

**Annex 1****DRAFT ANNUAL REPORT OF THE JOINT IMPLEMENTATION SUPERVISORY
COMMITTEE TO THE CONFERENCE OF THE PARTIES SERVING AS THE MEETING OF
THE PARTIES TO THE KYOTO PROTOCOL**

This draft annual report of the Joint Implementation Supervisory Committee (JISC) to the sixth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol is for consideration by the JISC at its twenty-third meeting. The document is unedited and will go through the UN editorial process. Figures and data will be updated in the report at the end of the reporting period. Space has been held in the document for matters that will be considered and decided by the JISC at its twenty-third meeting.



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I. Executive Summary

1. This annual report of the Joint Implementation Supervisory Committee (JISC) to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) covers joint implementation (JI) activities during the period from 24 October 2009 to 23 October 2010, the closing date of the extraordinary (twenty-third) meeting of the JISC. During this period the JISC held five meetings and one round-table consultation with stakeholders. The report does not cover the period between the extraordinary meeting of the JISC and the sixth session of the CMP; however, the Chair of the JISC, Mr. Benoît Leguet, will highlight any relevant matters during this period in his oral report to the CMP at its sixth session.

2. The report recommends actions to be taken by the CMP at its sixth session. It also refers to work undertaken by the JISC during the reporting period, including the further operationalization of the verification procedure under the JISC (hereinafter referred to as the Track 2 procedure), the associated project caseload and the operation of the JI accreditation process. Based on this information, the CMP may wish to provide further guidance on JI to the JISC.

3. The report highlights the areas of governance, management and resources, which are critical to ensuring the efficient, cost-effective and transparent functioning of the JISC. With regard to the status of the Track 2 procedure, it notes that, by the end of the reporting period, ## project design documents (PDDs) had been submitted and published on the UNFCCC JI website and that ## positive determinations regarding PDDs had been deemed final by the JISC. The ## JI projects described in the PDDs would achieve emission reductions of approximately ## million tonnes of carbon dioxide equivalent (tCO₂e) during the first commitment period of the Kyoto Protocol. The ## projects that have received positive final determinations would achieve emission reductions of ## million t CO₂e in the same period.

4. In its revised JI management plan for 2010–2011¹, the JISC noted that work on JI for the biennium 2010–2011 must rely almost entirely on voluntary contributions by Parties, and that not sufficient contributions had been received yet. In fact, due to the lack of funds, the JISC had to cancel two of its planned meetings in 2010. The JISC further noted that, although it had reduced the annual budget compared with 2009, the JISC had to introduce a contingency plan, which included a reduction of some JISC and JI Accreditation Panel (JI-AP) meetings. The JISC reiterates the urgent need for adequate and predictable resources to implement its activities. The JISC notes that the lack of such contributions could prevent some of the envisaged work and planned activities relating to the consideration of determinations and the accreditation of independent entities (IEs) from being undertaken.

II. Introduction

A. Mandate

5. The CMP, by its decision 10/CMP.1, established the JISC to supervise, inter alia, the verification of emission reduction units generated by projects under Article 6 of the Kyoto Protocol (hereinafter referred to as JI projects), in accordance with the guidelines for the implementation of Article 6 of the Kyoto Protocol (hereinafter referred to as the JI guidelines²).

6. The JI guidelines require that the JISC reports on its activities to each session of the CMP and that the CMP provides guidance regarding the implementation of Article 6 of the Kyoto Protocol and exercises authority over the JISC.

¹ FCCC/KP/CMP/2010/# (Part II).

² Decision 9/CMP.1, annex.



B. Scope of the report

7. This report provides information on the work undertaken by the JISC since its written report to the fifth session of the CMP.³ The JISC has been operating the Track 2 procedure⁴ since October 2006, when operationalization was completed. This report provides information on the decisions and actions taken by the JISC to further improve the operation of the Track 2 procedure and highlights issues that the CMP may wish to consider at its sixth session. It also addresses governance issues, notably measures undertaken to ensure the efficient, cost-effective and transparent functioning of the JISC, as well as resource requirements for the work on JI during the 2010–2011 biennium.

