

# JISC MEETING REPORT

JISC 38, 17 - 18 March 2016

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# **Report**

## **Joint Implementation Supervisory Committee 38th Meeting**

17 – 18 March 2016

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# Governance and Management

## Opening of the Meeting and Election of the Chair

The Secretariat of the Joint Implementation Supervisory Committee (JISC) opened its 38th meeting with the election of the new Chair. Konrad Raeschke-Kessler from the Federal German Environment Agency (UBA) was elect-

ed as Chair. Albert Williams, Special Envoy for Climate Change, Environment and Disaster Risk Reduction, and Member of the Parliament of Vanuatu, was elected Vice-Chair.

During the meeting, the mandates for the Chair, Vice-Chair and members of the JI Accreditation Panel were extended to August 2016.

# Workplan

## Accreditation of Independent Entities (IEs)

### Administrative steps to adopt the CDM accreditation process

The Secretariat presented an update on the progress made in adopting the CDM accreditation process for JI.<sup>1</sup> At its 37th meeting, the JISC had decided that, in future, it would use the CDM accreditation process in full and allow CDM-accredited DOEs to act as voluntary AIEs under JI. The Secretariat was asked to inform the AIEs of this decision. The DOEs were also to be informed both of the decision and of the need to submit their respective declarations by 2 August 2016.

The DOEs should also be given access to the JI interface. The website containing information for AIEs should be updated accordingly. The experts listed in the AIE Roster of Experts should be released from their responsibilities and notified of this in writing. The members of the JI-AP should also be released from their responsibilities effective the date of the switch.

The Secretariat had already largely performed these activities. The letters releasing the Roster of Experts and the JI-AP would be sent out shortly before the effective date of 2 August 2016.

A total of 11 voluntary declarations had already been received from DOEs. All DOEs who submit their declarations by 2 August, will be given access to the JI interface.

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<sup>1</sup> [http://customers.meta-fusion.com/wcm/160317\\_6008\\_UNFCCC\\_JISC\\_38\\_Bonn/download/3.1\\_08\\_JISC38\\_CDM\\_accreditation\\_system\\_for\\_JI\\_Report\\_on\\_ad](http://customers.meta-fusion.com/wcm/160317_6008_UNFCCC_JISC_38_Bonn/download/3.1_08_JISC38_CDM_accreditation_system_for_JI_Report_on_ad)

### DOEs acting as AIEs: Handling potential problems

The Secretariat presented a concept note on measures to address issues arising from DOEs acting as AIEs.<sup>2</sup> The concept note is available online as Annex 1 to the annotated agenda.<sup>3</sup>

The concept note had been prepared in response to the decision taken at JISC 37 to use the CDM accreditation process in full in future and to allow CDM DOEs to act voluntarily as JI AIEs. The change-over is to be completed by 2 August 2016.

The issues addressed by the Secretariat relate to options for a complaint process to deal with complaints arising in this scenario along with options for a process for appraisal and review of determinations and verifications.

In the case of complaints against DOEs/AIEs, the Secretariat proposed the following options:

1. Retaining the current complaint process, including after August 2.
2. Decoupling the complaint process from the JI accreditation process.
3. Modifying the complaint process to enable the JISC itself to assume the role of the JI-AP.

The third option was discussed in more detail. This involved the Secretariat forming a complaints committee which would act as the point of contact for complaints. The committee would perform an initial assessment of com-

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<sup>2</sup> [http://customers.meta-fusion.com/wcm/160317\\_6008\\_UNFCCC\\_JISC\\_38\\_Bonn/download/4.1\\_14\\_Rec\\_to\\_SB44\\_on\\_review\\_of\\_JI\\_guidelines\\_Part%201.pdf](http://customers.meta-fusion.com/wcm/160317_6008_UNFCCC_JISC_38_Bonn/download/4.1_14_Rec_to_SB44_on_review_of_JI_guidelines_Part%201.pdf)

<sup>3</sup> <http://ji.unfccc.int/UserManagement/FileStorage/6KYNIMVJ193G5USZ48LBEXFQOR2WTP>

plaints received and forward this to the JISC. The JISC would then consult on the matter and, if they believed the complaint to be founded and thus accepted it, facilitate an assessment of the situation. Based on this assessment, the complaints committee would draft a final assessment. The JISC would then decide on the case in question and, where appropriate, could request additional assessments or spot checks, or request that accreditation be suspended. To the extent possible, this decision would be reached by electronic means.

