

## UK GUIDANCE ON PROJECT APPROVAL AND AUTHORISATION TO PARTICIPATE IN JOINT IMPLEMENTATION (JI)

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### 1. Glossary

Accredited Independent Entity (AIE)	A private company, accredited by the JI Supervisory Committee, and used for making determinations on, or verifying emissions reductions resulting from JI projects where the JI Supervisory Committee procedure (Track 2) is used.
Acquis Communautaire	The entire body of European Union laws is known as the Acquis Communautaire. This includes all the treaties, regulations and directives passed by the European institutions as well as judgements laid down by the Court of Justice.
Annex I Party / Non-Annex I Party	An Annex I Party is a country which is a Party to the UNFCCC and which is listed in its Annex I. Annex I Parties include the 24 original OECD members, the European Union, and the 14 countries with economies in transition. Countries not listed in Annex I are known as Non-Annex I Parties (those eligible for hosting CDM project activities).
Article 6 Supervisory Committee	See " <i>JI Supervisory Committee</i> ".
Assigned amount	The amount of greenhouse gases which each Annex I country is allowed to emit during the first commitment period (2008-2012).
Assigned Amount Unit (AAU)	A unit of assigned amount equivalent to one tonne of CO <sub>2</sub> .
Baseline	The baseline is the scenario that describes the situation that would occur in the absence of a proposed project. This is used as the basis for establishing emission reductions attributable to the project.
CDM	Clean Development Mechanism - the project mechanism provided for under Article 12 of the Kyoto Protocol. CDM projects can be undertaken in non-Annex I countries to reduce emissions of greenhouse gases or enhance sinks.
COP	The Conference of the Parties to the UNFCCC – the supreme body of the UNFCCC, comprised of countries that have ratified or acceded to the UNFCCC. The COP meets annually.
COP/MOP	The Conference of the Parties (to the UNFCCC) serving as the Meeting of the Parties to the Kyoto Protocol – the Meeting of the Parties (MOP) is the supreme body of Parties to the Kyoto Protocol and meets annually.
Designated Focal Point (DFP)	An office, ministry, or other official entity appointed to approve, and authorise companies' participation in JI projects. Defra has been appointed the UK's DFP.
Determination	A written decision by an Accredited Independent Entity on whether / how a Track 2 project meets the requirements of JI, or verifying emissions reductions or removals resulting from a project.
Emission Reduction Units	Kyoto units issued for emissions reductions or removals

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(ERUs)	resulting from JI projects. 1 ERU is issued for reductions or removals equivalent to 1 tonne of CO <sub>2</sub> .
Environmental Impact Assessment (EIA)	A formal assessment of the environmental impacts of a project, required in the case of Track 2 projects likely to have significant environmental impacts. All projects require some form of assessment of environmental impacts including transboundary impacts, in accordance with the requirements of the host country.
EU ETS	European Union Emission Trading Scheme.
European Union Allowance (EUA)	The unit traded within the EU ETS.
Host Party	A(n) (annex I) country in whose territory a JI project is physically located.
Implementing Regulations	The Greenhouse Gas Emissions Trading Scheme (Amendment) and National Emissions Inventory Regulations 2005 which implement the provisions of the Linking Directive in the UK.
International Transaction Log (ITL)	The ITL performs checks on all issuance and trading transactions to ensure compliance with UN rules.
Issuance	The act of crediting registry accounts with ERUs.
JI Supervisory Committee (JISC)	The UN body responsible for supervising Track 2 JI projects.
JI Track 1 project	A project carried out under the national guidelines and procedures of the host country, where the host meets all the eligibility requirements related to the transfer and acquisition of Emission Reduction Units (ERUs).
JI Track 2 project	A project carried out under the supervision of the JI Supervisory Committee. The Track 2 procedure has to be used when the host country does not meet the eligibility requirements for Track 1.
Joint Implementation (JI)	The project mechanism provided for under Article 6 of the Kyoto Protocol – JI projects can be undertaken in Annex I countries with Kyoto targets (inscribed in Annex B to the Kyoto Protocol) to reduce emissions of greenhouse gases or enhance sinks.
Kyoto Protocol	The Kyoto Protocol to the UNFCCC. Amongst other things, this Protocol sets binding targets for the reduction of greenhouse-gas emissions by industrialised countries.
Letter of Approval / Authorisation (LoA)	A letter from a DFP approving a JI project / authorising a company's participation in a JI project. All companies wishing to participate in a JI project need a LoA before they can be issued with credits.
Linking Directive	Directive 2004/101/EC of the European Parliament and of the Council, amending the EU Emissions Trading Directive in respect of the Kyoto Protocol's project mechanisms. The Linking Directive provides for use of credits from Joint Implementation and CDM projects in the EU ETS.
LULUCF (projects)	Land use, land use change and forestry (projects).
Marrakech Accords	Agreements reached at COP-7 which set out detailed rules and procedures, building on the provisions of the Kyoto Protocol. The Accords include guidelines for the implementation of Article 6 of the Kyoto Protocol, and modalities and procedures for a CDM as defined in Article 12 of the Kyoto Protocol.
Monitoring plan	A monitoring plan should set out the arrangements for collecting all the relevant information needed to determine the emissions generated in the baseline, measure the emissions generated by the project, leakage (emissions impacts outside the project) and finally, the emission

