

**JI-JISC33-AA-A04**

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**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**

Version 01.0

DRAFT



**United Nations**  
Framework Convention on  
Climate Change

## **COVER NOTE**

### **1. Procedural background**

1. In accordance with the joint implementation guidelines, the Joint Implementation Supervisory Committee (JISC) shall report on its activities to each session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP). This annex is a draft of the report to the CMP for 2013.

### **2. Purpose**

2. The JISC is requested to consider and agree to the draft report, pending inclusion of parts of the report that will only become available closer to the end of the reporting period.

### **3. Key issues and proposed solutions**

3. The draft report notes the serious decline in the mechanism's momentum, the result of weak demand for emission reduction units. It stresses the need for significant changes in the set-up of the mechanism to ensure its continuing usefulness as tool in the international response to climate change.

### **4. Impacts**

4. The draft report describes activities, achievements, challenges and the status of the mechanism. It focuses Parties' attention on matters crucial to the continuing operation of joint implementation (JI). The JISC report to CMP will be one important basis for negotiation of Parties under the CMP agenda item "Issues relating to Joint Implementation".

### **5. Subsequent work and timelines**

5. The JISC is asked to consider and agree to the draft report, and to request the secretariat to finalize the report, including the update of the relevant data, in cooperation with the Chair, taking into account the outcomes of the thirty-third meeting of the JISC.

### **6. Recommendations to the Committee**

6. The secretariat recommends that the JISC, at its thirty-third meeting, offer any further guidance to the secretariat, and then agree to the report. It also recommends that the JISC request the secretariat to finalize the report in cooperation with the Chair of the JISC in order to include the outcomes of the thirty-third meeting of the JISC.

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## **1. Introduction**

### **1.1. Mandate**

1. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), by decision 10/CMP.1, established the Joint Implementation Supervisory Committee (JISC) to supervise, inter alia, the verification of emission reductions or removal enhancements generated by projects under Article 6 of the Kyoto Protocol (hereinafter referred to as JI projects), in accordance with the joint implementation (JI) guidelines.<sup>1</sup>
2. The JI guidelines require that the JISC report on its activities to each session of the CMP, and that the CMP provide guidance regarding the implementation of Article 6 of the Kyoto Protocol and exercise authority over the JISC.

### **1.2. Scope of the report**

3. This annual report of the JISC to the CMP covers JI activities during the period from 28 September 2012 to 24 September 2013 (hereinafter referred to as the reporting period). The Chair of the JISC, Mr. Derrick Oderson, will highlight any relevant subsequent matters in his oral report to the CMP at its ninth session. During the reporting period, the JISC held three meetings.
4. The report describes the status of JI of the Kyoto Protocol and recommends urgent action for consideration by the CMP at its ninth session. As in past years, the report 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),<sup>2</sup> the associated project caseload, the operation of the JI accreditation process and the financial status of JI.
5. Full details of the operation and functions of the JISC are available on the UNFCCC JI website, which is the central repository for reports of JISC meetings, project-related information and documentation adopted by the JISC.<sup>3</sup>

### **1.3. Action to be taken by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol**

6. After reviewing this report and taking note of the oral report by the Chair of the JISC, the CMP, at its ninth session, may wish to consider and adopt the recommendations of the JISC relating to the immediate issuance of emission reduction units (ERUs) in the early part of the second commitment period (see section 3, paragraph xx below);
7. Parties are aware that both the lateness of the adoption of a second commitment period for the Kyoto Protocol and the on-going process of further deepening mitigation targets under both the Convention and its Kyoto Protocol have created significant uncertainty for

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<sup>1</sup> Decision 9/CMP.1, annex.

<sup>2</sup> Defined in paragraphs 30-45 of the JI guidelines.

<sup>3</sup> <<http://ji.unfccc.int>>.

investors, in particular private sector investors and those engaged in market-based mechanisms. It must be acknowledged that this creates risks regarding both the long term cost of the necessary mitigation actions and the viability of the instruments currently available to Parties, including joint implementation. The single most important means of countering these risks is through providing certainty on the medium term mitigation targets. Parties will also need to agree and communicate to the private sector how the existing mechanisms will be utilized in the evolving international climate policy framework. The JISC remains concerned that while these issues remain unresolved, irreparable damage is being done to the mechanism as an institution and as an effective instrument supporting the ultimate objective of the Convention. Therefore it is the view of the JISC that Parties must use the opportunity of the ninth session of the CMP to make significant progress with the review of the JI guidelines to allow planning and input by public and private investors in the coming two years.