The JISC approved this option without further discussion. The change is to be published as a separate regulatory document which is to be made publicly accessible online.<sup>4</sup> With regard to the process for assessing and evaluating determinations and verifications, the Secretariat recommended changing the current process. By way of justification, the Secretariat explained that the current practice appeared sufficiently robust and that only very few determinations and verifications were expected under Track 2. The potentially weakest link in the current process, it said, is the evaluation by external experts, largely because of their limited activity in this area. However, if the number of determinations and verifications were to rise, consideration could be given to having the Secretariat assume the work performed by external experts.

In response to this suggestion, the JISC discussed how best to determine whether an increase in determinations and verifications might be expected. One JISC member suggested conducting annual implementation checks. Thought must be given, however, to whether it would be wise to improve the system up front if it was already known that difficulties could arise due to the lack of expertise on the part of the external experts. This gave rise to questions

concerning the costs involved in this type of approach.

The Secretariat agreed that the annual checks would indeed be the right point at which to conduct an assessment. As regards using internal capacities, it explained that the CDM regularly used the Secretariat for this purpose. In terms of the costs, the Secretariat explained that JI generated only little revenue on account of the limited JI activity, causing relatively little work for the Secretariat as a result. It believed, therefore, that capacities could be made available to allow the Secretariat to perform an assessment as long as the volume of input did not rise unexpectedly.

It was agreed that it is highly unlikely that a greater need for evaluations will occur in the near future. The last incident had occurred in 2013 and the input from stakeholders had shown that the need for evaluation is of a rather hypothetical nature. The JISC thus approved the Secretariat's proposals without any further discussion.

## *Issues regarding determination and verification reports*

### **Status of JI projects**

The Secretariat informed the JISC regarding the current status of JI projects.<sup>5</sup>

There had been no change in project numbers since JISC 36 in March 2015. There are currently 548 projects under Track 1 and an unchanged 51 projects under Track 2. The biggest share of projects under both tracks is conducted in Ukraine (210 projects (60%) and 27 projects (41%), respectively). With 48% each of the

<sup>4</sup> <http://ji.unfccc.int/UserManagement/FileStorage/HLTA7MCSJWY2U65DOB9EGXR413FNPO>

<sup>5</sup> [http://customers.meta-fusion.com/wcm/160317\\_6008\\_UNFCCC\\_JISC\\_38\\_Bonn/download/3.2\\_11\\_JISC%2038\\_Status\\_of\\_projects.pdf](http://customers.meta-fusion.com/wcm/160317_6008_UNFCCC_JISC_38_Bonn/download/3.2_11_JISC%2038_Status_of_projects.pdf)

combined total, energy projects still represent the greatest share overall.

Only two AIEs had been accredited this year: AENOR and TÜV Nord. However, at its 37th meeting, the JISC had decided that DOEs accredited under the CDM would be allowed to act as voluntary AIEs with effect from August (see above).

## Planning

### JISC Workplan for 2016

On the basis of a presentation given by the Secretariat, the JISC approved its workplan for 2016.<sup>6</sup> The workplan was developed on the basis of the requirements contained in the Management Plan along with those arising from CMP 11, and forms the basis for JISC activities in 2016.

CMP 11 had issued the JISC three mandates:

1. Recommendations to SBI 44 regarding the activities needed for implementing the new JI modalities and procedures (7/CMP.11, para. 4);
2. Recommendations to SBI 44 to revise the JI guidelines, including options regarding stakeholder complaints and validation by AIEs of post-registration changes (7/CMP.11, para. 5);
3. A concept note on synergies between JI and other mitigation mechanisms (7/CMP.11, para. 7), and analysis of experiences and lessons learned (7/CMP.11, para. 8).

