

**Annex 4****DRAFT PROVISIONS FOR THE CHARGING OF FEES
TO COVER ADMINISTRATIVE COSTS RELATING TO THE ACTIVITIES
OF THE JOINT IMPLEMENTATION SUPERVISORY COMMITTEE
AND ITS SUPPORTING STRUCTURES****Note by the secretariat**

1. At its sixth session, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), through decision 4/CMP.6, decided to establish provisions for the charging of fees for activities under the Track 1 procedure¹ in order to contribute to the administrative costs of the Joint Implementation Supervisory Committee (JISC) and its supporting structures, by introducing a fee of up to USD 20,000 for each large-scale project activity, including programmes of activities, and a fee of up to USD 5,000 for each small-scale project activity and for each programme of activities composed of small-scale project activities, with the fees payable upon publication of project documentation on the UNFCCC website.
2. The CMP, through the same decision, requested the JISC to finalize the provisions for charging the fees outlined in paragraph 1 above at its first meeting in 2011, on the basis of an estimate of the administrative costs relating to the activities under the Track 1 procedure, taking into account the existing provisions for the charging of fees for activities under the Track 2 procedure,² and to apply the fees to projects for which documentation is submitted to the UNFCCC secretariat for publication from 1 March 2011 onwards.
3. Considering that the first JISC meeting in 2011 has been postponed to 24-25 March 2011, it is proposed that the revised provisions for the charging of fees be applied to projects for which documentation is submitted to the UNFCCC secretariat for publication from 1 April 2011 onwards.
4. A draft revised provisions for the charging of fees to cover administrative costs relating to the activities of the JISC and its supporting structures is attached. This draft presents the changes carried out to the version 3 of the document:
 - (a) Introducing provisions for the charging of fees for activities under the Track 1 procedure;
 - (b) Restructuring the document based on the fee subject.

¹ The procedure under which a host Party verifies reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks from joint implementation projects in accordance with paragraph 23 of the annex to decision 9/CMP.1 (JI guidelines).

² The verification procedure under the JISC in accordance with paragraph 24 of the JI guidelines.



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Version ~~03~~**04**

<i>Revision history of the document</i>		
Document version	Adoption	Revision
Version 01	JISC 04 ³	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
Version 03	JISC 18	Revision to incorporate provisions for joint implementation programmes of activities, a revised advance fee cap and clarification of the fee structure for all projects
Version 04	JISC 24	Revision to incorporate provisions for charging of fees for activities under the Track 1 procedure on the basis of decision 4/CMP.6

³ Fourth meeting of the Joint Implementation Supervisory Committee



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A. Background

1. **Paragraphs 30–45 of the annex to decision 9/CMP.1 (hereinafter referred to as JI guidelines) define the verification procedure under the Joint Implementation Supervisory Committee (JISC) (hereinafter referred to as the Track 2 procedure).**
2. **The Track 2 procedure represents the determination by an independent entity, accredited pursuant to appendix A of the JI guidelines, 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.**
3. **The Track 1 procedure represents the determination by the host Party 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.**
4. **In accordance with paragraph 2 (h) of decision 10/CMP.1 and paragraph 30 of decision 4/CMP.6, the JISC shall be responsible for developing and implementing provisions for the charging of fees to cover administrative costs relating to the activities of the JISC, and its supporting structures.**
5. **The present document presents the fees to cover administrative costs relating to the activities of the Joint Implementation Supervisory Committee, and its supporting structures.**

B. Fees for accreditation

6. **The fees for processing accreditation are:**
 - (a) Application fee: USD 15,000 per application (one-off payment, non-reimbursable);
 - (b) Cost of the work by assessment teams: direct payment from applicant or accredited independent entities.⁴

C. Fees for processing of verification reports under the Track 2 procedure⁵

7. **The fees for processing verification reports under the Track 2 procedure are:**
 - (a) USD 0.10 per tonne of CO₂ equivalent of reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks for the first 15,000 tonnes of CO₂ equivalent generated by the project in question in a given calendar year;
 - (b) USD 0.20 per tonne of CO₂ 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 CO₂ equivalent generated by the project in question in a given calendar year, except as noted in 7. (c) below.