8. In accordance with the JI guidelines, paragraphs 4–6, the CMP is to elect the following to the JISC for a term of two years upon nominations being received from Parties:
  - (a) One member and one alternate member from Parties included in Annex I to the Convention (Annex I Parties) that are undergoing the process of transition to a market economy;
  - (b) One member and one alternate member from Annex I Parties not referred to in paragraph 7(a) above;
  - (c) Two members and two alternate members from Parties not included in Annex I to the Convention (non-Annex I Parties);
  - (d) One member and one alternate member from small island developing States.

## **2. Joint implementation at the start of the second commitment period of the Kyoto Protocol**

### **2.1. State of joint implementation**

9. As of the final day of the reporting period, a total of [806,267,688] ERUs have been issued from [x] projects, broken down as follows:
  - (a) [x] ERUs issued through the verification procedures under the responsibility of host Parties ("Track 1") from [x] projects;
  - (b) [x] ERUs issued through the verification procedure under the Joint Implementation Supervisory Committee (JISC) ("Track 2") from [x] projects.
10. Of the above number, [xxxxxxxx] ERUs were issued during the reporting period, equivalent to [xx] per cent of the total.
11. The financial condition of JI during the reporting period itself was stable, due largely to changes agreed by the CMP at its sixth session allowing the charging of fees on Track 1 projects.
12. JI is a mature instrument that could, in theory, be an effective tool at the disposal of Parties now and in the future. It provides an established infrastructure for identifying and investing in activities that reduce or remove greenhouse gas emissions, for assessing

the quality and quantity of the mitigation outcomes of these activities, and for issuing, trading, and accounting for units corresponding to these outcomes, all within a system of emissions caps. That being said, several factors at the start of the second commitment period have seriously undermined JI. In the view of the JISC, these factors do not just raise concerns about the operations of JI, but threaten its continued relevance as a useful instrument within the global climate regime.

13. The first set of factors relates to the anticipated weakening of demand for JI among its two groups of traditional buyers, namely entities covered by the European Union Emissions Trading System (EU ETS) and other Annex I Parties under the Kyoto Protocol:
  - (a) Regarding the former, the number of international credits – which may, under EU ETS rules, be ERUs or certified emission reductions (CERs) from the clean development mechanism (CDM) – that may be used during the 13-year period from 2008 to 2020 is approximately 1,600 million. This limit has been mostly filled after only five years, leaving a remaining limit of less than 600 million to cover all remaining eight years. This limit is expected, given recent trends, to be mostly filled in 2014, and sufficient quantities of ERUs and CERs have already been issued to meet (and exceed) this limit. Current EU ETS rules do not permit any additional use of ERUs (or CERs) in the pre-2020 period and are also silent on the use of such credits beyond 2020;
  - (b) Regarding the latter, Annex I Parties are unlikely to require significant numbers of ERUs to meet their emissions caps for the first commitment period, given that other types of Kyoto units – namely assigned amount units (AAUs) and removal units (RMUs), the bulk of which remain to be issued – are likely to be available in large numbers. These Parties are equally unlikely to require significant numbers of ERUs to meet their caps for the second commitment period, given its limited scope and levels of mitigation ambition.
14. The second set of factors relates to uncertainty over the future supply of ERUs. Under the accounting rules of the Kyoto Protocol, ERUs relating to emission reductions or removals achieved during the second commitment period can be issued only by converting the host Party's AAUs or RMUs for this commitment period. These AAUs and RMUs are not expected to be issued until 2016 at the earliest, thereby delaying the issuance of the corresponding ERUs. However, Parties agreed at CMP 8 to consider modalities for expediting the continued issuance, transfer and acquisition of ERUs with an expected decision on this matter at CMP 9. Without an early issuance decision at CMP.9, the incentive for projects will continue to diminish.
15. It is true that some developments in the first half of 2013 hold promise for creating alternative sources of demand for JI. The European Union Effort Sharing Decision and Australia's proposed emissions trading system envision the use of ERUs (and CERs). As noted above, however, this demand is likely to be met by quantities of ERUs and CERs that have already been issued or are expected to be issued from existing projects.
16. The combined impact of these factors poses an existential threat to JI, which is losing momentum and, with it, is rapidly losing the intellectual and institutional capacity built up among Parties and other stakeholders.

