



# Review of JI guidelines: What changes would help realize JI projects?

JI Roundtable

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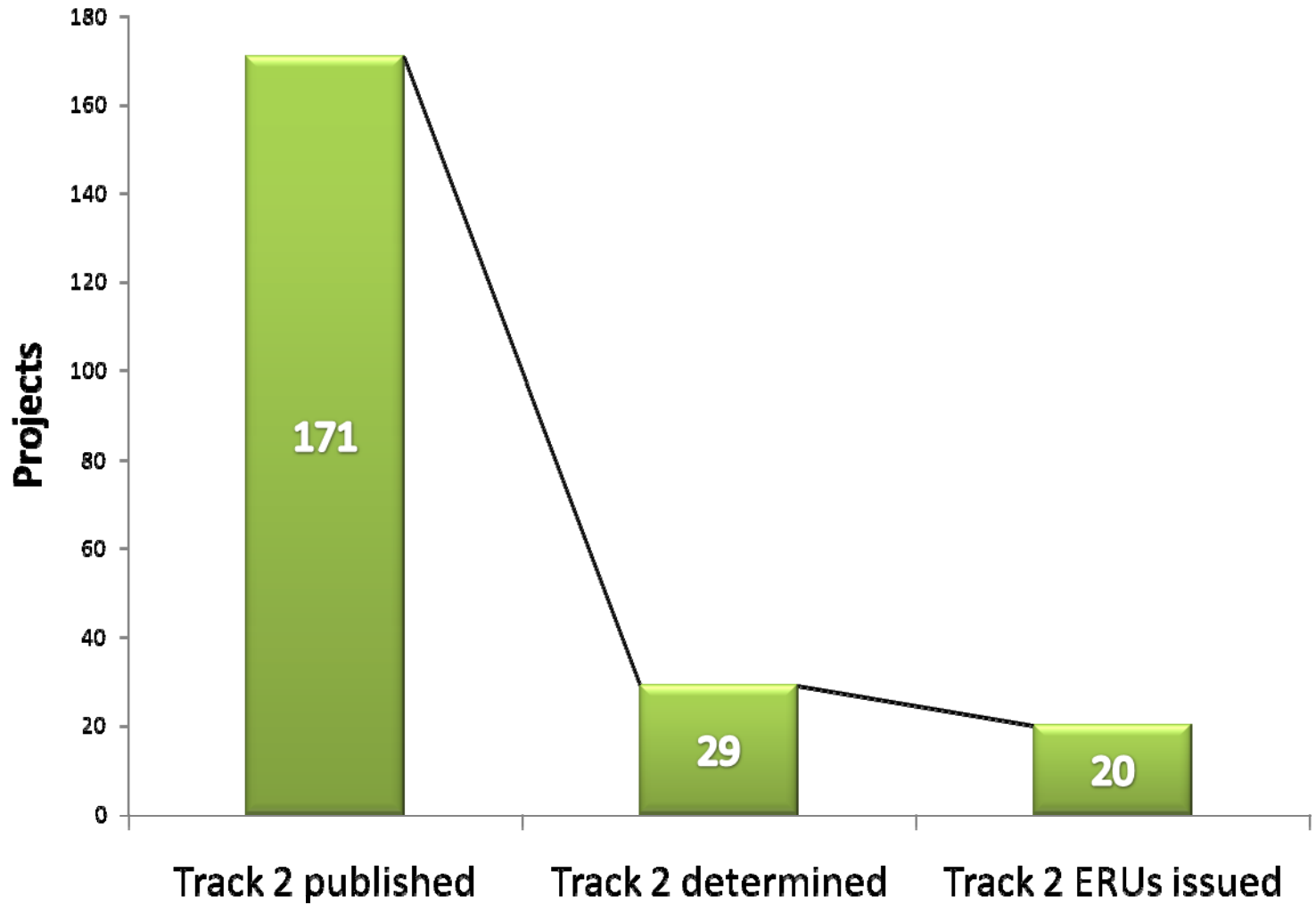
- 1. JI Overview**
- 2. JI Guidelines**
- 3. Conclusions**

