

18 December 1995

ENGLISH ONLY

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Subsidiary Body for Scientific and Technological Advice

Second session

Geneva, 27 February - 4 March 1996

ACTIVITIES IMPLEMENTED JOINTLY UNDER THE PILOT PHASE

Views from Parties on a framework for reporting

Note by the secretariat

The Conference of the Parties, at its first session, by its decision 5/CP.1, paragraph 2, decided that a framework for reporting on activities implemented jointly under the pilot phase should be developed by the Subsidiary Body for Scientific and Technological Advice (SBSTA) in coordination with the Subsidiary Body for Implementation (SBI) (FCCC/CP/1995/Add.1). The Bureau of the Conference of the Parties, at a meeting on 19 June 1995, considered that the contribution of views by Parties in writing would help to advance work on the establishment of such a framework and contribute to substantive consideration of this subject by the SBSTA and the SBI. The interim secretariat subsequently received one submission from Norway and two from the Netherlands, which were issued in document FCCC/SBSTA/1995/MISC.1 in time for the first session of the SBSTA.

The SBSTA, at its first session, decided to extend the initial deadline for submissions from 8 September 1995 to 1 November 1995 (FCCC/SBSTA/1995/3, para. 31 (a)). Since that session, the interim secretariat has received one submission from the United States of America and one from Germany. These submissions are attached and, in accordance with the procedure for miscellaneous documents, are reproduced in the language in which they were received and without formal editing.

FCCC/SBSTA/1996/MISC.1

GE.95-64752

## UNITED STATES OF AMERICA

### U.S. Comments to the Subsidiary Body for Scientific and Technological Advice on the Reporting of Activities Implemented Jointly

**Purpose:** Guidelines for the national reporting of Activities Implemented Jointly (AIJ) have two principal purposes:

- (1) To facilitate the process of considering Activities Implemented Jointly, including the preparation of useful technical analysis and synthesis documentation, by encouraging the presentation of information in ways that are consistent, transparent, and comparable;
- (2) To ensure that the Subsidiary Body for Scientific and Technological Advice (SBSTA) has sufficient information to begin to carry out its responsibilities to complete an annual review and a comprehensive review of the pilot phase.

**Participation:** All countries which are partners to AIJ should report to the SBSTA. The purpose of having all countries involved in AIJ report is to establish a system of parallel accounting whereby information provided by one Party to a project can be compared internationally by the SBSTA with information provided by another Party to a project. For instance, both sponsoring and hosting countries should provide the SBSTA with information on whether or not a project has host country acceptance (name of approving entity and date of approval). In this manner, countries and the international community can ensure that all Parties are in agreement that a specific project has been approved by a host country.

Note that countries involved in AIJ, even if they do not currently have an established program or projects, are encouraged to report as well. Countries just developing their program may want to report basic information on their program's design, or countries which receive a regional benefit or other impact from the location of a project in a neighboring country may want to report even if they are not an official partner in the project.

**Timing:** Reporting should occur annually during the pilot phase in order to allow the Conference of the Parties, at its annual session, to review the progress of the pilot phase. In the longer term, it is recommended that reporting take place with and with the same frequency as national communications.

The first reports for countries participating in AIJ should be due June 1996. These first reports should describe activities undertaken in 1995 or previous years, where applicable.

**Organization:** Guidelines for the national of reporting of Activities Implemented Jointly should have the following organization:

- I. National Program Description or Update:
  - A. Identification of the national governmental entity responsible for AIJ including contact information.
  - B. Description of the national program on AIJ and its objectives.
  - C. Description of the national criteria for AIJ.
  - D. Description of national monitoring, verification, and reporting procedures.
  
- II. Description of GHG Emission Reduction or Sequestration Attributable to AIJ Sponsored and/or Hosted by the Reporting Party
  - A. Quantitative presentation of GHG emission reduction/sequestration data for AIJ sponsored and/or hosted by the reporting Party.
  - B. Discussion of the relationship of emission reductions achieved by AIJ hosted by the reporting Party to the Party's national greenhouse gas inventory and projections for countries which have completed their national greenhouse gas inventories.
  