The JISC Chair asked the Secretariat to clarify whether the second JISC meeting would be held as a virtual meeting as indicated in the

draft workplan. The Secretariat explained that this depended on the decisions the JISC made regarding its next meeting. The two open issues for JISC 39, meaning the concept note on synergies with other mechanisms and the JISC report to the upcoming CMP in Morocco, could be coordinated electronically.

The JISC then entered into an in-depth discussion regarding whether two presence meetings were needed in the current year or if they could vote electronically on the report to the CMP. It was noted that JISC funds continued to dwindle and that it was rather unlikely that a large number of projects would appear this year, making a physical meeting unnecessary. On the other hand, there is a legal requirement to hold at least two meetings per year. An electronic meeting would also raise issues with regard to establishing a quorum.

One member felt that, in 2016 in particular, the work of the JISC was needed to generate inputs concerning the market mechanisms following the climate change conference in Paris. It is thus absolutely necessary for the members of the JISC to meet in person in September in order to deliberate on their recommendations.

A middle ground was found whereby documents would be approved electronically, but a physical meeting would be held to discuss the outcomes from SB 44.

The JISC approved the workplan for 2016 and decided to coordinate draft texts electronically, but still hold a meeting in September 2016. The workplan can be viewed online.<sup>7</sup>

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<sup>6</sup> [http://customers.meta-fusion.com/wcm/160317\\_6008\\_UNFCCC\\_JISC\\_38\\_Bonn/download/3.3\\_12\\_JISC38\\_JISC\\_Workplan\\_2016.pdf](http://customers.meta-fusion.com/wcm/160317_6008_UNFCCC_JISC_38_Bonn/download/3.3_12_JISC38_JISC_Workplan_2016.pdf)

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<sup>7</sup> <http://ji.unfccc.int/UserManagement/FileStorage/F2P8IN05HAE79L1V64WRQ3CDKUYGJT>



# Guidance by the CMP

## Outcomes of the CMP

The Secretariat gave an overview of the decisions reached in Paris.<sup>8</sup> With regard to JI, Decision 7/CMP.11 and the results of the SBI on the JI Guidelines are the most relevant. There is also still potential for JI-related decisions to arise under Article 6 of the Paris Agreement and Decision 1/CP.21.

The CMP:

- Called upon the JISC to submit recommendations to SBI 44 for the planned JI modalities and procedures, particularly with regard to changes to the JISC's rules of procedure and other CMP requirements relating to JI (Decision 7/CMP.11, para. 4).
- Also called upon the JISC to submit recommendations to the SBI concerning the changes to the JI Guidelines, among other things in relation to stakeholder complaints and validation of changes after project registration (Dec. 7/CMP.11, para. 5).

Paragraphs 6, 7 and 8 contain requirements for stakeholders and ask the JISC to put great thought to synergies with other mitigation mechanisms and to lessons learned for the design of future mechanisms. Paragraph 10 of the decision requires the JISC to continue to provide capacity and resources to ensure continued operation of JI.

SBI 43 reached a decision regarding revision of the JI Guidelines. The JISC will issue new recommendations which will be discussed at the upcoming meeting of the SBI (see below).

<sup>8</sup> [http://customers.meta-fusion.com/wcm/160317\\_6008\\_UNFCCC\\_JISC\\_38\\_Bonn/download/4.1\\_13\\_Update\\_of\\_CMP11\\_and\\_related\\_decisions.pdf](http://customers.meta-fusion.com/wcm/160317_6008_UNFCCC_JISC_38_Bonn/download/4.1_13_Update_of_CMP11_and_related_decisions.pdf)

Article 6 of the Paris Agreement and paragraphs 36 to 40 of Decision 1/CP.21 contain, among other things, a mandate to design a future mechanism. The details have yet to be clarified. The JISC may be able to assist in this matter and contribute its expertise.

## JISC Recommendations for SB 44

In line with the mandates from the last CMP (see above), the JISC discussed two recommendations to be presented at SBI 44. In preparation for that meeting, the Secretariat had drafted two concept notes:

1. On the review of draft joint implementation modalities and procedures<sup>9</sup>
2. On further revisions regarding stakeholder complaints and validation of post-registration changes by AIEs.<sup>10</sup>

With regard to the review of the JI Guidelines, the Secretariat gave an overview of the related proposals.<sup>11</sup>

This issue has been on the CMP's agenda for some time: CMP 8 had requested a revision of the JI Guidelines. The most recent CMP had requested the JISC to submit recommendations for the implementation of the proposed modalities and procedures (M&P), especially concerning the JI rules of procedure and their relevance for other JI-related decisions of the CMP.

