

**JI-JISC37-A01**

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# Joint implementation two-year business plan and management plan 2016–2017

Version 01.0



**United Nations**  
Framework Convention on  
Climate Change

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## 1. Introduction

1. The Joint Implementation Supervisory Committee (JISC) was assigned by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) to supervise the joint implementation (JI) mechanism, in particular the Track 2 process. This current document comprises the following parts:
  - (a) A business plan, as contained in the main body of the document, which sets out the strategic direction for the JI mechanism during 2016 and 2017;
  - (b) A management plan (MAP), as contained in the appendix to this document, which sets out the work, capacity needs and estimated resource requirements necessary to implement the business plan during the same period.
2. In a period characterized by challenge and uncertainty regarding the future of JI, these business and management plans seek to adapt to the changing environment of JI by focusing on activities that would result in strategic investment in the future of the mechanism while also ensuring that appropriate operational capacity is maintained.
3. The JISC expects JI to remain an effective tool used by Parties in their collaborative work to mitigate their greenhouse gas emissions. In this context, the JISC will continue to identify improvements and new ideas that will make JI better suited to address future challenges as a mechanism with a clearly defined and accessible set of features and systems providing for an accurate monitoring of mitigation actions and environmental integrity by the countries.
4. The remainder of this document sets out the JI business plan 2016–2017. The 2016–2017 MAP is attached as an appendix to this document.

## 2. The evolving context in 2016 and beyond

5. JI has continued to evolve and improve over the years, delivering emission reduction offsets on a scale that has exceeded initial expectations. In this endeavour, all actors involved in JI have made tremendous efforts to operationalize the mechanism, and to continue to improve the process as well as simplify and expand its scope.
6. The work of the JISC as supervisor of the Track 2 process has had an important influence on the establishment of national procedures adopted by Parties involved in JI under Track 1.
7. As at 31 August 2015, almost 600 projects in 17 countries from both Track 1 and Track 2 are included in the pipeline of JI projects, with 51 projects having been determined by the JISC to meet the relevant requirements under the Track 2 process and 548 Track 1 projects published by host Parties. Host Parties have already issued 871 million emission reduction units (ERUs) generated by just under 500 of these projects since 2008.

8. As JI moves further into the second commitment period of the Kyoto Protocol it will continue to operate in a carbon market characterized by increasing challenges and fragmentation:
  - (a) The slow progress in the ratification of the second commitment period and the current inability to issue ERUs for this period presents a significant threat to the continued operation of the mechanism;
  - (b) The demand for ERUs continues to rapidly decline and a key issue for the future of JI is to what extent market-based mechanisms will be utilized in support of the Paris agreement, and under what conditions such mechanisms may be used in the post-2020 period;
  - (c) The uncertainty that has characterized international carbon markets for the past several years has had a significant negative effect on JI, with loss of capacity, knowledge and new project activities as a result.
9. A weak demand for ERUs has led to a rapid drop in the prices of these units, which erodes the incentive to develop new projects. The demand for ERUs in international carbon markets up to 2020 is also highly uncertain. Although ERUs can be used to meet commitments within the Kyoto Protocol, the current over supply makes their future use in international carbon markets very unpredictable. Any use of JI outside the Kyoto Protocol would require that Parties first agree on the use of market mechanisms, including JI, as part of the 2015 Paris agreement. JI is therefore likely to face a continued decline if restricted to use only within the Kyoto Protocol.
10. Under current market conditions the JISC expects minimal project-related submissions under Track 2 in the two-year period covered by this business plan. Similarly, the level of submissions from host Parties of Track 1 projects for publication is also expected to be minimal. As a result, income for supporting JI-related activities is expected to be close to zero.
11. Notwithstanding the seriousness of the situation, as previously described, the JISC considers that the knowledge and experience gained through building and operating JI is still extremely valuable. The revised JI guidelines, if adopted, have a significant potential to act as a blueprint for a new improved JI to function as part of the market-based approaches required beyond 2020. The JISC also considers that the new JI, as described in the draft revised JI guidelines, has the potential to provide for the crediting of activities in sectors or economies that may be subject to quantitative emission limits (environments with “capped” emissions) in the intended nationally determined contributions (INDCs) communicated by Parties. However, to secure a long-term future for JI will require it to be appropriately integrated into the measurement, reporting and verification (MRV) and accounting systems developed as part of the Paris agreement.
12. Given the current circumstances, the JISC expects two key messages to form the basis of its future activities, namely:
  - (a) Parties need to provide clarity about whether, and under what conditions, JI would continue to be used, both inside and outside the Kyoto Protocol. Failure to do so will effectively lead to the shutdown of JI activities in the next few years in spite of the request by the CMP (decision 5/CMP.10, para. 9) to ensure that there is sufficient infrastructure and capacity up to the end of the additional period for

