

**JI-JISC39-AA-A02**

## Concept note

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# Analysis for additional efficiency measures for the operation of the JISC

Version 01.0



**United Nations**  
Framework Convention on  
Climate Change

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## 1. Procedural background

1. By its decision 5/CMP.10, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), requested the Joint Implementation Supervisory Committee (JISC) to keep the joint implementation (JI) management plan under review, making necessary adjustments to ensure the efficient, cost-effective and transparent functioning of JI and to ensure sufficient infrastructure and capacity for the mechanism's use by Parties until at least the end of the additional period for fulfilling commitments under the second commitment period of the Kyoto Protocol (KP).
2. Project related activity under JI has ceased since 2014, with no determination or verification cases having since been submitted to the JISC<sup>1</sup>. It is now nearly four years after the conclusion of the first commitment period of the KP, with the Doha Amendment not having entered into force (or entered into force for the Parties that may host JI projects). This means that new projects are not seeking approval and current projects are not requesting the issuance of emission reduction units. The CMP is aware of this, and through its decision 7/CMP.11, paragraph 3, it reiterated its concern regarding the difficult market situation currently faced by participants in JI, with projects declining to a point where the mechanism is practically non-existent.
3. Furthermore, over the past few years, the work of the JISC has been highly focused on providing recommendations to the CMP and the Subsidiary Body for Implementation (SBI) on how to improve the Kyoto mechanisms, in particular in relation to the review of the JI guidelines. The process of review by the SBI has now been concluded, with the SBI making recommendations to the CMP for its consideration at its twelfth session (CMP12). This also means that the ongoing policy work of the JISC has drawn to a conclusion.
4. At the recent JISC meetings, it has been observed that reaching quorum is becoming a challenge due to: (a) various seats in the JISC not being filled due to pending nominations; and (b) the falling participation of members and alternate members.

## 2. Purpose

5. The purpose of this note is to provide the JISC with an analysis of the procedural and practical aspects of alternative ways of operating the JISC, in particular its meetings. The aim of the analysis is to identify ways that would allow the JISC to sustain critical decision-making in support of the mechanism during the current trend of having hardly any project or policy-related work, while recognising that the body has certain core operational functions.

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<sup>1</sup> The last Track 1 ERU issuance was reported in August 2015 whereas the last Track 2 ERU issuance was reported in October 2014.

### 3. Key issues and proposed solutions

#### 3.1. Key issue: Low level of activity in the mechanism

6. The JISC has undergone a marked reduction in its workload over the past few years, with no new projects coming into the pipeline under Track 2 since 2014. This trend may continue in the near future.
7. In 2016 the JISC worked on delivering the mandates from CMP 11, including those related to the review of the JI guidelines. With the conclusion of the review by the SBI at SBI 44<sup>2</sup> with recommendations to be considered for adoption at CMP 12, together with the CMP decision to allow designated operational entities under CDM to act voluntarily as accredited independent entities taken at CMP 11 and the continuing absence of JI related determination and issuance requests, the JISC is expected to have a minimal workload in the coming years.
8. As mentioned in section 1 above, in the last two decisions related to JI, decisions 5/CMP.10 and 7/CMP.11, the CMP requested the JISC to ensure sufficient infrastructure and capacity for the mechanism's use by Parties for as long as needed, and to keep the JI management plan under review, making necessary adjustments to ensure the efficient, cost-effective and transparent functioning of JI.

#### 3.2. Key issue: Mode of operation of the JISC

9. Given the trend, the JISC now has only a limited number of tasks that are required in order to maintain and support necessary processes related to the JI mechanism and meet the on-going operational requirements of the JISC.
10. The participation of members and alternate members in JISC meetings has been low in recent meetings, which is also due to the fact that a number of seats on the JISC are vacant<sup>3</sup>. This has made it a challenge to meet the quorum of the JISC in several meetings. While, to date, the quorum has always been met at meetings, the Chair and the secretariat had to encourage members and alternate members to attend the meeting in order to ensure quorum.
11. Following the request from the CMP to the JISC to ensure the efficient, cost-effective and transparent functioning of JI, the JISC may wish to consider alternative ways of continuing its core operational functions.