<sup>9</sup> <http://ji.unfccc.int/UserManagement/FileStorage/LT3I2RKS9YDC07U4OXM68BPHWQV1FN>

<sup>10</sup> <http://ji.unfccc.int/UserManagement/FileStorage/2DC3WIFNUKAOT0V6ZE7MBLSPJ4581Q>

<sup>11</sup> [http://customers.meta-fusion.com/wcm/160317\\_6008\\_UNFCCC\\_JISC\\_38\\_Bonn/download/4.1\\_14\\_Rec\\_to\\_SB44\\_on\\_review\\_of\\_JI\\_guidelines\\_Part%201.pdf](http://customers.meta-fusion.com/wcm/160317_6008_UNFCCC_JISC_38_Bonn/download/4.1_14_Rec_to_SB44_on_review_of_JI_guidelines_Part%201.pdf)

The Secretariat identified the following points concerning the need for clarification concerning implementation:

a) Issues from the proposed approval decision:

- Interim rules for JISC members
- Conformity with the provisions of Article 3, paragraphs 3 and 4 of the Kyoto Protocol
- Requirements concerning administrative costs
- Verification rules
- Duplication of the mandate to revise the M&P in Decision 7/CMP.11, paragraph 4
- Review of the approval decision after finalising the proposed M&P

These items must be addressed at the next SBI meeting.

b) Items in the M&P themselves regarding membership of a future supervisory committee:

- Regional distribution of membership
- Uncertainties regarding the relationship between the overall quorum and the regional quorum
- The number of members needed to reach a quorum
- Voting majorities

The Secretariat presented a number of options for addressing these issues. Again, the Secretariat said, the decision lies with the SBI.

The necessary changes would have to be set out in the JI modalities and procedures. The SBI will present a version with the applicable passages requiring amendments clearly marked. The SBI will have to take account of these passages and review them as necessary when adopting the M&P.

Also, earlier CMP decisions will have to be reviewed for their relevance regarding a revised JI and the SBI will have to ensure that those

changes can be correctly applied or be revised should they no longer be applicable.

The Secretariat had drawn up a concept note containing a detailed list of the changes needed.

The JISC discussed the technicalities of the Secretariat's options and asked a number of specific questions. On a more general note, the question was raised as to whether, in the short period of time available, it was at all possible to present the complexity of the points raised to the Parties in an easy-to-understand manner. In particular, the implications of various options for fair regional distribution were very hard to understand and explain.

The Secretariat clarified the technical issues and suggested once again that some of the more complex, difficult issues – especially concerning membership – should also be included in the lessons learned for other mechanisms. With regard to the complexity of the points raised, it would be wise to document these in the form of written recommendations to give Parties more time to look at them in detail.

The JISC asked the Secretariat to rework the proposed recommendations in time for the meeting the following day, including with regard to the various options for regional distribution of membership. The Secretariat complied with this request and presented a number of amendments to the draft the following day. Among other things, the complex relationship between membership, quorum and majority ratios in UN bodies was explained in greater detail. Alternative quorum and membership options were added. Thoughts on the impacts for future mechanisms were also addressed.

In the end, the JISC went through the individual paragraphs of the draft recommendations in order to finalise its recommendations. The JISC

then approved the draft, which has since been published online.<sup>12</sup>

The second JISC recommendation to the SBI involved a revision of the JI Guidelines regarding stakeholder complaints and validation by AIEs of post-registration changes.

The Secretariat presented an overview of the key aspects in this regard.<sup>13</sup> The practices used in the CDM process were cited as one option along with those applied in other standards (VCS, ACR, CRA, Gold Standard and CCB). A list was drawn up of the points at which stakeholder consultations were possible or necessary during the various processes.

