



This newsletter is published as part of the project "JIKO – Development phase 2002-2004" at the Wuppertal Institute for Climate, Environment, Energy – Energy, Transport and Climate Policy Research Group

Dear Reader,

The struggle for ratification of the Kyoto Protocol by Russia is about to enter a new phase: Since an agreement was reached between the EU and Russia at the WTO negotiations, a mood of optimism has returned. Now only time will tell whether a decision can be reached at long last, or whether this merely marks a new chapter in the tug-of-war which has been going on for months between the supporters and opponents of the Protocol.

Apart from the unforeseeable outcome of this pivotal issue there are, however, also a number of very practical issues on the agenda, as indicated by our report on the first Russian-German JI meeting. This and other topical articles can be found in this edition. Thank you for your interest.

*The Editor*

## JIKO News

### Linking Directive on the Home Stretch

**The inclusion of project-based mechanisms in EU emissions trading is finally about to be agreed. Now that the European Parliament and the EU Council of Environment Ministers have reached an agreement on a compromise text for the so-called Linking Directive (as reported in JIKO Info) in April, work is currently underway to align the various language versions. The Linking Directive will then be formally adopted at the next Council meeting - probably in September. Following the law's publication in the Official Journal of the EU, the Member States will then have 12 months for translating the Directive into national law.**

The transposition of the Linking Directive into national law is not expected to be complete in time for the start of EU emissions trading on 1 January 2005. However, this does not mean that the use of the project-based mechanisms needs to be delayed. The provisions adopted in the Directive offer adequate orientation for both companies and CDM/JI funds with regard to the selection and development of climate protection projects. Project implementation is likewise expected to be only marginally affected by the national specifications still to be adopted.

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## JIKO News

### KfW Climate Protection Fund Launched

**On 29 June, the KfW Bankengruppe officially launched the KfW Carbon Fund and published its first invitation to tender for projects. The fund will allow companies to easily acquire certificates from CDM and JI projects in order to meet their obligations in accordance with EU emissions trading.**

The first round of applications targets projects from developing countries (CDM). Project proposals may be submitted until 31 October 2004. A second round of applications, aimed primarily at the states of Central and Eastern Europe (Joint Implementation), will follow in a few months' time.

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## Linking Directive on the Home Stretch

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For the implementation of the Directive at the national level, particularly in the case of JI there is a need for concrete regulatory provisions, both with regard to the procedure as a whole and to the individual stages of the project cycle, whereas in the case of the CDM the provisions have already been largely formulated by the Marrakech Accords and subsequent decisions by the Executive Board. In the case of JI, concrete provisions need to be adopted in particular for the so-called JI First Track procedure.

### Regulatory Requirements for Joint Implementation

Under the JI First Track procedure, to a large extent host countries can autonomously determine the rules under which JI projects are carried out within their territory. The First Track procedure may be applied if the JI host country meets all the participation criteria for the flexible mechanisms, i.e. the minimum criteria plus the prompt annual submission of correct emissions inventories plus additional information on the Assigned Amount. Countries which fail to meet these conditions must instead use the Second Track Procedure, which entails an international procedure analogous to the CDM procedure. Amongst other things, this comprises a fixed project cycle as well as the creation of a JI Supervisory Committee to monitor the implementation of projects similar to the CDM Executive Board. Certification companies will need to obtain accreditation from the Supervisory Committee before being allowed to certify JI projects under the Second Track procedure. In consequence, the Second Track is likely to entail higher transaction costs than the First Track.

One of the main problems with the JI First Track, however, lies exactly in the absence of a fixed accreditation procedure for the certifying agencies. Nor does the Linking Directive offer any solutions on this point. For this reason, an independent accreditation procedure and accreditation bodies would need to be created at the national level. The rights and obligations of JI certifying agencies would also need to be re-regulated. In this respect, analogies to the

CDM – particularly with regard to the liability issue – may prove very useful in terms of the reliability for companies and licensing authorities.

However, in Germany as in the other Fast Track host countries it will first be necessary to consider the fundamental question whether this approach might be too elaborate and therefore the standardised procedure to be developed under the JI Second Track should be used instead. For a transitional period – until the JI Supervisory Committee has been installed and an internationally valid accreditation procedure has been developed – the certifying agencies accredited with the CDM Executive Board could also be authorised for JI. Given the justified demands for comparable requirements for all certifying agencies of the project-based Kyoto mechanisms, this would appear to be a very pragmatic solution, but in view of the high accreditation requirements of the CDM also the most demanding option.