##### 3.2.1. Existing modes of operation

12. **Physical meetings:** The current practice is that the JISC deliberates, consults and decides during a physical meeting, and uses electronic decision-making and/or electronic consultation as an alternative measure if an issue needs to be resolved before the next meeting (see below).
13. **Virtual participation:** In some instances, individual members and alternate members unable to attend the meeting have been participating virtually to provide comments and

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<sup>2</sup> FCCC/SBI/2016/L.8/Add.1.

<sup>3</sup> Currently three positions are vacant at the JISC.

views on certain issues of interest to them. To date, this type of participation has not been used to ensure quorum, but rather simply increase participation.

14. **Electronic decision-making:** The JISC has used electronic decision-making, as provided for and defined in Rule 25 of the Rules of Procedure (RoP), to take decisions on issues that are required to be taken before the next scheduled meeting. The outcome of the electronic decision is made publicly available through the UNFCCC JI website.
15. **Electronic consultation:** On various occasions, as an emerging practice, members and alternate members of the JISC have commented on draft documents prior to the official consideration of the final document by the JISC. Based on the comments received by the individual members/alternate members, the secretariat finalizes the document for consideration by the JISC for approval. This mode is used to support transparency and help ensure that the document can be used optimally to support JISC discussions. As such it serves as a useful way of working informally, without any formal decision-making.

### 3.2.2. Proposed solution: Use new modes of operation

16. **Virtual participation:** Members and alternate members of the JISC participate virtually in a physical meeting and their virtual presence is counted towards filling the quorum. This would allow members to participate in the discussion and decision-making as well as facilitating achieving quorum.
17. **Virtual meetings:** Various software products offer technical options for JISC to meet partially or fully in virtual environments and engage in real time discussions in a time- and cost-efficient manner. The following aspects need to be considered:
  - (a) Quorum, as set out in Rule 23 of the RoP, would be required, as in the case for a physical meeting in order for the meeting, and thus the taking of decisions, to take place;
  - (b) Web functionality and time zones shall be borne in mind prior to organizing such meetings;
  - (c) Meeting reports would be prepared by the secretariat, in consultation with the Chair and Vice Chair and sent for consultation and approval by electronic decision to the JISC members and alternates;
  - (d) Meeting reports would continue to be made publicly available in the same way as physical meeting reports;
  - (e) Registered observers would be permitted to watch the proceedings of virtual meetings.
18. As mentioned above, a low participation in meetings may lead to problems relating to quorum. Organizing partial or full virtual meetings where members may participate without any long distance travel could therefore be an advantage to members and alternate members.
19. **Wider use of electronic decision-making and electronic consultation:** By increasing the use of electronic decisions in the time between meetings and, in particular, electronic consultation, the JISC could advance work outside the meeting time.

20. **Fewer than two meetings a year:** While the RoP, through its Rule 15, stipulates that the JISC shall meet at least two times each year, it also indicates that it is only the case “unless decided otherwise”. The JISC may consider utilizing this latter reference to meet less frequently than twice per year, if work is completed in fewer than two meetings and/or is completed through electronic consultation and electronic decision-making.

### 3.3. Key issue: Relevant JI guidelines and Rules of Procedure

21. Based on an analysis of how the proposed alternative means (in particular, virtual meetings) satisfy the relevant requirements in the JI guidelines and the RoP, the secretariat has concluded that no formal revisions to the existing JI guidelines or the RoP are required in order for the JISC to adopt these alternate ‘modes’ of working.

#### 3.3.1. Transparency

22. **RoP requirement:** The principle of transparency is applied to the work of the JISC, encompassing the timely public availability of documentation and channels through which external comments can be submitted for consideration by the Committee. The practice of the JISC has been to transmit its meetings via webcast. The meetings are open to observers. (*Rule 21 of the RoP*).
23. **Proposed solution:** Processes for transparency of decision-making would remain unchanged. The outcome of electronic decisions and reports of virtual meetings would be made available to the public through the UNFCCC JI website. Registered observers would be entitled to watch the proceedings of the virtual meetings. In the same spirit, participation of, and interaction with observers via virtual meetings would be offered on an as-needed basis through the software product used to hold the virtual meeting.