8. This report covers the period from 24 October 2009 to 23 October 2010 (hereinafter referred to as the reporting period). The period after the latter date until the beginning of the sixth session of the CMP will be covered by the Chair's oral report to the CMP at its sixth session, highlighting any relevant matters concerning this period.

9. The report highlights the work accomplished and challenges faced by the JISC in the reporting period and summarizes the status of the operation of the Track 2 procedure during this period. Full details on the operation and functions of the JISC are available on the UNFCCC JI website, which is the central repository for reports of JISC meetings and documentation adopted by the Committee.⁵

C. Action to be taken by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

10. After reviewing this report and taking note of an oral report by the Chair of the JISC at its sixth session, the CMP, at the same session, may wish:

- (a) To provide further guidance relating to JI, in particular to the JISC;
- (b) To take note of the revised JI management plan covering the biennium 2010–2011;
- (c) To urge Parties included in Annex I to the Convention (Annex I Parties) to make contributions to the Trust Fund for Supplementary Activities for funding the work on JI in the biennium 2010–2011, at a level that would allow the full implementation of the JI management plan for the biennium;
- (d) To recommend that the UNFCCC secretariat accept for publication PDDs of JI projects, and that the JISC consider these projects in accordance with the JI guidelines, before an amendment to include the respective host Party in Annex B to the Kyoto Protocol enters into force, noting that the host Party may issue and transfer emission reduction units (ERUs) only after the amendment to include it in Annex B enters into force;
- (e) [PLACEHOLDER: From the report referred to in paragraph 12 below, as appropriate].

11. The CMP will elect the following to the JISC for a term of two years upon nominations being received from Parties:

- (a) Two members and two alternate members from Annex I Parties that are undergoing the process of transition to a market economy;

³ FCCC/KP/CMP/ 2009/18 (Part I).

⁴ Defined in paragraphs 30–45 of the JI guidelines.

⁵ Further details on operations, functions, agreements and decisions of the JISC are also available on the UNFCCC JI website <<http://ji.unfccc.int>>.



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- (b) Two members and two alternate members from Annex I Parties not referred to in subparagraph (a) above;
- (c) One member and one alternate member from Parties not included in Annex I to the Convention (non-Annex I Parties).

III. Achievements and challenges

A. Executive summary on experiences with the verification procedure under the Joint Implementation Supervisory Committee

12. The CMP, through decision 3/CMP.5, paragraph 11, requested the JISC to report to the CMP at its sixth session on its experiences with the Track 2 procedure with a view to making improvements for the future operation of JI, taking into account relevant CMP decisions at its fifth session. In response, the JISC prepared the report as contained in annex I to this report.

13. [PLACEHOLDER: Summary from the report referred to in paragraph 12 above]

B. Summary of the challenges for joint implementation with a focus on post-2012

14. [PLACEHOLDER; Summary from the report referred to in paragraph 12 above]

IV. Work undertaken in the reporting period

A. Verification procedure under the Joint Implementation Supervisory Committee

15. During the reporting period, the JISC focused on the operation of the Track 2 procedure. At the same time, the JISC continued to improve the Track 2 procedure, through consultations with and taking into account the needs of the stakeholders concerned, where appropriate, and issued standards, procedures, guidance and clarifications, when necessary.

16. By 23 October 2010, ## PDDs had been submitted and made publicly available on the UNFCCC JI website in accordance with paragraph 32 of the JI guidelines. During the first commitment period of the Kyoto Protocol, all these projects combined would achieve emission reductions of approximately ## million t CO₂e.⁶

17. In total, ## determinations regarding PDDs have been published on the UNFCCC JI website in accordance with paragraph 34 of the JI guidelines, of which:

- (a) ## positive determinations for projects located in three host Parties⁷ were deemed final in accordance with paragraph 35 of the JI guidelines. During the first commitment period of the Kyoto Protocol, these projects would achieve emission reductions of approximately ## million t CO₂e;⁸
- (b) ## determination was rejected by the JISC;
- (c) ## determinations are open for review and one is under review.

