

Draft decision -/CMP.7

Guidance on the implementation of Article 6 of the Kyoto Protocol

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Mindful of the objective of the Convention as set out in its Article 2,

Recalling the provisions of Articles 3 and 6 of the Kyoto Protocol,

Cognizant of decisions 2/CMP.1, 9/CMP.1 and its annex (joint implementation guidelines), 10/CMP.1, 2/CMP.2, 3/CMP.2, 3/CMP.3, 5/CMP.4, 3/CMP.5 and 4/CMP.6,

Also recalling decision 1/CMP.6, paragraph 6(b),

Expressing its deep appreciation to the Parties that have contributed to funding the work on joint implementation,

Stressing the importance of constituencies nominating members and alternate members to the Joint Implementation Supervisory Committee who have the required qualifications, sufficient time and the commitment to serve on the Committee and perform their functions, in order to ensure that the Committee has the necessary expertise in, inter alia, financial, environmental and joint implementation regulatory matters and executive decision-making, and works in an effective manner,

Notes with appreciation the information presented on the UNFCCC joint implementation website¹ regarding decisions of the Joint Implementation Supervisory Committee and on the status of work undertaken by the Committee,

I. General

1. *Invites* Parties wishing to be involved in joint implementation projects to provide to the secretariat with information in accordance with paragraph 20 of the joint implementation guidelines,² if this information has not been previously provided;
2. *Takes note with appreciation* of the annual report of the Joint Implementation Supervisory Committee, including the achievements of and challenges faced by the Committee in its supervision of the joint implementation mechanism, information on the work done by the committee during the reporting period, and its financial status and resources; and of the actions taken;³
3. *Notes with appreciation* that 291 project design documents, one programme of activities design document, 39 determinations regarding project design documents, 62 monitoring reports and 57 verifications of reductions in anthropogenic emissions by

¹ <<http://ji.unfccc.int/index.html>>.

² Decision 9/CMP.1, annex.

³ FCCC/KP/CMP/2011/4.

sources or enhancements of anthropogenic removals by sinks have been made publicly available in accordance with paragraphs 32, 34, 36 and 38 of the joint implementation guidelines, and that 15 independent entities have applied for accreditation and that there are currently 11 accredited independent entities;

4. *Commends* the Joint Implementation Supervisory Committee for the efficient implementation and operation of the verification procedure under the Committee;

5. *Encourages* the Joint Implementation Supervisory Committee to continue to streamline the process of accrediting independent entities, including efforts to align the joint implementation accreditation process with the clean development mechanism accreditation process;

6. *Also encourages* the Joint Implementation Supervisory Committee to continue enhancing the implementation of the verification procedure under the Committee, taking into account the distinct characteristics of joint implementation under Article 6 of the Kyoto Protocol, to continue to promote transparency and to emphasize in its interaction with designated focal points, independent entities, project participants and stakeholders that approaches specific to joint implementation are available;

7. *Acknowledges with appreciation* that the Joint Implementation Supervisory Committee has kept its regulatory documents under review and continues to improve the clarity of the provisions and guidelines established regarding the verification procedure under the Committee, setting time limits in the joint implementation project cycle, making use of electronic decision-making, in particular in relation to reviews, and encouraging and supporting project-based innovative methodological approaches;

8. *Also acknowledges with appreciation* that the Joint Implementation Supervisory Committee has continued its efforts to enhance the transparency and efficiency of the accreditation process, in particular in the revision of the accreditation procedure;

9. *Recalls* its request to the Joint Implementation Supervisory Committee to continue to enhance its regulatory documents regarding the verification procedure under the Committee with a view to accelerating the timelines contained in the procedure without undermining its credibility;

10. *Agrees* to consider, at its eighth session, the issue of issuance of emission reduction units pursuant to decision 4/CMP.6, paragraph 11, for projects considered by the Joint Implementation Supervisory Committee in accordance with paragraph 10 of the same decision;

11. *Takes note* of the recommendations on options for building on the approach embodied in joint implementation,⁴ with key recommendations on the first review of the joint implementation guidelines in accordance with decision 9/CMP.1, paragraph 8;

12. *Also takes note* of the view of the Joint Implementation Supervisory Committee, as presented in the document referred to in paragraph 11 above, on the need for clarification regarding the treatment of emission reductions and removals that occur after the first commitment period of the Kyoto Protocol, on the process for review of the joint implementation guidelines, and on the recommendations relating to the evolution of joint implementation;

13. *Recalls* its decision to initiate the first review of the joint implementation guidelines, as contained in decision 4/CMP.6, paragraph 15;