⁴ 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)~~ **annex 6 of “Procedure for accrediting independent entities by the Joint Implementation Supervisory Committee” (version 06).**

⁵ “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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- (c) For joint implementation programmes of activities, the fee in accordance with paragraph 7. (a) above shall apply to all reductions of anthropogenic emissions by sources or enhancements of removals by sinks in a given calendar year.
8. An advance payment based on the expected annual average emission reduction calculated in accordance with paragraphs 7. (a) and (b) 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.
9. The advance payment shall be used to cover the first verification fees that are due in accordance with paragraphs 7. (a) and (b) above, until the advance payment has been exhausted
10. If no verification report is submitted, any advance payment above USD 30,000 shall be reimbursed.
11. 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 CO₂ equivalent. The maximum advance payment due shall be USD 30,000.

D. Fees for registering projects under the Track 1 procedure

Option 1

12. **The fees for registering projects under the Track 1 procedure are:**
- (a) **USD 20,000 for each Track 1 joint implementation large-scale project, including programmes of activities;**
- (b) **USD 5,000 for each Track 1 joint implementation small-scale project, including programmes of activities composed of small-scale projects.**
13. **The fees shall be paid only one time before publishing the Track 1 joint implementation project on the UNFCCC JI website and before submitting it to the International Transaction Log through the joint implementation information system.**
14. **The host Parties requesting registration of small-scale projects, and programmes of activities composed of small-scale projects shall submit sufficient information regarding the scale of the respective projects or programmes when uploading documentation on the JI UNFCCC website.**

Option 2

15. **The fees for registering projects under the Track 1 procedure shall be calculated based on USD 0.10 per tonne of CO₂ equivalent of reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks generated by the respective project in a given calendar year regardless of the scale of the respective project.**
16. **The maximum fee payment due shall be USD 20,000 for each large-scale project, including programmes of activities, and USD 5,000 for each small-scale project, including programmes of activities composed of small-scale projects.**
17. **The fees shall be paid only one time before publishing the Track 1 joint implementation project activity on the UNFCCC JI website and before submitting it to the International Transaction Log through the joint implementation information system.**



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18. **The host Parties requesting registration of small-scale projects and programmes of activities composed of small-scale projects shall submit sufficient information regarding the scale of the respective projects or programmes when uploading documentation on the JI UNFCCC website.**

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

~~Fees for accreditation:~~

~~Application fee: USD 15,000 per application (one-off payment, non-reimbursable);~~

~~Cost of the work by assessment teams: direct payment from applicant or accredited independent entities;⁶~~

~~Fee for processing of verification reports:⁷~~

~~USD 0.10 per tonne of CO₂-equivalent of reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks for the first 15,000 tonnes of CO₂-equivalent generated by the project in question in a given calendar year;~~

~~USD 0.20 per tonne of CO₂-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 CO₂-equivalent generated by the project in question in a given calendar year, except as noted in (iii) below;~~

~~For joint implementation programmes of activities, the fee in accordance with paragraph 1(b)(i) above shall apply to all reductions of anthropogenic emissions by sources or enhancements of removals by sinks in a given calendar year.~~

~~Advance payment:~~

~~An advance payment based on the expected annual average emission reduction calculated in accordance with paragraph 1(b)(i) and 1(b)(ii) 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;~~

- ~~(i) — The advance payment shall be used to cover the first verification fees that are due in accordance with paragraph 1(b)(i) and 1(b)(ii) above, until the advance payment has been exhausted;~~

~~If no verification report is submitted, any advance payment above USD 30,000 shall be reimbursed;~~

~~No advance payment shall be charged for joint implementation small-scale projects, joint implementation programmes of activities or for projects with an expected average~~

⁶ — 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).

⁷ — “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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~~annual emission reduction or enhancements of anthropogenic removals by sinks below 15,000 tonnes of CO₂ equivalent. The maximum advance payment due shall be USD 30,000.~~