

**JISC Chair's
address to CMP10, 3 December 2014
Agenda item 5. Issues relating to joint implementation**

- Mr. President, distinguished Parties, observers, stakeholders in the Joint Implementation mechanism, ladies and gentlemen.
- We are at a most important turning point, where decisions that Parties may take can scale up and drive forward the increasing wave of investment interest in market-based opportunities to mitigate climate change.
- We must be aware that investors who are joining this rising global trend are starting to scrutinize what Parties under the UNFCCC intend for the future of market-based international cooperation to take climate action.
- Yet it is my responsibility to report that activity under the Joint Implementation mechanism has been in severe decline in past years.
- Prevailing levels of mitigation ambition, combined with slow progress in the ratification of the second commitment period of the Kyoto Protocol, and the inability to issue emission reduction units without assigned amount units from the second commitment period, all threaten the existence of JI.
- This comes as Parties work toward an ambitious agreement in Paris in 2015.
- When Parties have that agreement, mechanisms like JI will be indispensable for mobilizing investment.
- It also comes at a time when more and more countries and constituencies are launching market-based systems to address climate change.
- I should point out that JI is uniquely equipped to mobilize and direct investment within such capped emissions systems.
- Yet, just as Parties are preparing to agree on more ambitious emission reductions, and just as market-based approaches are

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finding favour around the world, the future of this mechanism, which has proven its ability to mobilize investment for mitigation, is in doubt.

- Parties need to take decisions here in Lima that safeguard and improve JI, or risk losing all that has been built over many years.
- The JISC has given to Parties a set of recommendations that, if adopted, would ensure that Parties will continue to have this important tool at their disposal.
- These new rules, prepared by the JISC for your consideration, are based on years of experience and thorough consultation with stakeholder. If adopted, they would result in a streamlined mechanism with a single, unified track for the vetting and international oversight of projects.
- Included with the new rules for JI is a recommendation that Parties provisionally advance the issuance of assigned amount units for the second commitment period of the Kyoto Protocol. This would allow emission reduction units to be created under JI while countries move toward ratification of the second commitment period of the Protocol.
- This recommendation is essential for the continued operation of JI. Without AAUs, there can be no JI emission reduction units.
- Parties, private and public sector stakeholders and this committee have built a tool that has a role now and an important role in the future when Parties agree on ambitious action to address climate change
- The JISC has given to Parties, here in Lima, a set of recommendations that, if adopted, would ensure that Parties will continue to have this important tool at their disposal.
- The JISC implores Parties to look carefully and favorably on these recommendations.

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