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GROUP**



## **Market perspective on JI**

**CMI Side Event:  
Joint Implementation, applying lessons in a post-2012 framework**

**March 18, 2009**

# JIAG – The Voice of JI

- JI Action Group represents the interests of JI project developers and practitioners that see JI as an essential part of a post-2012 UNFCCC architecture and could benefit from improvements in pre-2012
- JIAG feeds lessons learned into the policy process, acts as platform and resource



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CLIMATE FOCUS

ECO SECURITIES



VERTIS

10 YEARS IN  
THE MARKET  
1998-2008

# How JI is sometimes perceived



# How JI looks when we visualize

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# The potential of JI has hardly been realized

- Regulatory delays
- The EU ETS linking directive
- Slow process of AIEs and DFPs
- Viewed as simple compliance mechanism with few attempts to use as support for “domestic” abatement
- The 2012 cliff
- Accreditation delay

If embraced by governments and properly regulated JI can deliver abatement in the future at an unprecedented scale

# Why JI is important

Scope	<ul style="list-style-type: none"><li>• Capped environment is likely to grow</li><li>• Roll-over of CDM project into capped environment</li></ul>
Continuity	<ul style="list-style-type: none"><li>• Post-Kyoto mechanisms to build on existing experiences</li><li>• CDM will become JI (like) when moved to a capped sector</li></ul>
Efficiency	<ul style="list-style-type: none"><li>• JI identifies cost-efficient ERs</li><li>• Reduces cost of compliance</li></ul>
Financing	<ul style="list-style-type: none"><li>• Project finance mechanism</li><li>• Creates partnerships</li></ul>
Complements and link	<ul style="list-style-type: none"><li>• JI can complement domestic ET schemes as off-set mechanism and create links between ET schemes</li></ul>
Technology	<ul style="list-style-type: none"><li>• Spurs development of new technology</li><li>• Creates and expands market for deploying GHG abatement technology</li></ul>
Awareness	<ul style="list-style-type: none"><li>• Raises awareness within economic sectors and Parties where climate change has little attention</li></ul>

# Ways to release the potential

## Expansion in Scope: Sectoral Approaches

- Sector-wide relative or absolute reduction target
- JI as incentive to reduce emissions below the target
- Encouraging domestic JI

## Ensuring Continuity: Conversion from CDM to JI

- CDM projects post-2012 continue under a JI framework
- Linking to AAUs and aligning crediting periods

## Improving efficiency: Governance and baseline setting

- Focus on environmental additionality and generic baseline setting
- Secure due process, transparency, efficiency and quality for Track II decision making

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# Thank you

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