

JI-JISC33

Meeting report

Joint Implementation Supervisory Committee thirty-third meeting

Version 01.0

Date of meeting: 23 and 24 September 2013

Place of meeting: Bonn, Germany



United Nations
Framework Convention on
Climate Change

Agenda item 1. Agenda and meeting organization

Agenda item 1.1. Opening

1. Mr. Derrick Oderson, the Chair of the Joint Implementation Supervisory Committee (hereinafter referred to as the JISC), opened the meeting and asserted that the quorum requirement was met.
2. The JISC noted that Mr. Andrew Yatilman and Ms. Irina Voitekhovitch were unable to attend the meeting. The member and alternate member provided proper justification.
3. Table 1 below represents the attendance of members and alternate members at the meeting. The names of members and alternate members present at the meeting are in bold print below. Where only the name of an alternate member is in bold print, the alternate participated as a member.

Table 1. Attendance

Members	Alternates
Ms. Carola Borja ^a	Mr. Carlos Fuller ^a
Mr. Mykhailo Chyzhenko ^b	Ms. Milya Dimitrova ^b
Mr. Piotr Dombrowicki ^a	Mr. Oleg Pluzhnikov ^a
Mr. Chebet Maikut ^a	Ms. Hlobsile Sikhosana ^a
Mr. Derrick Oderson ^a	Mr. Andrew Yatilman ^a
Mr. Wolfgang Seidel ^a	Mr. Marko Berglund ^a
Mr. Evgeny Sokolov ^b	Mr. Hiroki Kudo ^b
Ms. Julia Justo Soto ^b	Mr. Evans Njewa ^b
Ms. Irina Voitekhovitch ^b	Ms. Mihaela Smarandache ^b
Ms. Gertraud Wollansky ^b	Mr. Benoît Leguet ^b

^(a) Term: Two years (term of service ends immediately before the first meeting in 2014)

^(b) Term: Two years (term of service ends immediately before the first meeting in 2015)

Agenda item 1.2. Adoption of the agenda

4. The JISC adopted the agenda of the meeting.

Agenda item 2. Governance and management matters

Agenda item 2.1. Membership issues

5. Members and alternate members of the JISC stated that they had no conflicts of interest relating to any item on the meeting agenda.

Agenda item 3. Workplan

Agenda item 3.1. Accreditation of independent entities

6. The JISC took note of the report of the 29th meeting of the Joint Implementation Accreditation Panel (JI-AP) and an oral report by the Chair of the JI-AP, Mr. Wolfgang Seidel. The report summarized information relating to the work of the panel, including developments with respect to accreditation assessments and other accreditation-related issues.
7. The JISC considered the recommendations of the JI-AP on the positive outcome of two additional focused on-site assessments, and agreed to confirm the accreditation of the following entities:
 - (a) JI-E-0013 “Swiss Association for Quality and Management Systems (SQS);
 - (b) JI-E-0014 “KPMG Advisory N.V.” (KPMG).
8. The JISC took note of the notification of the JI-AP on the positive outcome of the regular surveillance assessments of the entity JI-E-0008 “TÜV SÜD Industrie Service GmbH” (TÜV-SÜD).
9. The JISC agreed to conduct a spot-check of the entity JI-E-0007 “Bureau Veritas Certification Holding SAS” (BVCH), in accordance with paragraph 147 of the JI accreditation procedure. The JISC agreed on the scope of the spot-check and requested the JI-AP to complete the process in an expedited manner and submit its recommendation for consideration by the JISC.
10. The JISC agreed to the recommendation of the JI-AP to suspend the entity JI-E-0005 “JACO CDM, LTD” (JACO) for all sectoral scopes and for both determination and verification functions. The modalities of the suspension are contained in [annex 1](#) to this report.
11. The JISC considered the concept note on the strategic direction of the JI accreditation system, including recommendations to the ninth session of Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) in the context of the review of the JI guidelines. The JISC agreed to recommend to the CMP to unify the accreditation systems of the mechanisms under the Kyoto Protocol and to request the JISC and the Executive Board of the clean development mechanism (CDM) to collaborate in the preparation of a recommendation to the CMP at its tenth session on how this unification should be implemented, in a manner that respects the needs of both regulatory bodies. The JISC requested the secretariat to include these recommendations in its annual report to the CMP referred to in paragraph 24 below.
12. In support of this long-term direction for accreditation, the JISC further agreed in principle to rely upon the accreditation system under the CDM for its accreditation decisions under JI. This would mean that entities accredited as designated operational entities under the CDM would be used to perform JI determinations and verifications. The JISC requested the secretariat to prepare an implementation plan for this approach, including the identification of possible measures to address risks and take account of current differences between the accreditation systems of the two mechanisms, to be considered at its next meeting.

