



E7

FRAMEWORK FOR JOINT
IMPLEMENTATION

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EXECUTIVE SUMMARY

Joint Implementation (JI) is a form of cooperation between two or more Parties to the United Nations Framework Convention on Climate Change (FCCC), for jointly pursuing actions to reduce or absorb emissions of greenhouse gases (GHG), to meet obligations under the Convention. A five-year pilot phase for “activities to be implemented jointly” was initiated at the first Conference of the Parties (CoP 1) in 1995.

While developed countries are to take the lead in curbing global greenhouse gas emissions, economic analyses show that international cooperation to manage these emissions can be more cost effective than restricting measures to national borders.

Joint Implementation can benefit developing and developed countries, and the global environment. Measures to promote development and protect the environment require capital and technical expertise. Developing countries and countries with economies in transition usually suffer from a lack of capital which is worsened by limited access to the international money markets. This together with a lack of instruments and institutional arrangements limits development. Developed countries are looking for ways to reduce the cost of abating greenhouse gas emissions.

Joint Implementation projects give financing countries the opportunity to achieve cost effective reductions in greenhouse gas emissions. Developing countries and countries in transition can benefit from international investments to increase their technical and managerial capacity, and hence contribute to their development. JI can also promote a global market for low emission technologies.

The members of E7, an international group of eight of the world’s leading utilities, have developed a Greenhouse Gas Management Strategy. The Strategy sets two goals, to participate in the international dialogue about GHG emissions management and global warming, and to reduce global GHG emissions. This document represents the commitment of E7 to support the development of Joint Implementation and gives the framework for the selection and completion of JI projects during the pilot phase.

By participating in the JI pilot phase, E7 will strive to

- ❑ demonstrate the value of JI in reducing global GHG emissions
- ❑ identify the challenges of JI and potential solutions
- ❑ assist in the development of international guidelines for JI

Experience derived from E7 JI projects will be submitted to the CoP.

E7 Joint Implementation projects must meet the following requirements:

- ❑ Be environmentally, economically and socially feasible and consistent with the principles of sustainable development
- ❑ Be accepted by the host government
- ❑ Have the potential to produce real, verifiable and measurable reductions in GHG emissions
- ❑ Provide assurance that net reductions in GHG emissions will not be lost or reversed over time
- ❑ Contain adequate provisions for monitoring and third party verification of results

The measurement and calculation of the net reductions in GHG emissions must be transparent and easy to verify. This data will be used to calculate the contribution of a project to global GHG emissions reduction and will be reported to the FCCC secretariat. Credibility is a crucial element for the success of Joint Implementation.

At CoP1 it was decided that “no credits shall accrue to any Party as a result of GHG emissions reduced or sequestered during the pilot phase from activities implemented jointly.” E7 believes that in order for JI to become an effective tool to curb GHG emissions and to attract significant investment from the business community, national incentives are needed. E7 will promote the international recognition of credits created after the pilot phase and their application to national emission targets. E7 will therefore develop and test methodologies for allocation of emission reduction credits among project participants.

E7 will strive to develop a portfolio of electricity sector based JI projects in selected developing and threshold countries. Existing and new E7 projects will be assessed in terms of GHG emissions reduction potential and the applicability of these projects to JI.

The experience gained from the assessment of GHG emissions reductions achieved with E7 projects will allow E7 to develop methodologies for measuring, tracking and verifying the costs and benefits of Joint Implementation.

For the complete E7 Framework for Joint Implementation document please contact the E7 Network Secretariat