The Secretariat asked the JISC to decide whether in relation to the outstanding decision it wished to recommend that transparency and stakeholder involvement be integrated into the project verification phase. This would go beyond the current practice applied under the CDM and most other standards.

The Secretariat also asked the JISC to decide on whether it wished to recommend a specific period for stakeholder input regarding post-registration changes. While this would make for greater transparency, it would also go beyond the practice applied under the CDM and most other standards.

As with stakeholder input, the Secretariat had also compiled a list of CDM practices and those of other standards relating to validation of post-registration changes.

The Secretariat asked the JISC for its recommendations, saying that including validation of changes post registration would be in line with current practice applied in all analysed standards as well as the CDM.

<sup>12</sup> <http://ji.unfccc.int/UserManagement/FileStorage/R6DEHGBW2CYP0Z1KX34QTL5F8JMOVN>

<sup>13</sup> [http://customers.meta-fusion.com/wcm/160317\\_6008\\_UNFCCC\\_JISC\\_38\\_Bonn/download/4.1\\_15\\_JISC38\\_Review\\_of\\_JI\\_Guidelines.pdf](http://customers.meta-fusion.com/wcm/160317_6008_UNFCCC_JISC_38_Bonn/download/4.1_15_JISC38_Review_of_JI_Guidelines.pdf)

The JISC discussed the various options for integrating stakeholder consultations into the verification process in detail, but was unable to reach an actual decision. The draft recommendations thus consider the advantages (greater transparency and high transaction costs, which could perhaps be ignored given the value afforded to stakeholders) and the disadvantages (more than common practice, possible higher transaction costs and longer periods before issuance) of integrating stakeholders into the verification process.

With regard to including stakeholders in the process concerning post-registration changes, the JISC decided to recommend that stakeholders be invited to submit comments concerning significant changes that go beyond purely technical modifications (such as monitoring, reporting, etc.).

With regard to validation of post-registration changes, the JISC decided to recommend that this be performed by an AIE. These recommendations have since been published online.<sup>14</sup>

## JISC Input for CMP 12

The CMP in Paris had requested that the JISC give thought to potential synergies between JI and other mechanisms, and to analyse the experience gained with and lessons learned from JI to assist the design of the future mitigation mechanisms, their interrelationships and possible interactions with other instruments. The Secretariat thus presented to the JISC a concept note<sup>15</sup> which it had drafted in response to the CMP request.<sup>16</sup>

<sup>14</sup> <http://ji.unfccc.int/UserManagement/FileStorage/E97HP6Z5CMIF8YR2QLSJT0G34WUV10>

<sup>15</sup> <http://ji.unfccc.int/UserManagement/FileStorage/G6C2WVMPOTDSRF5EHX4KAQJZLB371Y>

<sup>16</sup> [http://customers.meta-fusion.com/wcm/160317\\_6008\\_UNFCCC\\_JISC\\_38\\_Bonn/download/4.1\\_16\\_JISC38\\_Inputs\\_from\\_the\\_JISC\\_to\\_CMP12.pdf](http://customers.meta-fusion.com/wcm/160317_6008_UNFCCC_JISC_38_Bonn/download/4.1_16_JISC38_Inputs_from_the_JISC_to_CMP12.pdf)

First, the Secretariat proposed the following experiences with and lessons learned from JI for use in designing mitigation mechanisms:

Modalities and Procedures:

- The M&P should concentrate on the principles to be followed and the criteria to be fulfilled, the roles and responsibilities of the various actors, and provide an overview of the processes involved.
- The governing body should be given sufficient leeway in operating processes in relation to the mechanism.
- Inclusion in the M&P would depend on whether a process required actual policy directives or if the decision could be reached by the governing body.

International oversight:

- As already reflected in the revised JI Guidelines, a considerable amount of international oversight is required.

Transparency:

- Publication of information is extremely important, as seen for example in the experience gained with JI Track 1.

Standardisation of common approaches:

- With regard to methodologies, standardisation of project parameters can significantly simplify implementation, reduce transaction costs, improve transparency and increase both objectivity and predictability.
- Standardisation of the accreditation system across a range of different mechanisms can increase both quality and efficiency while reducing transactions costs, both for users and for accreditation applicants.