Agenda item 3.2. Matters relating determination and verification reports

13. The JISC took note of an update regarding the current (15 September 2013) status of project submissions, determinations and verifications under the JISC (hereinafter referred to as the JI Track 2 procedure). Since the launch of the JI Track 2 procedure, 331 project design documents (PDDs) and one programme of activities design document (PoA-DD) have been submitted and made publicly available on the UNFCCC JI website, in accordance with paragraph 32 of the annex to decision 9/CMP.1 (JI guidelines). A total of 52 determinations regarding PDDs have been published on the UNFCCC JI website in accordance with paragraph 34 of the JI guidelines, of which 51 have been deemed final in accordance with paragraph 35 of the JI guidelines, and one has been rejected.
14. The JISC also took note that 128 verifications have been published on the UNFCCC JI website in accordance with paragraph 38 of the JI guidelines, of which 127 have been deemed final in accordance with paragraph 39 of the JI guidelines, and one has been withdrawn.
15. The JISC took note of the report on the status of information from Parties regarding their designated focal points (DFPs) and national guidelines and procedures for approving JI projects, in accordance with paragraph 20(a) and (b) of the JI guidelines. A total of 37 Annex I Parties have so far informed the secretariat of their DFPs¹. Of these Parties, 32 have also submitted their national guidelines and procedures for approving JI projects². The JISC also took note of the status of implementation of the request contained in decision 6/CMP.8, on the availability of documentation by DFPs.
16. The JISC further noted that 595 JI Track 1 projects have been published on the UNFCCC JI website, of which 545 have received unique project identifiers and have been submitted to the International Transaction Log.

Agenda item 3.3. Management plan and resources for the work on joint implementation

17. The JISC considered an update on the status of its work, taking note of adjustments made as a result of, inter alia, recent mandates of the JISC.
18. The JISC took note of an oral report on the mid-year review of the implementation of the JI-AP workplan for 2013.
19. The JISC took note of a report on the current status of the strategy for the management of future incomes and expenditures in JI. The JISC requested the secretariat, as part of the preparation for the next version of the JI management plan (JI-MAP) to be presented at the thirty-fourth meeting of the JISC, to propose a precautionary strategy, based on an

¹ Australia, Austria, Belarus, Belgium, Bulgaria, Canada, Croatia, Czech Republic, Denmark, Estonia, European Community, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine, United Kingdom.

² Australia, Austria, Belarus, Belgium, Bulgaria, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Netherlands, New Zealand, Poland, Portugal, Romania, Russian Federation, Slovakia, Spain, Sweden, Switzerland, Ukraine, United Kingdom.

analysis of options for cost reductions and minimum operational levels. This analysis would be used to inform future budgetary expenditure decisions in a manner that considers the need to maintain operations at appropriate levels during the second commitment period and recognizes that the current reserve would probably be the sole source of funding for JI for the foreseeable future.

20. The JISC held an initial discussion on the preparation of its JI two-year business plan for 2014–2015 and its JI-MAP for 2014, for consideration at its next meeting. The JISC considered that its current vision and objectives remain appropriate for the next planning period, but changing the emphasis and priority in the objectives and making them more precise. Specifically, the JISC requested the secretariat to focus the draft business plan and JI-MAP on activities that would result in a strategic investment in the future of JI, including lessons learned for the mechanism and how it can be used at a national level, and ensuring that these lessons are fed into the development of the mechanism and its future use. In this context, the JISC expressed its willingness to assist any new governing body under revised JI guidelines in the preparation of regulations to facilitate a quick and smooth transition to those revised guidelines. The JISC agreed that the promotion of JI should continue to be emphasized, with a focus on what JI can evolve into in the future. The JISC considered there need not be a great emphasis on making system improvements in the current operation of JI, unless these can lead to significant medium or long term cost savings.

Agenda item 4. Other matters

Agenda item 4.1. Guidance by the CMP

21. The JISC agreed on recommendations to the CMP at its ninth session on specific substantive matters as a contribution to the review of the JI guidelines, revising the recommendations of the JISC in 2012 in the following areas: the unification of the accreditation systems of JI and the CDM, the inclusion of principles for standardized baselines and positive lists, clarifications regarding the development of standards and procedures by the governing body for host Parties, and clarifications on the steps of the project cycle. The JISC requested the secretariat to include the recommendations in its annual report to the CMP, which will be finalized in consultation with the Chair and Vice-Chair of the JISC in accordance with paragraph 24 below.
22. In considering the revision of the guidelines, the JISC also gave consideration to the matter of transition from the current to the revised guidelines and agreed to recommend to the CMP a number of principles for the transition. Specifically, the JISC considers that it is critical for JI to remain fully operational through the transition from the current to the revised guidelines and therefore projects should be accepted for determinations and verifications under the current JI guidelines for a period of time after the adoption of revised JI guidelines. The JISC recommends that a period of 12 months be allowed for such projects, given that this timing will be sufficient to make the revised guidelines fully effective. The JISC further considers that, in order to operate under the new guidelines, existing projects should be required to demonstrate compliance with the revised guidelines within 24 months of the adoption of the revised guidelines. In order to ensure that compliance with these deadlines can be achieved, the JISC considers it necessary that the new governing body be established immediately upon adoption of the revised JI guidelines. The JISC also considers that, as an interim measure to continue processing existing projects, the JISC would need to operate until the new guidelines are made fully

effective. The JISC requested the secretariat to include these principles as recommendations in its annual report to the CMP as referred to in paragraph 24 below.

