

Joint Implementation PDD Forms:

Experiences and issues regarding current JI PDD forms
(incl. guidelines for users)

Focusing on the status of JI

before addressing modification of forms

World Bank, Carbon Finance Unit

September 9, 2008

Current context for JI (1)

- Context has changed since October 2006

 - Almost all Annex I countries are eligible for JI Track 1
 - Compliance with Kyoto monitoring & reporting requirements fully remediates risks of environmental additionality
 - Both JI Track 2 and Track 1 are implemented under monitored emissions cap
-

Current context for JI (2)

- ❑ JI approaches are mostly “traditional”, strongly inspired by CDM
- ❑ Risk-averse AIE
- ❑ CDM alike limitations and perceptions are transposed into JI
- ❑ Current JI time horizon reduces likelihood of innovative project-by-project efforts which are often more risky
- ❑ Fragmented project-based market emerging in Annex I
- ❑ “Competitive advantage” of JI Track 2 in its current interpretation (e.g. environmental integrity, JISC supervision) could be challenged by more flexible Track 1/ GIS approaches

➡ A new approach to JI is needed

JI: “traditional” or innovative approach?

- ❑ Further efforts would need to target post-2012 perspectives to attract and coordinate necessary resources and energy
 - ❑ JI could be a vehicle for innovation and testing new methodological approaches & business-models
 - ❑ Innovation in JI would build a basis for continuing of project-based mechanisms post-Kyoto
-

Common effort for further improvements is necessary

- Exchange of experience from different types of project-based activities emerging in Annex I could be highly beneficial
 - Multiple types of project & program-based activities emerging in Annex I
 - Domestic JI
 - JI Track 2
 - JI Track 1
 - Programmatic JI
 - GIS
 - Different “products” from the segmentation of the same market
 - Rich sources of innovative approaches & tools alternative to CDM
 - Again, the Annex I “experimental ground” is already under the cap!
-

Possible practical solutions?

- Common background for coordinated action is missing
 - JI Technical workshops are useful, but scarce opportunity for exchanges
 - Opportunities for dialogue beyond project-specific level are limited

 - JISC may envisage playing new leading role?
 - Welcome longer-term approach broader than current JI Track 2 definition
 - Support further coordinated efforts among different actors
 - Promote new entrants into Independent Entities' "market"
 - Encourage risk-tolerant behaviour of Independent Entities
 - Local IEs may bring benefit of confidence in assessing national context, practices and barriers, have more efficient dialogue with DFPs
-

Proposal for a Working Group/Platform on project-based mechanisms in Annex I countries

- Combine relevant competencies & experiences from different Annex I project-based activities
 - Provide opportunity of equilibrated exchange among interested participants from different horizons:
 - relevant host countries stakeholders e.g. DFPs, national JI / GIS developers;
 - accredited and applicant national independent entities
 - project proponents
 - Provide recommendations/views on topics of common interest without being prescriptive
-

Potential terms of reference of a Working Group/Platform

- Lessons learned by existing experience of different project-based mechanisms in Annex I countries
 - JI programs
 - Domestic JI
 - Alternative methodologies, monitoring & verification procedures
 - Sectoral approaches
 - Alternative ways in addressing additionality (e.g. positive list of activities, simplified barrier test)

 - Assessing needs for new JI specific VVM, in particular targeting new independent entities

 - Exchange of experience in operationalization of national JI rules and guidances (e.g. approval procedures, issuance and transfer of ERUs)
-



Thank you!

www.carbonfinance.org

