

**JI-JISC43-AA-A01**

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# Draft annual report of the JISC to the CMP

Version 01.0

DRAFT



**United Nations**  
Framework Convention on  
Climate Change

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## 1. Introduction

### 1.1. Summary

1. This report covers the work carried out by the Joint Implementation Supervisory Committee (JISC) from 18 September 2019 to 16 October 2020 (hereinafter referred to as the reporting period). During the reporting period, the JISC maintained the necessary infrastructure for the operation of joint implementation (JI) and prudently managed its resources as requested by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP).

### 1.2. Mandate

2. The CMP, at its first session (CMP 1), established<sup>1</sup> the JISC to supervise, inter alia, the verification of emission reductions or removal enhancements generated by projects under Article 6 of the Kyoto Protocol (JI projects) in accordance with the guidelines for the implementation of Article 6 of the Kyoto Protocol (JI guidelines).<sup>2</sup>
3. In accordance with paragraph 3(a) of the JI guidelines, the JISC is required to report on its activities to each session of the CMP. The CMP provides guidance regarding the implementation of Article 6 of the Kyoto Protocol and exercises authority over the JISC.

### 1.3. Scope

4. This annual report of the JISC to the CMP covers JI activities carried out during the reporting period, including its responsibilities relating to the operation of the verification procedure under the JISC (hereinafter referred to as JI Track 2)<sup>3</sup> and the financial status of the JI mechanism.
5. Full details of the operation and functions of the JISC are available on the JI web pages of the UNFCCC website, which are the central repository for reports on meetings of the JISC, information on JI projects and programmes of activities (PoAs) and accreditation, and documents adopted by the JISC.<sup>4</sup>

### 1.4. Possible action by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

6. The CMP may wish to review this annual report and provide guidance to the operations of JI as requested by the JISC below.
7. In accordance with paragraphs 4–5 of the JI guidelines, the CMP is to elect JISC members for a term of two years, upon receipt of nominations from Parties, as follows:
  - (a) Two members and two alternate members from Parties included in Annex I that are undergoing the process of transition to a market economy;

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<sup>1</sup> Decision 10/CMP.1.

<sup>2</sup> Decision 9/CMP.1, annex.

<sup>3</sup> Outlined in paras. 30–45 of the JI guidelines.

<sup>4</sup> <http://ji.unfccc.int>.

- (b) Two members and two alternate members from Parties included in Annex I not referred to in paragraph 7(a) above;
- (c) One member and one alternate member from Parties not included in Annex I.

## 2. Doha Amendment

- 8. It is with great pleasure that the JISC recognizes that the Depositary received the necessary number of ratifications by Kyoto Protocol Parties to ensure the entry into legal force of the Doha Amendment to the Kyoto Protocol (by which the second commitment period was agreed)<sup>5</sup> before the expiry of that commitment period on 31 December 2020. The JISC recognizes the importance of the Doha Amendment to the implementation of pre-2020 ambition under the UNFCCC.
- 9. [Placeholder for additional text in relation to JISC's view on likely implications of entry into force of the Doha Amendment on Jl]

## 3. Work undertaken in the reporting period

### 3.1. Ensuring cost-effective and transparent functioning of joint implementation

- 10. CMP 15 did not give the JISC any new mandates.
- 11. The JISC maintained operations in accordance with its two-year management plan for 2020–2021<sup>6</sup> by maintaining the infrastructure and capacity to support Jl operations, as needed, and by monitoring the intergovernmental negotiation process and creating opportunities to provide further information and recommendations from the lessons learned from Jl, as appropriate, for developing the rules to operationalize the mechanisms under Article 6 of the Paris Agreement.

- 12. [At its 43<sup>rd</sup> meeting, the JISC...]

### 3.2. Outreach activities

- 13. The secretariat maintains the Jl web pages and the UNFCCC web pages related to Jl as a promotional tool and a repository of information relating to the mechanism.

### 3.3. Meeting in 2020

- 14. [The JISC held its 43<sup>rd</sup> meeting on 16 October 2020 in a virtual environment.<sup>7</sup> A total of ## of the 18 current JISC members and alternate members participated virtually in the meeting and electronic oaths of service were submitted to fulfil the requirements of the rules of procedure of the JISC.<sup>8</sup>]

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<sup>5</sup> Decision 1/CMP.8, Annex

<sup>6</sup> Available at [https://ji.unfccc.int/sunsetcms/storage/contents/stored-file-20190925133828053/Info\\_note12.pdf](https://ji.unfccc.int/sunsetcms/storage/contents/stored-file-20190925133828053/Info_note12.pdf).

