



Annex 7

**DRAFT PROCEDURES FOR PROGRAMMES OF ACTIVITIES
UNDER THE VERIFICATION PROCEDURE
UNDER THE JOINT IMPLEMENTATION SUPERVISORY COMMITTEE
(THIRD DRAFT)**

Note by the secretariat

1. At its fourteenth meeting, the JISC requested Mr. Chowdhury, Mr. Fuller, Ms. Gałan, Mr. Björk, Mr. Leguet and Mr. Oderson, supported by the secretariat, to develop, for consideration by the JISC at its next meeting, guidance on project activities under a programme of activities under the JI Track 2 procedure, in accordance with paragraph 6 of decision 5/CMP.4.
2. At its fifteenth meeting the JISC considered the draft guidance and amended it and requested the secretariat to launch a call for public inputs, immediately after the meeting, on the draft guidance and to compile the inputs in an information note. The JISC considered the public inputs and the inputs from the participants of the roundtable consultation, and requested, at its sixteenth meeting, that the secretariat, in consultation with eight JISC members/alternate members (Mr. Björk, Mr. Chowdhury, Mr. Fuller, Ms. Gałan, Mr. Geletukha, Mr. Hubenthal, Mr. Leguet and Mr. Oderson), to prepare a second draft and requested the secretariat to launch a second call for public input.
3. At its seventeenth meeting, the JISC considered the second draft as well as the inputs from a JI technical workshop held in Kiev in conjunction with its meeting and requested the secretariat to prepare the third draft for procedures on JI PoA, taking into account the public inputs from the second call and the inputs from the workshop, for possible adoption at its eighteenth meeting.
4. The third draft procedures for programmes of activities under the verification procedure under the Joint Implementation Supervisory Committee, prepared in accordance with paragraph 3 above, as attached below.



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**PROCEDURES FOR PROGRAMMES OF ACTIVITIES
UNDER THE VERIFICATION PROCEDURE
UNDER THE JOINT IMPLEMENTATION SUPERVISORY COMMITTEE**

Version 01

A. Background

~~1. A joint implementation programme of activities (JI PoA) is a coordinated action by a legal or governmental entity aimed at achieving economies of scale and reaching wider groups of stakeholders than stand-alone projects.~~

2.1. In paragraph 6 of decision 5/CMP.4, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol requests the Joint Implementation Supervisory Committee (JISC) “to develop, as soon as possible, definitions, forms, guidelines and procedures for projects under programmes of activities implemented under the verification procedure under the Committee, bearing in mind the work of the Executive Board of the clean development mechanism in this area”.

2. The JISC, at its fourteenth meeting, decided to develop guidance on projects under a programme of activities under the verification procedure under the JISC.

5.3. This document provides the general principles and procedures for **joint implementation programme of activities**~~JIPoAs~~.

~~The JISC will update this document as necessary.~~

B. Joint implementation programmes of activities

1. Definitions

6.4. A **joint implementation programme of activities (JI PoA) is a coordinated action by a legal or governmental entity that** implements a policy or **stated** goal and is comprised of one or more ~~[interrelated]~~ types of JI programme activities (JPAs) that have been or will be replicated. A JI PoA **is aimed at achieving economies of scale and reaching wider groups of stakeholders than stand-alone projects and** may be comprised of an unlimited number of JPAs.

7.5. A JPA is a project that results in a reduction of anthropogenic emissions by sources or enhancement of anthropogenic removals by sinks that are additional to any that would otherwise occur.

8.6. A type of JPA is defined by the technologies **and/or** measures to be used, ~~including and includes a selection and a~~ justification ~~and application~~ of the baseline setting and monitoring **plan** chosen **for each type.** ~~taking into account appendix B of the annex to the decision 9/CMP.1 (JI guidelines) and the “Guidance on criteria for baseline setting and monitoring” developed by the JISC.~~

2. General principles

9.7. A JI PoA shall be proposed by a legal or governmental entity that shall coordinate and manage the JI PoA (the coordinating entity).



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~~10.8.~~ The coordinating entity shall propose a geographical boundary for the JI PoA within which all JPAs in the JI PoA will be implemented. This geographical boundary may cover more than one country.

