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Joint Implementation Technical Workshop

Proposals for CMP 7

- 2 Scenarios can be constructed from the paper

  1. Explicit –
     1. A continuation of the KP world as we know it
     2. Measures that modify JI into a new(and better) instrument

  2. Implicit –
     1. A new fragmented world
     2. Where the mechanism defined, nominally JI, but more a mechanism that is the framework for a universal baseline and credit

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Scenario 1 – KP as we know it

- The "new and improved JI" – this assumes the continued existence of AAUs

- Includes features that are welcome

  - Appeals process

  - Need for regulatory experience in governing body, public and private sector

  - The "new JI" has shed most of its CDM clone aspects and heritage

  - No role of JISC in verifcation

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Scenario 1 – KP as we know

- Some "same old"
  - Additionality being present and undefined, yet defined as a "guideline"

- Some inconsistencies
  - Issuance of ERUs instead of transformation
  - Creation of a new body – what's wrong with the JISC ?

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Scenario 1 - Conclusion

Overall the proposal is not bad

Scenario 2 – A Fragmented World

- A world with
  - no AAUs, no common accounting, no legally binding – Copenhagen/Cancun
  - Multiple market instruments that are used to to meet obligations
  - The need for a commonality and coordination and indirect linkages (until now under Article 17)

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Scenario 2- A Fragmented World

- The "new JI" makes perfect sense and is what is needed

- The " new JI" **is a framework** for creating baseline and credit mechs that

  – Are defined bottom up

  – Ensure environmental integrity by defining minimum common standards

  – Allows for flexibility for the the characteristics of different jurisdictions

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Scenario 2 – A Fragmented World

- Gets a little bit "too hybrid" as
    - It does not want to approve projects
    - Instead of approving systems
    - It still put aside AAUs for issuance

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Conclusions

- It can work in Scenario 1 but it is new mechanisms and not "new and improved JI"
- The concept very useful in a fragmented world (Scenario 2) but needs to go the next logical step and recognize that
  - It's a new mechanism
  - It's a framework
  - Replaces JI and CDM and allows the emergence of new ones

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