### JI Projects in Germany

There is also a need for further regulation of the JI First Track for JI projects implemented in Germany. From the national viewpoint, a reliable additionality test is a top priority. Windfall profits and double subsidisation must be excluded by means of an adequate screening procedure. In cases where a project does already receive public funding (e.g. Renewable Energies Act, fiscal incentives or direct subsidies), it is necessary to clarify whether a combination with JI will bring further climate benefits. However, if genuine additional efforts were being made to achieve further emission reductions, it would be a fatal signal to generally exclude such projects from JI for the sake of simplification. Instead, a suitable additionality test needs to be developed to examine each individual case and determine the extent to which an additional climate benefit, if any, is derived from a project.

One key point with JI projects where Germany is an investor country concerns the issue of public participation. This has been addressed neither by the Marrakech Accords nor by the Linking Directive. In the case of the CDM, the principal function of public participation is to compensate for non-existent participatory rights of the local population. Disclosure of the project documents for public inspection and the opportunity for submitting comments at the Executive Board level are designed primarily to internationally ensure the political

integrity of climate projects. However, this requirement does not apply to JI projects to this extent, since, unlike the CDM, no additional certificates are generated by JI, but instead existing certificates are simply transferred from the host country's account to that of the project developer. Nevertheless, there is clearly a public interest in transparency and possibilities for participation. The Netherlands, for example, has responded to this interest since the introduction of ERUPT 4<sup>1)</sup>. From the project developer's point of view, it is vital that public participation should not delay project implementation. Both these interests could be accommodated by installing the opportunities for participation during the validation phase, on the basis of the PDD (Project Design Document), and obligating project developers and validators to react. As with the Executive Board of the CDM, the documents should be accessible to the general public via the Internet.

There are yet more details which need to be clarified with regard to the implementation of the Linking Directive. The national preparations for the review process for the revision of EU emissions trading and the inclusion of the project-based mechanisms, envisaged for 2006, are particularly important. The main emphasis here is on the rules for sink projects in the CDM and JI, and for the project type "domestic projects". JIKO Info will be reporting on the current status of legislative proceedings in the next edition.

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## JIKO News

### KfW Climate Protection Fund Launched

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The KfW Carbon Fund is aimed in particular at companies in the energy sector and in industry which with the introduction of EU emissions trading are required to reduce their overall CO<sub>2</sub> emissions to 495 million tonnes of CO<sub>2</sub> by the year 2012. For the German energy industry, where emis-

sion trends have been on the increase again since 1999 (+22.4 million tonnes of CO<sub>2</sub>), as well as for industrial companies, EU emissions trading and the inclusion of the Kyoto mechanisms offers the option of achieving their reduction obligations via measures in non-EU countries. But for many companies it is not expedient to carry out their own projects abroad. The CDM/JI fund now offers these countries the opportunity to also inexpensively acquire certificates from CDM and JI projects.

Both German and European companies may participate in the purchasing programme up to the end of the year. The KfW will acquire the certificates as a trustee and forward them to the companies in accordance with their share in the scheme. The companies will then be able to convert the CDM/JI certificates into EU certificates and use them to meet their obligations in accordance with EU emissions trading.

Further details on the CDM/JI Fund at KfW can be found at <http://www.kfw.de/EN/Die%20Bank/KfWUpdates60/TheKfWCarb68/Inhalt.jsp>

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## JIKO News

### Renewables 2004 – Key Role for CDM and JI in Increasing the Use of Renewable Energies

**The International Conference on Renewable Energies took place in Bonn from 1 to 4 June, after an invitation had been extended by Federal Chancellor Schröder at the World Summit on Sustainable Development in Johannesburg (2002). Both the Federal Government and civil society hailed the conference a success and are hoping for a fresh impetus to increase the use of renewable energies. The project-based mechanisms CDM and JI were also debated at length as a means of attaining a sustainable energy supply.**

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1) ERUPT (Emission Reduction Unit Procurement Tender) is a purchase programme by the Dutch government, [www.carboncredits.nl](http://www.carboncredits.nl)

After Johannesburg, many observers had high hopes for this conference as a new model of international cooperation. In the spirit of the Johannesburg Renewable Energy Coalition, founded at the World Summit, it was hoped that like-minded nations would convene here to jointly discuss objectives above and beyond those formulated in Johannesburg. This model of "multilateralism minus X" was only partially realised, however. The Federal Government after all insisted that the central concluding document – the political declaration – should be unanimously agreed by all 154 participating states. As a result, it reflects the smallest common denominator and contains very little in the way of tenable statements on concrete objectives or political measures.