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## JI Overview



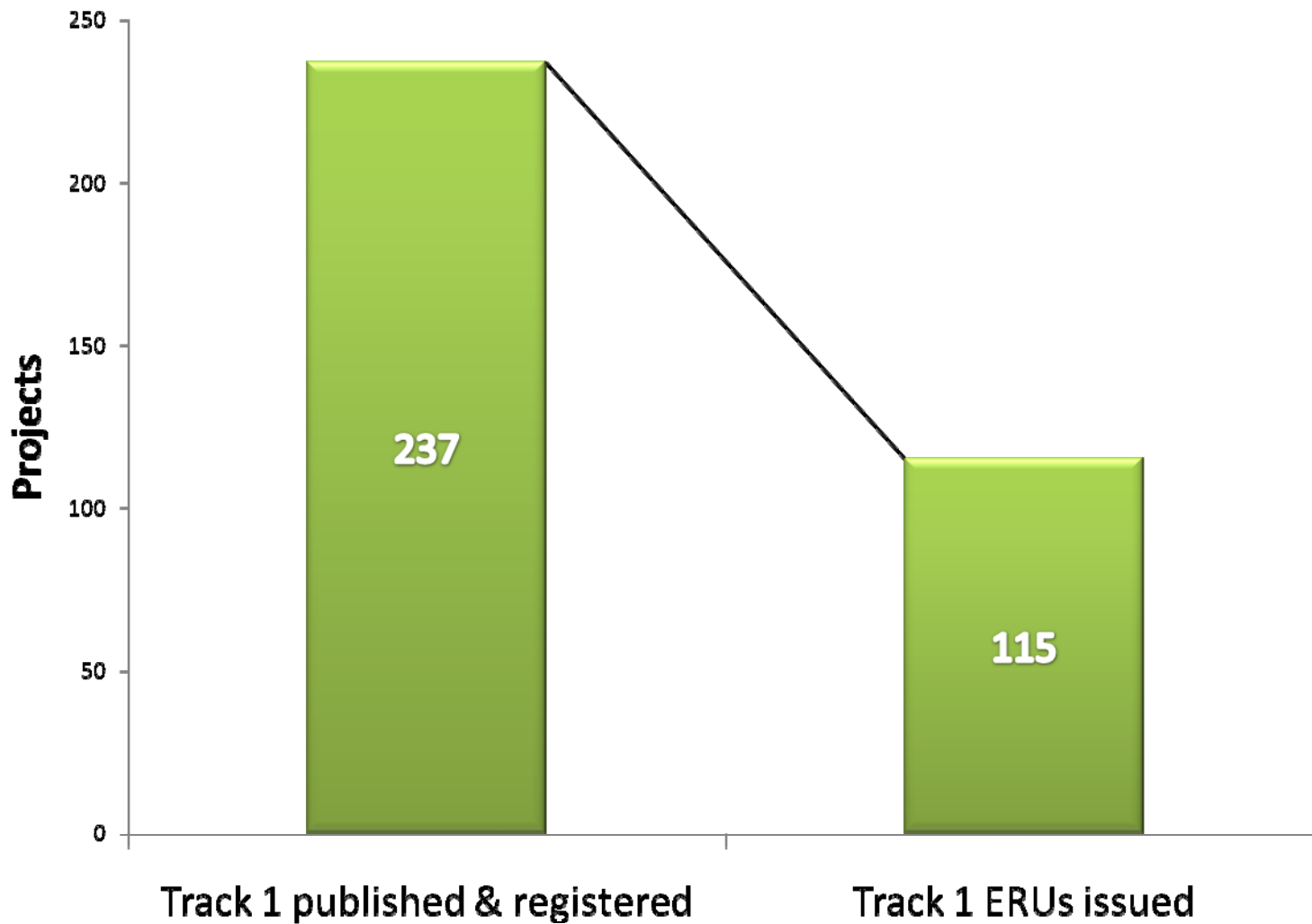
## Realization of JI projects – Track 2:



Source: UNEP Risoe



## Realization of JI projects – Track 1:



Source: UNEP Risoe

# JI Overview



- JI is in an obvious “cool down” state at the moment – new projects are almost extinct, a lot of projects are abandoned
- Several Host Countries may face suspension of eligibility for Track 1 ERU issuance and AAU transfer
- There are barriers in project approval and issuance with few Host Countries
- Limited number of AIEs and focus of some AIEs on CDM create a number of issues at determination and verification stage
- Other issues that hinder JI deployment are:
  - Short and soon-ending crediting period
  - Demand and possible uses for ERUs are not clear