~~11.9.~~ The coordinating entity shall, **through an AIE**, submit to the JISC written approvals for the JI PoA from the designated focal points (DFPs) of all Parties involved.

~~12.10.~~ The coordinating entity shall, **through an AIE**, submit to the JISC written authorization from the DFPs of all host Parties involved to coordinate and manage the JI PoA.

11. **The written approval for the JI PoA and the written authorization to coordinate and manage the JI PoA may be combined in the same document or letter.**

~~13.12.~~ The coordinating entity shall be identified as the focal point for all official communication with the JISC, in accordance with the “Modalities of communication of project participants with the Joint Implementation Supervisory Committee”.

~~14.13.~~ A JI PoA describes:

- (a) **Each type of JPA to be included in the JI PoA;**
- (b) At least one real JPA ~~[of each type]~~ **to be included in the JI PoA;**
~~(b) All types of JPAs to be added to the JI PoA;~~
- (c) The eligibility criteria for including JPAs in the JI PoA.

~~15.14.~~ The total number of JPAs need not be known when the JI PoA is proposed.

~~16.15.~~ The crediting period of a JI PoA may extend after 2012 subject to the host Party(ies) approval. The status of emission reductions or enhancements of net removals generated by a JI PoA after the end of the first commitment period of the Kyoto Protocol may be determined by any relevant agreement.

~~17.16.~~ Emission reduction units (ERUs) for JPAs may be issued only for a crediting period starting on or after 1 January 2008, although JPAs with a starting date from the year [2000] [2006] may be eligible.

~~18.17.~~ The crediting period of a JPA shall not extend beyond its operational lifetime.

~~19.18.~~ The coordinating entity may add a JPA to an existing JI PoA at any time during the crediting period of the JI PoA. The coordinating entity shall inform the JISC of the addition of JPAs directly using a form as described in section 3 below.

3. Preparation of a JI Programme of Activities

Preparation of a JI PoA-DD

~~20.19.~~ A coordinating entity shall develop a joint implementation programme of activities design document (JI PoA-DD) setting a framework for the implementation of the JI PoA using the most recent version of the F-JI PoA-DD. The JI PoA-DD shall include the following information:

- (a) Name and brief summary of the JI PoA;
- (b) Names of the coordinating entity and host Party(ies);



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- (c) Contact details of at least one authorized representative of the coordinating entity;
- (d) A description of the policy or goal that the JI PoA seeks to promote;
- (e) The starting date of the JI PoA;
- (f) The length of the crediting period of the JI PoA;
- (g) A geographical boundary for the JI PoA (e.g., municipality, region within a country, country or several countries) within which all JPAs included in the JI PoA will be implemented;
- (h) A description of the operational and management arrangements established by the coordinating entity for the implementation of the JI PoA, including the maintenance of ~~the~~ records for each JPA, a system/procedure to avoid double counting (e.g. to avoid including a new JPA that has already been determined), provisions to ensure that persons operating JPAs are aware and have agreed to their activity being added to the JI PoA;
- ~~(i) The eligibility criteria for inclusion of JPAs to the JI PoA.~~
- ~~(j) A demonstration of additionality, either for a JI PoA or for each type of JPA in the PoA.~~

~~A demonstration of additionality for a JI PoA must use at least one of the following methods:~~

- ~~— The proposed policy could not be implemented without the JI PoA;~~
- ~~— Non-compliance with a policy/regulation is widespread in the country or region and cannot be systematically enforced without the JI PoA;~~
- ~~— The JI PoA will lead to a greater level of enforcement of existing mandatory policy /regulation.~~

~~(i) A demonstration of additionality for each type of JPA in the PoA.~~

- (i) The description of a monitoring plan for each type of JPA to be included in the JI PoA;
- ~~(j)~~ (j) A description of each type of JPAs that will be included in the JI PoA, including the technology or measures to be used and justification and application of the baseline setting and monitoring chosen, taking into account appendix B of the JI guidelines and the guidance and **“Guidance on criteria for baseline setting and monitoring”**.
- (k) **The eligibility criteria for inclusion of JPAs to the JI PoA for each type of JPA in the PoA.**
- (l) **A demonstration of additionality, either for a JI PoA or for each type of JPA in the PoA, in accordance with appendix B of the JI guidelines and the “Guidance on criteria for baseline setting and monitoring”.**