<sup>7</sup> In accordance with decision 4/CMP.12.

<sup>8</sup> See [http://ji.unfccc.int/Ref/Documents/Jl\\_proc01.pdf](http://ji.unfccc.int/Ref/Documents/Jl_proc01.pdf).

15. The annotated agenda for the meeting, supporting documentation on agenda items, on-demand broadcasts and a report containing all agreements reached by the JISC are available on the JI web pages.<sup>9</sup>

16. [The JISC honoured the memory of Rajesh Sethi, who served as the Secretary to the JISC for the past six years and who was remembered for his significant contribution to the Kyoto Protocol mechanisms, having spent several years working as the designated national authority of India, on his country's delegation to the UNFCCC, and as both member and Chair of the Executive Board of the clean development mechanism (CDM) during the period X to X.]

17. In the spirit of prudent resource management, the JISC decided not to hold any physical meetings during 2020, and that its Chair and Vice-Chair would consult electronically with members for any decision-making, if required.

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

18. The JISC continued to make itself available for interaction with accredited independent entities (AIEs), project developers and observers by encouraging the submission of written input from stakeholders to the agenda for its 43<sup>rd</sup> meeting and inviting the chairs of the Designated Operational Entities (DOEs)/Accredited Independent Entities (AIEs) Coordination Forum and the Project Developer Forum to the meeting.

### **3.5. Accreditation of independent entities**

19. The JISC reviewed its reliance on the CDM accreditation system and agreed to continue allowing DOEs accredited under the CDM to act voluntarily as AIEs to perform JI determinations and verifications. [As at Date, 10 DOEs had submitted self-declarations expressing interest in acting voluntarily as AIEs.]

20. During the reporting period, no JI project determinations or verifications under JI Track 2 were submitted by a DOE acting voluntarily as an AIE under JI.

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

21. Since the inception of JI, 597 JI projects have been published under Track 1, of which 548 have received unique project identifiers and have been submitted to the international transaction log. Information on 332 projects and one programme of activities under JI Track 2 has been made available on the JI web pages. A total of 52 determinations regarding project design documents have been published, of which 51 have been deemed final, while 128 of the 129 published verifications have been deemed final. A total of 871,893,629 ERUs have been issued, of which 846,477,357 were under Track 1 and 25,416,272 under Track 2.

22. As in the previous reporting period, no determination or verification cases were submitted for processing under JI Track 2 during the current reporting period.

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<sup>9</sup> [http://ji.unfccc.int/Sup\\_Committee/Meetings/index.html](http://ji.unfccc.int/Sup_Committee/Meetings/index.html).

## 4. Governance and management matters

### 4.1. Membership issues

23. CMP 15 elected new members and alternate members of the JISC to fill vacancies arising from the expiration of the terms of tenure of outgoing members and alternate members. During the reporting period, the JISC comprised the members and alternate members listed in table 1.
24. The JISC wishes to highlight to the CMP the importance of constituencies filling vacant seats and the impact of vacant seats on constituting a quorum. The JISC encourages constituencies with vacant seats to nominate individuals to join the JISC.

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

Member	Alternate member	Constituency
Emil Calles <sup>a, c</sup>	Agré Assie <sup>a</sup>	Parties not included in Annex I
Boryana Kamenova <sup>a</sup>	Volha Vasilevskaya <sup>a, c</sup>	Parties included in Annex I with economies in transition
Vanessa Leonardi <sup>b</sup>	Konrad Raeschke-Kessler <sup>b</sup>	Parties included in Annex I
Derrick Oderson <sup>b</sup>	Albert Williams <sup>b</sup>	Small island developing States
Kyekyeku Oppong-Boadi <sup>b, d</sup>	Carlos Fuller <sup>b, d</sup>	Parties not included in Annex I
Iryna Rudzko <sup>b</sup>	Izabela Zborowska <sup>b</sup>	Parties included in Annex I with economies in transition
Ahmed Waheed <sup>b, d</sup>	MD Ziaul Haque <sup>b, d</sup>	Parties not included in Annex I
Jakob Wiesbauer-Lenz <sup>a</sup>	Benoît Leguet <sup>a</sup>	Parties included in Annex I
Vacant <sup>a, 1</sup>	Gherghita Nicodim <sup>a</sup>	Parties included in Annex I with economies in transition
Vacant <sup>a, c</sup>	Takahiko Tagami <sup>a</sup>	Parties included in Annex I

<sup>a</sup> Two-year term ending immediately before the first meeting of the JISC in 2021.