⁶ This figure is based on the indications given in the PDDs, as determined by the IE.

⁷ Bulgaria, Lithuania and Ukraine.

⁸ This figure is based on the indications given in the PDDs, as determined by the IE.



18. Detailed information on the determinations referred to in paragraph 17 above is available under “JI Projects” on the UNFCCC JI website.

19. In response to decision 3/CMP.5, paragraph 12, the JISC kept its regulatory documents under review with a view to improving the clarity of the provisions and guidelines established. In doing so, the JISC adopted the following during the reporting period:

- (a) “Procedures for reviews under the verification procedure under the Joint Implementation Supervisory Committee”;
- (b) “Clarification regarding project participants’ change of accredited independent entity”;
- (c) “Procedures regarding changes during project implementation”;
- (d) “Guidelines for users of the joint implementation programme of activities design document form” (version 02);
- (e) Forms under the verification procedure under the JISC to incorporate provisions of the procedures for programme of activities (version 02).

20. During the reporting period, the JISC adopted a “Determination and verification manual”, noting that it is an important contribution to the process and its quality. The manual is based on, but does not replace, existing CMP and JISC documents. It will assist accredited independent entities (AIEs) in their undertaking determinations and verifications in a systematic manner, improving the consistency of determinations and verifications by and among AIEs, leading to the enhancement of the integrity and transparency of the Track 2 procedure. The JISC encourages AIEs to use this document in assessing whether projects under the Track 2 procedure satisfy current CMP and JISC requirements.

21. In response to decision 3/CMP.5, paragraph 10, and in accordance with its decision on priority areas, the JISC assessed the implications of possible inclusion of the concepts of materiality and level of assurance in JI for the process of determinations referred to in paragraphs 33 and 37 of the JI guidelines (herein after referred to as determinations and verifications, respectively), and decided to include the concepts in verifications by adopting a “Standard for applying the concept of materiality in verification”. The JISC subsequently revised the “Glossary of joint implementation terms” and the JI verification report form (F-JI-VRep) to reflect provisions of the standard and the document listed in paragraph 19 (c) above.

22. In response to decision 3/CMP.5, paragraph 7, the JISC continued to enhance the implementation of the Track 2 procedure, taking into account the distinct characteristics of JI, and to promote its transparency, in its development of regulatory provisions and implementation of them.

23. The JISC, in response to a query from stakeholders and the designated focal point (DFP) of Belarus, agreed to recommend to the CMP that the UNFCCC secretariat accept for publication PDDs of JI projects, and that the JISC consider these projects in accordance with the JI guidelines, before an amendment to include the respective host Party in Annex B to the Kyoto Protocol enters into force, noting that the host Party may issue and transfer ERUs only after the amendment to include it in Annex B enters into force.

B. Accreditation of independent entities

24. The JISC has continued its efforts to facilitate the process of accrediting IEs.

25. Since the announcement on 26 October 2006 that the JI accreditation process would start on 15 November 2006, 16 applications for accreditation from IEs have been received. Of these, two applications have been withdrawn. All of these applications were from entities that also applied for accreditation under the clean development mechanism (CDM); seven of these may act provisionally as



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accredited independent entities (AIEs) under JI for at least one function (determination or verification) in at least one sectoral scope until the JISC takes a final accreditation decision on these entities, in accordance with decision 10/CMP.1, paragraph 3, and the JI accreditation procedure, paragraph 20, referred to in paragraph 27 below.⁹

26. The JI-AP has established JI assessment teams (JI-ATs) for 15 applications for accreditation by selecting experts from the roster of experts established for this purpose. There are currently 38 experts on the roster, selected from five public calls in total, all of which were conducted during previous reporting periods. Based on the assessment work of the JI-ATs, the JI-AP issued an indicative letter (a letter indicating successful completion of the desk review and the on-site assessment) to 14 applicant IEs in total by the end of the reporting period.