21.20. For each JPA submitted with the JI PoA, the coordinating entity shall include a table covering the following information:

- (a) Name and brief summary of the JPA;
- (b) The type of JPA;



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- (c) A geographical reference or other means of identification;
- (d) The name and contact details of the entity/individual responsible for the operation of the JPA;
- (e) The host Party(ies);
- (f) The starting date of the JPA;
- (g) The length of the crediting period of the JPA;
- ~~(h) Demonstration of how the JPA addresses the requirements defined in paragraph 20(j) through 20(k);~~
- (h) **Confirmation that the JPA meets all the eligibility requirements for its type in accordance with paragraphs 19(i-k);**
- (i) Confirmation that the JPA has not been determined as a single JI project or determined under a different JI PoA.

Submission of a JI PoA to the JISC

22.21. In accordance with paragraph 32 of the JI guidelines, the AIE shall, through a dedicated interface on the UNFCCC JI website, make the JI PoA-DD submitted by the coordinating entity publicly available in PDF format, subject to the confidentiality provisions of paragraph 40 of the JI guidelines and receive comments from Parties, stakeholders and UNFCCC accredited observers on the JI PoA-DD and any supporting information for 30 days from the date the PDD is made publicly available.

23.22. The AIE shall provide the following information:

- (a) The name of the proposed JI PoA;
- (b) Bearing in mind paragraph 40 of the JI guidelines, two versions of the JI PoA-DD and any supporting documentation (if applicable):
 - (i) A marked-up version in which all confidential/proprietary parts have been made illegible by the coordinating entity (e.g., by covering those parts with black ink) so that it can be made public;
 - (ii) A version containing all information, i.e., including parts that 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).

24.23. If the AIE is accredited to perform determination activities, pursuant to paragraph 33 of the JI guidelines, in the sectoral scope(s) relevant to the proposed JI PoA, the secretariat, through the JI information system, will automatically make the marked-up version of the JI PoA-DD and any supporting documentation submitted by the AIE available on the UNFCCC JI website. The secretariat will announce the public availability of the PDD through the UNFCCC JI news facility and forward the announcement to the AIE and to the coordinating entity. The announcement shall specify the name of the JI PoA, the link to the UNFCCC web page on which the JI PoA-DD and any



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supporting information can be found, and the opening (the day after the announcement) and closing dates for stakeholder comments.

25-24. In accordance with paragraph 32 of the JI guidelines, Parties, stakeholders and UNFCCC accredited observers may submit comments on the JI PoA-DD and any supporting information to the AIE at any time during a 30-day period. The AIE shall promptly acknowledge receipt of comments.

26-25. The UNFCCC JI web page on which the JI PoA-DD and any supporting information is made publicly available shall provide:

- (a) The name and reference number of the JI PoA;
- (b) The name of the coordinating entity;
- (c) The name of the AIE;
- (d) A link to the JI PoA-DD and any supporting information;
- (e) The end of the period during which comments on the JI PoA-DD and any supporting information can be sent to the AIE;
- (f) E-mail and fax details indicating how comments on the JI PoA-DD may be communicated to the AIE. Display all comments received. Comments will be kept publicly available until the AIE issues a determination report or informs the secretariat that it does not intend to provide a determination report for the proposed JI PoA.

4. Determination referred to in paragraph 33 of the JI guidelines

27-26. For purposes of a determination as described in paragraph 33 of the JI guidelines for a JI PoA, the coordinating entity shall provide the AIE a completed JI PoA-DD.

28-27. The AIE shall make its determination publicly available through the secretariat using the joint implementation programme of activities determination report form (F-JI PoA-DRep) along with a determination report and supporting documentation.