- III. Acceptance, Approval, Endorsement of Projects
  
- IV. Financial Additionality
  - A. Definition of official development assistance.
  - B. Provision of project information on public (non-ODA) funding of AIJ.
  - C. Confirmation that projects sponsored by the reporting Party do not involve ODA.
  
- V. Environmental and Development Impacts:
  - A. Confirmation that the reporting Party has notified (for sponsored projects) or been notified (for hosted projects) of potential positive and negative social and non-greenhouse gas environmental impacts of projects, as identified by project participants.
  - B. Discussion as to whether or not AIJ ongoing in the country of the reporting Party are meeting the environmental laws and regulations and consistent with the development priorities of the reporting Party.
  
- VI. General Comments to the Subsidiary Body on Scientific and Technological Advice

**Content:**

**I. National Program Description or Update**

This basic program information is necessary given that most country's programs on AIJ are just beginning and that countries' programs are likely to be designed differently. The

presentation of this information to the SBSTA will allow the SBSTA to synthesize this information for its annual and comprehensive review of the pilot on AIJ. It will also allow the SBSTA to communicate this information to interested Parties. For instance, if a country is interested in funding AIJ in a country, a representative from that country can contact the SBSTA and ask, if the country in which they are interested in has reported, who the appropriate contact person is in that country.

Note that once a country provides this information initially there is no need for such information to be reported every year. Rather, once a country has provided this basic information, the country shall only be responsible only for updating the information as needed. For instance, if a country's criteria for AIJ have changed then the country shall indicate to the SBSTA that the criteria have changed and describe the change.

- A. Identification of the national governmental entity responsible for AIJ including contact information.

This section of the report should include such information as addresses, phone numbers, fax numbers, and e-mail addresses for those Parties responsible for AIJ in the country of the reporting Party. (See the attached matrix.)

- B. Description of the national program on AIJ and its objectives.

This section should include a description of the objectives of the Party's program on AIJ. It should also describe briefly how the program works. For example, this section might describe the program's process for disseminating information on prospective projects.

- C. Description of the national criteria for AIJ.

This section of the report should include a description of the national criteria for AIJ. It should also discuss how projects are evaluated against these criteria (e.g. "tests," formula, detailed requirements, etc.)

- D. Description of national monitoring, verification, and reporting procedures.

This section should describe the national monitoring, verification, and reporting procedures adopted by the national program on AIJ. At a minimum, this section should include information on who reports, monitors, and verifies AIJ; how often such activities take place; and at what level of detail such activities take place (what is reported? what is monitored? what is verified?).

## **II. Description of GHG Emission Reduction or Sequestration Attributable to AIJ Sponsored and/or Hosted by the Reporting Party**

### **A. Quantitative presentation of GHG emission reduction/sequestration data for AIJ sponsored and/or hosted by the reporting Party.**

This section should include a quantitative presentation of basic GHG emission reduction or sequestration data for projects sponsored and/or hosted by the Party preparing the report. (See the attached matrix for format.) In order to make the reporting of AIJ compatible with reporting under National Communications, data should be provided by sector and by greenhouse gas for each project and each country. Note that sectors should be defined as they are for National Communications. (See the IPCC Guidelines for National Communications). The presentation of data in the matrix should be accompanied by a brief description of the methods used to determine and aggregate the data and a discussion of the uncertainties surrounding the aggregated estimates.

The matrix asks that Parties report on what portion of the emission reductions which occurred during the reporting period might hypothetically be allocated to the reporting country if a crediting scheme were in place. The United States is aware that there is no crediting for AIJ in the pilot phase. In the spirit of learning, however, we suggest that those countries who have considered crediting report information to the SBSTA. This information should consist of information on the hypothetical allocation of greenhouse gas emission reduction or sequestration that would accrue to the reporting Party as a result of AIJ as well as information on the procedures and rationale leading to this hypothetical crediting allocation.

### **B. Discussion of the relationship of emission reductions achieved by AIJ hosted by the reporting Party to the Party's national greenhouse gas inventory and projections for countries which have completed their national greenhouse gas inventories.**

As well as the information presented in the matrix, which will go a long way toward allowing countries to relate AIJ to their national inventories, the report should include a qualitative discussion of how AIJ hosted in each sector relate to measures taking place in this sector domestically and a discussion of how the emission reductions from AIJ affect the national inventory estimate for each relevant sector of the reporting Party. Note that until an approved system for crediting exists, AIJ does not affect the national greenhouse gas inventories of sponsoring countries.