27. The JISC has accredited during this reporting period one IE:

- (a) Det Norske Veritas Certification AS (DNV).

28. One AIE (SGS United Kingdom Ltd. (SGS)) withdrew from accreditation during the reporting period, leaving the total number of AIEs at three.

29. The JISC further worked on the process of JI accreditations by adopting “Procedure for accrediting independent entities by the Joint Implementation Supervisory Committee (version 06)” (JI accreditation procedure).

30. Along with the adoption of the revised JI accreditation procedure, the JISC cancelled the following documents, which were incorporated in the procedure with appropriate modifications to facilitate the process and increase its transparency:

- (a) Main part of “List of sectoral scopes” (version 02) (P-JI-ACCR-03);
- (b) “Indicative level of fees to be paid to joint implementation assessment team by applicant independent entity or accredited independent entity” (version 03) (P-JI-ACCR-05);
- (c) “Clarification regarding conditions for designated operational entities for acting provisionally as accredited independent entities” (version 02) (C-JI-ACCR-01);
- (d) “Clarification regarding scopes and steps of witnessing activities under the joint implementation accreditation procedure” (version 03) (C-JI-ACCR-02);
- (e) “Clarification regarding identification of witnessing opportunities by designated operational entities acting provisionally as accredited independent entities” (version 02) (C-JI-ACCR-03);
- (f) “Clarification regarding monitoring period of joint implementation project for witnessing of verification function of applicant independent entities” (C-JI-ACCR-05);
- (g) “Clarification regarding the timing of witnessing activities” (C-JI-ACCR-07).

31. The JISC also adopted the “Joint implementation accreditation standard (version 01)” (JI accreditation standard), which consolidates into a single document all current JI accreditation requirements for the implementation of the JI accreditation process.

⁹ <<http://ji.unfccc.int/Ref/Procedures.html>>.



32. With the adoption of the JI accreditation standard, the JISC cancelled the following documents, which were incorporated in the standard with appropriate modifications:

- (a) Appendix A to the “List of sectoral scopes”;
- (b) “Clarification regarding responsibility of accredited premises of accredited independent entities”.

33. After the adoption of the JI accreditation standard, the JISC noted that the JI-AP revised the forms used in the accreditation assessment activities to reflect the standard.

34. The JISC noted that the JI-AP has been considering measures to further improve the JI accreditation process, inter alia:

- (a) Further elaboration of JI accreditation standards/requirements;
- (b) Management of JI-AT experts, which led to the development of the first edition of an on-line training course for experts on the roster in the first semester of 2010.

35. On 17–18 May 2010 a workshop was held for JI-AT experts to enhance and expand their knowledge of JI accreditation requirements.

V. Governance matters

A. Outreach activities

36. In response to decision 3/CMP.5, paragraph 17, to enhance outreach activities to improve overall understanding of JI, the JISC adopted the “JISC communication and outreach work plan”, taking into consideration the financial status of the JISC, intended to reach a broader group of stakeholders and to raise awareness and understanding about JI among key policy makers and stakeholders so that they will take decisions and/or actions that lead to greater utilization of the mechanism. The main activities included in this work plan are:

- (a) Enhanced media outreach;
- (b) Work with DFPs to reach policy makers and potential project participants;
- (c) Participation in carbon market events;
- (d) Communication tools, services, products.

37. In adopting the communication and outreach work plan, the JISC established a working group, made up of JISC members and alternate members, for considering and giving input and support to communication and outreach efforts.