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	reductions or removals achieved by the project. A monitoring plan must be included in the PDD for a JI project.
National guidelines (and procedures)	The procedures set out by a host Party (and notified to the UNFCCC) for conducting JI projects in its territory.
OECD	The Organisation for Economic Co-operation and Development - a grouping of 30 (largely developed) member countries, working together on a range of economic and social issues (including climate change through the Annex I Expert Group).
Operator holding account (OHA)	An account in the UK Registry held by an operator of an installation covered by the EU ETS. The account can be used for trading and compliance within the EU ETS.
Person holding account (PHA)	An account in the UK Registry which can be used for holding ERUs by those without Operator Holding Accounts.
Project Design Document (PDD)	A PDD is a key element in the JI project cycle (and provides the basis for a determination on a Track 2 project). It should set out a description of the project activity, an appropriate baseline and monitoring plan, planned emission reductions or removals, a monitoring plan and other evidence needed to show that the project activity meets the requirements of JI.
Project mechanisms	The collective term for the two Kyoto mechanisms whereby emission reduction projects may be undertaken: JI and CDM.
Project Participant	A public or private entity authorized by a Party involved to participate in a JI project activity.
Registry	A registry is an application that records allowances and credits held by operators (e.g. under the EU ETS), Parties or project participants and tracks transactions. All Annex I countries participating in emissions trading or the project mechanisms need to have a national registry.
Removal Unit (RMU)	A Kyoto unit covering removal of greenhouse gases from the atmosphere through LULUCF activities. 1 RMU is equivalent to 1 tonne of CO <sub>2</sub> removed.
Sink	A sink is any process or activity or mechanism which removes a greenhouse gas from the atmosphere.
Supervisory Committee (for JI)	See " <i>JI Supervisory Committee</i> ".
UNFCCC	United Nations Framework Convention on Climate Change – the international treaty signed by 189 countries around the world sets goals and rules for confronting climate change. The UNFCCC has an ultimate objective of stabilising greenhouse gas emissions “at a level that would prevent dangerous anthropogenic (human induced) interference with the climate system.”
Verification	Verification is the process of independent determination by an Accredited Independent Entity of emission reductions or removals resulting from a project.
WCD	World Commission on Dams – an independent, international, multi-stakeholder process addressing controversial issues relating to large dams.

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### 2. Scope of this guidance

This guidance applies to the approval and authorisation of Joint Implementation (JI) projects under Article 6 of the Kyoto Protocol<sup>1</sup> and which occur in countries other than the UK (the Government is not currently approving JI projects in the UK). The Secretary of State for Environment, Food and Rural Affairs acts as the Designated Focal Point for JI (DFP) and may approve projects in accordance with international and EU requirements. These requirements are set out in various documents at international, EU and national levels:

- Article 6 of the Protocol is supplemented by UN decisions and in particular Decisions 15 and 16 CP.7 (in the Marrakech Accords<sup>2</sup>);
- Directive 2004/101/EC amending Directive 2003/87/EC<sup>3</sup> establishing a scheme for greenhouse gas emission allowance trading within the Community, in respect of the Kyoto Protocol's project mechanisms ('the Linking Directive') implements and supplements these project approval and authorisation requirements;
- The Greenhouse Gas Emissions Trading Scheme (Linking Directive) and National Emissions Inventory Regulations 2005<sup>4</sup> ('the Implementing Regulations') implement EU requirements in the UK.

JI has two tracks: one subject to supervision of the host Party (Track 1) and another subject to international supervision by the Supervisory Committee for JI (Track 2)<sup>5</sup>.

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<sup>1</sup> Text of Kyoto Protocol can be found at <http://unfccc.int/resource/docs/convkp/kpeng.html>

<sup>2</sup> Available at <http://unfccc.int/resource/docs/cop7/13a02.pdf>

<sup>3</sup> O.J. L No. 338, 13/11/2004, p18

<sup>4</sup> SI 2005/2903

<sup>5</sup> See paragraphs 23 and 24, in conjunction with paragraph 21 of Decision 16/CP.7

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### **3. Joint Implementation: Two Tracks**

In order to undertake JI activities, each Party is required to inform the UNFCCC secretariat of:

- Its designated focal point for the approval of JI projects
- Its national guidelines and procedures for approving JI projects, including consideration of stakeholders' comments, as well as monitoring and verification.

#### ***3.1 Track 1 Joint Implementation***

A host Party may verify reductions itself, and may transfer ERUs when it is considered to meet all the relevant eligibility requirements for international trading. It is not expected that the UK or another Party will formally meet these requirements until 2008<sup>6</sup>.

#### ***3.2 Track 2 Joint Implementation***

Where a host Party does not meet the eligibility requirements, verification can be undertaken by means of a verification procedure to be established by the Supervisory Committee for JI<sup>7</sup>. Parties that meet the eligibility requirements may also elect to use the Track 2 procedure. The Supervisory Committee will be established at COP/MOP 1 in Montreal in December 2005.

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<sup>6</sup> See paragraph 23 of Decision 16/CP.7

<sup>7</sup> See paragraph 24 of Decision 16/CP.7

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### **4. UK project authorities**

#### **4.1 What is the UK Designated Focal Point (DFP) for Joint Implementation (JI)?**

In July 2004 the Department of Environment, Food and Rural Affairs (Defra) was established as the UK's DFP for JI. For projects involving Scottish, Welsh or Northern Irish companies, Defra will ensure the relevant Devolved Administration agrees with project decisions. To contact the DFP please email: [jifp@defra.gsi.gov.uk](mailto:jifp@defra.gsi.gov.uk).

#### **4.2 What is the Climate Change Projects Office?**

The Climate Change Projects Office (CCPO) is a Government advisory body set up to assist UK businesses that wish to pursue opportunities arising from the Kyoto Protocol. The CCPO is jointly funded by the Department of Trade and Industry (DTI) and the Department for Environment, Food and Rural Affairs (Defra). The CCPO provides advice and support for projects which reduce greenhouse gas emissions and which could be eligible for tradable emission reduction credits. To contact the CCPO please email: [ccpo.enquiries@dti.gsi.gov.uk](mailto:ccpo.enquiries@dti.gsi.gov.uk)

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### **5. Letters of approval or authorisation**

#### **5.1 Why do I need a letter of approval?**

In accordance with article 6 of the Kyoto Protocol, participation in JI project activities requires written approval from all Parties involved. To obtain UK approval you should apply to the Secretary of State<sup>8</sup>.