23. The JISC also considered measures to accelerate the issuance of emission reduction units (ERUs) in the second commitment period and agreed to a recommendation to the CMP on this matter. Specially, noting the potential constraints on the creation of ERUs due to the time lags in the calculation and issuance of assigned amount units (AAUs) for the second commitment period, and in order to facilitate the smooth operation of the JI, the JISC agreed to recommend that host Parties that have a quantified emission limitation or reduction commitment inscribed in the third column of annex B to decision 1/CMP.8, provided that the Party's eligibility has not been suspended in accordance with chapter XV of the annex to decision 27/CMP.1, may undertake an advanced issuance of AAUs for the second commitment period. The JISC recommends that this advanced issuance be capped at an amount equivalent to [1] per cent of its assigned amount established for the first commitment period. The JISC notes that such advanced issuance should be solely for the purpose of allowing the conversion to ERUs to take place and that any advanced issuance should be fully accounted for in the later issuance of AAUs for the second commitment period. The JISC requested the secretariat to include this recommendation in its annual report to the CMP as referred to in paragraph 24 below.
24. The JISC agreed to its annual report to the ninth session of the CMP. The JISC requested the secretariat to include the outcomes of this meeting in the report and finalize it in consultation with the Chair and the Vice-Chair of the JISC.

Agenda item 4.2. Relations with stakeholders, intergovernmental and non-governmental organizations

25. The JISC held an interaction with the Co-Chair of the DOE/AIE Coordination Forum, Mr. Martin Enderlin, via video conference. In relation to the concept note on the strategic direction of the JI accreditation system, the Co-Chair of the forum expressed the support of accredited independent entities (AIEs) for options C and D, in that order of preference, and also no objection to option B. The forum Co-Chair also asked the JISC to formally respond, before the annual meeting of the forum, to its question at the last JISC meeting regarding potential funding to support the forum's activities.
26. The JISC thanked Mr. Enderlin for his interaction and noted the usefulness of the inputs.
27. The JISC considered the funding request from the DOE/AIE Forum and agreed that it is not in a position to fund stakeholder bodies in this manner.
28. The JISC took note of a written input from the Project Developer Forum in which the forum expressed its views on the continuing role that JI has to play in combating climate change. The forum also encouraged the JISC to adopt the CDM accreditation system and later unify the JI and CDM accreditation systems under a single system.
29. The JISC took note that no secretariat-organized activities related to stakeholders took place between the thirty-second and thirty-third meeting of the JISC. The JISC also noted that the secretariat is seeking the views of the DFPs on whether they wish, as decided last year, to hold an informal DFP Forum in the margins of the ninth session of the CMP in Warsaw, Poland.
30. No registered observer requested interaction with the JISC at this meeting.

31. The JISC agreed to continue its practice to meet with registered observers at the end of the meeting and to reconsider this arrangement when necessary. Observers to the thirty-fourth meeting of the JISC shall have registered with the secretariat by 27 February 2014.

Agenda item 4.3. Other business

32. The JISC took note of an update on developments in the international carbon market and national and subnational carbon policies over the past few months and requested the secretariat to continue updating the JISC on these developments.
33. Together with the item above, the JISC took note of an update on activities concerning interaction with carbon market policymakers.
34. The JISC considered a request from a project participant and an AIE to return the balance at the end of the crediting period of its advance payment paid at determination for processing verification reports, as paid prior to the adoption of version 3 of the "Provisions for the charging of fees to cover administrative costs relating to activities of the JISC" (provisions for fees). The project participant made a significantly higher advance payment than projects submitting determination reports after the adoption of version 3 of the provisions for fees. The JISC noted that only two projects are in this situation. It agreed to return the balance of the advance payment to the project participant, after deducting the amount representing the fees already exhausted in respect of emissions reductions verified, as recorded in the JI information system. The JISC highlighted that it is taking this action so as to not disadvantage this project for having submitted its determination report prior to version 3 of the provisions for fees. The JISC requested the secretariat to inform the representatives of the second affected project of this matter and agreed to inform the CMP of its actions through its report to the ninth session.
35. The JISC agreed to hold its next meeting on 13 and 14 March 2014 in Bonn, Germany. The provisional agenda of its thirty-fourth meeting is contained in [annex 2](#) to this report.
36. The JISC expressed its deep appreciation to the outgoing Chair, Mr. Derrick Oderson, and Vice-Chair, Mr. Piotr Dombrowicki, for their leadership and dedication in ensuring that the JI is operated in an efficient, cost-effective and transparent manner. The JISC also thanked all outgoing members and alternate members for their hard work and dedication to the process during their tenure.

Agenda item 5. Conclusion of the meeting

37. The Chair summarized the main conclusions and closed the thirty-third meeting of the JISC.

Annexes to the report

Accreditation of independent entities

Annex 1 - Ruling note: Modalities of suspension of JACO CDM, LTD (JACO) (version 01.0)

Other business

Annex 2 - Provisional agenda of the thirty-fourth meeting of the Joint Implementation Supervisory Committee (version 01.0)

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