In spite of this, the sense of new departures confirmed by many participants was reflected in the International Action Programme likewise adopted, constituting the third outcome of the conference alongside a list of (non-binding) policy recommendations. In keeping with the slogan coined by Minister Trittin, "Actions instead of words", this action programme comprises more than 200 concrete individual measures which will be assumed voluntarily by governments as well as by international institutions and players from industry and civil society. Although many of these actually involve the revamping of existing initiatives, or "old wine in new bottles", a number of fairly far-reaching voluntary commitments were also submitted, particularly from southern countries. For example, China is hoping to increase the share of electricity generated from renewable energies to 10 % by 2010, rising to 17 % of total energy consumption from renewable energy sources by 2020. The Philippine initiative to double the share of renewable energies by 2013 is also particularly ambitious.

Apart from formulating targets a number of financial commitments were also made. For example, Chancellor Schröder promised 500 million Euros to provide low-interest loans from the KfW Bankengruppe from 2005 onwards, aimed at promoting renewable energies and energy efficiency in southern countries. Admittedly, not all the news was positive. The World Bank, for example, promised to increase financial subsidies for renewable energies and energy efficiency measures by 20 % per annum over the next five years, yet a study commissioned by the World Bank itself recommends the complete phasing-out of

subsidies for fossil fuels over the same period. Meanwhile, the pledge made at the Renewables is not even sufficient to ensure a return to the subsidy level of the early Nineties.

CDM and JI were key themes throughout the talks, particularly in those dedicated to the financing of renewable energies. Many players argued that the market needs to be mobilised so that the use of renewables can be expanded on a wider scale, and that the CDM and JI could play a key role in this respect. At the side events and other activities around the Renewables, the potential of the CDM and JI to promote renewable energies was likewise a subject for debate.

Correspondingly, CDM and JI also feature in the Action Programme. For example, the European Investment Bank announced a Climate Change Financing Facility totalling 500 million Euros, to be supplied by European companies, 100 million of which is to be invested in CDM and JI. It also announced another fund which will be dedicated specifically to CDM and JI. Some of the southern countries that have set themselves targets in the Action Programme for increasing the use of renewable energies, such as Egypt and Peru, have explicitly stated that they wish to achieve this with the aid of CDM and JI.

Overall, the Action Programme is enhanced by the monitoring mechanism, according to which the implementation of all listed activities will be reviewed by the UN Commission on Sustainable Development (CSD).

Those who were hoping that the Renewables would lend impetus to the institutionalisation of the promotion of renewable energy at the international level were disappointed, however. Although a number of countries – as well as the parliamentary forum being held parallel to the conference – called for the creation of an international agency for renewable energies as a "global impetus provider" (Chancellor Schröder), the parties eventually only agreed on the creation of a global policy network, in which a number of interest groups as well as governments will be represented, with the aim of promoting the exchange of information and experiences with the application and development of renewable energies.

In order to ensure that the Bonn Conference does not remain a one-off event, it was agreed that the dialogue already

begun will be continued at the next but one meeting of the CSD and to also decide about a follow-up conference there. This too is an ambiguous result, since many had hoped for the establishment of a separate political process, particularly in view of the weakness of the CSD.

Nevertheless, despite the present diminishing significance of environmental issues at both the national and the international level, the Bonn Conference did trigger a sense of fresh departures. Rather than focussing on the burdens involved, as has often been the case at the climate negotiations, discussions focussed instead on the opportunities—opportunities to supply the rural population with electricity and thus help to combat poverty; as well as opportunities for greater independence from fossil fuels and, associated with this, benefits for global peace and security. Although the direct impacts of the conference are likely to be marginal, it did nevertheless succeed in bringing the vision of a solar age into sharper focus for all participants.

*BBr, WSt*

## JIKO News

### Germany and Russia Agree More Intensive Cooperation on JI Projects

**On 24 May, the first German-Russian JI meeting took place in Berlin, hosted by the Federal Environment Ministry. Delegates included representatives of German and Russian companies, the Moscow city administration, and the Russian JI Committee. At the event, both parties stressed their serious interest in collaborating on JI projects. The meeting culminated in the adoption of a cooperation agreement, which envisages, inter alia, the drafting of a list of potential Russian JI projects.**

At the meeting, it became clear that both parties have a serious interest in joint JI projects. In this respect, Russia is not only concerned with the sale of emissions certificates, but is also keen to recruit potential cooperation partners.