29-28. The procedures for determination regarding a JI PoA-DD shall take into account the JI guidelines and all relevant JISC requirements. The AIE also shall address the following issues when performing a determination of the JI PoA:

- (a) Additionality of the JI PoA in accordance with paragraph ~~20-(h)~~**19 (k)** above;
- (b) Eligibility criteria for inclusion of JPAs;
- (c) Operational and management arrangements established by the coordinating entity for the implementation of the JI PoA in accordance with paragraph ~~20-(k)~~**19 (h)** above.

29. The determination of the JI PoA shall be deemed final forty-five days after it has been made publicly available unless a Party involved, through its DFP, or at least three JISC members request a review by the JISC. If such a review is requested, the JISC shall consider the request for review in accordance with the “Procedures for Reviews under the Verification Procedure under the Joint Implementation Supervisory Committee”.

30. If the determination of the JI PoA is deemed final, the coordinating entity, the AIE, the DFP(s) and the JISC shall automatically be notified.



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5. Submission of additional JPAs

~~32.31.~~ The coordinating entity ~~shall~~**may** submit ~~to the JISC the addition of a JPA to a JI PoA that has been deemed final~~**additional JPAs** at any time during the crediting period of the JI PoA as long as ~~the~~**each** proposed JPA fulfills all the eligibility requirements defined in the JI PoA.

~~33.32.~~ The coordinating entity may propose the addition of more than one JPA at a time.

~~34.33.~~ The coordinating entity shall submit each new JPA to be added to a JI PoA that has been deemed final by updating the JPA table in the JI PoA-DD referred to in paragraph 21 above and submitting it ~~to~~**, through** the secretariat, **to the JISC**.

~~35.34.~~ If the updated table contains any confidential information, the coordinating entity shall provide two versions of the updated table and any supporting documentation (if applicable):

- (a) A marked-up version in which all confidential/proprietary parts have been made illegible by the coordinating entity (e.g., by covering those parts with black ink) so that it can be made public;
- (b) A version containing all information, i.e., including parts that 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).

~~36.35.~~ The secretariat will make the updated table publicly available on the UNFCCC JI website, subject to the confidentiality provisions of paragraph 40 of the JI guidelines and receive comments from Parties, stakeholders and UNFCCC accredited observers on the new JPA for 30 days from the date the updated table is made publicly available.

~~37.36.~~ At the end of the 30-day comment period, the UNFCCC JI web page on which the updated table and any supporting information is made publicly available will display all comments received. Comments will be kept publicly available until the JPA is considered added to the JI PoA or the JISC has decided not to add the JPA to the JI PoA.

~~38.37.~~ The JPA(s) will be considered added to the JI PoA, that has been deemed final, 45 days after the updated table has been made publicly available unless a Party involved, through its DFP, ~~[or at least [one] [two] [three] JISC member[s]]~~ request[s] a review for erroneous inclusion. If the JPA is considered added to the JI PoA, the secretariat shall notify the coordinating entity, the AIE, the DFP(s) and the JISC.

~~39.38.~~ The DFP ~~[or JISC member[~~(s)~~]]~~ requesting a review of the inclusion of the JPA shall notify the Secretary of the JISC by completing a request for review form (F-JI-DR or F-JI-VR). Such a request for review shall be related to issues associated with the JPA's compliance with the eligibility criteria specified in the JI PoA-DD.

~~40.39.~~ As soon as a DFP ~~[or [one or more] [two] [three] members of the JISC]~~ request[s] a review, the following actions shall be taken:

- (a) The consideration of the review shall be included in the proposed agenda of the next meeting of the JISC taking into account rule 19 of the rules of procedure of the JISC;



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- (b) The JISC shall notify the coordinating entity that a review has been requested and the tentative dates and venues of the JISC meeting(s) at which the JISC will consider the request for review. The coordinating entity, when notified of the request for review, shall be invited to submit comments to the JISC on issues raised as soon as possible but no later than one week before the next JISC meeting. These inputs shall be made publicly available;
- (c) Stakeholders interested in the review process shall be given the opportunity to attend relevant JISC meetings. When requesting registration as observers, stakeholders shall briefly indicate how they are affected, or likely to be affected, by the proposed JPA;
- (d) The coordinating entity shall name a contact person for the review process, including for conference calls in case the JISC wishes to address questions to it during the consideration of the review at its meeting;
- (e) The proposed JPA shall be marked as being “under review” on the UNFCCC JI website and a notification shall be sent through the UNFCCC JI news facility. The request(s) for review shall be made publicly available on the UNFCCC JI website but the names of the requesting JISC member(s) or Party(ies) shall remain confidential.

41.40. In all other respects, the JISC shall consider the request for review in accordance with the “Procedures for reviews under the verification procedure under the Joint Implementation Supervisory Committee”.

6. Determination referred to in paragraph 37 of the JI guidelines

Procedures for verification

42.41. The coordinating entity shall maintain records of all monitoring reports of all JPAs under a JI PoA and make them available to the AIE. **The AIE shall make publicly available the monitoring reports for all JPAs identified for determination in accordance with paragraph 37 of the JI guidelines (hereinafter referred to as verification).**

43.42. The AIE shall not verify any JPA that has not been added to the JI PoA.

~~42. An AIE shall identify the JPAs to be considered for the determination in accordance with paragraph 37 of the JI guidelines (hereinafter referred to as verification) and shall make all the monitoring reports for those JPAs publicly available.~~

45.43. The AIE’s verification shall be based on the monitoring reports of all JPAs to be verified and shall ensure the accuracy and conservativeness of the emission reductions generated by each JPA although the AIE may **decide to** use any common-practice auditing technique, among others risk-based assessments, **and/or** a sample-based approach as described below, **as appropriate.**

46.44. The monitoring period covered in each verification report of a JI PoA shall not overlap with previous monitoring periods.

47.45. An AIE shall make its verification publicly available through the secretariat using the joint implementation programme of activities verification report form (F-JI PoA-VRep) along with a verification report and supporting documentation.

~~46. The procedures 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 adopted by the JISC.~~



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~~49-46.~~ The verification of the JI PoA shall be deemed final ~~45~~**15** days after it has been made publicly available unless a Party involved, through its DFP, or at least three JISC members request a review by the JISC. If such a review is requested, the JISC shall consider the request for review in accordance with the “Procedures for reviews under the verification procedure under the Joint Implementation Supervisory Committee”.

~~50-47.~~ If the verification of the JI PoA is deemed final, the secretariat shall notify the coordinating entity, the AIE, the DFP(s) and the JISC.

Use of a sample-based approach

48. If the AIE finds a sample-based approach appropriate, the AIE shall prepare a sampling plan that:

- (a) Describes its sample selection in accordance with paragraph 49 below; and**
- (b) Provides a list of JPAs selected for site inspections in accordance with paragraph 50 below, if appropriate.**
- (c) The AIE shall make the sampling plan publicly available through the secretariat along with the verification report and supporting documentation.**

49. For each verification that uses a sample-based approach, the sample selection shall be sufficiently representative of the JPAs in the JI PoA such extrapolation to all JPAs identified for that verification is reasonable. In selecting a sample, the AIE shall take into account differences among the characteristics of JPAs such as:

- (a) The types of JPAs;**
- (b) The complexity of the applicable technologies and/or measures used;**
- (c) The geographical location of each JPA;**
- (d) The amounts of expected emission reductions of the JPAs being verified;**
- (e) The number of JPAs for which emission reductions are being verified;**
- (f) The length of monitoring periods of the JPAs being verified; and**
- (g) The samples selected for prior verifications, if any.**

If, in its sample selection, the AIE does not identify and take into account such differences among JPAs, then it shall provide a reasonable explanation and justification for not doing so.

50. In addition to the sample selection for verification, the sampling plan shall list a statistically sound selection of sites for site inspections, if appropriate, in accordance with the criteria listed in paragraph 49 above. The AIE shall make site inspections of at least the square root of the number of total JPAs, rounded to the upper whole number (for example, 10 site inspections for a JI PoA of 100 JPAs, 11 site inspections for a JI PoA of 101 JPAs). If the AIE makes no site inspections or fewer site inspections than the square root of the number of total JPAs, rounded to the upper whole number, then it shall provide a reasonable explanation and justification.