## **III. Acceptance, Approval, Endorsement of Projects**

The decision on AIJ at the first Conference of the Parties clearly states "all activities

implemented jointly under this pilot phase require prior acceptance, approval or endorsement by the Governments of the Parties participating in these activities." To ensure that all of the Parties to a project support the project, both Parties should report the name of approving entity who supplied host country acceptance in the host country and the date such approval was obtained. (See the attached matrix.) Such reporting by both sponsoring and host country allows for the SBSTA to check the list for comparison.

#### **IV. Financial Additionality**

##### **A. Definition of official development assistance.**

Note that once a country provides an initial definition of ODA there is no need for such information to be reported every year. Rather, once a country has provided this information, the country shall only be responsible only for updating the information as needed.

##### **B. Provision of project information on public (non-ODA) funding of AIJ.**

##### **C. Confirmation that projects sponsored by the reporting Party do not involve ODA.**

The decision on AIJ at the first Conference of Parties in Berlin clearly states that "the financing of activities implemented jointly shall be additional to the financial obligations of Annex II Parties within the framework of the financial mechanism as well as to current official development assistance (ODA) flows." In this section, the reporting Party shall define how it interprets this criterion by providing basic information on whether or not public funding is involved in the project, providing information on any ODA involved in the project, and by providing information on whether or not funds from the FCCC's financial mechanism are involved in the project. (See the attached matrix).

#### **V. Environmental and Development Impacts**

##### **A. Confirmation that the reporting Party has notified (for sponsored projects) or been notified (for hosted projects) of potential positive and negative social and non-greenhouse gas environmental impacts of projects, as identified by project participants.**

##### **B. Discussion as to whether or not AIJ ongoing in the country of the reporting Party are meeting the environmental laws and regulations and consistent with the development priorities of the reporting Party.**

The United States believes that the consideration of the potential social and non-greenhouse gas environmental impacts is very important. It is very likely that many AIJ projects will have significant positive and potentially negative social and non-greenhouse gas

environmental impacts. We further believe that the most appropriate bodies for analyzing these potential impacts are sovereign host countries. Host countries have the most in-depth knowledge of their environmental laws and regulations and of their development priorities. For purposes of providing the SBSTA with information on the environmental and development impacts of AIJ projects, sponsoring and hosting Parties should provide the information requested in the attached matrix. Additionally, hosting Parties, if they so choose, might use the national reporting mechanism to report on whether or not AIJ projects ongoing in their country are meeting the environmental laws and regulations and the development priorities of their country.

#### **VI. General Comments to the Subsidiary Body on Scientific and Technological Advice**

The decision on Activities Implemented Jointly which was concluded at the First Conference of the Parties in Berlin called for reporting to address "technical difficulties encountered" and "practical experience gained." This section of the report allows countries to address these topic areas as well as to provide general conclusions and suggestions on AIJ to the SBSTA.

National Program Description/Update Matrix  
(Corresponds to Item I.A. in Comments)

Country: \_\_\_\_\_ Year: \_\_\_\_\_

Program Name	Contact Name	Title	Organization	Address	Phone	Fax	E-Mail



**Description of GHG Emission Reduction/Sequestration Attributable to the Nation's AII Activities Matrix**  
(Corresponds to Item II. in Comments)

Country: \_\_\_\_\_ Year: \_\_\_\_\_

	Date Project Began Reducing GHGs (Month, Year)	Sector (1)	Type (2)	Emissions Reduced or Sequestered (Metric Tonnes)							Emission Reduction Assurance		Hypothetical Allocation of GHG Emission Reduction During the Year to Reporting Party (Metric Tonnes)	
				CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	CO	NO <sub>x</sub>	NMV OC	Other (PFCs, HFCs, SF <sub>6</sub> )	Monitoring Implemented? (Yes or No)	Third Party Verification Implemented? (Yes or No)		
Country A														
Project A.1														
Project A.2														
Subtotal														
Country B														
Project B.1														
Project B.2														
Subtotal														

(1) See the IPCC Guidelines for National Communications for Sector definition. Sectors include energy, industrial processes, solvent and other product use, agriculture, land use and forestry, waste  
 (2) Type refers to the type of project within a Sector. For example, in the land use and forestry sector, a project might be further defined as afforestation, preservation, forest management, etcetera.