However, one of the main problems lies in reconciling both parties' economic interests within the individual projects. Also, many investment partners would like to secure their entitlement to generate certificates within the context of Joint Implementation early on in the process, but because the ratification process of the Kyoto Protocol has been so protracted the tasks of the Russian administration have not been defined and competencies have not been assigned. Investors and the competent offices of investor governments are confronted with a bewildering number of contacts who are, however, unable to provide support and recognition for projects, even if the Kyoto Protocol were to be ratified. With no visible progress in the institutional discussions between the Government and the DUMA, interest in Russia as a JI host country will diminish.

With a view to overcoming the impasse, a cooperation agreement was adopted at working level between the German Environment Ministry (BMU) and the Russian JI Committee. In the first stage of this agreement, over the next few months, a "project pipeline" for EU emissions trading is to be developed. This primarily entails highlighting potential and investment opportunities in projects from which emission certificates may be acquired. It is also necessary to clarify the extent to which projects will be supported by the Russian government with a legally binding statement that they can be implemented within the framework of JI. Ultimately, of course, these efforts cannot be successful unless Russia ratifies the Kyoto Protocol.

Within Russia, the debate surrounding ratification of the Kyoto Protocol has been driven by the issue of economic benefits. Since the EU and Russia reached an accord at the WTO negotiations, there have been very encouraging signals from the Russian President; at the same time, however, other Russian representatives continue to link ratification of the Protocol to economic calculations.

#### **Kyoto opponents fear economic risks**

Kyoto opponents have voiced fears that the continuing economic recovery will force Russia to utilise its current excess of emission certificates itself as early as 2012, or by 2020 at the latest. But even if Russia were to demonstrate energy-excessive economic growth, this argument disregards the potential economic role of unneeded certificates, at least during the 1<sup>st</sup> commitment period (2008/12) – in

other words, how additional investment can be leveraged for the renovation of the Russian energy sector by selling certificates and thereby decouple economic growth and energy use. Even with a very conservative calculation, the annual emissions reduction potential is at least 400 million tonnes of CO<sub>2</sub> equivalent.

From a Russian viewpoint, however, the inadequate global demand for emissions certificates poses a problem. Following the USA's announcement that it will not ratify the Kyoto Protocol, one of the countries most in need of emission certificates has disappeared from the scene for the foreseeable future. Even if there was a change in the US administration this autumn, it would be difficult for a new President to make good the shortfalls in national climate protection policy of recent years. The consequence is that Russia is dependent upon demand from the EU, Canada and Japan and there is a great deal of scepticism surrounding the level of this demand.

The outlined economic risks which Russia could face as a result of ratifying the Kyoto Protocol are very difficult to comprehend for those outside Russia. It gives the impression of a self-blockade by politically relevant decision-makers based on apparently plausible yet untenable arguments. The extent to which this blockade can be overcome by the more recent comments of the Russian President is a matter for the next few months, rather than years.

In this situation, however, the states which have ratified the Kyoto Protocol cannot confine themselves to a wait-and-see policy. Their task is currently to de-emotionalise the debate on the benefits, costs and obligations of the Kyoto Protocol and to aid rational evaluation by the Russian decision-makers. However, this also means making it clear that Russia too must contribute to climate protection.

### **Interest in JI projects**

Whilst the demand for government emission certificates (AAUs) may only become a political necessity in a number of EU Member States in the final phase of the 1<sup>st</sup> commitment period 2008-12, interest in Joint Implementation projects is already apparent. Joint Implementation projects eliminate at least Russia's perceived problem of its own demand for emission certificates, since the certificates are created from the validated and verified emission reductions

achieved by the JI projects. Alongside the government purchasing schemes, there is also a potential demand amongst those companies covered by EU emissions trading which should not be underestimated. As such, Russia could well benefit from EU emissions trading. Investments within the context of Joint Implementation may make an important contribution to the renovation of the Russian energy sector. Admittedly, the financing shares of the emission certificates may vary substantially between the various project categories – for example, 5-20 % for renewable energies, 10-30 % for energy efficiency, 10-20 % for energy resource changes, or up to 50 % for methane. Even with a cautious evaluation, Joint Implementation therefore has a good chance of becoming one of the key factors of investment financing in each new energy project in countries with a significant need for renovation in the energy industry.