In addition to approval of the project activity itself, authorisation of participation in the project activity is also required and can similarly be applied for to the Secretary of State.

#### **5.2 Who can receive a letter of approval - do I have to be based in the UK?**

We currently approve applications made by, and authorise participation of, companies resident in or with a branch in the United Kingdom. We are exploring whether it may be possible to issue a letter of approval to non-UK based entities.

#### **5.3 When should I apply for a letter of approval?**

You may apply for a letter of approval following receipt of host government approval.

As regards authorisation of participation in the project activity, this can be applied for either once the project has received approval of all Parties involved, or at the same time as the application for approval is made.

#### **5.4 How do I apply for a letter of approval and / or authorisation?**

Applications may be made electronically to the DFP for JI. These should be sent to [jifp@defra.gsi.co.uk](mailto:jifp@defra.gsi.co.uk). Alternatively, you may send a hard copy of the documents to:

DFP Team  
Global Atmosphere Division  
Department for Environment, Food and Rural Affairs  
Zone 3/C1 Ashdown House  
123 Victoria Street  
London  
SW1E 6DE

#### **5.5 How long should it take to get a letter?**

On receipt of the relevant documents/information (see 7.2 and 7.3 below), Defra may issue a letter of approval of a project activity and / or authorisation of participation in that project activity. The documentation will be made

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<sup>8</sup> See regulation 5(1) of the Implementing Regulations.



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available for public comment for a period of 1 month. Defra will aim to make a decision within 2 weeks in most cases. In some more complex cases, and in particular the case of hydro-electric generation facilities with a capacity of over 20MW, it may take longer to consider applications<sup>9</sup>.

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<sup>9</sup> See regulation 7(3) of the Implementing Regulations.

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### 6. Appeals

#### 6.1 What if I disagree with your decision?

There is a right of appeal to the Secretary of State under Regulation 9 of the Implementing Regulations.

Appeals should be made in writing and submitted to the Appeals Officer **within 15 working days of the date of the letter notifying the project participant of the Government's decision**. Appeals can be submitted either electronically or in hard copy. If sending a paper copy, please send it to the Appeals Officer at the address below:

The JI Appeals Officer  
Department for Environment, Food and Rural Affairs  
Zone 3/B4 Ashdown House  
123 Victoria Street  
London  
SW1E 6DE

A paper copy of the appeal should also be sent to the DFP team at the address below:

DFP Team  
Global Atmosphere Division  
Department for Environment, Food and Rural Affairs  
Zone 3/C1 Ashdown House  
123 Victoria Street  
London  
SW1E 6DE

Alternatively, you may send your appeal electronically to the [JI appeals mailbox](#) copied to the [DFP mailbox](#).

In case of appeals in respect of project participants in Scotland, Wales and Northern Ireland a copy of the appeal should be sent to the relevant Devolved Administration.

- Scotland:  
John Holmes  
SEERAD  
ACE Division - Climate Change Branch  
1-G.2 Victoria Quay  
Edinburgh EH6 6QQ

[climate.change@scotland.gsi.gov.uk](mailto:climate.change@scotland.gsi.gov.uk)

- Northern Ireland:  
Michael O'Neill  
Environmental Policy Division

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Department of the Environment  
River House  
48 High Street  
Belfast BT1 2AW

[michael.o'neill@doeni.gov.uk](mailto:michael.o'neill@doeni.gov.uk)

- Wales:  
Barry Dare  
Environmental Protection Division  
1st Floor  
National Assembly for Wales  
Cathays Park  
Cardiff CF10 3NQ

[barry.dare@wales.gsi.gov.uk](mailto:barry.dare@wales.gsi.gov.uk)

The closing date for appeals is 15 working days from the date of the letter notifying the project participant of the Government's approval decision. Any appeals received after this period will not be processed. For further details on the appeals procedure please see Annex A.

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### 7. General Requirements for approval

#### 7.1 What do I need to get a letter of approval?

Regulations 7(6) and (7) of the Implementing Regulations provide that the Secretary of State may only approve a project activity if she is satisfied that international and European requirements have been met. In order to make this judgement the Implementing Regulations provide that

- applications shall contain such information as the Secretary of State may reasonably require<sup>10</sup>
- the Secretary of State may request further information to enable her to make a decision on approval<sup>11</sup>.
- the Secretary of State may require information to be independently verified,<sup>12</sup>.

The basic format of the application is the same for all applications, although specific information requirements vary according to the project type and legal requirements. In particular:

- where the project is undertaken within the EU, baselines must comply with EU requirements; and
- where the project involves hydro-electric generation facilities with a capacity of over 20MW, WCD guidelines and criteria must be complied with.

#### 7.2 Joint Implementation projects verified under Track 1

It is not expected that the UK DFP will be in a position to approve Track 1 JI projects until appropriate guidance and procedures are in place for Track 1 in the host country concerned. For a UK letter of approval and / or authorisation to be issued for a Track 1 project we require the following:

- A copy of the letter of approval from the host country DFP<sup>13</sup>;
- A copy of the Project Design Document (PDD) - the PDD is a necessary element of the JI project cycle; for a JI project to be approved by the host party the project proponent must prepare a PDD which provides evidence that the project activity meets the requirements of JI<sup>14</sup>;
- A signed declaration of compliance with the national guidelines and procedures of the host country as notified to the UN Framework Convention on Climate Change (UNFCCC).

