

JOINT IMPLEMENTATION

JI-JISC36-AA-A01

Draft Management plan 2015

Version 01.0

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TABLE OF CONTENTS	Page
1. INTRODUCTION	3
2. APPROACH	3
3. ACTIVITIES, ESTIMATED VOLUMES AND RESOURCE REQUIREMENTS	4
3.1. OBJECTIVE 1: EFFECTIVE CONTRIBUTION TO THE FUTURE DEVELOPMENT OF JI	4
3.2. OBJECTIVE 2: PROMOTION OF THE MECHANISM	5
3.3. OBJECTIVE 3: MAINTAIN EFFICIENT JI OPERATIONS	6
4. 2015 PROGRAMME BUDGET	8
4.1. INCOME	8
4.2. PROPOSED 2015 BUDGET	9
4.3. EXPENDITURE	10
4.4. CLOSING REMARKS	12

1. Introduction

1. This joint implementation (JI) management plan (MAP) sets out the work, capacity needs and estimated resource requirements for the second half of the 2014–2015 period. It provides details regarding the routine activities to support the operation of JI, the various projects, products and indicative timelines for work, and the human and financial resources required. This MAP also includes tasks requested by Parties through decision 5/CMP.9.
2. The JISC believes that the JI mechanism needs to remain operational in the second commitment period. The activities proposed in this JI MAP endeavour to ensure this. On the basis of the expected activities and the associated resource estimates, the budget for 2015 is just under USD 1 million (USD 969,749, see table 7).
3. Despite the downturn in demand for units such as those issued under JI, the ongoing revision of the JI guidelines and the consideration of the role of JI under the new international climate regime to be adopted in December 2015 give JI significant potential as a blueprint for market-based approaches beyond 2020.

2. Approach

4. As of the end of January 2015, almost 600 projects in 17 countries from both Track 1 and Track 2 are included in the pipeline of JI projects, with 548 Track 1 projects published by host Parties and 51 projects having been determined by the JISC to meet the relevant requirements under the Track 2 process. Host Parties have issued over 871 million emission reduction units (ERUs) generated by these projects since 2008.
5. The projection of incoming submissions continues to be an area of great uncertainty for the JISC, and thus represents a challenge with respect to planning, budgeting and allocating resources. It is nevertheless expected that resources will be required during 2015 for the following activities:
 - (a) Preparing and organizing JISC meetings, keeping this to the minimum of two per year (as requested in the JI guidelines) and one meeting of the JI Accreditation Panel (JI-AP);
 - (b) Operating the JI cycle, including responses to project-specific queries, and ensuring that expertise is maintained;
 - (c) Ensuring the continuation of accreditation activities as necessary, and maintaining expertise in the area;
 - (d) Maintaining all JI-related information systems (IT) in operation;
 - (e) Managing communication and stakeholder interactions, including the JI Info e-mail account and preparing the JISC annual report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP);
 - (f) Administering and managing resources (e.g. preparing, monitoring and tracking the business plan/MAP; finance; human resources support; editing documents; statistics, etc.).

6. Many of the activities in this JI-MAP are of a collaborative and cross-cutting nature. This requires maximum flexibility from the secretariat in its deployment of human resources. The numbers of staff resources associated with each project and activity are detailed in tables 2, 4, 5 and 6. The secretariat may deploy human resources from its Sustainable Development Mechanisms (SDM) programme during the year on an as-needed basis to meet shifting demands across the various activities.

3. Activities, estimated volumes and resource requirements

7. Tables 2 to 6 link specific activities to the goals and objectives as set out in the JI business plan. These include routine activities and projects denoted by an asterisk (*). The amounts set out in tables 2, 4, 5 and 6 refer to the estimated direct effort of professional (P) and general service (G) staff respectively, required to perform the listed activities for the 12-month period covered by this management plan.