But for Russia the true problem lies in the timetable of the Kyoto Protocol, something which perhaps has not yet been adequately recognised. With each further delay, the time frame for the first commitment period is shrinking. Assuming a project lead time of several years, there are currently just over three years left until 2008 – the date from which JI emissions certificates may be acquired. However, this time frame is deceptive: For one thing, there is competition with other suppliers in Central and Eastern Europe – and not least also with developing countries, where CDM certificates can already be generated. For another, Russia's competitive situation is additionally exacerbated by the difficult investment conditions, although of course there are only a few countries where conditions can be described as favourable.

### *TF*

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JIKO News

## CDM Projects Without the CDM?

**The transaction costs associated with the approval procedure for the CDM currently remain so high that especially small-scale projects often face insurmountable hurdles. A group of players involved in development and climate policy therefore are currently discussing the possibility of implementing climate protection projects in developing countries based on the CDM procedure, but without its bureaucratic superstructure.**

At present, the main supporters of this initiative are 500 ppm, the Hamburg Institute of International Economics (HWWA), the *Nordelbische Missionszentrum*, the *Zukunftsrat Hamburg*, and the *Büro Proschke, Umwelt – Entwicklung – Kommunikation*. The initial outcome of their deliberations was presented on 7/8 June in Hamburg at the international conference "Climate Protection as Development Opportunity".

Small-scale projects often provide particularly high socio-economic and ecological benefits, thus fulfilling the CDM's objective of promoting the host countries' sustainable development to an exceptional degree. However, they currently face enormous problems due to the high transaction costs of the CDM. For this reason, the basic idea behind the initiative is to implement high-quality climate protection projects based on the CDM procedure, but without its bureaucratic superstructure.

In principle, this approach is nothing new. There has long been a market for so-called Verified Emission Reductions (VERs) allowing buyers to compensate for emissions that are not legally regulated – such as those from events or air traffic – on a voluntary basis. The new initiative hopes to distinguish itself from these offers by setting particularly high standards. For this reason, the procedure will be developed on the basis of the CDM Gold Standard devised by the non-governmental organisations.

The main difficulties lie in registering the emission reductions achieved and in auditing the projects and emissions reductions, which in the case of the CDM is performed by specially accredited certification companies (the so-called

*Operational Entities*). In the case of the CDM, both of these points are very cost-intensive. In order to counteract the former problem, the possibility of creating a public register at a non-commercial institution is currently being considered. With regard to auditing the projects and the emission reductions achieved, one consideration is to have the review carried out at low cost by local organisations such as micro credit banks, scientific institutes, local consultancy companies, churches or non-governmental organisations.

The initiators are currently in the process of debating the potential of this initiative with representatives from industry and government. The initiative could be of interest, particularly if it were to emerge that the CDM simply is not suitable for small-scale projects. However, the associated problems of establishing a credible yet cost-effective mechanism for quality assurance and registration of the emission certificates should not be underestimated. The climate policy implications of developing a "parallel CDM" in this way are also unclear.

The paper presented at the Hamburg Conference, "Paths to Facilitate Mini and Micro Compensation Projects", can be downloaded from the Internet at <http://www.goldcdm.net/Papers.297.0.html>.

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## JIKO Test

### Climate-Conscious Air Travel With "atmosfair"

**The "atmosfair" initiative was launched on 22 June. It aims to persuade air travellers to finance CDM projects via a surcharge on their flight ticket, which are then used to compensate the greenhouse gas emissions incurred by their flight.**

The organisers of the initiative are the *Forum Anders Reisen*, a group of companies committed to sustainable tourism, the North/South initiative *Germanwatch*, and 500ppm, a private company specialising in compensation projects. At present, the initiative is still being subsidised

by the Federal Environment Ministry, but it is hoped that "atmosfair" will soon develop into an autonomous non-profit organisation.



The number of companies offering compensation for greenhouse gas emissions has recently been on the rise. The business pattern is always the same: The emissions to be compensated are calculated and on this basis a levy is paid, which in turn is used to fund climate protection projects, usually in developing countries. "atmosfair" is aimed specifically at travellers who are unable or unwilling to forego air travel, but who are nevertheless aware of the resultant climate effects. The surcharge for a so-called "atmosfair ticket" is set at 15 Euros per tonne of CO<sub>2</sub> (excluding VAT).