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<sup>10</sup> See regulations 5(3) and (4) of the Implementing Regulations

<sup>11</sup> See regulation 6 of the Implementing Regulations

<sup>12</sup> See regulation 5(5) of the Implementing Regulations

<sup>13</sup> See article 6(1)(a) of the Kyoto Protocol

<sup>14</sup> See paragraph 31 of Decision 16/CP.7.

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NB: the DFP may request additional information and/or require information to be independently verified.

### ***7.3 Joint Implementation projects verified under Track 2***

The approval procedure for Track 2 JI follows similar requirements to the approval process for CDM project activities, also being subject to international supervision. These procedures will be elaborated by the Supervisory Committee for JI once established by the COP/MOP in December 2005. To be able to issue a letter of approval and / or authorisation in respect of Track 2 project activities we will require the following:

- A copy of the letter of approval from the host country DFP;<sup>15</sup>
- A copy of the Project Design Document (PDD). The PDD is a necessary element of the JI project cycle; for a JI project to be verified under the supervision of the supervisory committee the project proponent must prepare a PDD which provides evidence that the project activity meets the requirements of JI<sup>16</sup>;
- A signed declaration of compliance with JI rules and procedures for established track 2 projects.

NB: the DFP may request additional information and/or require information to be independently verified.

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<sup>15</sup> See paragraph 33 of Decision 16/CP.7.

<sup>16</sup> See paragraph 31 of Decision 16/CP.7.

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### 8. Approval and authorisation requirements – ensuring participation is in accordance with the Marrakech Accords

Paragraph 29 of the JI Decision, as implemented in paragraph 11b(5) of the Linking Directive<sup>17</sup>, require Parties authorising participation in projects to ensure an entity's participation is in accordance with the relevant procedures and requirements.

The UK considers that participation of project participants in JI project activities is primarily for supervision of the JI Supervisory Committee (JISC) for track 2 projects and the relevant national authority acting as focal point of the host country for track 1 projects<sup>18</sup>.

#### 8.1 What are the participation requirements for project participants?

Decision 16/CP.7 describes the role of JI project participants. The requirements laid down in this Decision are set out in the table below:

Paragraph	Requirement
31	Submit to an accredited independent entity (AIE) a project design document (PDD), including information needed to determine whether project has been approved by Parties involved, would provide 'additional' emission reductions or removals and has an appropriate baseline and monitoring plan
33(d)	Submit to an AIE documentation on the analysis of the environmental and transboundary impacts of the project activity and carry out an environmental impact assessment (EIA) if the project participants or the host party consider that the impacts are likely to be significant
36	Submit to an AIE and make publicly available a report in accordance with the monitoring plan on reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks that have already occurred
Appendix B	
2	Establish a baseline
3	Justify choice of baseline
4 (a-f)	Include as part of the PDD a monitoring plan showing reductions of anthropogenic emissions by sources and/or enhancements of anthropogenic removals by sinks by the proposed JI project, and adjusting for leakage effects, if any
5	Justify any revisions to the monitoring plan and submit to the AIE for verification
6	Implement the monitoring plan

In addition to the above requirements, the project participants must submit the documentation detailed above (see 5.2 and 5.3) in order to receive written approval from the UK DFP.

#### 8.2 What is the UK Government's role in projects?

Decision 16/CP.7 describes the role of Parties involved in a project. The main functions of a Party involved are to designate a focal point for approving

<sup>17</sup> See regulation 7(7) of the Implementing Regulations.

<sup>18</sup> See paragraphs 23 and 24, read in conjunction with paragraph 21, of Decision 17/CP.7.

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projects (paragraph 20(a), to adopt national guidelines and procedures (in the case of host Parties – paragraph 20(b)), to verify emission reductions or removals if eligible (as host - paragraph 23), to authorise legal entities to participate (paragraph 29), to issue letters of approval (paragraph 31(a)/33(a)), and to request reviews of projects and of determinations of emission reductions or removals (paragraphs 35 and 39).

This role is set out in the table below:

Paragraph	Host Party/ Non Host Party	Requirement	Further Guidance
20 (a)	HP/non-HP	Inform the secretariat of its designated focal point for approving projects	Secretary of State acts as FP for the UK.
20 (b)	HP	Inform the secretariat of its national guidelines and procedures for approving JI projects	The UK will notify the Secretariat of these guidelines in respect of non UK projects
23	HP	May verify emissions reductions or removals from a JI project, if it meets the eligibility requirements	Eligibility Requirements will be met following a successful review of reports establishing assigned amount.
24	HP	May issue and transfer ERUs, if it meets the eligibility requirements	Eligibility Requirements will be met following a successful review of reports establishing assigned amount.
25	HP	May use the verification procedure under the JI Supervisory Committee	This procedure will be established by the JI Supervisory Committee to be established in 2005
28	HP	Make information on the project publicly available	Project Applications will be made available on the UK JI-FP webpage.
29	HP/non-HP	Authorise legal entities to participate in JI projects and ensure that participation is consistent with the relevant annex to 16/CP.7	See section 5 of this guidance.
31(a)/33(a)	HP/non-HP	Give approval of participation	See section 5 of this guidance.
35	HP/non-HP	May request a review	See section 6.5 of this guidance
39	HP/non-HP	May request a review of the AIE's determination on reported emission reductions or removals	See section 6.5 of this guidance

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### **8.3 How does the UK Government ensure our participation is in accordance with the Marrakech Accords?**

The UK Government ensures participation is in accordance with the Marrakech Accords<sup>19</sup>:

- At the point of approval, by requiring:
  - project participants to confirm that information supplied in the application is correct; or
  - verification of information by an independent verifier;
- At the point of a determination on a Track 2 project, through the potential for a request for review<sup>20</sup>;
- At the point of a determination on emission reductions from a Track 2 project, through the potential for a request for review of issuance<sup>21</sup>.