3.1. Objective 1: Effective contribution to the future development of JI

Table 1. Activities, projects and associated staff needs for objective 1

Activity	P-staff months	G-staff months	Total
Market and policy analysis	1.5	0.6	2.1
- Policy analysis (weekly)	1.4	0.6	2.0
- Quarterly market and policy reports	0.1	0.0	0.1
Servicing of Party-level bodies	3.5	1.5	5.0
- CMP (JI)	1.0	0.5	1.5
- Subsidiary Bodies (JI)	2.5	1.0	3.5
Servicing of regulatory body	0.1	0.0	0.1
- Report to the CMP (JI)	0.1	0.0	0.1
Projects	4.0	0.7	4.7
*Future development of JI	2.0	0.2	2.2
*Synergy on accreditation between JI and the clean development mechanism (CDM)	2.0	0.5	2.5

8. In addition to the routine operations in the areas of market and policy analysis and servicing the Parties and the JISC, the majority of staff effort under this objective will be dedicated to the execution of two key projects entitled “Future development of JI” and “Synergy on accreditation between JI and the CDM” (see table 3).

Table 2. Projects associated with objective 1

Project	Project aim	Deliverables	Estimated timing	JISC consideration
Future development of JI	To ensure the continued future contribution to climate change mitigation of activities such as those under JI	Recommendations to the CMP on the review of the JI guidelines (decision 5/CMP.10, para. 8)	Q2–Q3 2015	Yes
Synergy on accreditation between JI and the CDM	To make use of synergy between the JI and CDM accreditation systems	Implementation plan for the use of CDM accreditation decisions (JISC 33 mandate)	Q4 2015	Yes
		JISC to collaborate with the CDM Executive Board in considering the establishment of a joint accreditation committee and report back to CMP 11 (decision 6/CMP.10)	Q4 2015	Yes

3.2. Objective 2: Promotion of the mechanism

Table 3. Activities associated with objective 2

Activity	P-staff months	G-staff months	Total
Communication and outreach	1.9	1.1	3.0
- Cooperating with key stakeholders to highlight the benefits of JI	1.0	0.1	1.1
- Press engagement	0.5	0.0	0.5
- Social media	0.2	0.2	0.4
- Information and promotional materials	0.2	0.1	0.3
- Website maintenance	0.0	0.5	0.5
- CDM/JI Today	0.0	0.2	0.2

9. The JI mechanism is recognized by various stakeholders for its value as a tool to incentivize and focus investment on emissions reduction projects in environments where emissions are capped. The communication and outreach efforts in 2015 will focus on cooperating with these stakeholders to better explain the benefits of JI to policymakers and potential new stakeholders.

3.3. Objective 3: Maintain efficient JI operations

Table 4. Activities and projects associated with objective 3

Activity	P-staff months	G-staff months	Total
Entity assessments	5.8	1.5	7.3
- Performance assessments (determination)	0	0.3	0.3
- Performance assessments (verification)	2.0	0.3	2.3
- Requests for reaccreditation	0.3	0.1	0.4
- Spot-checks	0.5	0.1	0.6
- Accreditation process	3.0	0.7	3.7
Project assessments	2.7	1.0	3.7
- Requests for JI determination finalization	0.2	0.1	0.3
- Requests for JI monitoring report publication	0.6	0.2	0.8
- Requests for JI project design document publication	0.3	0.1	0.4
- Requests for JI Track 1 project publication	0.6	0.2	0.8
- Requests for JI verification finalization	0.8	0.3	1.1
- Requests for review	0.2	0.1	0.3
External queries	0.7	0.2	0.9
- Accredited independent entity (AIE) queries	0.0	0.0	0.0
- CDM/JI Info	0.4	0.2	0.6

Activity	P-staff months	G-staff months	Total
- Designated focal point (DFP) queries	0.0	0.0	0.0
- Letters to the JISC	0.0	0.0	0.0
- ERU issuance reports	0.3	0.0	0.3
Secretariat-organized interactions	0.1	0.1	0.2
- Designated operational entity (DOE)/AIE forums	0.1	0.1	0.2
Servicing of panels/working groups	2.0	0.8	2.8
- JI-AP	2.0	0.8	2.8
Servicing of regulatory body	4.0	4.0	8.0
- JISC (including Regulatory Bodies Committee)	4.0	4.0	8.0
Projects	1.0	0.0	1.0
*JI Extracts (project 206)	1.0	0.0	1.0
Regulatory management	0.9	0.8	1.7
- Processing and managing official documents (JI)	0.9	0.8	1.7

10. A summary of the staff allocations to cross-cutting activities is shown in table 6.

Table 5. Cross-cutting activities

Activity	P-staff months	G-staff months	Total
Finance (includes budget reporting)	0.5	1.2	1.7
Human resources (includes recruitment and staff performance management)	0.5	0.4	0.9
Information and knowledge management	0.5	0.5	1.0
Travel planning	0.5	1.2	1.7

Activity	P-staff months	G-staff months	Total
Management (includes internal meetings, legal advice, planning and monitoring/reporting on MAP, IT services, and information and knowledge management)	2.1	1.2	3.3

11. The secretariat effort to execute this MAP for 2015 amounts to a total of 49.3 staff months. This consists of 32.3 person months of professional staff time and 16.8 person months of general service staff time.

