

**DRAFT****Annex 1****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****(Version 05.0)****I. Background**

1. Paragraphs 30–45 of the annex to decision 9/CMP.1 (hereinafter referred to as the 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 in accordance with paragraph 23 of the JI guidelines.
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 JISC and its supporting structures.

II. 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.¹

III. Fees for processing of verification reports under the Track 2 procedure²

7. The fees for processing verification reports under the Track 2 procedure are:

¹ Details are defined in annex 6 of “Procedure for accrediting independent entities by the Joint Implementation Supervisory Committee” (version 07).

² “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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- (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 paragraph 7(c) below;
 - (c) For joint implementation (JI) programmes of activities (JI PoAs), 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 reductions or removal enhancements 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.³
11. No advance payment shall be charged for JI small-scale projects, JI PoAs or for JI projects with expected average annual emission reductions or enhancements of anthropogenic removals by sinks below 15,000 tonnes of CO₂ equivalent. The maximum advance payment due shall be USD 30,000.

IV. Fees for registering projects or programmes under the Track 1 procedure

12. The fees for registering JI projects or JI PoAs under the Track 1 procedure are:
- (a) USD 20,000 for each Track 1 JI large-scale project;
 - (b) USD 3,000 for each Track 1 JI small-scale project, and each Track 1 JI PoA.⁴
13. The fees shall be charged only one time after publishing the Track 1 JI project or JI PoA on the UNFCCC JI website and before issuing a project identifier by the JI information system and submitting the project or programme information to the international transaction log.
14. The host Parties requesting registration of Track 1 JI small-scale projects or JI PoAs shall submit sufficient information confirming the scale of the respective projects or the characteristics of the programmes, respectively, when uploading the project or programme documentation for publishing on the UNFCCC JI website.

³ This provision is applicable to the advance payments made before version 03 of this document entered into force.

⁴ Definition of small-scale projects and PoAs under the Track 2 procedure shall apply for the purpose of these fee provisions.



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V. Fee arrangements for projects or programmes changing between the Track 1 procedure and the Track 2 procedure

15. Anytime after a JI project or JI PoA has been registered under the Track 1 procedure, if a determination report for the project or programme is subsequently submitted under the Track 2 procedure, the fee paid under the Track 1 procedure in accordance with paragraphs 12–14 above shall offset the fees payable under the Track 2 procedure with the negative balance, if any, to be paid in accordance with paragraphs 7–11 above.

16. Anytime after a determination report for a JI project or JI PoA is submitted under the Track 2 procedure, if a request for registration of the project or programme is subsequently submitted under the Track 1 procedure, the fees paid under the Track 2 procedure in accordance with paragraphs 7–11 above [minus verification fees that had been effected for processing submitted verifications] shall offset the fee payable under the Track 1 procedure, with the negative balance, if any, to be paid in accordance with paragraphs 12–14 above.

17. The offsetting referred to in paragraphs 15 and 16 above shall be applied only once per JI project or JI PoA even if there is a further change in the track under which the project or PoA is processed.

18. [Each time if a JI project or PoA changes the track under which it is processed, the fee of USD [1,000] shall be payable.]

19. The offsetting referred to in paragraphs 15 and 16 above shall not provide for reimbursement of any fees that had been paid, except for the reimbursement of a portion of the advance payment referred to in paragraph 8 above.

History of the document

Version	Date	Nature of revision
05.0	14 May 2012	Initial publication as an annex to the annotated agenda of JISC29. Revision to use the fees paid under the Track 1 procedure to offset against fees to be paid under the Track 2 procedure and vice versa, on the basis of paragraph 28 of decision 11/CMP.7
04.0	25 March 2011	JISC24, Annex 3. Revision to incorporate provisions for charging of fees for activities under the Track 1 procedure on the basis of decision 4/CMP.6.
03.0	23 October 2009	JISC18, Annex 12. Revision to incorporate provisions for joint implementation programmes of activities, a revised advance fee cap and clarification of the fee structure for all projects.
02.0	19 October 2007	JISC08, Annex 9. Revision on the basis of paragraph 16 of decision 3/CMP.2. Incorporating preferential treatment of joint-implementation small-scale project regarding advance payments.
01.0	15 September 2006	JISC04, Annex 16. Initial adoption of the document on the basis of paragraph 2 (h) of decision 10/CMP.1
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