### **8.4 Role on approval**

The UK Government ensures participation is in accordance with the Marrakech Accords by requiring a declaration to this effect by the project participant, and may require independent verification of information supplied<sup>22</sup>.

The project participant is responsible for ensuring that the information contained in the PDD and other documentation is accurate. It is a criminal offence for you to knowingly make a false or misleading statement; or to recklessly make a statement which is false or misleading<sup>23</sup>.

### **8.5 Role after approval**

A Party involved in a Track 2 project can request a review of either an initial determination on a project or of a determination on emission reductions from the project. There is no such provision for Track 1 projects, which are subject to the national guidelines and procedures of the host Party.

#### *a. Request for review of projects*

Once the Accredited Independent Entity (AIE) has made available its decision as to whether the project is valid, together with supporting evidence, it is considered final unless a Party involved in the project or three members of the JISC object within 45 days of it being made public<sup>24</sup>.

The UK Government will not duplicate the functions of the host Party, the Accredited Independent Entities or the Supervisory Committee.

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<sup>19</sup> See paragraph 29 of Decision 16/CP.7; article 11b(5) of the Linking Directive; and regulation 7(7) of the Implementing Regulations.

<sup>20</sup> See paragraph 35 of Decision 16/CP.7

<sup>21</sup> See paragraph 39 of Decision 16/CP.7

<sup>22</sup> See regulations 5(4) and 5(5) of the Implementing Regulations.

<sup>23</sup> See regulation 13(1)(b) of the Implementing Regulations.

<sup>24</sup> See paragraphs 34 and 35 of Decision 16/CP.7



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### *b. Request for review of issuance*

Once the AIE has made available its determination on emission reductions, it is considered final 15 days after the date on which it is made public, unless a Party involved in the project or three of the members of the JISC request a review by the JISC<sup>25</sup>.

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<sup>25</sup> See paragraphs 37-39 of Decision 16/CP.7

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### 9. EU requirements

The EU Linking Directive not only transposes project approval requirements set out in the Marrakech Accords, but also introduces further requirements, specifically related to approval by EU Member States. These relate to:

- baselines for projects carried out in countries which have signed a Treaty of Accession with the EU; and
- projects involving hydro-electric facilities with a generating capacity greater than 20MW.

#### 9.1 *Baselines of projects*

In addition to the international requirements, EU Member States are required to ensure that the baselines for project activities undertaken in countries that have signed a treaty of accession with the EU fully comply with all Community legislation (the *Acquis Communautaire*), including the temporary derogations set out in the relevant Treaty of Accession<sup>26</sup>.

This requirement is intended to ensure that the reductions credited through the mechanism are additional to the reductions that are required by Community law.

In order for the Government to be satisfied that these requirements are met, the UK DFP requires a statement either from the host country (in the letter of approval) or from the verifying Independent Entity<sup>27</sup>.

#### 9.2 *What Are The Requirements For Hydro Electric Facilities With A Generating Capacity Greater Than 20MW?*

The Linking Directive provides that in the case of hydro-electric projects with a generating capacity exceeding 20MW, Member States when approving such projects must take into account relevant criteria, including those set out in the World Commission on Dams (WCD) November 2000 Report “Dams and Development – A New Framework for Decision-Making”<sup>28</sup>.

To fulfill this obligation the UK DNA requires a declaration from project participants in these projects, indicating that the development of the proposed project activity will respect the criteria and guidelines identified in the report produced by the World Commission on Dams. We are currently considering how this might then be independently verified. For further information, please see Annex C, which sets out a form for explaining how your project complies with the WCD report’s checklist.

For further information on the WCD report please go to [www.dams.org](http://www.dams.org).

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<sup>26</sup> See article 11b(1) of the Linking Directive and regulation 7(6)(a) of the Implementing Regulations.

<sup>27</sup> See regulations 5(4) and 5(5) of the Implementing Regulations.

<sup>28</sup> See article 11b(6) of the Linking Directive and regulation 7(6)(b) of the Implementing Regulations.

## **Jl Approval and Authorisation Guidance**

### **10. Issuance - how do we get our credits?**

#### **10.1 *Jl Credits are issued into a registry account.***

Jl Credits are issued into a registry account. Issuance of credits is conditional, in the case of Track 1 projects, on countries complying with the necessary national eligibility criteria, or, in the case of Track 2 projects, on approval by the JISC. Emission Reduction Units (ERUs) are issued by the host country but cannot be issued until the host has established its Assigned Amount. If eligible, the host country issues ERUs by converting Assigned Amount Units (AAUs) or Removal Units (RMUs) as appropriate<sup>29</sup>.

#### **10.2 *When will credits become available***

ERUs in respect of Jl project activities can only be issued in respect of periods from 2008 onwards. In respect of both Track 1 and Track 2 Jl projects, we do not expect full eligibility requirements to be met, or assigned amount or removal units to become available for conversion to ERUs until early 2008.

#### **10.3 *How do I get a UK registry account?***

##### *UK Registry*

To receive ERUs in the UK Registry, you will require a Person Holding Account (PHA). The price of opening a PHA is £175.

You can apply for an account online at the Registry website (<http://emissionsregistry.gov.uk>), where you will be prompted to send certain information to the Environment Agency for checking. Full details of how to open a registry account can be found on the Environment Agency's website<sup>30</sup>.

