

**Annex 1****DRAFT GUIDELINES ON THE DEMONSTRATION AND ASSESSMENT
OF PRIOR CONSIDERATION OF JOINT IMPLEMENTATION****A. Background**

1. In consideration of the revision to the “Guidance on criteria for the baseline setting and monitoring”, the JISC, at its twenty-sixth meeting, requested the secretariat to prepare draft guidelines on how the issue of prior consideration of the incentives from the JI should be addressed. This document responds to this request and contains guidelines on how prior consideration may be considered under JI, drawing on relevant guidelines under the CDM. To allow for a grace period for projects that already have started determination, it is proposed that these guidelines shall be effective for determinations starting from [1 January 2012].

B. Prior consideration of the incentive from JI

2. When demonstrating the additionality of a JI project, the project participants shall provide evidence that the incentive from the JI was seriously considered in the decision to implement the proposed project.

C. JI projects which starting date is on or after 1 January 2012

3. For JI projects which starting date is on or after 01 January 2012, the project participant must inform a Host Party DFP and/or the UNFCCC secretariat in writing¹ of the commencement of the project and of their intention to seek JI status. Such notification must be made within six months of the starting date of a JI project and shall contain the precise geographical location and a brief description of the proposed project. Such notification is not necessary if a JI PDD has been published in accordance to the Paragraph 32 of the annex to decision 9/CMP.1 (JI guidelines) before the starting date of a JI project.

4. When determining a JI project which starting date is on or after 1 January 2012, AIEs shall ensure by means of confirmation from the DFP and/or UNFCCC secretariat that such a notification has been provided. If such a notification has not been provided the AIE shall determine that the JI was not seriously considered in the decision to implement the project.

5. Additionally, for projects for which a JI PDD has not been published in accordance to the Paragraph 32 of the annex to decision 9/CMP.1 (JI guidelines), every subsequent two years after the initial notification the project participants shall inform the DFP and/or the UNFCCC secretariat of the progress of the project.

D. JI projects which starting date is prior to 1 January 2012

6. Proposed JI projects which starting date is before 1 January 2012 and is prior to the date of publication of the JI PDD in accordance to the Paragraph 32 of the annex to decision 9/CMP.1 (JI guidelines), are required to demonstrate that the JI was seriously considered in the decision to implement the project. Such demonstration requires the following elements to be satisfied:

- (a) The project participant must indicate awareness of the JI prior to the starting date of a JI project, and that the benefits of the JI were a decisive factor in the decision to proceed with the project. Evidence to support this would include, *inter alia*, minutes and/or notes related to the

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consideration of the decision by the Board of Directors, or equivalent, of the project participant, to undertake the project as a JI project.

(b) The project participant must indicate, by means of reliable evidence, that continuing and real actions were taken to secure JI status for the project in parallel with its implementation. Evidence to support this should include one or more of the following: contracts with consultants for JI PDD services, Emission Reduction Purchase Agreements or other documentation related to the potential sale of the ERUs (including correspondence with multilateral financial institutions or carbon funds), evidence of agreements or negotiations with an AIE for determination services, publications in newspapers, interviews with the DFP, earlier correspondence on the project with the DFP and/or the UNFCCC secretariat;

7. Assessment of real and continuing actions shall be determined by the AIE and the determination should focus on real documented evidence as indicated in paragraph 6 (b), including an assessment by the AIE of the authenticity of the evidence. Letters, e-mail exchanges and other documented communications may help to substantiate the evidence, but can be considered as evidence only after the AIE has assessed and confirmed the authenticity of such communications, inter alia through cross-checking (e.g. interviews). In such cases the AIE must describe the cross-checking process in detail in the determination report.

8. In determining proposed JI project where there is less than 2 years of a gap between the documented evidence the AIE shall conclude that continuing and real actions were taken to secure JI status for the project activity.

9. In determining proposed JI project where the gap between documented evidence is greater than 2 years and less than 3 years, the AIE may determine that continuing and real actions were taken to secure JI status for the project and shall justify any positive or negative determination opinion based on the context of the evidence and information assessed.

10. In determining proposed JI project where the gap between documented evidence is greater than 3 years, the AIE shall conclude that continuing and real actions were not taken to secure JI status for the project activity.

11. If evidence to support the serious prior consideration of the JI as indicated above is not available the AIE shall determine that the JI was not considered in the decision to implement the project.

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