

10 February 1994

ENGLISH ONLY

INTERGOVERNMENTAL NEGOTIATING COMMITTEE  
FOR A FRAMEWORK CONVENTION ON CLIMATE CHANGE  
Ninth session  
Geneva, 7-18 February 1994  
Item 2 (e) of the provisional agenda

MATTERS RELATING TO COMMITMENTS

CRITERIA FOR JOINT IMPLEMENTATION

Comments from member States on criteria for joint implementation

Note by the interim secretariat

Addendum

In addition to the submissions included in document A/AC.237/Misc.33, A/AC.237/Misc.33/Add.1 and Add.2, the interim secretariat has received comments from Trinidad and Tobago, on behalf of the Alliance of Small Island States. This submission is attached to this Addendum in the language in which it was received.

A/AC.237/Misc.33/Add.3  
GE.94-60281

## AOSIS SUBMISSION ON JOINT IMPLEMENTATION

The Alliance of Small Island States wish to thank the Secretariat for its paper, A/AC.237/35. This provided a helpful starting point for discussions about joint implementation under the Framework Convention on Climate Change at INC8. These initial discussions, and the subsequent comments submitted by countries contained in document A/AC.237/Misc.33, provide a range of views about the potential benefits of joint implementation and its proper contribution towards meeting the Convention's objective. To contribute to the development of criteria on joint implementation for adoption by the First Conference of the Parties the Alliance of Small Island States wish to make the following comments.

### (a) Partnerships

Joint implementation should be available only to Parties accepting binding quantitative greenhouse gas emissions limits based on agreed baselines. The Convention distinguishes between commitments which apply to all Parties and those which apply to Parties listed in Annex I or Annex II. The quantitative commitments which can be implemented jointly under the Convention are those of Annex I Parties specified in Article 4.2 (a). Thus, as the Convention stands, joint implementation is available to these Parties only. The criteria for joint implementation should recognize this.

Article 4.2 (g) of the Convention provides that any Party not included in Annex I may at any time notify the Depository of its intention to be bound by subparagraphs (a) and (b) of Article 4(2). The criteria for joint implementation could provide that in addition to Annex I Parties, any Party that had made such a notification could also participate in joint implementation activities.

### (b) Bilateral Arrangements

Joint implementation under the Convention is subject to the adoption of decisions concerning criteria for joint implementation by the Conference of the Parties. It is anticipated that these will spell out the circumstances in which joint implementation can take place and how this should be reported to the Conference of the Parties. Thus until these decisions are taken joint implementation activities cannot be formally recognized under the Convention.

### (c) Information about Joint Implementation Activities

Following on from the above, information about joint implementation activities should not be considered to fulfil the obligations of Annex I Parties under Article 4.2 (b). If certain Parties wish to offer such information on a voluntary basis, it should be clearly distinguished from such communications. Nevertheless, it would still be helpful for

these separate communications to have a consistent format and content. This should be discussed by the INC as part of its consideration of the item on the first review of the information communicated by each Party in Annex I of the Convention (Document A/AC.237/36/Add.1).

(d) Existing Commitments

All Parties undertaking joint implementation activities must accept binding quantitative emission targets, based on agreed baselines, in accordance with the Convention. As it may prove scientifically and technically more difficult to agree on such baselines or trajectories for sinks rather than emissions, the criteria for joint implementation should ensure that, at least initially, joint implementation activities concern limitations of emissions.

The criteria should provide that the availability of joint implementation as a mechanism to facilitate the achievement of particular commitments does not in any way modify the existing commitments of each Annex I Party under the Convention. These commitments must be fulfilled by each Party whatever decision the Conference of the Parties takes about criteria on joint implementation.

Furthermore, in accordance with the principles of equity and common but differentiated responsibility and to ensure that developed country Parties listed in Annex I demonstrate that they are taking the lead in combatting climate change by achieving reductions in their emissions, joint implementation should not be used by Parties to achieve stabilization of greenhouse gas emissions at 1990 levels by the year 2000. This target should be achieved by domestic actions alone.

Beyond this, as many other delegations have pointed out, joint implementation should only be available for achieving reduction targets and not for stabilization. To avoid disincentives to technology innovation and dissemination in developed countries, joint implementation should only be used for a small specified percentage of such reduction targets with the remainder to be achieved by domestic measures in accordance with the spirit of the Convention. The criteria should specify a maximum permissible limit which joint implementation activities can make to such emission reductions.

(e) Monitoring and Verification

In view of the need and importance of monitoring and verification of joint implementation activities, joint implementation for the purposes of the Convention should be confined to activities where there is an agreed scientific, technical, and economic basis for assessing all the related costs and benefits. Methodologies for assessing these must be

approved by the Conference of the Parties before joint implementation activities can be formally recognized under the Convention. As stated previously, in view of the current scientific and technical difficulties of agreeing methodologies in respect of sinks joint implementation should focus, at least initially, on limitations of emissions.

(f) Financial and Technological Flows

One of the biggest attractions cited in favour of joint implementation is that it will allow host countries an opportunity to gain financial resources, including technology and expertise, over and above what could be expected under other arrangements under the Convention.

There also appears to be broad agreement on the principle that the additional financial, technological and other resource flows leveraged as a result of joint implementation should be considered separate from, and in addition to, those already mandated by the provisions of the Convention, in particular Article 4.3, and 4.4 and 4.5. It should be borne in mind that this Article also provides that in respect of their commitments to developing countries, Annex II Parties must provide financial resources (including for the transfer of technology) which are "new and additional." Furthermore these commitments are to be implemented so as to take into account the "need for adequacy and predictability" in the flow of these funds.

Accordingly the development of criteria to ensure that financial resource flowing from joint implementation are separate from these other flows - both in principle and in practice - should form a priority task. Clear, quantified commitments from Annex II Parties as to what financial and other resources flows they are providing pursuant to their existing commitments under Article 4.3, 4.4 and 4.5 would appear to be an essential prerequisite before any assessment can be made as to whether joint implementation can lead to additional financial and technological resources over and above what might be provided without it.

"Baselines" of financial and resource flows resulting from the fulfilment of existing commitments should be developed and agreed prior to adoption of decisions about criteria on joint implementation by the Conference of the Parties. These baselines should indicate the existing flow of ODA, the "new and additional" financial flows being provided as a result of the Convention and finally, the extra financial resources leveraged as a result of joint implementation. The development of such "baselines" should provide an objective and transparent basis to assist in working out what financial and other resource flows would have been transferred between Annex I Parties as well as between Annex I and non-Annex I Parties in the absence of joint implementation.

(g) Legal, Institutional and Administrative Arrangements

Joint implementation activities - whether undertaken between Annex I Parties or more widely - raise complex legal, institutional and administrative issues. This is particularly so if joint implementation is intended to allow an investing Party to credit emissions reductions achieved as a result of its investment in a host Party against its own emissions reduction obligations. The Conference of the Parties must ensure there is a global consensus on issues relating to credit generation and transfer as well as adequate monitoring and verification needs to be established before credits can be used against reduction targets. The criteria for joint implementation for the purposes of the Convention should include an indicative list of institutional, monitoring and verification requirements that all joint implementation activities must meet. This should include "programme level" and "project level" criteria. Finally, as part of the decisions it must take on criteria for joint implementation, the Conference of the Parties should begin to address how it will deal with these issues, including the resolution of disputes and disagreements about how joint implementation might work.