4. 2015 programme budget

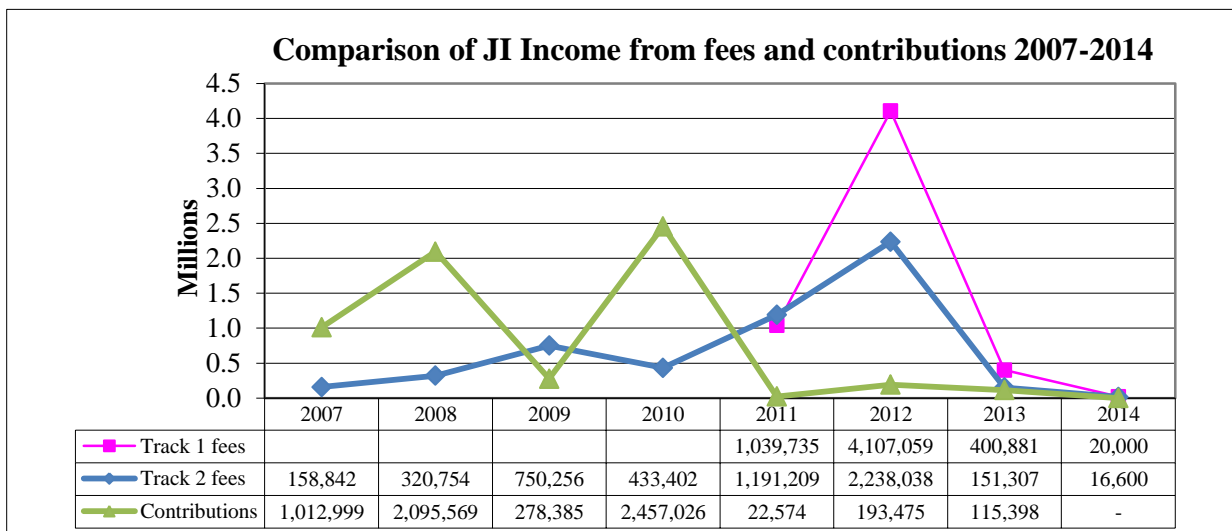
12. This section presents details on the projected income from fees and a budget for the operation of the JI mechanism for 2015.

4.1. Income

13. Track 1 fees received in 2014 amounted to USD 20,000. Track 1 fees are estimated to be zero for 2015.
14. Track 2 fees received in 2014 amounted to USD 16,600. Track 2 fees are estimated to be zero for 2015.
15. Figure 1 shows the fees from Track 1, Track 2 and the voluntary contributions provided by Parties from 2007 to 2014.

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Figure 1: Comparison of JI income from fees and contributions 2007–2014 (in United States dollars)