17. The overwhelming sense of the JISC is that significant changes in the set-up of the mechanism are needed if JI is to remain a useful tool in the future. As stated in last year's report to the CMP, JI needs to be urgently reformed as a mechanism implemented by host Parties at the national level under the international guidance and oversight of a governing body and under the authority of, and with accountability to, the CMP. JI could and should remain open for a wide range of activities, including those at project, programmatic, sector and policy levels, particularly in areas not covered by emissions trading systems. Such an evolution would further enhance the value of JI as a policy instrument that Parties may implement nationally in line with their overall mitigation objectives, while providing effective support of collaboration on mitigation efforts among Parties at the international level. These reforms need to be accompanied by increased mitigation ambition by developed countries.
18. The JISC will continue to operate the verification procedure under the JISC in accordance with section E of the JI guidelines during the period before the amendments to Annex B to the Kyoto Protocol enter into force, provided that the relevant host Parties meet the requirement of paragraph 20 of the JI guidelines, and taking into account paragraph 10 of decision 4/CMP.6. The JISC will continue to provide guidance on the mechanism as needed. Barring broader reforms, however, the volume and significance of this work is expected to diminish markedly over time.

### **3. Recommendations to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol**

19. <To be updated>

## **4. Work undertaken in the reporting period**

### **4.1. Ensuring a productive future for joint implementation**

20. In the reporting period, the JISC worked to maintain the mechanism as a viable and effective tool for international collaboration for developed country Parties and the private sector in mitigating their greenhouse gas emissions. The JISC considers it its responsibility, within the guidance set by the CMP, to provide a strong foundation on which to further build JI as a tool to mitigate greenhouse gas emissions.
21. In working to fulfil its responsibility, the JISC pursued the following objectives:
  - (a) Objective 1: Effective contribution to the future development of JI;
    - (i) The JISC contributed extensively in the reporting period to the consideration by Parties and other stakeholders of how JI can be further developed and used in the period beyond 2012, particularly through its development of complementary recommendations;
  - (b) Objective 2: Greater efficiency in the continued operation of JI;
    - (i) The JISC continued to monitor its regulatory documents in the process of reviewing the JI guidelines and to identify possible ways of strengthening its

policy guidance (e.g. accreditation, baseline setting), ensuring clarity and improving its usability;

(c) Objective 3: Continued promotion of the mechanism;

(i) The JISC continued its outreach activities to ensure an enhanced understanding among stakeholders and policymakers of the benefits and contributions of JI to addressing climate change (see section 5.2). As part of this, and as requested by Parties at the eighth session of the CMP, the secretariat made available comprehensive information on ERU issuance.

22. The JISC, at its thirty-first meeting, requested the secretariat to prepare a concept note for the strategic direction of the JI accreditation system in the short term and for the revision of the JI guidelines.

#### **4.2. Verification procedure under the Joint Implementation Supervisory Committee**

23. By 24 September 2013, 331 project design documents (PDDs) and one programme of activity design document (PoA DD) have been submitted and made publicly available on the UNFCCC JI website in accordance with paragraph 32 of the JI guidelines.

24. In total, 52 determinations regarding PDDs have been published on the UNFCCC JI website in accordance with paragraph 34 of the JI guidelines, of which:

(a) 51 positive determinations for projects located in 6 host Parties 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 53 Mt CO<sub>2</sub> eq;

(b) One determination was rejected by the JISC;

(c) No determinations are currently open for review.

