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JI Track 2 Procedure Experience Gained and Existing Challenges

**UNFCCC Technical Workshop on Joint Implementation
Bonn, Germany • September 9-10, 2008**

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The CDM slide

- JI has from the outset been thought different than the CDM
 - Separate article in the Kyoto Protocol
 - Separate rules, guidelines and modalities provided in the Marrakesh Accords
 - Separate institutional structure
- Nevertheless JI is becoming more and more like CDM
 - JI Track 2 is often portrayed as the mirror to CDM – the “CDM track” for projects in Annex B parties
 - The backing of ERUs under JI with AAUs one-to-one is rarely appreciated in any comprehensive way
 - Over time it has more so become the norm to use CDM methodologies and procedures for JI projects
- Is the CDM framework the rule and any deviations under JI need to be justified, or do we first take a critical look at the CDM framework?

A balanced and critical approach should be applied when utilising CDM procedures within JI

An example: Monitoring of modular projects

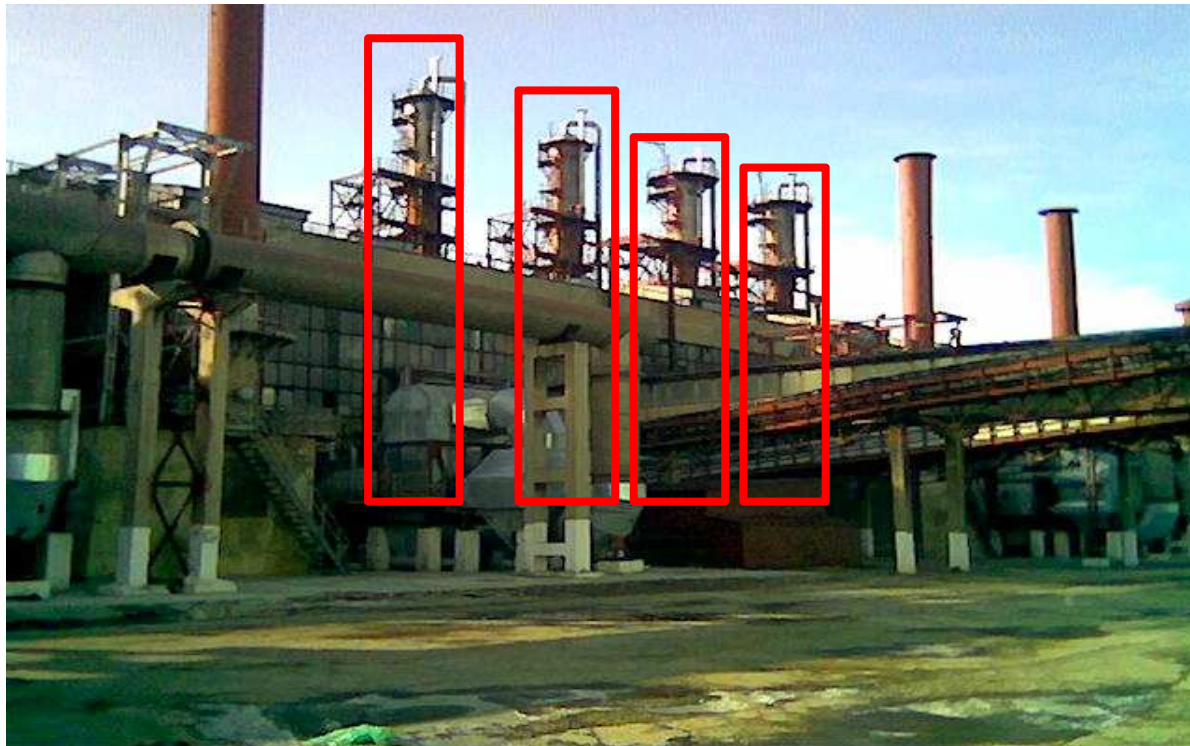
- Administrative guidelines under CDM require:
 - Consecutive monitoring periods at the project level
 - Clearly identified start and end date of monitoring report

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1. monitoring period	■																																					
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- Once monitoring and verification report has been completed, further ERs cannot be claimed for that period
- As a consequence compilation of MR can only be completed once all emission sources within the project boundary have been monitored
- For modular projects with subsets of emissions sources such monitoring requirements are overly restrictive and impractical