4.2. Proposed 2015 budget

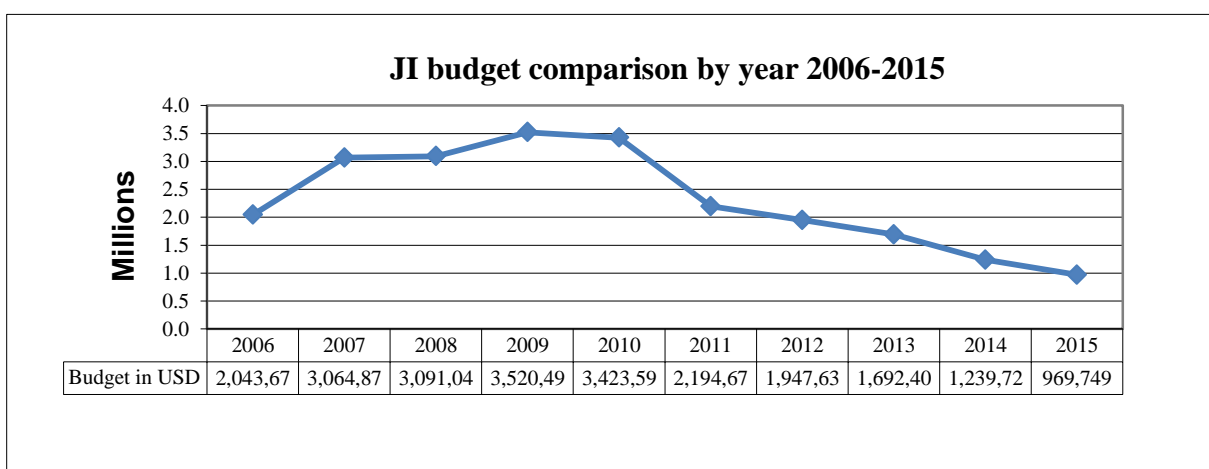
16. The proposed 2015 budget by object of expenditure for the operation of JI is provided in table 7. The principal component of the proposed budget consists of human resources making up 68 per cent of the total budget. Staff costs for 2015 are lower than originally projected in the 2014–2015 management plan. This is due to a planned and implemented natural attrition strategy, whereby all vacated posts are carefully assessed before deciding whether to advertise the posts for recruitment, resulting in an overall reduction in filled posts over time.
17. The reduction in staff resources will result in a decrease in operating expenses in 2015, compared to 2014. This is due to a decrease in the expenses for Total Cost of Ownership (TCO), which is a UNFCCC secretariat-wide cost recovery mechanism for reimbursement of services provided to secretariat programmes, based on the number of staff in the programme.
18. The budget outlined in Table 7 includes provisions for two scheduled meetings of the JISC and one meeting of the JI-AP, to be held in Bonn, Germany.

Table 6. Proposed 2015 budget by object of expenditure, compared against 2014 budget (in United States dollars)

Object of expenditure	Budget 2014	Budget 2015	% variance 2015 vs 2014
Staff	788 877	584 571	- 25.9
General temporary assistance	0	0	0
Consultants	0	0	0
Expert fees	48 096	44 096	- 8.3
Expert travel	17 924	17 924	0
Staff-related costs	2 526	1 576	- 37.6
Travel of representatives	89 622	89 622	0
Travel of staff	11 500	11 500	0
Training and skills development	1 000	1 000	0
Operating expenses*	135 057	105 396	- 22.0
Communications	1 500	1 500	0
Supplies	1 000	1 000	0
Total	1 097 102	858 185	-21.8
Programme support costs 13%	142 623	111 564	
Grand total	1 239 725	969 749	

* Operating expenses include Total Cost of Ownership (TCO), which is a UNFCCC secretariat-wide cost recovery mechanism for the reimbursement of services provided to secretariat programmes, applied as per secretariat Management Team decision of 2007. In 2014, the SDM programme's share of TCO was estimated at USD 78,000.

Figure 2 JI budget comparison by year 2006 to 2015 (in United States dollars)