25. By 24 September 2013, 127 verifications of emission reductions have been deemed final in accordance with paragraph 39 of the JI guidelines and were published on the UNFCCC JI website. These verifications are from 42 projects that had determinations deemed final. These final verifications allowed for 23.9 million ERUs to be issued. In total, 18 of the 51 positive determinations, referred to in paragraph 24(a) above, submitted verification reports for emission reductions up to the end of 2012, which were deemed final.

26. Detailed information on the determinations and verifications is available under “JI Projects” on the UNFCCC JI website. Total ERUs issued under JI are shown in table 1 and the breakdown by country is shown in the figure below.

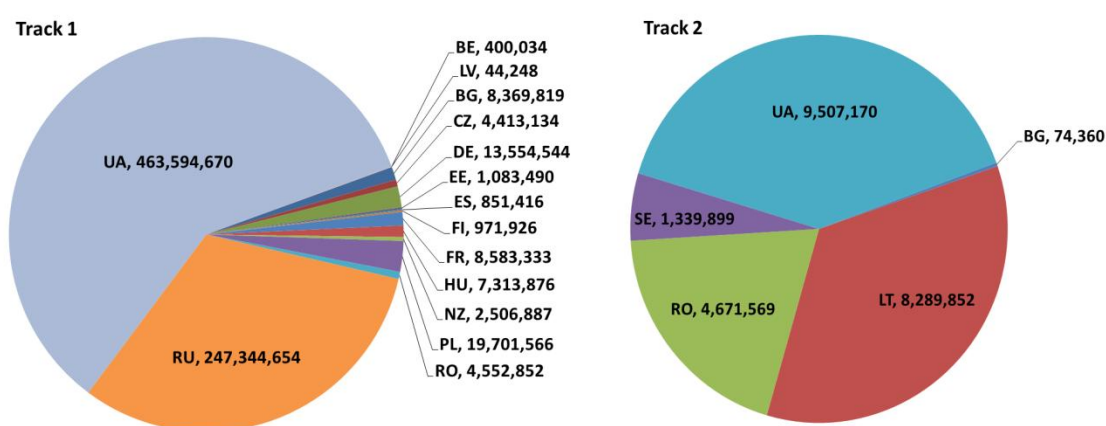
**Table 1. Total emission reduction units issued under joint implementation, 2008–2013**

	<b>Track 1</b>	<b>Track 2</b>	<b>Total</b>
2008	120 000	–	120 000
2009	4 670 641	1 324 448	5 995 089
2010	28 033 010	2 921 570	30 954 580



	Track 1	Track 2	Total
2011	86 702 918	6 818 250	93 521 168
2012	517,108,849	9,083,486	526,192,335
2013	146,651,031	3,735,096	150,386,127
<b>Total</b>	<b>783,286,449</b>	<b>23,882,850</b>	<b>807,169,299</b>

**Figure 1. Total emission reduction units issued under joint implementation, by host Party**



**Note:** Abbreviations: BE = Belgium BG = Bulgaria, CZ = Czech Republic, DE = Germany, EE = Estonia, ES = Spain, FI = Finland, FR = France, HU = Hungary, LT = Lithuania, LV = Latvia, NZ = New Zealand, PL = Poland, RO = Romania, RU = Russian Federation, SE = Sweden, UA = Ukraine.

### 4.3. Accreditation of independent entities

27. Since the announcement on 26 October 2006 that the JI accreditation process would start on 15 November 2006, 14 independent entities (IEs)<sup>4</sup> have been granted accreditation of which two have withdrawn, as listed in table 2.

<sup>4</sup> See < <http://ji.unfccc.int/AIEs/listIL.html> >

**Table 2. Entities accredited and provisionally designated by the Joint Implementation Supervisory Committee in the reporting period, including entities for which the scope of accreditation was extended**