38. The JISC held roundtable consultations in conjunction with its twenty-second meeting on 14 June 2010. Interested stakeholders with practical experience and knowledge of JI were invited for an open discussion with the JISC, and to share their views on the following priority work areas of the JISC:

- (a) Concept of materiality in JI;
- (b) Changes to projects during implementation;
- (c) Experiences with the verification procedure under the JISC;
- (d) Outreach activities on JI.



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B. Interaction with bodies and stakeholders

39. Taking into account decision 10/CMP.1, paragraph 5, the JISC agreed that it would collaborate with other bodies as and when needed. With regard to collaboration with the CDM Executive Board, communication has continued in the area of accreditation through the accreditation panels of the JISC and the CDM Executive Board.

40. The JISC noted the information on the DFPs and national guidelines and procedures for approving JI projects submitted by Parties in accordance with paragraph 20 of the JI guidelines, and, in line with decision 3/CMP.5, paragraph 2, encouraged the Parties that have not submitted the information to do so.

41. The JISC invited DFPs to the round table consultations referred to in paragraph 37 above. Although participation was limited, this allowed for some interaction between the JISC and DFPs as well as other JI stakeholders.

42. In response to decision 3/CMP.5, paragraph 16 (b), the JISC considered other means to engage DFPs over the course of the 2010–2011 biennium, including through DFP-specific events, but due to its financial status these activities have not yet been implemented. Nevertheless, the Chair of the JISC as well as the representatives of the secretariat participated in DFP events organized by third-parties during 2010, on issues pertaining to how the JI mechanism would operate within the European Union.

43. The JISC continued its regular interaction with applicant IEs and AIEs, by encouraging them to provide written inputs and inviting the Chair of the DOE/AIE Coordination Forum to each JISC meeting. The secretariat also continued to provide support to the activities of the forum.

44. The JISC continued its interaction with project participants, inviting project participants to JISC meetings and roundtable consultations referred to in paragraph 37 above. At its nineteenth meeting, the JISC decided to recognize two groups (the Joint Implementation Action Group and the Project Developer Forum) as communication channels between the JISC and project participants and allowed for interaction with these groups at its meetings, without preventing the communication with the JISC from entities not affiliated with these groups and the public.

45. The JISC continued to meet for question-and-answer sessions with registered observers at each of its meetings. The JISC also held question-and-answer sessions as side events of the fifth session of the CMP and the thirty-second sessions of the Subsidiary Body for Implementation and the Subsidiary Body for Scientific and Technological Advice, which were open to all participants of the sessions. All of these question-and-answer sessions were webcasted.¹⁰

46. In addition, JISC members and representatives of the secretariat continued to interact with stakeholders by, inter alia, attending external conferences/workshops on JI and/or carbon market, making presentations on JISC activities and exchanging views on JI.

47. The secretariat, in line with decision 3/CMP.5, paragraph 14, and in consultation with DFPs, improved the web-based interface for provision of information on JI Track 1 projects¹¹ by, standardizing the information to be provided including the minimum amount of information required, with the view to improving the transparency of the entire JI process.

¹⁰ <http://ji.unfccc.int/Sup_Committee/Meetings/index.html>, <<http://ji.unfccc.int/Workshop/index.html>>

¹¹ Projects with emission reductions or enhancements of removals that are verified in accordance with paragraph 23 of the JI guidelines.

C. Membership issues

48. The CMP, by its decision 9/CMP.1, established the JISC and subsequently elected members and alternate members of the JISC in accordance with paragraphs 4, 5, 6 and 8 of the JI guidelines.

49. At its fifth session, the CMP elected new members and alternate members of the JISC to fill vacancies arising from the expiration of terms of tenure. During the reporting period, the JISC comprised the members and alternate members listed in table 1.