14. *Invites* all Parties, intergovernmental organizations and admitted observer organizations to submit to the secretariat, by 16 April 2012, their views on the revision of the joint implementation guidelines, taking into account, as appropriate, their experience of

⁴ FCCC/KP/CMP/2011/9.

implementing the mechanisms under the Kyoto Protocol, including national guidelines, and the recommendations referred to in paragraph 11 above;

15. *Requests* the secretariat to compile those submissions into a synthesis report, for consideration by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its eighth session, and to make the report publicly available by 31 July 2012;

16. *Also requests* the Joint Implementation Supervisory Committee to draft a revised set of key attributes and transitional measures dealing with the possible changes to the joint implementation guidelines, considering the recommendations referred to in paragraph 11 above as well as the submissions received and the synthesis report referred to in paragraphs 14 and 15 above, and to present them for discussion to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its eighth session, with a view to develop revised joint implementation guidelines for adoption at its ninth session;

17. *Decides* to further consider the issue arising from the recommendation contained in document FCCC/KP/CMP/2011/9, paragraph 26(a), at the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its eighth session, with a view to making a decision and requests the Joint Implementation Supervisory Committee to prepare further input for such consideration, taking into account the work being carried out by the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol;

18. *Takes note with appreciation* of the satisfaction expressed by the Joint Implementation Supervisory Committee with regard to the high quality of work achieved in its support structure, including secretariat staff;

II. Governance

19. *Commends* the Joint Implementation Supervisory Committee for maintaining a joint implementation management plan, pursuant to provisions in decision 10/CMP.1, paragraph 2(g), decision 3/CMP.2, paragraph 5, decision 3/CMP.3, paragraph 6(a), decision 5/CMP.4, paragraph 10(a), decision 3/CMP.5, paragraph 16(a), and decision 4/CMP.6, paragraph 19(a); for implementing measures aimed at strengthening the joint implementation process, taking into account the experience of the Executive Board of the clean development mechanism, as appropriate; and for its responsiveness to the needs of Parties, independent entities, project participants, stakeholders and the general public, given the limited resources available;

20. *Acknowledges with appreciation* that the Joint Implementation Supervisory Committee has established a Designated Focal Point Forum and adopted its terms of reference;

21. *Also acknowledges with appreciation* that the Joint Implementation Supervisory Committee has adopted its communication and outreach workplan for 2011;

22. *Encourages* the Joint Implementation Supervisory Committee:

(a) To continue to keep the joint implementation management plan under review and make adjustments to it as necessary to ensure the efficient, cost-effective and transparent functioning of joint implementation;

(b) To enhance its interaction with designated focal points, independent entities and project participants;

23. *Encourages* the Joint Implementation Supervisory Committee, designated focal points, independent entities, project participants and stakeholders to make every effort to

contribute towards a more transparent, consistent, and efficient verification procedure under the Committee;

24. *Also encourages* independent entities to continue to build and improve their capacity to appropriately perform their functions under the verification procedure of the Joint Implementation Supervisory Committee;

III. Resources for the work on joint implementation

25. *Endorses* the revision of the fee structure as finalized by the Joint Implementation Supervisory Committee, including the fees for joint implementation projects under the Track 1 procedure, as mandated in decision 4/CMP.6, paragraph 30;

26. *Expresses concern* regarding the projects under the Track 1 procedure that were registered in the period 1–25 March 2011 that still have unpaid fees in accordance with the new fee structure referred to in paragraph 25 above;

27. *Takes note* that the financial situation of the Committee and of its supporting structure has improved compared with the same period in 2010, in particular due to the introduction of fees under the Track 1 procedure;

28. *Requests* the Joint Implementation Supervisory Committee to review the structure of fees, specifically to ensure that fees paid for a project under the Track 1 procedure can be offset against fees to be paid under the Track 2 procedure and vice versa, noting that such an offset shall not provide for any reimbursement of fees that have already been paid, and shall be effected only once per project activity;

29. *Also requests* the secretariat to adjust UNFCCC practices so that the costs of travel and the daily subsistence allowance of all members and alternate members of the Joint Implementation Supervisory Committee will be covered from the part of the Trust Fund for Supplementary Activities dedicated to funding work on joint implementation, subject to the availability of funding resources exclusively sourced from the joint implementation administrative fees;

30. *Notes* that income from the charging of fees for Track 2 projects to cover administrative costs relating to the activities of the Joint Implementation Supervisory Committee may be used to cover administrative expenses as of 2012.