In order to set a good example, Federal Environment Minister Trittin is planning to ensure that business flights by members of the Federal Environment Ministry and its subordinate authorities are compensated via the "atmosfair" scheme. However, the budgetary issues have yet to be resolved. The Minister is hoping that all the conditions will be in place for the compensation of business flights by the middle of next year.

To date, emissions are being compensated by climate protection projects in Brazil and India. In Brazil, the University of Rio de Janeiro is planning to use its waste to generate its own electricity. On the one hand, this will ease the pressure on landfill sites, i.e. methane emissions will be reduced; on the other hand, part of its electricity requirements can be met by its own power station. This project was devised by the southern network *South-South-North*. The Indian project, which was developed by the GTZ, involves

equipping ten large kitchens with solar thermal installations. In the past, these large kitchens obtained their energy requirements primarily from the combustion of diesel or wood. Apart from reducing emissions, the avoidance of smoke pollution also produces health benefits and minimises the felling of the surrounding forests. There is a further project candidate in South Africa, where *South-South-North* is going to support the Kuyasa model project, which equips local houses with solar panels, insulating materials and energy-saving light bulbs.

In addition to reducing impacts on the climate, the projects must also meet the highest environmental and social standards. The projects are therefore going to be certified according to the Gold Standard developed by the non-government organisations. The project documentation has already been submitted to the CDM Executive Board, or is currently under preparation.

"atmosfair" stresses that the compensation of flight emissions is only a second-best option. Wherever possible, flights should be avoided altogether. Consequently, it argues, a general tax on kerosene or the inclusions of air traffic in EU emissions trading are more effective mechanisms than compensation because they make flying in general less attractive. In order to highlight the alternatives to flying, night trains and videoconferencing are being advertised as a substitute for business trips. Alternatives are also provided for holiday flights: Some 20 % of the companies in Forum Anders Reisen have dispensed with flights altogether and offer trips "with contact to Earth".

Further information can be found on the Internet at [www.atmosfair.com](http://www.atmosfair.com).

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## JIKO News in Brief

### **KfW Bankengruppe and Hessian Environment Ministry Launch Pilot Purchase of JI and CDM Certificates**

In the run-up to EU emissions trading and the implementation of the Kyoto Protocol the Hessian Environment Ministry and the KfW Bankengruppe have invited the submission of investment plans as part of a pilot purchasing scheme for CO<sub>2</sub> emission certificates from CDM and JI. It is hoped that vital practical experience can be gleaned throughout all phases of the process for the generation and recognition of emissions certificates. Companies with investment plans in the areas of rational energy use, efficient use of fossil fuels in power stations and regenerative energies are invited to apply by 31 October 2004.

Further information is available at

<http://www.kfw.de/DE/Die%20Bank/AktuellesausderKfW/KfW-Klimas2/Kaufprogra23/Inhalt.jsp>

### **The Netherlands and the World Bank Publish a Guide to Additionality**

The issue of the additionality of projects is one of the pivotal and most disputed issues surrounding the CDM. In the case of projects rejected or returned for revision by the Executive Board, the treatment of additionality was one of the major criticisms in virtually all cases. The Dutch Government, in collaboration with the World Bank, has now published a paper proposing a decision-making tree for the satisfactory testing of additionality. It can be viewed at [http://www2.vrom.nl/docs/internationaal/proposal\\_on\\_CDM%20Additionally%20Tests.pdf](http://www2.vrom.nl/docs/internationaal/proposal_on_CDM%20Additionally%20Tests.pdf).

### **German Energy Agency Expands its Activities in Russia**

Current cooperation between the German Energy Agency, the Russian Joint Implementation Committee and the Energy Department of the City of Moscow to develop JI projects aims to utilise climate protection potential in the Moscow energy industry. It is hoped that this will give German companies the opportunity to supplement their domestic climate protection activities in an economically efficient manner.

Further details can be found in the article on page 5.

### **20th Conference of Subsidiary Bodies of the Climate Regime in Bonn**

From 16 to 25 June, the subsidiary bodies of the Framework Convention on Climate Change, the *Subsidiary Body for Scientific and Technological Advice* (SBSTA) and the *Subsidiary Body for Implementation* (SBI), convened in Bonn. Discussions centred on methodological issues, including small-scale projects under the CDM, good practice examples of sink projects, and preparatory work for the 10<sup>th</sup> Conference of the Parties in Buenos Aires in December.

Detailed information on the meeting of the subsidiary bodies may be viewed at <http://unfccc.int/sessions/sb20/index.html>.

## JIKO Info

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