



**CORE
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GROUP**



Joint Implementation - The Road Ahead

December 6, 2008

JIAG – The Voice of JI

- JI Action Group represents the interests of JI project developers and practitioners that see JI as an essential part of a post-2012 UNFCCC architecture and could benefit from improvements in pre-2012
- JIAG feeds lessons learned into the policy process, acts as platform and resource



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CLIMATE FOCUS

ECO SECURITIES



VERTIS



pure

carbon services

When we close our eyes we see a lean, mean abatement machine



And when we open again... Back to reality



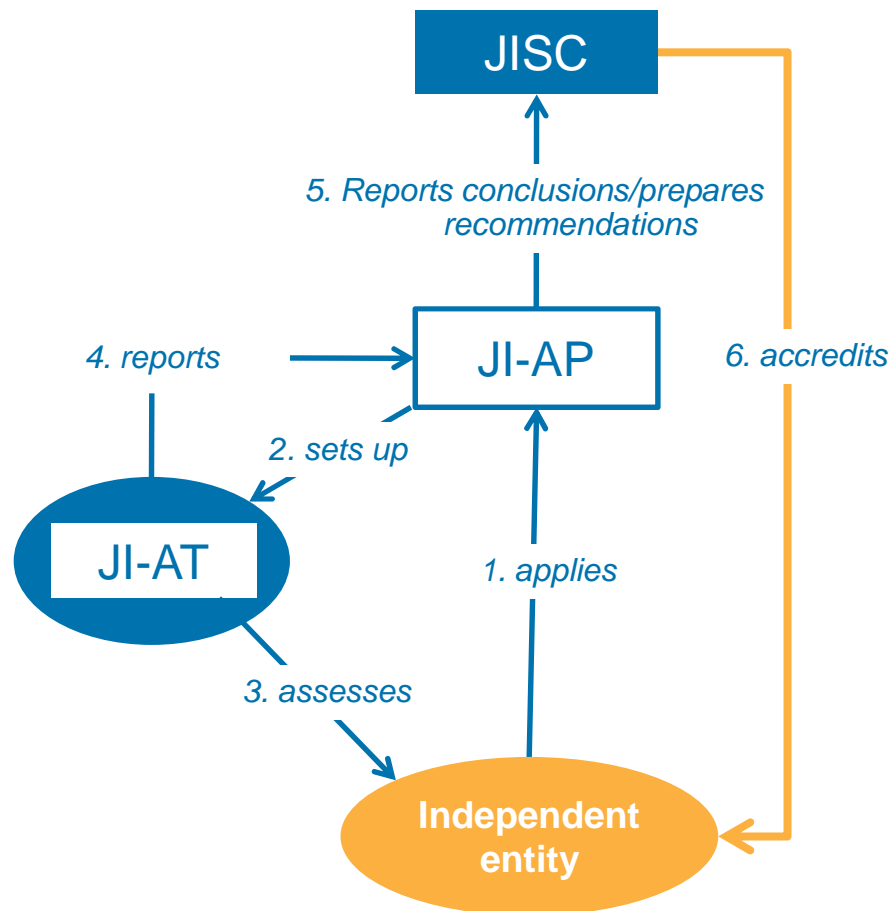
The potential of JI has hardly been realized



- Regulatory delays
- The EU ETS linking directive
- Slow process of AIEs and DFPs
- Viewed as simple compliance mechanism with few attempts to use as support for “domestic” abatement
- The 2012 cliff
- Accreditation bottleneck

If embraced by governments and properly regulated JI can deliver abatement in the future at an unprecedented scale

A brief look under the hood - Accreditation



- Separate accreditation and witnessing for each function and sectoral scope
- Witnessing for determination only on projects yet to initiate determination
- Witnessing for verification only on projects with finalized determination
- Clearly this would take years to complete for all applicant entities
- Verification reports would pile up due to lack of accreditations

Clear need for adjusting procedures to prevent a potential bottleneck

Accreditation – alleviating the bottleneck



The JISC at its 13th meeting agreed several measures to alleviate and avoid an approaching bottleneck

- One accreditation for valid for both functions
- All PDDs posted after Jan 1, 2008 eligible for witnessing
- Grouping of 15 scopes in 6 sectoral groups
- First witnessing opens for full accreditation (all groups) with 1½ year to initiate ex post witnessing in remaining groups
- 5 years term for accreditations (before 3 years)

JIAG welcomes this timely and appropriate step to streamline accreditation procedures

Why JI is important

Scope	<ul style="list-style-type: none">• Capped environment is likely to grow• Roll-over of CDM project into capped environment
Continuity	<ul style="list-style-type: none">• Post-Kyoto mechanisms to build on existing experiences• CDM will become JI (like) when moved to a capped sector
Efficiency	<ul style="list-style-type: none">• JI identifies cost-efficient ERs• Reduces cost of compliance
Financing	<ul style="list-style-type: none">• Project finance mechanism• Creates partnerships
Complements and link	<ul style="list-style-type: none">• JI can complement domestic ET schemes as off-set mechanism and create links between ET schemes
Technology	<ul style="list-style-type: none">• Spurs development of new technology• Creates and expands market for deploying GHG abatement technology
Awareness	<ul style="list-style-type: none">• Raises awareness within economic sectors and Parties where climate change has little attention

Ways to release the potential

Expansion in Scope: Sectoral Approaches

- Sector-wide relative or absolute reduction target
- JI as incentive to reduce emissions below the target
- Encouraging domestic JI

Ensuring Continuity: Conversion from CDM to JI

- CDM projects post-2012 continue under a JI framework
- Linking to AAUs and aligning crediting periods

Improving efficiency: Governance and baseline setting

- Focus on environmental additionality and generic baseline setting
- Secure due process, transparency, efficiency and quality for Track II decision making

Thank you

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