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<sup>29</sup> See paragraph 29 of Decision 19/CP.7

<sup>30</sup> See [http://www.environment-agency.gov.uk/business/444217/590750/590838/1009544/1009655/1009773/?lang=\\_e&theme=&region=&subject=&searchfor=account+representatives&any\\_all=&choose\\_order=&exactphrase=&withoutwords=](http://www.environment-agency.gov.uk/business/444217/590750/590838/1009544/1009655/1009773/?lang=_e&theme=&region=&subject=&searchfor=account+representatives&any_all=&choose_order=&exactphrase=&withoutwords=)

## JI Approval and Authorisation Guidance

### ANNEX A: APPEAL PROCEDURES

An 'Appeals Officer' who will review all appeals against the application of the JI rules will be appointed. The Appeals Officer will be somebody who has not been involved in the original project decision and will work separately from the DFP team. The appeals officer will not discuss appeals with the DFP team.

The DNA/DFP team has 10 working days from the date of receipt of an appeal to submit in response written representations to the Appeals Officer. These representations must be copied to the appellant and, where an appeal relates to a project participant in Scotland, Wales or Northern Ireland, to the relevant Devolved Administration.

The appellant will have 5 working days from the date of submission of those representations from the DFP team to submit to the Appeals Officer any further representations in response. Any such further representations must be copied to the DFP team and where an appeal relates to a project participant in Scotland, Wales or Northern Ireland, to the relevant Devolved Administration.

If he considers it necessary, the Appeals Officer may set alternative time limits to those mentioned above and/or may require further exchanges of representations between the appellant and the DFP team. There is no provision for oral hearings.

The Appeals Officer shall give notice to the appellant of his determination of the appeal and shall give reasons for his decision. A copy of the determination shall be given to the DFP team and where an appeal relates to a project participant in Scotland, Wales and Northern Ireland, to the relevant Devolved Administration.

The Appeal Officer's decision will be incorporated into the final decision on approval which may include such additional conditions and requirements as the Appeals Officer considers necessary.

If you have any questions about the appeals process, please email the [JI appeals mailbox](#).

If you have any questions about the decision but do not wish to appeal, please email these to the [DFP mailbox](#).

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### ANNEX B DECLARATION

#### DECLARATION OF COMPLIANCE WITH THE RULES AND PROCEDURES OF JOINT IMPLEMENTATION (D1/04)

On behalf of [*insert name of company*], I confirm that [*insert name of company*] is requesting approval from the UK's Focal Point for Joint Implementation of [*insert name of project activity*] / [and] authorisation of participation in [*insert name of project activity*] (Delete as appropriate).

In doing so I declare on behalf of [*insert name of company*] that:

- participation in the project activity complies with the internationally agreed rules governing the Joint Implementation, as laid out in the Marrakech Accords and subsequent relevant decisions, and regulations national guidelines and procedures.
- **Delete as appropriate:** [where the project has not been subject to a determination: [*insert name of company*] will inform the Focal Point when the project has been subject to a determination by the Supervisory Committee/[*insert name of relevant national authority*].
- **Delete as appropriate:** [where the project has been subject to a determination: [*insert name of project*] has been subject to a determination by the Supervisory Committee/[*insert name of relevant national authority*]. [*insert date of registration*]/attach determination]
- the project design document (PDD) is attached.
- the information supplied in the PDD is correct.
- **Delete as appropriate** [Where the host party is an accession country - the baseline for this project activity fully complies with the *acquis communautaire*, including the temporary derogations set out in the Treaty of Accession]
- **Delete as appropriate** [where the project is a hydro electric generation activity with a generating capacity of more than 20 MW: the development of the proposed project activity will respect the criteria and guidelines identified in the Report produced by the World Commission on Dams "Dams and Development — A New Framework for Decision-Making", and the attached checklist and supporting information is correct.
- [*insert name of company*] agrees that it is responsible for the performance of any functions that fall to it as a project participant

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pursuant to the Marrakech Accords, and any additional requirements imposed by and in accordance with the law of the Host Party

- *[insert name of company]* understands that in granting approval the UK's Focal Point will not consider those matters that fall within the competence of:
  - a *[insert name of host party]* acting as Host Party in respect of this project;
  - b *[insert name of AIE]*, appointed by the project participants as Accredited Independent Entity in respect of this project; or
  - c [the host party focal point for JI/*[insert name of relevant national authority]*, **[Delete as appropriate]** and the Supervisory Committee for Joint Implementation]

Signed .....  
Director

Name (in capitals)

.....

Date.....

Signed .....  
Director / Company Secretary

Name (in capitals)

.....

Date.....

On behalf of (insert company name).....

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### ANNEX C: CHECKLIST IN RESPECT OF HYDRO-ELECTRIC GENERATION ACTIVITIES

Please indicate whether the criteria listed have been met and provide a reference to supporting information in respect of each criterion, and attach to the declaration.

These criteria should be read in connection with the guidelines established by the World Commission on Dams. Supporting information may include an environmental impact statement or other supporting documents.

Stage 1 Criteria Checklist	Yes/No	Reference
<b>Gaining Public Acceptance</b>		
A consultation plan was developed using a stakeholder analysis to define the groups involved. The plan defines mechanisms for verifying needs at the local, sub-national and national level (Guideline 1).		
Verification of the needs for water and energy services was achieved through a process of public consultation and the results of public consultation were disseminated to stakeholders.		
Development objectives reflect a river-basin wide understanding of relevant social, economic, and environmental values, requirements, functions, and impacts that identifies synergies and potential areas of conflict.		
An appropriate process was established to address any disparities between the needs expressed through the public consultations and the stated development objectives.		
<b>Comprehensive Options Assessment</b>		
Legal, policy and institutional frameworks were reviewed and any bias against resource conservation, efficiency and decentralised options, and any provisions that hindered an open and participatory assessment of needs and options were addressed.		
<b>Addressing Existing Dams</b>		
Outstanding social and environmental impacts from past projects were evaluated and incorporated into the needs assessment (see Chapter 8, policy principle 3.3).		
<b>Sustaining Rivers and Livelihoods</b>		
Ecosystem baseline studies and maintenance needs were assessed at a strategic level (Guidelines 14, 15)		