Building on the existing infrastructure:

- In the design of future mechanisms, especially those involving baseline and crediting approaches, the same or similar infrastructure should be used.

Options to provide a prompt start for the mechanism:

- The design of JI, with its two different tracks, did not make for a prompt start. The CDM design was better suited for the purpose.
- When designing a new mechanism, the experience gained with the CDM and JI enable mistakes to be minimised from the outset.

With regard to synergies between JI and other climate change mitigation mechanisms, the Secretariat had compiled the following list:

Governing body:

- Given the similarities in their functions, consolidation of the CDM and JI under a joint

governing body could give rise to options for cost-effective use of the infrastructure and offer greater coherence across the system as a whole.

#### National Focal Points:

- A single focal point for both mechanisms can lead to greater cost-effectiveness and coherence in the use of both mechanisms.

#### Registry:

- National and CDM registries have already been consolidated to provide a cost-effective way to prevent double counting.

#### Standards and Procedures:

- Detailed, consolidated procedures and standards had been developed for the CDM. These could serve as best-practice examples for countries hosting JI activities under combined tracks.

#### Accreditation:

- Use of a single system ensures both cost effectiveness and coherence in validation and verification under both mechanisms.
- Standardisation also leads to savings – both for organisations offering validation and verification for more than one mechanism, and for users of their services.

The JISC discussed the Secretariat's proposals. Questions arose regarding whether the recommendations to be made at the upcoming JISC meeting should be discussed again as no input from stakeholders was available at the present time. Another question was how the revision of the JI Guidelines and the resulting lessons learned had been reflected in the recommendations, especially regarding the options to prevent double counting.

The Secretariat answered that the list represented an initial round of inputs, the aim being to enable alignment at an early stage. It also explained some of the reasons behind the proposed recommendations and warned against

relying on the suggested revisions to the JI Guidelines as a blueprint for new mechanisms. In the end, it is the responsibility of the Parties to develop the institutional design of any future mechanism.

After further clarification, the JISC agreed that a working group comprising Benoît Leguet, Ghergita Nicodim, Derrick Oderson, Konrad Raeschke-Kessler and Albert Williams should work with the Secretariat to draft a new version of the recommendations. The JISC will discuss its recommendations to CMP 12 again at its next meeting.

# Relations with Stakeholders

## **DOE/AIE Coordination Forum**

Werner Betzenbichler, Chair of the DOE/AIE Coordination Forum, commented on the Secretariat's concept notes on measures to address problems arising from DOEs acting as AIEs, and on potential JISC input for CMP 12.<sup>17</sup>

With regard to DOEs acting as AIEs, Mr. Betzenbichler said that the issues raised by the Secretariat were purely hypothetical at the present time. One DOE, he said, had requested clarification regarding whether the assessment of reports submitted by DOEs acting as AIEs would be conducted on the basis of the JI Guidelines. Clarification was evidently needed in the concept note.

On the matter of potential inputs to CMP 12, Mr. Betzenbichler said he would like to see special focus placed on the role of AIEs and the experience they had gained over a period of 15 years.

The JISC thanked Mr. Betzenbichler for his input.

### **1.1.1 Project Developer Forum**

Sven Kolmetz, Chair of the Project Developer Forum, also commented on several items on the JISC's agenda.

With regard to the difficulties arising from DOEs acting as AIEs, he offered to support the CDM Accreditation Panel in developing JI expertise. On the question of when to integrate the stakeholder consultations discussed in connec-

tion with the revision of the JI Guidelines, he suggested adopting the practices used under the CDM.

Mr. Kolmetz felt that continued international supervision of JI by the UNFCCC is both useful and necessary. This also applied, he said, for any future attempts to harmonise the CDM and JI as part of a potential new market-based mechanism. He also felt that when designing the new mechanism, the concept of net mitigation should not be overlooked.

The JISC thanked Mr. Kolmetz for his input.