<b>Name of entity</b>	<b>Date of initial accreditation</b>	<b>Current accredited sectoral scopes for both determination and verification</b>	<b>Status</b>
Deloitte Tohmatsu Evaluation and Certification Organization (Deloitte-TECO)	1 Aug. 2011	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 15	Withdrawn (14 Sep 2011)
Bureau Veritas Certification Holding SAS	18-Jun. 2009	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15	Current
DNV Climate Change Services AS	24 Feb. 2010	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15	Current
JACO CDM Ltd.	1 Aug. 2011	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14	Current
Japan Consulting Institute (JCI)	1 Aug. 2011	1, 2, 3, 4, 5, 8, 9, 10, 11, 13	Withdrawn (14 Sep 2011)
Japan Quality Assurance Organization	1 Aug. 2011	1, 3, 4, 5, 11, 13, 14	Current
KPMG Advisory N.V.	1 Aug. 2011	1, 2, 3, 4, 13	Current
Lloyd's Register Quality Assurance Ltd.	1 Aug. 2011	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13	Current
SGS United Kingdom Limited (SGS)	22 Apr. 2009	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15	Pending withdrawal (21 Apr. 2014)
Spanish Association for Standardisation and Certification (AENOR)	22 Jun. 2011	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15	Current
Swiss Association for Quality and Management Systems	1 Aug. 2011	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15	Current

28. During the reporting period no additional IEs were accredited.

29. The JISC approved the transfer of the accreditation to a new legal entity for JI-E-0012 (TÜV Rheinland) from "TÜV Rheinland Japan Ltd." To "TÜV Rheinland (China) Ltd".
30. The accreditation of the entity "Japan Quality Assurance Organization" (JQA) was partially withdrawn in scopes 2, 6–10, 12 and 15.
31. The JISC agreed to explore possibilities for coordination between the JISC and the CDM Executive Board in their consideration of the two accreditation systems.
32. In response to guidance from Parties, the JISC has worked with the Joint Implementation Accreditation Panel (JI-AP) to assist in the performance of its functions concerning accreditation issues in accordance with the workplan of the JI-AP for 2013.
33. To ensure the quality of the project validations and emission reduction/limitation determinations carried out by applicant independent entities (IEs) and accredited independent entities (AIEs), the JI-AP worked on the following:
  - (a) Assessment of new applications for accreditation;
  - (b) Continuous monitoring of compliance of the IEs/AIEs with the JI accreditation standard;
  - (c) Complaints and disputes from and against IEs/AIEs;
  - (d) Enhancing capacity and consistency of the JI assessment team (JI-AT) experts.
34. The JISC, at its 30<sup>th</sup> meeting, thanked the Chair and Vice-Chair of the JI-AP, Mr. Derrick Oderson and Mr. Benoît Leguet, and the rest of the JI-AP members for their work in 2012 and appointed Mr. Wolfgang Seidel and Mr. Chebet Maikut as Chair and Vice-Chair respectively. In the same meeting, the JISC agreed to extend the term for the current members of the JI-AP for one year.
35. The JI-AP held one meeting during the reporting period as part of its work in support of the JISC. At this meeting the JI-AP considered reports of assessments of AIEs, agreed on the AIE assessment planning and reviewed performance of assessment teams.
36. During the same meeting, the JI-AP, in accordance with its workplan for 2013, conducted a joint session with the CDM Accreditation Panel. The accreditation panels discussed ongoing developments in the CDM and JI accreditation processes, and provided comments to the secretariat on the revision of regulatory documents, including a concept note on options for the strategic direction of the JI accreditation system, the draft revised CDM accreditation standard, the revised CDM accreditation procedure, and the revised CDM procedure to monitor performance of the designated operational entities (DOEs).

## **5. Governance and management matters**

### **5.1. Interaction with bodies and stakeholders**

37. The JISC continued its regular interaction with IEs and AIEs in the reporting period, encouraging them to provide written inputs and inviting the Chair of the DOE/AIE (CDM designated operational entity and JI AIE) Coordination Forum to JISC meetings.

38. The JISC also continued its interaction with project participants, inviting project participants to JISC meetings. However, in March 2013 the JI Action Group (JIAG) ceased to exist, formally withdrawing as a communication channel between project developers and the JISC.
39. 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 at the eighth session of the CMP and the 38<sup>th</sup> sessions of the Subsidiary Body for Implementation and the Subsidiary Body for Scientific and Technological Advice. These question-and-answer sessions are available as webcasts.
40. The Designated Focal Points Forum (DFP Forum) held an informal meeting in conjunction with the eighth session of the CMP in Doha, Qatar.
41. In addition, JISC members and representatives of the secretariat continued to interact with stakeholders by, inter alia, attending conferences and workshops on JI and/or carbon market events, making presentations on JISC activities and exchanging views on the mechanism.
42. No other stakeholder events were carried out in the reporting period, primarily due to the mechanism's low level of market activity, a corresponding low level of interest in JI among stakeholders, and corresponding low number of policy issues discussed at JISC meetings.