An example of a modular project

- N₂O abatement at nitric acid production in many instances take place at several production lines located next to each other (e.g. project 0074, 0087 and 0131 in the JI pipeline)

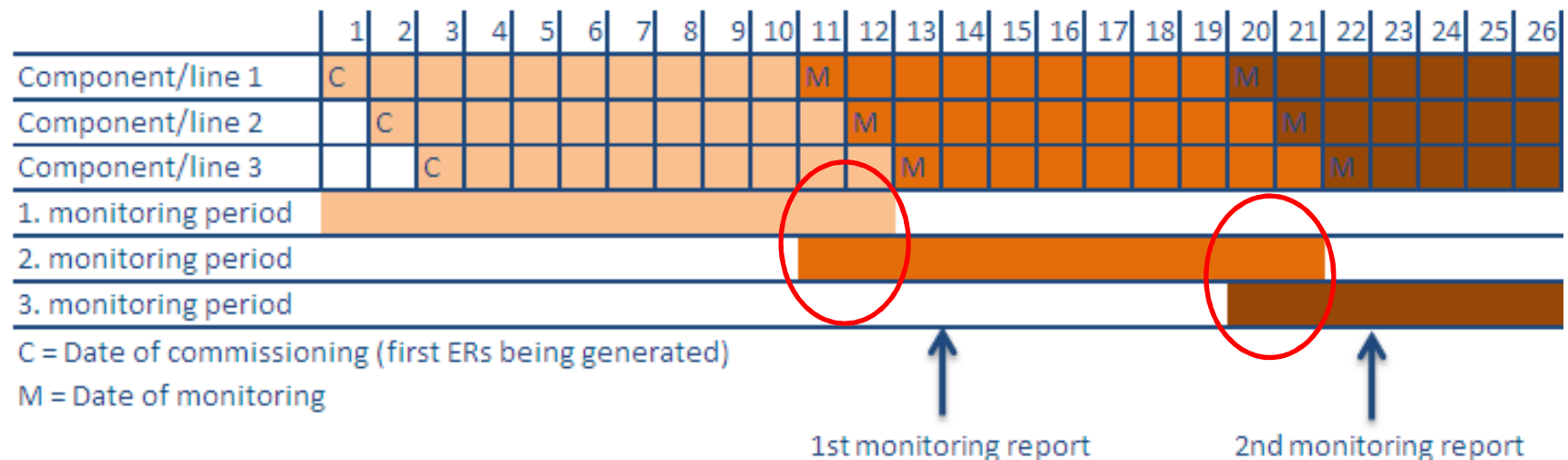


Reality in monitoring

- Both baseline and project emissions are measured and accounted for on a line-by-line basis
- Emission factors are under AM0034 established only on the basis of measurements over a full production cycle comprising several months of operation
- Production cycles across production lines generally overlap to even out resource requirements for regular service and maintenance functions
- This implies that at no point do all lines complete production cycle at the same time. It is thus not possible to complete monitoring of all lines at the same time.