4.3. Expenditure

19. Table 8 below compares the 2014 actual expenditure against the 2014 budget for each object of expenditure.

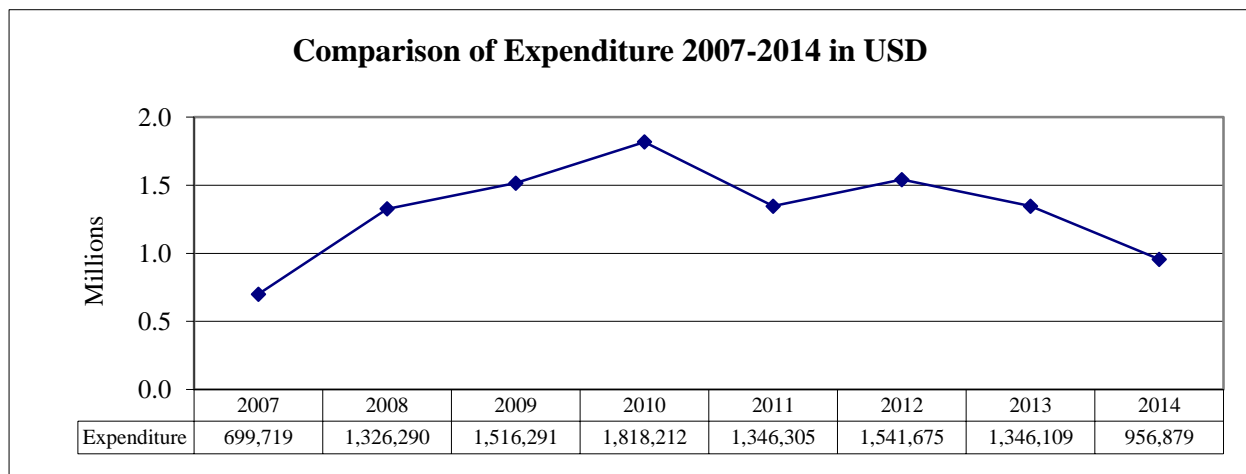
20. Under the object of expenditure “staff”, the USD 0.1 million variance is due to one general service staff member separating from the programme during 2014.
21. Under the object of expenditure “expert fees”, no expert fees were incurred in 2014. The USD 800 dollar deduction was due to a late submission claim from 2013.
22. Under the object of expenditure “expert travel”, no expert travel expenses were incurred in 2014. Savings from adjustments in prior years’ expenditures are, however, included.
23. Under the object of expenditure “staff-related costs”, overspending occurred because additional staff resources, beyond those budgeted for, were required in the preparation and support of JISC meetings.
24. Under the object of expenditure “travel of representatives”, a lower than expected participation rate for the JISC meetings resulted in an underspend.
25. The USD 27,899 lower variance under “operating expenses” is attributable to a 7 per cent contribution from JI to support the SDM Information System (IS) programme which, although budgeted for, was not utilized.

Table 7. Comparison of expenditure 2014 with budget 2014 (in United States dollars)

Object of expenditure	2014 budget	2014 expenditure	Variance	Expenditure vs budget %
Staff	788 877	652 415	136 462	83%
General temporary assistance	0	0	0	0
Consultants	0	0	0	0
Expert fees	48 096	800	47 296	2%
Expert travel	17 924	(1 287)	19 211	-7%
Staff-related costs	2 526	4 627	(2 101)	183%
Travel of representatives	89 622	65 564	24 058	73%
Travel of staff	11 500	16 018	(4 518)	139%
Training and skills development	1 000	0	1 000	0
Operating expenses	135 057	107 158	27 899	79%
Communications	1 500	1 500	(0)	100%
Supplies	1 000	0	1 000	0
Total	1 097 102	846 796	250 306	77%
Programme support costs 13%	142 623	110 083	32 540	
Grand total	1 239 725	956 879	282 846	

26. A comparison of expenditure for the years 2007 to 2014 is shown in Figure 3. A gradual increase in total expenditure in the period from 2008 to 2010 is observed with a considerable decrease in 2011. Given the constraint in resources, and the related concerns with regard to self-financing of the mechanism, 2014 was again characterized by a reduction in activity with a corresponding concentration on “business as usual” areas.

Figure 3 Comparison of expenditure 2007–2014 (in United States dollars)



4.4. Closing remarks

27. Table 9 provides details of the income available and the expenditures incurred in 2014 together with the projections for 2015.
28. Fee income amounting to USD 36,600 was received in 2014. The fee income together with the balance carried forward from 2013 resulted in total available income of USD 8.4 million in 2014.
29. The total JI expenditure for 2014 amounts to USD 956,879 (see figure 3), leaving an unspent balance of approximately USD 7.5 million at the end of 2014 which is sufficient to cover the planned JI activities in 2015.
30. Income for 2015 amounts to approximately USD 7.5 million and consists only of funds carried over from 2014. No fee income is expected in 2015.
31. The budget for 2015 is USD 969,749, leaving a balance of USD 6.5 million. This projected balance would be carried forward to implement JI activities in 2016 and beyond.

Table 8. Summary of fund balance for JI (in United States dollars)

	Projection	
	2014	2015
Carry-over from prior year	8 405 956	7 485 677
Track 1 fees	20 000	0
Track 2 fees	16 600	0
Contributions from Parties	0	0
Total income	8 442 556	7 485 677
Less expenditure	956 879	969 749
Fund balance at 31 December	7 485 677	6 515 928

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