# 2

## JI Guidelines



- Reviewed JI Guidelines have to shape the **new-JI mechanism** and improve the existing setup
- Proposal for the **Future of JI** have been brought forward a year ago by JIAG at the same roundtable
- Draft recommendations on options for building on the approach embodied in joint implementation have been prepared by the JISC and UNFCCC and will be considered at JISC 25
- Basic touch points are:
  - Merger of JI Tracks
  - Governance and role of different parties
  - Additionality and methodologies
  - Issuance
  - National approval procedures
  - Accreditation Procedures





- One approval, registration and verification process is required to bring clarity, quality and predictability in JI
- Such unified process must draw on Track 2 in setup and standards but also provide speed and flexibility
- Project cycle must contain PDD preparation, determination, national approval, registration, monitoring, verification and issuance
- Coordination with national approval procedures must be maintained (cycle steps, time etc.)
- Projects need to have a baseline and a monitoring plan established and determined
- Time lags and decision making points should be brought to a minimum

# Governance of JI & Responsibilities



## Governing Body: New-JISC

- Consists of Parties, Project Developers, AIEs etc.
- Supervision of accreditation process
- Development of standards and principles in baseline setting, monitoring etc.
- Keeping the JI-registry and supervising issuance



## AIEs

- Determination of projects
- Registration of projects
- Verifications of reductions
- Verification by AIE = Issuance

## Host Countries

- Project approval (one stage – PDD)

## Advisory Body

- Development of standardized baselines and methodological approaches

# Additionality



If new mechanism will operate under a capped environment additionality **should not be a major concern** of the new scheme:

- No increase of the cap
- Focus should be on the baseline setting (most plausible scenario in the absence of the project)
- Host country should be allowed to use this mechanism as a policy instrument

- 1) Additionality **can be removed** from the requirements to the projects
- 2) **Simplified** additionality **demonstration** by “positive technology list”, declaration or simple barrier analysis that does not result in cumbersome ex-post financial analysis



For the methodological support it may be possible to establish Advisory Body that will:

- Draft and approve **Sectoral Baselines**
- Draft and approve **Standardized National Baselines and Emission Factors**
- Draft and approve **Methodological Tools** etc.
- Be composed of experts and stakeholders



- A lot of **delays and uncertainties** in JI are connected with issuance
- Issuance should be an **automatic process** linked to verification by the AIE
- Host countries upon project approval will transfer estimated amount of credits to a special **JI-registry** administered and maintained by the Governing Body
- Submission of the final verification report by the AIE should trigger issuance automatically
- This will require more responsibility from AIEs in performing verifications and determinations
- AIE compliance and performance should be controlled by the Governing Body through the accreditation procedure

# National Approval Procedure



- Host Countries must have the right to approve realization of projects based on stated policy and goals
- Application and approval procedure should be **coordinated** with the international procedure
- Governing Body should develop a Best Practice guidance on national approval procedures (number of stages, required documents, processing times etc.) and try to promote harmonization of national procedures with this guidance
- Host Countries will establish **criteria** of project approval
- Project approval will also mean **transfer** of the estimated amount of credits to the JI-Registry
- No other Party approval should be necessary

# Accreditation Procedures



Greater role of AIEs must be reflected in the new accreditation standard

It must also ensure that AIE quantity and quality is appropriate for the task

Regular spot-checks and performance reviews must be established

Governing Body may establish an **individual certification programme** for JI GHG Verifiers and require that AIE personnel is involved in appropriate supervised training and certification

AIEs will operate on the individual project level



# 3

## Conclusions





- **New JI mechanism must ensure that projects are going through the process smooth and without delays**
- **Lessons learned from JI in first commitment period should be taken into account as much as possible when deciding the new setup**
- **Doubling responsibilities and unnecessary safeguards must be avoided**
- **Existing rules and guidance developed by the JISC must be kept but streamlined and enhanced for the new mechanism**
- **More clarity on future regime both in terms of rules and in terms of continuation of project activities is needed as soon as possible**

**Thank you for your attention!**

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