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c/o UNFCCC Secretariat  
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**Comments on the draft JI PDD form and draft guidelines for users**

The World Bank Carbon Finance Unit would like to express our appreciation for the opportunity to submit our views on the important work that the Joint Implementation Supervisory Committee (JISC) is undertaking developing Joint Implementation.

At its first meeting, the Joint Implementation Supervisory Committee (JISC) agreed on a draft joint implementation project design document (JI PDD) form. At its second meeting, it agreed on draft guidelines for users of the JI PDD form and requested the secretariat to launch a call for public input on the structure and content of the JI PDD form and the respective draft guidelines.

**General observations**

We find the draft PPD form, guidelines and glossary well written. We would, however, like to draw your attention to the following issues:

1. As far as baselines and monitoring plans are concerned, the current version of the PDD discusses only CDM baseline and monitoring methodologies. We are of the opinion that the possibility to use any baseline and any monitoring plan established in accordance with Appendix B of the Guidelines for the implementation of Article 6 of the Kyoto Protocol should be clearly indicated.
2. The difference between “the period within which ERUs are to be earned” and “the crediting period” should be clarified. The Marrakesh Accords state that “ERUs shall only be issued for a crediting period starting after the beginning of the year 2008”, and there is no further guidance on the length of the crediting period. We would therefore assume that project participants are free to choose a crediting period, which would only be limited by the operational lifetime of the project. In this context we recognize that ERUs can only be issued for emission

reductions that occur within a commitment period; but the definition of a crediting period should not preempt the possibility that ERUs can be issued for emission reductions that occur in possible future commitment periods beginning after 2012 and on which Parties could agree.

3. It is also noted that the Marrakesh Accords state that project participants shall submit to an Accredited Independent Entity (AIE) a project design document that contains all information needed for the determination of whether the project has been approved by the Parties involved. In practice, this requirement may lead to a somewhat burdensome two stage process, where a draft determination report needs to be first issued by the AIE, as many Parties may require a determination report before the approval for a project can be issued. In addition, AIEs may not be able to make the PDD publicly available for stakeholder comments if approvals from Parties involved are required for this step leading possibly to significant delays in the process. While we understand that the confirmation of project approvals by AIEs is a Marrakesh requirement and determination can finally be completed only after the approvals by the Parties have been obtained, we would like to emphasize the importance of seeking ways to streamline the process. This could be done by providing guidance that determination can start before Parties have issued their approvals and that PDDs could be made publicly available for the 30 day stakeholder commenting period prior to approvals by the Parties involved, provided that all approvals are submitted to the AIE before the final determination report is issued. We further believe that, after the final determination report has been issued, a streamlined process would also seek to avoid the need for any further confirmation of project approvals by Parties before a JI project is finally accepted and officially “listed” as a JI project.

In addition to these general observations, we have included some detailed comments regarding some sections of the PDD and the guidelines (see table in Annex I) and regarding the glossary (Annex II).

We would be happy to provide further clarifications, respond to questions and/or provide additional input if it is deemed useful to Members of the JISC.

Sincerely,

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Team Leader  
Carbon Finance Policy and Methodology Team  
The World Bank

## Annex I – Proposed modification regarding the draft JI PDD form and guidelines

The table below proposes modifications to the language in the draft JI PDD form and guidelines, some of which are in addition to the general comments made in the cover letter for this annex. We feel that many of the modifications proposed below do not need to be explained at length, but we would be happy to provide further details of our considerations if this were deemed helpful.

Draft JI PDD form	Proposed modifications or clarification	Additional comments
A.4.2 Technology to be employed by the project:	Please change title to: “Technology or technologies to be employed, or measures, operations or actions implemented by the project:”	The use of a specific technology is not a Marrakesh prerequisite for a JI project, and emission reductions could be achieved by measures other than technologies.
A.4.3.1 Estimated amount of emission reductions over the crediting period:	Please clarify the difference between the period within which ERUs are to be earned and the crediting period.	The Marrakesh Accords state that “ERUs shall only be issued for a crediting period starting after the beginning of the year 2008.” There is not further qualification or limitation of the crediting period, which could exceed the first commitment period from 2008-12, provided that it does not exceed the operational lifetime of the project. (More details are contained in the cover letter.)
B. Setting of the baseline	Please change title to simply “Baseline”	In our view, this section should not be limited to the “setting of the baseline”, but all key elements of the baseline should be included in the main body of the PDD. Accordingly, the Annex to the PDD on baseline information should only contain supporting information.
B.1 Description and justification of the baseline chosen:	Please clarify that either any baseline established in accordance with Appendix B <i>or</i> an approved CDM baseline and monitoring methodology can be used.  In case an approved CDM methodology is used, no explanation of steps is needed in this section as the approved CDM methodology would need to be followed.	The current draft version of the PDD gives the impression that only approved CDM baseline and monitoring methodologies can be used. We do not think this is the intention, and it would help project developers to have this clarified.