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<b>Stage 2 Criteria Checklist</b>		
<b>Gaining Public Acceptance</b>		
Stakeholders participated in creating the inventory of options, assessing options, and in negotiating those outcomes that may affect them (Guidelines 1, 2).		
An agreed dispute resolution mechanism for negotiated processes was established with the participation and agreement of stakeholders (Guideline 2).		
Indigenous and tribal peoples gave their free, prior and informed consent to the inclusion in the development plan of any planned option that would potentially affect them (Guideline 3).		
<b>Comprehensive Options Assessment</b>		
Strategic impact assessments and life cycle analysis were integrated and undertaken as an initial step in the process (Guidelines 4, 7, 8, 14, 17).		
A multi-criteria assessment was used to screen and select preferred options from the full range of identified alternatives (Guideline 6).		
The screening of options:		
covered all policy, programme, and project alternatives;		
gave social and environmental aspects the same significance as technical, economic and financial factors;		
gave demand-side options the same significance as supply options;		
prioritised consideration of improving performance of existing systems;		
considered river-basin-wide aspects and cumulative impacts;		
took account of potential changes in climate; and		
reflected the precautionary approach.		
Distributional and risk analyses were conducted at an appropriate level (Guidelines 9, 11) and environmental and social impacts were valued where appropriate (Guideline 10).		
Approval to proceed with any project-level investigations was informed by a comprehensive assessment of options (see Criteria Checklist 2A).		
Rejection of any options was explained in an open and timely manner.		
<b>Addressing Existing Dams</b>		
Provisions were made for resolving outstanding social and environmental impacts (see Chapter 8, policy principle 3.3)		
<b>Sustaining Rivers and Livelihoods</b>		
An established policy exists to maintain selected rivers with high ecosystem functions and values in their natural state.		
Consideration of options took into account: avoiding dams on the main-stem of rivers wherever possible; avoiding or minimising negative impacts on endangered species, ecosystems, livelihoods, human health and cultural resources; and respecting the provisions and guidance of relevant international treaties.		
<b>Recognising Entitlements and Sharing Benefits</b>		
For any project option, stakeholders negotiated the guiding principles and criteria for: benefit sharing, mitigation,		



## JI Approval and Authorisation Guidance

resettlement, development and compensation measures (Guidelines 2, 18, 20).		
<b>Ensuring Compliance</b>		
Sufficient institutional capacity exists, or will be enhanced, to monitor and enforce commitments for social and environmental components.		
<b>Sharing Rivers for Peace, Development and Security</b>		
Any objections from riparian states were resolved through good faith negotiations or independent dispute resolution procedures (Guideline 26).		
<b>Stage 2A Criteria Checklist</b>		
<i>Project-related pre-feasibility and feasibility studies need to meet the following criteria. Policy and programme related studies may also be required, and are covered in Criteria Checklist 2.</i>		
<b>Gaining Public Acceptance</b>		
Stakeholders participated in baseline, impact and investigative studies and the negotiation of outcomes that potentially affect them (Guidelines 1, 2, 14, 17).		
The studies and impact assessments were open and independent, and were preceded by a participatory scoping phase (Guideline 5).		
<b>Comprehensive Options Assessment</b>		
The investigations were analysed on a riverbasin-wide understanding of social, economic, and environmental values, requirements, functions, and impacts including cumulative impacts, and the precautionary approach was applied. (see Guideline 5).		
The recommendations of studies undertaken on resource conservation measures, demand-side management, local supply-side options and improvement of existing systems were reflected in the demand forecast for the sector.		
Within-project alternatives were assessed using a multi-criteria approach (Guideline 6).		
<b>Addressing Existing Dams</b>		
Studies examined possible synergies from interactive operation of related water resource infrastructure in the basin.		
<b>Sustaining Rivers and Livelihoods</b>		
An environmental flow requirement to maintain downstream species, ecosystems and livelihoods was defined (Guideline 15).		
Impacts on fish have been assessed and measures to avoid or minimise impacts were considered, including an effective fish pass where feasible (Guideline 16).		
<b>Recognising Entitlements and Sharing Benefits</b>		
Stakeholders negotiated agreements for compensation, mitigation, resettlement, development and monitoring measures affecting them, including draft contracts where necessary (Guideline 19).		
Effective benefit-sharing strategies were identified and agreed with people adversely affected by the project (Guideline 20).		

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<a href="#">Ensuring Compliance</a>		
Institutional capacity to monitor and enforce commitments for social and environmental components of the project was analysed and measures to strengthen capacity identified.		
An independent panel reviewed the assessment of impacts and the planning of social and environmental mitigation plans (Guideline 22).		
<a href="#">Sharing Rivers for Peace Development and Security</a>		
Riparian states were notified of options affecting them and agreed procedures for impact assessments. Objections were addressed through good faith negotiations and agreed dispute resolution procedures (Guideline 26).		
<a href="#">Stage 3 Criteria Checklist</a>		
<a href="#">Gaining Public Acceptance</a>		
Stakeholders participated in the project design and the negotiation of outcomes that affect them (Guidelines 1, 2).		
Indigenous and tribal peoples gave their free, prior, and informed consent to the project as designed (Guideline 3).		
<a href="#">Comprehensive Options Assessment</a>		
The stakeholder forum participated in assessing alternatives for the detailed layout of the dam, associated infrastructure, and its operation.		
<a href="#">Addressing Existing Dams</a>		
Cumulative and interactive impacts of existing infrastructure were addressed in the design of the dam and agreements reached with stakeholders and operators to modify operating rules of existing dams where needed.		
<a href="#">Sustaining Rivers and Livelihoods</a>		
Acceptable rules were developed for reservoir filling, commissioning and operation.		
The final design includes provisions for emergency drawdown and decommissioning and is sufficiently flexible to accommodate changing future needs and values, including ecosystem needs and ecosystem restoration (Guideline 12).		
An environmental management plan incorporating environmental flows and other mitigation and enhancement measures was agreed with stakeholders and defines monitoring and evaluation programmes.		
The developer provided sufficient evidence to demonstrate that proposed mitigation and development measures will be effective in meeting their objectives.		
<a href="#">Recognising Entitlements and Sharing Benefits</a>		
Mitigation, resettlement, monitoring, and development plans were agreed with affected groups, and relevant contracts signed (Guideline 19).		
Detailed benefit sharing mechanisms, and the means to deliver them, have been agreed and set in place with affected groups (Guideline 20).		
<a href="#">Ensuring Compliance</a>		

