitted to the secretariat in accordance with paragraph 34 of the annex to decision 9/CMP.1; this advance payment shall be deducted from the first payments due in accordance with paragraph 1 (b) (i) and 1 (b) (ii) above; if no verification report is submitted, any advance payment above USD 30,000 shall be reimbursed;~~
  - (iv) ~~No advance payment referred to in paragraph 1 (b) (iii) above shall be paid for joint implementation small-scale projects and for projects with an expected average annual generation over the crediting period of reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks below 15,000 tonnes of CO<sub>2</sub> equivalent; the maximum advance payment due shall be USD 350,000.~~

<sup>2</sup> Details are defined in the document entitled “Indicative level of fees to be paid to joint implementation assessment team by applicant independent entity or accredited independent entity” (P-JI-ACCR-05).

<sup>3</sup> “Verification report” means a report regarding reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks which has been submitted by an accredited independent entity to the secretariat in accordance with paragraph 38 of the annex to decision 9/CMP.1.



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**Joint Implementation Supervisory Committee**

**(c) Advance payment:**

- (i) An advance payment based on the expected annual average emission reduction calculated in accordance with paragraph 14 (b)(b) (i)(i) and 14 (b)(b) (ii) above(ii) above shall be charged when a determination report regarding a project design document is submitted to the secretariat in accordance with paragraph 34 of the annex to decision 9/CMP.1;**
- (ii) The advance payment shall be used to cover the first verification fees that are due in accordance with paragraph 14 (b)(b) (i)(i) and 14 (b)(b) (ii) above(ii) above, until the advance payment has been exhausted;**
- (iii) If no verification report is submitted, any advance payment above USD 30,000 shall be reimbursed.**
- (iv) No advance payment shall be charged for joint implementation small-scale projects, joint implementation programmes of activities or for projects with an expected average annual emission reduction or enhancements of anthropogenic removals by sinks below 15,000 tonnes of CO<sub>2</sub> equivalent. The maximum advance payment due shall be USD [350,000] [30,000].**