<p>B.4 Details of the baseline information, including the date of completion of the baseline study and the name of the person(s) / (entity(ies) determining the baseline</p>	<p>Please delete the term/reference to “baseline study”. It would be better to use the term “baseline” instead.</p>	<p>The Marrakesh Accords do not require a baseline study. The preparation of a formal baseline study is currently not common practice for JI projects.</p>
<p>C.1 Duration of the project:</p>	<p>Please delete this heading.</p>	<p>In our view, the heading under C.1 is redundant and potentially confusing. The two sub headings appear to be sufficient.</p>
<p>C.1.1 Starting date of the project:</p>	<p>Please change title to: “C.1. Starting date of the project:”</p>	<p>See above</p>
<p>C.1.2 Expected operational lifetime of the project:</p>	<p>Please change title to: “C.2 Expected operational lifetime of the project:”</p>	<p>See above</p>
<p>C.2 Length of the period within which emission reduction units are to be earned:</p>	<p>Please change title to: “C.3 Length of the crediting period:”</p> <p>Please change the current guidance “Please state the length of the period within which ERUs are to be earned as well as the length of the crediting period in years and month“ to: “Please state the length of the crediting period, which shall start after 2008 and not exceed the operational lifetime of the project”.</p> <p>Alternatively, please clarify the difference between the period within which ERUs are to be earned and the crediting period.</p>	<p>The term “the period within which ERUs are to be earned” is unclear, and the Marrakesh Accords mention the crediting period only in this context. (See also the explanation contained in the cover letter.)</p>
<p>D. Setting of the monitoring plan</p>	<p>Please change the title to: “Key elements of the monitoring plan”. And please clarify that all key elements are to be described also in this section</p> <p>Please refer to “CDM baseline and monitoring methodology”.</p>	<p>In our view, the key elements of the monitoring plan should also be described in the main body of the PDD, even though the monitoring plan may be annexed to the PDD.</p> <p>There are no separate CDM monitoring methodologies. The CDM recognizes only approved methodologies, which contain</p>

	<p>Please clarify that either any monitoring plan established in accordance with Appendix B <i>or</i> an approved CDM baseline and monitoring methodology can be used.</p> <p>In case an approved CDM methodology is used, no explanation of steps is needed in this section as the approved methodology needs to be followed.</p>	<p>both baseline and monitoring parts.</p> <p>The current draft version gives the impression that only approved CDM baseline and monitoring methodologies can be used.</p>
D.1. Description and justification of monitoring plan	Please change title to: “Description of monitoring plan”	The Marrakesh Accords do not require a justification of the monitoring plan.
F.1 Documentation on the analysis of the environmental impacts, including transboundary impacts, in accordance with procedures as determined by the host Party:	Please change title to: “Present the list of documents provided to the AIE on the analysis of environmental impacts:”	<p>In our view, the PDD should not request to include more information than what is required by the Marrakesh Accords.</p> <p>Marrakesh Accords para 33 (d) reads: Project participants have submitted to the accredited independent entity documentation on the analysis of the environmental impacts of the project activity, including transboundary impacts, in accordance with procedures as determined by the host Party, and, if those impacts are considered significant by the project participants or the host Party, have undertaken an environmental impact assessment in accordance with procedures as required by the host Party.</p>
F2. If environmental impacts are considered significant by the project participants or the host Party please provide conclusions and all references to support documentation of an environmental impact assessment undertaken in accordance with the procedures as required by the host Party:	Please change title to: “If environmental impacts are considered significant by the project participants or the host Party, please provide references to environmental impact assessment undertaken in accordance with the procedures as required by the host Party:”	
Annex 2 BASELINE INFORMATION	Please clarify that all key elements of the baseline are to be provided in section B.1. and only supplemental information should be included in this annex.	See above.

## **Annex II – Proposed modification regarding the draft glossary**

### **Baseline methodology**

Please clarify that, in addition to approved CDM baseline and monitoring methodologies, any baseline established in accordance with Appendix B can be used.

### **Crediting period**

We suggest adding the words “**on or**” to the definition of crediting period. It is not clear why the first day of generation of emission reductions should not be covered by the crediting period:

“The period for which reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks may be determined by an AIE. Projects starting as of 2000 may be eligible as JI projects if they meet the requirements of the JI guidelines. ERUs shall only be issued for a crediting period starting after the beginning of 2008. The project participants shall choose the starting date of the crediting period to be **on or** after the date the first emission reductions are generated by the JI project. The crediting period shall not extend beyond the operational lifetime of the project”

### **Monitoring methodology**

We suggest deleting this definition as a monitoring methodology is not mentioned by the Marrakesh Accords for Article 6 projects. Instead, a definition for the **monitoring plan** should be included.

Please clarify that, in addition to approved CDM baseline and monitoring methodologies, any monitoring plan established in accordance with Appendix B can be used.