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Independent panels reviewed and endorsed mitigation plans (Guideline 22).		
Provisional sums for mitigation are included in the tender, and their financing has been confirmed.		
A Compliance Plan was prepared, presented to the stakeholder forum and formalised. Individual compliance measures include mechanisms for dispute resolution (Guideline 21).		
The developer has allocated funds for an effective monitoring and evaluation system covering project performance, safety and impacts. Institutional capacity exists to monitor and enforce agreements effectively.		
A transparent process for short-listing contractors and selecting tenders is in place and contractors with a record of under-performance or corruption on past projects were identified and debarred where appropriate.		
Relevant performance bonds have been secured, trust funds established and integrity pacts signed (Guidelines 23, 24, 25).		
The licence for project development defines the responsibility and mechanisms for financing decommissioning costs.		
<a href="#">Sharing Rivers for Peace, Development and Security</a>		
Resolution was achieved where affected riparian states had outstanding objections (Guideline 26).		
<a href="#">Stage 4 Criteria Checklist</a>		
<a href="#">Gaining Public Acceptance</a>		
Stakeholders participated in monitoring mitigation measures and in negotiating outcomes that affect them (Guidelines 1, 2).		
Consultation mechanisms were agreed in advance with stakeholders for any technical, social, environmental, or other problems that may be encountered during reservoir filling and commissioning.		
Contingency plans for emergency drawdown of the reservoir were agreed with stakeholders before commissioning and were widely disseminated.		
<a href="#">Comprehensive Options Assessment</a>		
Affected stakeholders have reviewed any changes proposed to the tender design that		
substantially affect impacts, mitigation measures, benefit sharing, operational practices, or the monitoring programme.		
<a href="#">Addressing Existing Dams</a>		
Institutional co-ordination mechanisms that recognise interactive effects and cumulative impacts are in place to adjust operation of existing dams.		
<a href="#">Sustaining Rivers and Livelihoods</a>		
Required environmental mitigation measures were implemented.		
<a href="#">Recognising Entitlements and Sharing Benefits</a>		
The mitigation, resettlement and development action plan has been implemented and disputes resolved (Guideline 19).		

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<b>Ensuring Compliance</b>		
An independent panel reviewed and endorsed implementation of social, environmental, health and cultural heritage mitigation measures (Guideline 22).		
Preparations have been made to implement licence conditions for operations, implement continuing mitigation measures, undertake monitoring and regular evaluation, and disseminate information.		
Monitoring of social, environmental and technical aspects includes an intensive phase to cover the rapid changes that occur in the impoundment and commissioning period.		
The developer has complied with pre-commissioning commitments as defined in the Compliance Plan (Guideline 21).		
<b>Sharing Rivers for Peace, Development and Security</b>		
Mechanisms were initiated for sharing monitoring information with riparian provinces or States (Guideline 26).		
<b>Stage 5 Criteria Checklist</b>		
<i>These criteria are relevant to both existing dams (Chapter 8, Strategic Priority No.3) and the operational stages of future dams.</i>		
<b>Gaining Public Acceptance</b>		
Stakeholders are identified for consideration of operational issues and any proposed changes that impact on them or the environment (Guideline 1).		
<b>Comprehensive Options Assessment</b>		
Periodic evaluations of all aspects of project operation and performance are undertaken with the involvement of the stakeholder forum every 5 to 10 years and agreements renegotiated as necessary.		
Modernisation programmes and alternative operational regimes are considered as part of periodic reviews, replanning, or relicensing exercises through a participatory multi-criteria approach (Guideline 13).		
Monitoring and evaluation programmes should explicitly consider the influence of climate change (namely increasing and decreasing rainfall and flows) on benefits and dam safety.		
A full feasibility study, including analysis of alternatives and impact assessment, is undertaken for any proposal for any major physical change, including decommissioning.		
<b>Sustaining Rivers and Livelihoods</b>		
Operations take account of environmental flow requirements (quantity and quality) and ecosystem and social impacts are monitored (Guideline 15).		
<b>Recognising Entitlements and sharing benefits</b>		
Detailed benefit-sharing mechanisms are modified as necessary with the agreement of affected groups (Guideline 20).		
<b>Ensuring Compliance</b>		
Adverse social and environmental impacts and reparations issues are referred to the appropriate recourse body		

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(Guideline 19).		
Annual reports of project monitoring programmes, including social and environmental aspects, are issued promptly and corrective measures are initiated to address issues raised in the reports.		
The requirements of remaining performance bonds or trust funds outlined in the Compliance Plan are periodically reviewed, and financial guarantees are released on satisfactory compliance with agreed milestones (Guideline 23).		
Dam safety and inspection programmes are implemented.		
<a href="#">Sharing Rivers for Peace, Development and Security</a>		
Mechanisms exist to share monitoring information and resolve issues as they arise		