

Track I and Track II are the common terms used to describe the conditions under which Article 6 operates – i.e. when the Article 6 Supervisory Committee and accredited independent entities will be involved in the JI project cycle and when their involvement is not required. Where a host Party meets the participation requirements described in the section below, it may verify the net reductions of GHG emissions on its own and issue ERUs accordingly. This is Track I⁶. However, if the host Party does not meet the participation requirements listed in section 2.2.3 below, a third Party verification procedure is triggered which will necessitate the involvement of both the Article 6 Supervisory Committee and an accredited independent entity. This is Track II⁷. This Verification procedure is described in Section 2.2.4.

It should be noted that a host Party may at any time opt to use the verification procedure.

2.3 Party Level Participation Requirements for JI

Each participating Party must inform the UNFCCC secretariat of its national office responsible for approving the projects. Each Party must also provide the secretariat with its national guidelines for approving JI projects.

Track I

An Annex I Party is eligible to issue, transfer and/or acquire ERUs if it meets the following requirements:

1. It is a Party to the Kyoto Protocol.
2. It has established its assigned amount. The assigned amount in the first five-year commitment period from 2008 to 2012 for Canada is equal to 94% of its 1990 anthropogenic CO₂ equivalent emissions of GHGs times five.
3. It has in place a national system to estimate all sources of GHG emissions and removals by sinks.
4. It has in place a national registry to ensure the accurate accounting of the issuance, holding, transfer, acquisition, cancellation and retirement of ERUs, CERs, AAUs, and RMUs.
5. It submits an annual inventory of anthropogenic CO₂ equivalent emissions and removal by sinks. The annual inventory of emissions by Annex A sources/sectors must pass a quality assessment.
6. It submits the required supplementary information on its assigned amount including additions to and subtractions from said assigned amount.

Track II

If a Party does not meet the above requirements, it must undertake the verification procedure described in section 2.2.4. It should be noted that even if a JI project has undergone the verification procedure, the issuing Party must still meet the requirements 1, 2 and 4 above. In other words, a Party can only issue and transfer ERUs if:

- it is a Party to the Kyoto Protocol;

⁶ Ibid, Paragraph 23, page 13. January 21, 2002

⁷ Ibid, Paragraph 24, page 13. January 21, 2002