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51. The AIE may submit its sampling plan to the secretariat for the JISC's *ex ante* assessment. Within 15 days of the AIE's submission of its sampling plan to the secretariat, the secretariat shall inform the AIE of the JISC's approval or rejection of the sampling plan. If the JISC rejects the AIE's sampling plan, it will inform the AIE of its reasons and the AIE may submit a revised sampling plan in accordance with paragraphs 49 and 50 above.

Limitation on acquisition of AAUs and ERUs equivalent to amount of excess ERUs transferred

52. If the JISC suspends or withdraws the accreditation of an AIE that has undertaken a verification based on a sampling plan that is deemed final, the verification shall not be affected by the suspension or withdrawal of the accreditation of the AIE unless significant deficiencies are identified in the verification. In this case, the JISC shall decide whether a different AIE shall be appointed to assess and, where appropriate, correct such deficiencies. If such an assessment reveals that excess ERUs have been transferred as a result of the deficiencies, the independent entity whose accreditation has been withdrawn or suspended shall acquire an amount of AAUs and/or ERUs equivalent to the excess ERUs issued for the JPAs in the sample selected in accordance with paragraph 49 above and submitted to the JISC in its sampling plan and place them in the holding account of the Party hosting the project within 30 days from the assessment.

Fraud

53. If the JISC learns of a fraudulently included JPA, a fraudulently monitored JPA or an inflated number of emission reductions claimed in a JI PoA, the JISC may take actions within its mandate under the Kyoto Protocol and relevant CMP decisions, including, *inter alia*:

- (a) Notifying the coordinating entity the Parties involved and the AIE of its findings;**
- (b) Disallowing the further use of sampling for verification of emission reductions;**
- (c) Suspending further verifications under the JI PoA pending a demonstration by an AIE of the validity of all other JPAs in the JI PoA.**

~~49. If the AIE finds a sample-based approach appropriate for the JPAs being verified, the AIE shall submit a statistically sound verification plan, including a justification for its sample size and selection, to the secretariat for the JISC's approval.~~

~~50. The sample selection referred to in paragraph 51 above shall identify and take into account, to the greatest extent possible, differences among the characteristics of JPAs, *inter alia*, such as size, complexity, geographical location, technology or measures used and justification and application of the baseline setting and monitoring chosen, such that the samples selected adequately represent the JPAs in the JI PoA. If, in its sample selection, the AIE does not adequately identify and take into account differences among JPAs, then it shall provide a reasonable explanation and justification for not doing so.~~

~~51. The verification plan shall list all the sites the AIE has selected for onsite visits, if any. The JISC recommends that, for the initial verification of JPAs in a JI PoA, the AIE make onsite visits to at least the square root of the number of total JPAs, rounded to the upper whole number (for example, 10 onsite visits for a JI PoA of 100 JPAs, 11 onsite visits for a JI PoA of 101 JPAs). If, in its initial~~



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~~verification plan, the AIE proposes no site visits or site visits to a smaller sample than the square root of the number of total JPAs, rounded to the upper whole, then it shall provide a reasonable explanation and justification.~~

~~52. Within 15 days of the AIE's submission of its verification plan to the secretariat, the secretariat shall inform the AIE of the JISC's approval or rejection of the sampling plan. If the JISC rejects the AIE's verification plan, it will inform the AIE of its reasons and the AIE shall have the opportunity to submit a revised verification plan in accordance with paragraphs 52 above.~~

~~53. An AIE that has performed the verification of a JI PoA that has been deemed final using a JISC-approved verification plan need not submit a new verification plan for one or more subsequent verifications for the same JI PoA as long as it selects a statistically sound sample as described in paragraphs 46 above and its verification ensures the accuracy and conservativeness of the emission reductions generated by each JPA.~~

7. Fees

~~56.~~**54.** The fee for processing the determination report of a JI PoA by the JISC shall be based on the total expected annual emission reductions from the actual number of JPAs submitted during determination. For each JPA subsequently added, an associated fee shall be paid at the time the coordinating entity informs the JISC of the addition in accordance with section 5 above.

~~57.~~**55.** The calculation of the amount to be paid and the procedures for payment are reflected in the existing "Provisions for the charging of fees".

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