## **5.2. Outreach activities**

43. Guided by a revised strategy, adopted at the 29<sup>th</sup> meeting of the JISC, intended to increase awareness about, and participation in, the Track 2 procedure, the secretariat on behalf of the JISC:
  - (a) Continued its efforts to enhance media engagement, based on the results of a survey of media outlets and communication offices in comparable institutions and agencies;
  - (b) Supported the JISC in its outreach to the press;
  - (c) Launched this year's JI photography contest targeting project participants and designated focal points.

## **5.3. Membership issues**

44. The CMP, by 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.
45. At its eighth session, the CMP elected new members and alternate members of the JISC to fill vacancies arising from the expiration of terms of tenure of outgoing members and alternate members. During the reporting period, the JISC comprised the members and alternate members listed in table 3.

**Table 3. 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 eighth session**

Members	Alternate members	Constituency
Ms. Carola Borja <sup>a</sup>	Mr. Carlos Fuller <sup>a</sup>	Non-Annex I Parties
Mr. Mykhailo Chyzhenko <sup>b</sup>	Ms. Milya Dimitrova <sup>b</sup>	Annex I Parties with economies in transition
Mr. Piotr Dombrowicki <sup>a</sup> (Vice-Chair)	Mr. Oleg Pluzhnikov <sup>a</sup>	Annex I Parties with economies in transition
Mr. Chebet Maikut <sup>a</sup>	Ms. Hlobsile Sikhosan <sup>a, c</sup>	Non-Annex I Parties
Mr. Derrick Oderson <sup>a</sup> (Chair)	Mr. Andrew Yatilman <sup>a</sup>	Small island developing States
Mr. Wolfgang Seidel <sup>a</sup>	Mr. Marko Berglund <sup>a, d</sup>	Annex I Parties
Mr. Evgeny Sokolov <sup>b</sup>	Mr. Hiroki Kudo <sup>b</sup>	Annex I Parties
Ms. Julia Justo Soto <sup>b</sup>	Mr. Evans Njewa <sup>b</sup>	Non-Annex I Parties
Ms. Irina Voitekhovitch <sup>b</sup>	Ms. Mihaela Smarandache <sup>b</sup>	Annex I Parties with economies in transition
Ms. Gertraud Wollansky <sup>b</sup>	Mr. Benoît Leguet <sup>b</sup>	Annex I Parties

(a) Term: two years, that is, ending immediately before the first meeting in 2014.

(b) Term: two years, that is, ending immediately before the first meeting in 2015.

(c) The candidate was deemed elected at the seventh session of the CMP in accordance with the decision of the CMP contained in document FCCC/KP/CMP/2011/10, paragraph 62.

(d) Mr. Marko Berglund replaced Ms. Gertraud Wollansky who resigned as of 8 December 2012 as an alternate member.

#### **5.4. Election of the Chair and the Vice-Chair of the Joint Implementation Supervisory Committee**

46. At its 31<sup>st</sup> meeting, the JISC elected by consensus Mr. Derrick Oderson, a member from a non-Annex I Party, as its Chair, and Mr. Piotr Dombrowicki, a member from an Annex I Party, as its Vice-Chair. The tenures of the Chair and the Vice-Chair will end immediately before the first meeting of the JISC in 2014.

47. The JISC expressed deep appreciation to the outgoing Chair, Mr. Wolfgang Seidel, and the Vice-Chair, Ms. Carola Borja, for their excellent leadership during 2012.

#### **5.5. Meetings in 2013**

48. The JISC adopted a tentative meeting schedule for 2013 at its 30<sup>th</sup> meeting. All meetings in 2013 took place as planned (see table 4).