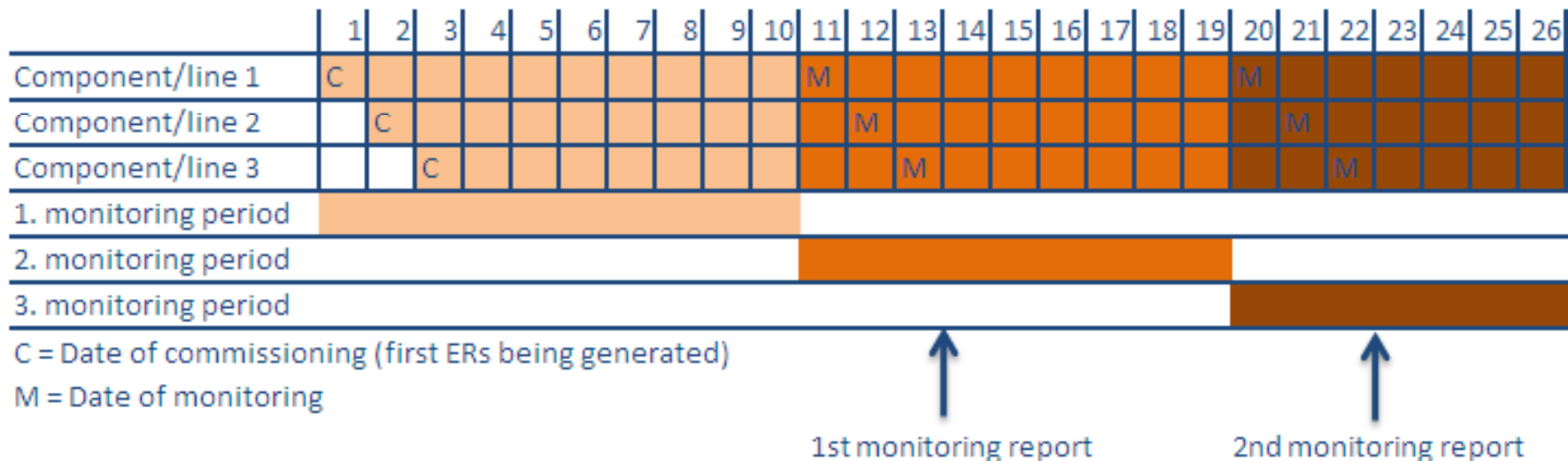
One approach

- Simply including most recent monitoring data available is inconsistent with CDM practice as monitoring periods overlap



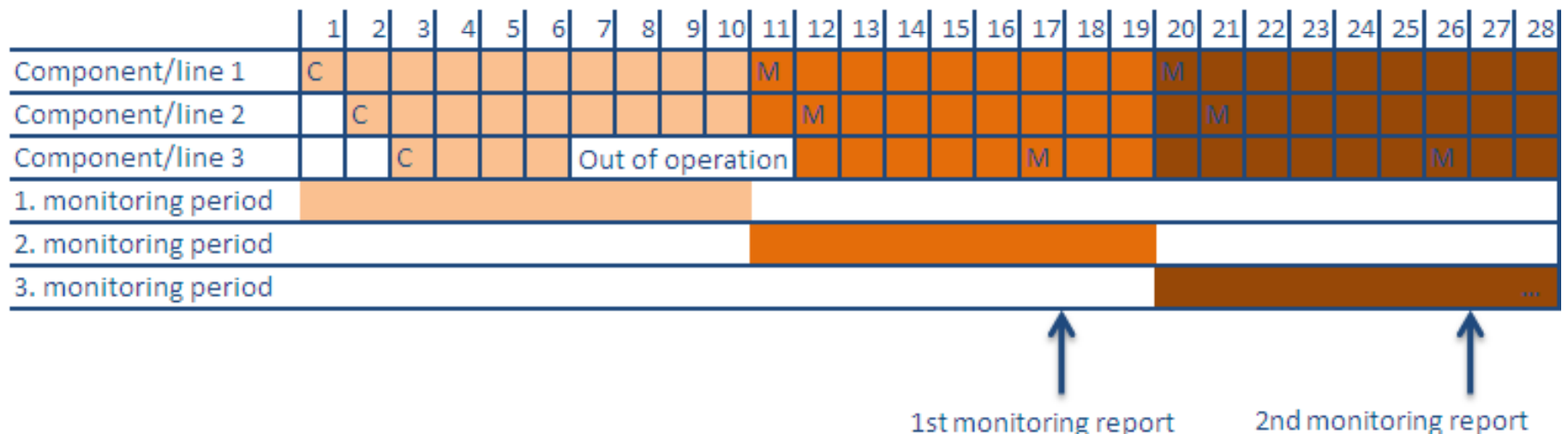
The consistent approach

- Only consistent way is to complete monitoring on all lines to calculate emission factors, but only account for ERs until the first date of monitoring



But reality is rarely that smooth...

- Monitoring reports would have to be delayed for instance in case of unexpected shutdown of a production line
- Verification of old data
- Difficult to manage specific delivery dates



One solution to retain flexibility: Separate projects

- Fully legitimate but adds X times the bureaucracy with no environmental benefit

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1. monitoring period																													
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Project 3			C				Out of operation										M									M			
1. monitoring period																													
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C = Date of commissioning (first ERs being generated)

M = Date of monitoring

Thank you for you attention

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