#### 3.3.2. Membership (start and end of term) (*if the first meeting of the calendar year is virtual*)

24. **RoP requirement:** The term of service of a member, or an alternate member starts at the first meeting of the Committee in the calendar year following their election and shall end immediately before the first meeting of the Committee in the calendar year in which the term ends (*RoP Rule 4, paragraph 5*).
25. **Proposed solution:** The JISC conducts a virtual meeting with the purpose of initiating the term of service of the new members and alternate members.

#### 3.3.3. Chairperson (*if the first meeting of the calendar year is virtual*)

26. **RoP requirement:** The JISC shall elect annually a Chairperson and Vice-Chairperson from among its members, with one being from a Party included in Annex I and the other being from a Party not included in Annex I.
27. **Proposed solution:** The JISC conducts a virtual meeting with the purpose of electing its Chair and Vice-Chair.

#### 3.3.4. Oath of service (*if the first meeting of the calendar year is virtual*)

28. **RoP requirement:** New members are to take a written oath of service witnessed by the Executive Secretary or an authorized representative before assuming their duties (*Rule 10 of the RoP*).

29. **Proposed solution:** In practice, the written oath of service is signed and sent via email in advance of the first meeting of the year and ceremonially re-signed at the first meeting, witnessed by an authorized representative of the secretariat (rather than personally by the Executive Secretary). It is proposed that the electronic submission of the oath of service be formally recognized as the method, in order to avoid organizing physical meetings only to meet procedural requirements.

### 3.4. Conclusions

30. In order for the JISC to comply with the request by the CMP to prudently manage its resources, it is recommended that the JISC, in addition to the current practices of electronic consultation and decision-making, pursue the opportunity to operate partially and/or fully the virtual meetings in future.
31. In this regard, in order to clarify the conformity to the current JI guidelines and RoP of the proposed measure, the JISC should report to the CMP for the following affirmations and decisions:
- (a) The JISC should seek affirmation from the CMP that members virtually present at a meeting of the JISC count towards quorum, and that virtual meetings of the JISC are meetings of the JISC, as described in the RoP;
  - (b) The JISC should request the CMP to clarify that the electronic submission of the signed oath of service is an acceptable approach to fulfilling the requirements of the RoP;
  - (c) The JISC should inform the CMP that the JISC may, in the future, meet less than twice a year, as the JISC may use other means, such as the electronic consultation and decision-making to complete its work.
32. From the first meeting of 2017 onward, the JISC could then make use of a combination of the various modes of operation presented (electronic decision-making, electronic consultation, virtual participation and virtual meetings).

## 4. Impacts

33. The impact of applying the proposed measures, as appropriate, would have the following likely impacts:
- (a) Allow the JISC to fully comply with the request from CMP 11 to prudently manage its resources while ensuring sufficient infrastructure and capacity for the mechanism's use by Parties until at least the end of the additional period for fulfilling commitments under the second commitment period of the KP;
  - (b) Significant cost savings<sup>4</sup> as well as reduction in emissions resulting from members' and alternates' travel;
  - (c) A possible increase in the participation of JISC members and alternates in virtual meetings. This would resolve challenges recently faced to fulfil the quorum at meetings.

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<sup>4</sup> Costs per meeting are approximately USD 40 000. Travel of individual members may vary depending on the distance to meeting venue.

## 5. Subsequent work and timelines

34. If the JISC agrees with the proposed solutions, the proposed recommendations are to be included in the JISC annual report to the CMP at CMP 12.
35. Following affirmations and decisions by the CMP, the secretariat would present the JISC workplan applying the above measures at the first meeting of the year in 2017.

## 6. Recommendations to the JISC

36. The secretariat recommends that the JISC:
  - (a) Considers the proposed alternative means of operation and decision-making, with the measures coming into effect as of 2017;
  - (b) Report on these measures to CMP and make the necessary specific recommendations to the CMP.

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### Document information

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