Table 1. Members and alternate members of the Joint Implementation Supervisory Committee as elected by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fifth session

Members	Alternate members	Constituency
Mr. Wolfgang Seidel ^b	Mr. Olle Björk ^b	Other Annex I Parties
Mr. Hiroki Kudo ^a	Mr. Anton Beck ^a	Other Annex I Parties
Mr. Benoît Leguet ^a	Mr. Evgeny Sokolov ^a	Other Annex I Parties
Mr. Muhammed Quamrul Chowdury ^b	Mr. Hussein Badarin ^{b, c}	Non-Annex I Parties
Mr. Carlos Fuller ^b	Ms. Carola Borja ^b	Non-Annex I Parties
Ms. Fatou Gaye ^{a, d}	Mr. Benjamin Longo Mbenza ^a	Non-Annex I Parties
Mr. Andrew Yatilman ^b	Mr. Derrick Oderson ^b	Small island developing States
Ms. Agnieszka Gałan ^b	Mr. Oleg Pluzhnikov ^b	Annex I Parties with economies in transition
Ms. Georgiy Geletukha ^a	Mr. Yoncho Georgiev Pelovski ^a	Annex I Parties with economies in transition
Ms. Miriana Roman ^a	Mr. Irina Voitekhovitch ^a	Annex I Parties with economies in transition

^a Term: two years, ending immediately before the first meeting of the JISC in 2011.

^b Term: two years, ending immediately before the first meeting of the JISC in 2012.

^c Appointed at the twenty-second meeting of the JISC.

^d Member may not be re-elected in the same role.

D. Election of the Chair and the Vice-Chair of the Board

50. At its twentieth meeting, the JISC elected by consensus Mr. Benoît Leguet, a member from an Annex I Party, as its Chair, and Mr. Muhammed Quamrul Chowdhury, a member from a non-Annex I Party, as its Vice-Chair. The tenures of the Chair and Vice-Chair will end immediately before the first meeting of the JISC in 2011.

51. The JISC expressed its appreciation to the Chair, Mr. Benoît Leguet, and Vice-Chair, Mr. Muhammed Quamrul Chowdhury, for their excellent leadership of the JISC during this year of operation.

E. Calendar of meetings in 2010

52. The JISC adopted a tentative meeting schedule for 2010 at its twentieth meeting, and revised it at its subsequent meetings as necessary (see table 2). Although the JISC had initially planned five meetings in 2010, it decided to cancel its two last meetings of the year due to lack of financial resources and to replace them by one extraordinary meeting focused on reporting to this session of the CMP.



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Table 2. Joint Implementation Supervisory Committee meetings in 2010

Meeting	Date	Location
Twentieth	23–24 February	UNFCCC headquarters, Bonn, Germany
Twenty-First	13–14 April	UNFCCC headquarters, Bonn, Germany
Twenty-Second	15–16 June	UNFCCC headquarters, Bonn, Germany (in conjunction with the meetings of the subsidiary bodies)
Twenty-third (extraordinary)	21–23 October	UNFCCC headquarters, Bonn, Germany

53. The annotated agendas for the JISC meetings, documentation supporting agenda items, and reports containing all agreements reached by the JISC, are available on the UNFCCC JI website.

54. To ensure the efficient organization and management of work, meetings of the JISC in the reporting period were always preceded by one-day informal consultations, with the exception of the twenty-second and twenty-third meetings when half-day informal consultations were held, due to the financial status of the JISC.

55. The JI-AP held four meetings during the reporting period as part of its work in support the JISC. The JISC appointed Ms. Fatou Gaye and Ms. Agnieszka Gałan as the Chair and the Vice-Chair of the JI-AP, respectively.

56. The JISC expressed its appreciation for the efficient work of the JI-AP and the resulting progress made in the JI accreditation process during the reporting period.

VI. The management plan and resources for work on joint implementation

A. Joint implementation management plan 2010-2011

57. The CMP, by its decisions 3/CMP.2, 3/CMP.3, 5/CMP.4 and 3/CMP.5, requested the JISC to keep the JI management plan under review and make adjustments as necessary to continue ensuring the efficient, cost-effective and transparent functioning of the JISC.