GERMANY

Draft Proposal

on a

Framework for Reporting

on

**"Activities Implemented Jointly (AIJ)  
under the Pilot Phase"**

submitted by Germany

**I. Starting Position**

One of the tasks of the Subsidiary Body for Scientific and Technological Advice (SBSTA) is the preparation of a framework for reports by Parties on activities implemented jointly within the context of the pilot phase decided upon at the First Session of the Conference of the Parties (decision 5/CP.1). On this basis the Subsidiary Body for Scientific and Technological Advice, together with the Subsidiary Body for Implementation (SBI) and with the involvement of the Secretariat, will draw up an overview of the information on activities implemented jointly passed on by Parties.

## **II. Requirements of the Reporting Framework**

The data on activities implemented jointly should contain the following information at least:

- Nature and site of the project,
- Companies and institutions involved,
- Organisation of the project,
- Participation ratios,
- Level of investment,
- Operating costs,
- Expected reduction of greenhouse gas emissions,
- Exact definition of the reference scenario used,
- Verification and monitoring,
- Predicted effects on the ecological, economic and social development in the host country
- Division, securing and use of the emission rights intended for the period after the pilot phase.

Above all, a detailed description of the fundamental methods used for the above-mentioned aspects must be included.

### III. Framework for Reporting on Activities Implemented Jointly

A corresponding catalogue for data can be drawn up from the requirements of the reporting framework. The data should be transferred in a form that is as clear and detailed as possible. Initially a report grid is proposed that can refer both to emission reduction measures and sink measures. At a later point in time, and given agreement on the basic elements of the report grid, further differentiated grids can be used (e.g. fossil-fuel power plants, renewable energies, demand side management etc.).

A process divided into three sections would be suitable:

1. The first part should contain a general description of the project, which should be as concise as possible, in the form of continuous text.
2. Detailed information should be given in the second part within the framework of a questionnaire (reporting framework).
3. The third part should contain information on the division, securing and use of emission rights - initially hypothetical in the pilot phase.

In detail it could be designed as follows:

**Framework for Reporting on  
Activities Implemented Jointly  
under the Pilot Phase**

**A. Part One**

**Brief description of the project:**



**B. Part Two**

<b>Investor's country:</b>	<b>UN Framework Convention on Climate Change ratified:</b>	<b>Date of the report:</b>
<b>Company, authority, institution investing:</b>		
<b>Contact person in investor's country for enquiries relating to this report (Name, Address, Tel., Fax):</b>		
<b>Host country:</b>	<b>UN Framework Convention on Climate Change ratified:</b>	
<b>Partner in host country (company, authority, institution):</b>		
<b>Contact person in host country for enquiries relating to this report (Name, Address, Tel., Fax):</b>		
<b>Date of start of project:</b>	<b>Date of end of project:</b>	

<b>Project category (e.g. fossil-fuel power plant, renewable energies, demand side management, sustainable forest management etc.):</b>
<b>Precise location:</b>
<b>Technical data:</b>
<b>Economic data (investment, operating costs etc.):</b>
<b>Resultant emissions of CO<sub>2</sub> or other greenhouse gases (per annum and for the entire duration):</b>



**Precise description of the reference path assumed:**

**Determination of the emissions of CO<sub>2</sub> or other greenhouse gases or incorporation of CO<sub>2</sub> in biomasses assuming a reference path:**

**Determination of the avoided emissions of CO<sub>2</sub> or other greenhouse gases or incorporation of CO<sub>2</sub> in biomasses also achieved (over the entire project duration and per annum):**

**Description of the planned monitoring and verification (in the case of sink projects also state basis of calculations, e.g. conversion factor m<sup>3</sup> wood in t C):**

**Description of other environmental effects (where appropriate enclose environmental impact assessment):**

**Description of the effects on economic and social development in host country:**

**Assessment of project:**

**Name and signature of informant:**

### C. Part Three

According to what key are the credits for the emission reductions achieved divided up among the project partners?

How is the risk covered that the planned emission reduction is not achieved, for whatever reason?