<sup>b</sup> Two-year term ending immediately before the first meeting of the JISC in 2022.

<sup>c</sup> Nomination pending since CMP 14. The current member or alternate member remains in office until his or her successor has been nominated by the respective regional group or constituency.

<sup>d</sup> Nomination pending since CMP 15. The current member or alternate member remains in office until his or her successor has been nominated by the respective regional group or constituency.

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

25. The JISC, at its 43<sup>rd</sup> meeting, by consensus, elected Vanessa Leonardi, a member from a Party included in Annex I, as its Chair, and, Derrick Oderson, a member from a Party not included in Annex I, as its Vice-Chair. Their tenures will end immediately before the first meeting of the JISC in 2021.
26. The JISC expressed its deep appreciation to the outgoing Chair, Kyekyeku Oppong-Boadi, and Vice-Chair, Vanessa Leonardi, for their excellent leadership during 2019.

## 5. Status of financial resources for the work of the Joint Implementation Supervisory Committee and its supporting structures

27. The JISC continued to carefully monitor the status of, and prudently use, the resources available for the work on JI.<sup>10</sup> Resources were used in support of the approved two-year management plan for 2020–2021.<sup>11</sup>
28. A summary of the income of the JISC is provided in table 2.

**Table 2. Income for the work of the Joint Implementation Supervisory Committee as at 31 August 2020 (United States dollars)**

Income source	Amount
Carry-over from 2019 <sup>a</sup>	2 348 153
Contributions received in 2020	—
Total JI Track 1 fees for 2020	—
Total JI Track 2 fees for 2020	—
<b>Total income with 2019 carry-over</b>	<b>2 348 153</b>

*Note:* The financial reporting period is from 1 January to 31 August 2020.

<sup>a</sup> After accounting for 2019 income and expenditure (full year). Includes JI Track 2 fees previously held in reserve.

29. The budget and expenditure of the JISC are shown in table 3.

**Table 3. Comparison of the 2020 expenditure versus the 2020 budget of the Joint Implementation Supervisory Committee as at 31 August 2020 (United States dollars)**

Item	Amount
Budget	596 930
Expenditure	493 315
Difference	103 615

*Note:* The financial reporting period is from 1 January to 31 August 2020.

30. Table 4 summarizes the financial status of the JI mechanism as at 31 August 2020, showing a balance of USD 1.9 million.

<sup>10</sup> The CMP, by decisions 3/CMP.2, 3/CMP.3, 5/CMP.4, 3/CMP.5, 4/CMP.6, 11/CMP.7, 6/CMP.8 and 4/CMP.12, 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.

<sup>11</sup> [https://ji.unfccc.int/sunsetcms/storage/contents/stored-file-20190925133828053/Info\\_note12.pdf](https://ji.unfccc.int/sunsetcms/storage/contents/stored-file-20190925133828053/Info_note12.pdf).

**Table 4. Financial status of the Joint Implementation Supervisory Committee as at 31 August 2020 (United States dollars)**

<b>Summary of financial status as at 31 August 2020<sup>a</sup></b>	<b>Amount</b>
Carry-over from 2019	2 348 153
Contributions from Parties in 2020	—
Income from JI fees (Tracks 1 and 2)	—
<b>Subtotal</b>	<b>2 348 153</b>
Expenditure in 2020	493 315
<b>Balance</b>	<b>1 854 838</b>

*Note:* The financial reporting period is from 1 January to 31 August 2020.

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

31. The JISC recommends that the CMP take note of its annual report for the reporting period and that the CMP invite the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to continue using the experience gained and lessons learned from JI<sup>12</sup> to inform the operationalization of Article 6 of the Paris Agreement.

32. [The JISC also recommends that the CMP provide guidance on the following:

(a) [Placeholder for the recommendation regarding the impact of the entry into force of the Doha Amendment]].

## 7. Abbreviations and acronyms

**Table 5. Abbreviations and acronyms**

AIE	accredited independent entity
CDM	clean development mechanism
CMP	Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol
DOE	designated operational entity
ERU	emission reduction unit
JI	joint implementation
JISC	Joint Implementation Supervisory Committee

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<sup>12</sup> As contained in document FCCC/KP/CMP/2016/5, annex I.



### Document information

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