58. The JISC, at its twenty-second meeting, decided to revise the JI management plan for the 2010–2011 biennium, considering the significant shortfall in the income against the budget presented in the JI management plan for 2010–2011 (version 01), as referred in paragraph 62 below. [At its twenty-third (extraordinary) meeting, the JISC adopted the JI management plan for 2010-2011 (version 02), introducing a “contingency plan” under a possible “under-resourced” scenario.]

59. In accordance with decision 3/CMP.2, the JISC developed initial management indicators and implemented them over the past year.

B. Resources for the work on joint implementation

60. During the reporting period, the JISC monitored and reviewed the status of resources for the work on JI, based on reports by the secretariat. Information and resource requirements were developed and maintained by the secretariat on the major activity areas: meetings and activities of the JISC; activities relating to the project cycle, including the handling of submissions of PDDs, determinations, monitoring reports and verifications; activities relating to the accreditation of IEs, including meetings of the JI-AP; and technical workshops and stakeholder consultations. This information was used for fund-raising, and has



been included in the JI management plan. Updated information on resource availability is also included in the plan.

61. Annex II to this report contains a summary of contributions by Parties to support work on JI in 2010–2011. The contributions for the biennium amounted to USD [2.0] million. These contributions are acknowledged with appreciation by the JISC.

62. However, at the end of the reporting period, the shortfall is USD [4.0] million for the remainder of the 2010–2011 biennium, based on the budget as contained in the JI-MAP for 2010–2011. Even under the contingency plan referred to in paragraph 58 above, the shortfall is USD [2.5] million. It should be noted that with the revenues from the fees for processing verification reports, amounting to USD [1.5] million at the end of the reporting period is not counted in this calculation, since, as noted by the CMP at its fifth session through decision 3/CMP.5, paragraph 23, the revenues from the fees for processing verification reports will continue to accrue during the biennium 2010–2011 to establish a reserve of funds in 2012. Therefore, the administrative expenses for implementing Article 6 of the Kyoto Protocol will need to be covered almost entirely by voluntary contributions from Annex I Parties in 2010–2011. Depending on developments during the course of the next biennium, the self-financing objective may be reached.

63. As the financial situation reached a crisis point by mid-2010, the JISC, at its twenty-second meeting, cancelled its two planned meetings in 2010 as referred in paragraph 52 above. At the same meeting, the JISC also cancelled one JI-AP meeting planned in August 2010.

64. Given this situation, the JISC would recommend that the CMP continue to encourage Annex I Parties to make contributions to the Trust Fund for Supplementary Activities in a predictable and sustainable manner in order to ensure that all necessary activities envisaged in support of Article 6 of the Kyoto Protocol can be carried out. A lack of such contributions could result in the JISC being unable to undertake the envisaged work and planned activities with regard to consideration of determinations and verifications as well as the accreditation of IEs.

65. The CMP, through decision 3/CMP.5, paragraph 25, requested the JISC to report to the CMP at its sixth session on a financial and budget projection up to 2012, including an analysis of when and under which conditions the committee will become self-financing. Based on this, the JISC has prepared requested information and analysis as a part of the report referred to in paragraph 12 above, as contained in annex I to this report.

66. [PLACEHOLDER: Summary of financial projection referred to in paragraph 65 above]

VII. Summary of decisions

67. In accordance with paragraph 16 of the JI guidelines, decisions of the JISC are made publicly available in all six official languages of the United Nations by including the decisions or referring to them (indicating their location on the UNFCCC JI website) in the JISC annual report to the CMP.



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Annex I

**Experience with the verification procedure under the Joint Implementation Supervisory Committee
and possible improvements in the future operation of joint implementation**

[Text to be attached]

Annex II**Status of contributions to support joint implementation activities in the biennium 2010–2011
(as at 23 October 2010)**

[Table to be added]