

**Annex 5****BACKGROUND PAPER ON THE PARTICIPATION
IN JOINT IMPLEMENTATION OF A PARTY AWAITING THE ENTRY INTO FORCE OF AN
AMENDMENT TO INCLUDE IT IN ANNEX B OF THE KYOTO PROTOCOL****A. Introduction**

1. At its twentieth meeting, the Joint Implementation Supervisory Committee (JISC) requested the secretariat to prepare a background paper regarding the eligibility of a Party awaiting the entry into force of an amendment to include it in Annex B of the Kyoto Protocol (KP) to host joint implementation (JI) projects. Since then, the JISC also has received a letter from the Republic of Belarus dated 21 May 2010 requesting the JISC to place this issue on the agenda of its twenty-second meeting and seek clarification regarding this issue from the Conference of Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP). This paper provides background regarding the current status of Belarus and addresses, by analogy to the CDM, how the JISC may seek confirmation from the CMP regarding the eligibility of a Party awaiting the entry into force of an amendment to include it in Annex B to host JI projects.

B. Background regarding Belarus

2. By decision 10/CMP.2, the CMP adopted an amendment to Annex B to the KP (Annex B) to include Belarus with a quantified emission limitation or reduction commitment of 92 percent for the first commitment period under Article 3 of the KP. CMP 2 also invited Parties to ratify, accept or approve the amendment by sending their instruments of acceptance.

3. In a letter to the UNFCCC secretariat dated 22 August 2007 (presented at CMP 3), Belarus submitted a proposal to allow it to become eligible for full-scale participation in the first commitment period of the KP before the entry into force of the amendment to Annex B to include Belarus, by executing a number of technical procedures in parallel with the ratification process. In its report, CMP 3 took note of this proposal and agreed that the secretariat could organize a review of reports submitted by Belarus before the amendment enters into force.

4. To date, the Depositary has not received the number of instruments of acceptance required for the entry into force of the amendment to Annex B to include Belarus and, in accordance with paragraph 24 of the JI guidelines, Belarus may not issue and transfer ERUs until the amendment to Annex B to include Belarus enters into force.

C. The CDM analogy

5. In a similar situation, four years before the KP entered into force, by decision 17/CP.7, the Parties agreed to facilitate a prompt start for clean development mechanism (CDM) project activities, even though certified emission reductions (CERs) could not be issued until after the KP entered into force. This included permitting the UNFCCC secretariat to accept PDDs for projects in non-Annex I countries and the consideration of these projects for registration by the CDM Executive Board. The KP entered into force on 16 February 2005 and the first CERs for CDM project activities were issued on 20 October 2005.

D. Proposal for JISC's report to the CMP

6. By analogy to the CDM situation, in its annual report to the CMP, the JISC may request the CMP to confirm the JISC's understanding that the UNFCCC secretariat may accept for publication PDDs for JI projects and the JISC may consider these projects in accordance with the JI guidelines, before the amendment to include the host Party (such as Belarus) in Annex B enters into force, while the JISC understands that the Party may issue and transfer emission reduction units (ERUs) only after the amendment to include it in Annex B enters into force.