**Table 4. Joint Implementation Supervisory Committee meetings in 2013**

Meeting	Date	Location
Thirty-first	21–22 March	Bonn, Germany
Thirty-second	17–18 June	Bonn, Germany (in conjunction with the sessions of the subsidiary bodies)
Thirty-third	23–24 September	Bonn, Germany

49. 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.

## **6. Report on the status of financial resources for the work of the Joint Implementation Supervisory Committee and its supporting structures**

50. During the reporting period, the JISC monitored and reviewed, the status of resources for the work on JI. Information and resource requirements were developed and maintained by the secretariat on the major activity areas (This information has been included in the JI management plan<sup>5</sup>), including:
- (a) Meetings and activities of the JISC;
  - (b) Activities relating to the project cycle, including the handling of submissions of PDDs, determinations, monitoring reports and verifications of Track 2 projects, and Track 1 project submissions;
  - (c) Activities relating to the accreditation of IEs, including meetings of the JI-AP, and other meetings and consultations.
51. The budget performance report provided in this chapter contains information on income and expenditure for the reporting period and includes a status of income, a listing of voluntary contributions and a status of expenditure against budget. Table 5 shows a summary of income in 2013.

<sup>5</sup> The CMP, by decisions 3/CMP.2, 3/CMP.3, 5/CMP.4, 3/CMP.5 and 4/CMP.6, requested the JISC to keep the JI management plan under review and to make adjustments as necessary to continue ensuring the efficient, cost-effective and transparent functioning of the JISC.

**Table 5. Income for the work of the Joint Implementation Supervisory Committee, 2013**  
(United States dollars)

<b>Status of income in 2013<sup>a</sup></b>	<b>Amount</b>
Carry-over figure from 2012 <sup>b</sup>	9 084 478
Contributions received in 2013	41 163
Total joint implementation Track 1 fees 2013	360 911
Total joint implementation Track 2 fees 2013	298 417
<b>Total income and 2012 carryover</b>	<b>9 784 969</b>

(a) The financial reporting period in 2013 is from 1 January 2013 to 31 July 2013.

(b) Includes Track 2 fees previously held in reserve.

52. Table 6 gives an overview of the voluntary contributions received in 2013. These contributions are acknowledged with appreciation by the JISC.

**Table 6. Contributions for the work of the Joint Implementation Supervisory Committee, 2013**  
(United States dollars)

<b>Status of voluntary contributions in 2013</b>	<b>Amount</b>
Japan	41 163
<b>Total contributions 2013</b>	<b>41 163</b>

53. The approved budget for 2013 amounted to USD 1,692,402, with the expenditure amounting to USD 872,719 yielding a difference of USD 819,683, as shown in table 7.

**Table 7. Comparison of actual expenditure versus budget**  
(United States dollars)

<b>Comparative status of expenditure against budget</b>	<b>2013<sup>a</sup></b>
Budget	1 692 402
Expenditure	872 719
<b>Difference</b>	<b>819 683</b>

(c) The financial reporting period in 2013 is from 1 January 2013 to 31 July 2013.

54. Table 8 summarizes the financial status of JI for 2013, showing a balance at the end of the reporting period of USD 8.9 million. Although expenditure has exceeded the fees income for the seven-month period ending on 31 July 2013 by USD 172,328, it should be noted that this carry-over amount is estimated to be able to fund operations for approximately five years.

**Table 8. Financial status, Joint Implementation Supervisory Committee, 2013**  
(United States dollars)

<b>Summary of current financial status as at 31 July 2013</b>	<b>Amount</b>
Carry-over from 2012	9 084 478
Contributions from Parties 2013	41 163
Income from joint implementation fees (Tracks 1 and 2)	659 328
<b>Subtotal</b>	<b>9 784 969</b>
Less: Expenditure in 2013	872 719
<b>Balance</b>	<b>8 912 250</b>

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#### Document information

<i>Version</i>	<i>Date</i>	<i>Description</i>
01.0	9 September 2013	Initial publication as an annex to the annotated agenda of JISC33.
Decision Class: Operational Document Type: Annual report to the CMP Business Function: Governance Keywords: CMP, JISC, annual report, budget, reporting to the COP/MOP		

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