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<sup>17</sup> [http://customers.meta-fusion.com/wcm/160317\\_6008\\_UNFCCC\\_JISC\\_38\\_Bonn/download/4.2\\_17\\_Relations\\_with\\_the\\_AIE\\_DOE\\_coordination\\_forum\\_JISC\\_38.pdf](http://customers.meta-fusion.com/wcm/160317_6008_UNFCCC_JISC_38_Bonn/download/4.2_17_Relations_with_the_AIE_DOE_coordination_forum_JISC_38.pdf)

# Other Issues

## Update on Carbon Market Developments

The Secretariat presented its regular update on developments in the carbon market.<sup>18</sup>

The true-up period of the first Kyoto commitment period ended in November 2015, and transferral of certificates from that period to the second period must be completed by April 2016. Demand for ERUs is limited because the Doha Amendment to the Kyoto Protocol has still not entered into force.

The Paris Agreement encourages Parties to cancel CERs to effect a direct increase in climate change mitigation ambition.

The EU is expected to exceed its 2020 targets. The EU system focuses on domestic measures. By way of contrast, Norway has begun to buy certificates, albeit only from the CDM. The German government is also buying CDM certificates to offset official business trips.

There is also news from Africa. Negotiations have begun in Cote D'Ivoire concerning the establishment of a national emissions trading scheme.

Other developments see the establishment of the Nitric Acid Action Group to use the CDM to promote N<sub>2</sub>O abatement, the World Bank Transformative Carbon Asset Facility and the Paris Climate Bonds Initiative.

The JISC asked whether the Secretariat already had information on the true-up period of the Kyoto Protocol and the related carry-over quantities.

<sup>18</sup> [http://customers.meta-fusion.com/wcm/160317\\_6008\\_UNFCCC\\_JISC\\_38\\_Bonn/download/4.3\\_20\\_Markets\\_and\\_Policy\\_development.pdf](http://customers.meta-fusion.com/wcm/160317_6008_UNFCCC_JISC_38_Bonn/download/4.3_20_Markets_and_Policy_development.pdf)

The Secretariat replied that, at the moment, no in-depth information was available regarding the true-up period or the resulting carry-over quantities. With regard to limiting the quantities to be carried over, the Secretariat added that some countries, including Germany, had decided not to carry over certificates into the second period.

## Collecting Ideas for the Core Messages in the next JISC Report to the CMP

To foster the discussion on the core messages of the next report to the CMP, the Secretariat had compiled a list of issues which it presented to the JISC:<sup>19</sup>

- JI is a useful tool for use in focusing investment, especially in light of the situation under the Paris Agreement.
- The JISC recommendations would make JI a reliable, environmentally sound mechanism for use in a capped environment.
- JI should continue to play an important role in the fight to mitigate climate change.
- Although JI is useful, very little activity can be reported at the present time.
- The Parties should thus take immediate steps to secure JI's continued operation by issuing ERUs in CP2.

The JISC Chair thanked the Secretariat and then opened discussions on the core messages to the CMP.

Among other things, it was suggested that greater focus should be placed on the role of JI

<sup>19</sup> [http://customers.meta-fusion.com/wcm/160317\\_6008\\_UNFCCC\\_JISC\\_38\\_Bonn/download/4.3\\_JISC\\_reporting\\_to\\_the\\_CMP\\_ideas\\_for\\_messages.pdf](http://customers.meta-fusion.com/wcm/160317_6008_UNFCCC_JISC_38_Bonn/download/4.3_JISC_reporting_to_the_CMP_ideas_for_messages.pdf)

in future mechanisms. This met with agreement among the JISC members, but it was said that greater thought must be given to the design of a new mechanism that would no longer function under the Kyoto Protocol.

A further issue involved aligning the message regarding timely issuance of ERUs with previous recommendations given that early issuance is no longer possible.

It was again made clear that the Doha Agreement needs approximately 80 ratifications to enable the second Kyoto period to enter into force. This renders JI inoperable in the meantime.

The Secretariat welcomed the JISC's comments and explained that this was only a first round of discussions in which to collect ideas. It would now prepare a draft report which would be provided to all members of the JISC. The report will be ready in time for the next JISC meeting.

### **Next Meeting**

The next JISC meeting is scheduled to take place from 20 – 21 September 2016. The JISC had discussed the necessity of a second meeting (see 2.3.1 above) and decided to schedule a further meeting.