

**SUBMISSION BY GERMANY ON BEHALF OF THE EUROPEAN
COMMUNITY, ITS MEMBER STATES AND BULGARIA, CROATIA,
CZECH REPUBLIC, ESTONIA, HUNGARY, LATVIA, LITHUANIA,
POLAND, SLOVAK REPUBLIC AND SLOVENIA
ON**

JOINT IMPLEMENTATION (ART. 6 KP)

With the Buenos Aires Plan of Action, COP 4 has decided on a work programme on the mechanisms of the Kyoto Protocol with a view to taking a decision on all mechanisms at COP 6. According to Article 6 of the Kyoto Protocol the Conference of the Parties serving as the meeting of the Parties (COP/MOP) may, at its first session or as soon as practicable thereafter, elaborate guidelines for implementing this Article.

The European Community, its Member States and Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovak Republic and Slovenia have prepared a revised first proposal on guidelines for implementing Article 6, which is hereafter referred to as Joint Implementation (JI), hoping that it can serve as an input for the discussion amongst all Parties.

The EU and the above Parties recall their position that a concrete ceiling on the use of the Kyoto mechanisms should be defined in quantitative and qualitative terms based on equitable criteria. In the view of the EU and the above Parties, a properly defined ceiling will encourage Annex B Parties to develop strong domestic policies and measures in order to modify long term emission trends, the technological structure, especially long-lived infrastructure, and production and consumption patterns. Thereby it will also contribute to preparing the path for more ambitious commitments in the second and subsequent commitment periods. Such a ceiling should also contribute to limiting the displacement of domestic action by "hot air".

The above Parties recognise that there are different ways of approaching the definition of supplementarity, taking into account inter alia the uncertainty that still exists on the structure of the Kyoto mechanisms. In order to provide a basis for further negotiations with other Parties whom we urge to join us in this endeavour, we propose a definition for such a ceiling in para 8 of this submission.

The proposal from the above Parties on guidelines for implementing Article 6 does not yet cover all of the issues that we believe need to be addressed. We suggest that those issues dealing with baselines and monitoring be elaborated on in an appendix to these guidelines or in a separate decision by COP/MOP. Institutional questions, we believe, will have to be discussed once there is some more common understanding on other basic issues.

To clarify the JI process envisioned by the EU and the above Parties, the following terms in the set of guidelines shall be understood as follows: