

Ukraine's submission on the revision of the Joint Implementation guidelines

Supporting in general the idea of further reforming and development of the joint implementation mechanism, as important market instrument to the Kyoto Protocol, it is deemed necessary to recap on some of the core principles on which the joint implementation mechanism should be based during the second commitment period under the Kyoto Protocol.

1. Project cycle

1.1. The joint implementation mechanism should be based on a single project cycle which is implemented by the host Parties on the national level in accordance with the mandatory international standards and procedures and under the supervision of the renewed Joint Implementation Supervisory Committee (hereinafter - JISC).

1.2. The single project cycle should be developed in line with the following broad steps:

- development of a project design document by participants in the joint implementation activity;
- approval of the joint implementation activity by the host Party;
- determination of the project design document by an accredited independent entity;
- registration of the joint implementation activity by the host Party;
- recording of the joint implementation activity with the JISC;
- monitoring of emission reductions and removals by the participants in the joint implementation activity;
- verification of the emission reductions and removals by an accredited independent entity;
- issuance of the emission reduction units by the host Party and their further distribution to project participants in the joint implementation activity.

1.3. Demonstration of additionality for the joint implementation activity should be a constituent part of the approval process by the host Party.

1.4. Emission reduction units should be issued by the host Party on the basis of the verified emission reductions and removals.

1.5. The role and responsibilities of accredited independent entities should be clearly defined, including possible sanctions for non-compliance with the rules of determination and verification of the joint implementation activity.

1.6. The JISC, supported by the UNFCCC secretariat, should provide a strong monitoring of the performance of accredited independent entities in both their determination and verification activities, and should be vested with authority to impose sanctions for non-compliance.

2. JISC

2.1. The JISC should operate under the authority of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and should be accountable to it.

2.2. The JISC should be authorized to the following:

- setting mandatory international standards and procedures with which joint implementation activities need to conform. These apply in particular to issues concerning the measurement, reporting and verification of emission reductions and removals, and should be developed in consultation with host Parties;
- establishing non-mandatory guidelines to support a consistent adoption and approval of joint implementation activities at national level taking into account the peculiarities of their application by each host Party;
- accrediting independent entities and supervision of their performance;
- overseeing the conformity of the implementation of JI activities with the mandatory standards and procedures and requiring the rectification of any cases of non-conformity;
- reporting to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on the implementation of JI activities and the conformity of joint implementation activities with guidance provided by the governing body and the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
- fostering the robustness and transparency of the joint implementation mechanism and promoting awareness of the joint implementation mechanism.

2.3. The JISC should be kept to a manageable size, with the members being drawn from the Parties to the Kyoto protocol. At the same time members should act in their individual capacities and should have experience and competence in policy and strategic issues relating to joint implementation regulatory processes.

2.4. The JISC should conduct its work in an effective and transparent manner.

2.5. The JISC should be entitled to delegate specific responsibilities to independent committees composed of external experts and should be supported in this by the UNFCCC secretariat.

2.6. Project participants, accredited independent entities and host Parties should be allowed to appeal against the JISC's rulings regarding JI activities. The appeals should be considered by a special body (committee of appeals) designated by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for this purpose.

3. Eligibility requirements

3.1. Parties should fulfill the eligibility requirements before they are able to participate as host Parties or recipients of the emission reduction units under joint implementation activity.

3.2. Issuance of the emission reduction units and their further distribution to the project participants in the joint implementation activity after its recording by the JISC should not be subject to the current state of the eligibility requirements fulfillment by a host Party.

3.3. Eligibility requirements should be formulated in the context of the international climate regime in the second commitment period under the Kyoto Protocol.

4. Transitional issues

4.1. Joint implementation activities should continue to be operational under existing Track 1 and Track 2 procedures between 1 January 2013 and either the end of the “true-up” period or the establishment of assigned amount for a host Party for the second commitment period under the Kyoto Protocol, whichever is sooner (hereinafter “transitional” period)

4.2. Emission reductions or removals achieved by existing or new joint implementation activities during the “transitional” period may be issued by the host Party as emission reduction units under the Track 1 and Track 2 procedures by converting assigned amount or removal units from the first commitment period under the Kyoto Protocol with subsequent deduction of equivalent amount from assigned amount units from the first commitment period under the Kyoto Protocol to be carried-out to the second commitment period under the Kyoto Protocol.