fulfilling commitments under the second commitment period of the Kyoto Protocol;

- (b) In anticipation of a positive outcome from COP 21/CMP 11, the JISC will focus its work on preparing for implementation of the revised JI guidelines, in anticipation that these will be adopted. This will enable rapid implementation of new mitigation activities, and will help retain and develop the institutional knowledge in JI, which otherwise is in danger of being irrevocably lost.

## 2.1. The vision of the JISC for JI

13. The overarching vision for the work of the JISC, in the period 2016–2017, is to continue to ***“maintain JI as a viable and effective tool of international collaboration for developed country Parties, and the private sector, in mitigating emissions of greenhouse gases”***. The JISC considers that its role, within the guidance set by the CMP, is to continue to provide a robust foundation on which to further build JI as a means of mitigating greenhouse gas emissions in the future, with due consideration of the evolving context of the carbon market. The JISC considers that its current vision is still appropriate for the two-year period addressed by this business plan and associated management plan.
14. With respect to objectives, and noting that the vision remains unchanged, the JISC will also continue to be guided by its current objectives. The JISC therefore intends to continue to focus on activities that would result in strategic investment in the future of JI, including emphasizing the lessons learned in operating the mechanism and how these could be used to inform initiatives at the national level. Such a focus is also intended to ensure that such lessons are appropriately used to inform the further development of the mechanism and guide its future use. In this context, the JISC has indicated its willingness to assist any new governing body, created under the revised JI guidelines, in its preparation and application of regulations to facilitate a rapid and seamless transition in ensuring compliance with the revised guidelines.
15. The JISC will continue to focus its efforts on promoting the strengths of the JI mechanism, highlighting its potential to evolve to meet the evolving needs of Parties. The JISC also intends to focus any activities related to system improvement on those having the potential to achieve significant medium or long-term cost savings as compared to the operational infrastructure currently required to maintain the mechanism.

## 2.2. Overall direction of work

16. The JISC has proactively sought, through its previous work and in its recommendations to the CMP, to ensure that the mechanism improves and remains relevant both as a mitigation tool and as an important policy instrument that is available for Parties as they address climate change.
17. At CMP 10, Parties expressed appreciation for the work of the JISC and reiterated their concern regarding the difficult market situation currently faced by participants in JI. (decision 5/CMP.10 para. 8).
18. At the same session, the Parties also stressed the need to ensure sufficient infrastructure and capacity for the mechanisms used by Parties until at least the end of the additional period for fulfilling commitments under the second commitment period of

the Kyoto Protocol, and requested the JISC to make the necessary adjustments to ensure the efficient, cost-effective and transparent functioning of JI (decision 5/CMP.10, para. 9).

19. The JISC will therefore continue to prudently manage resources while pursuing continued innovation, including the provision of strategic information to policymakers, so as to allow them to benefit from the lessons learned in JI, and to identify opportunities for its increased use.
20. The JISC, during the period covered by this business plan, and beyond, will continue to provide efficient and cost effective project-related support and accreditation services necessary for operating JI as expected by the CMP. This work includes regular monitoring and review of the performance of the mechanism and monitoring and review of resources to ensure the timely and appropriate response to the evolving environment and associated future trends in income.

### 3. Objectives

21. In the pursuit of its vision (see paragraph 13), the JISC has recognized the importance of continuing to achieve the following three objectives:
  - (a) **Objective 1: Effective contribution to the future development of JI.** The JISC shall contribute to the consideration by Parties and other stakeholders of how JI can be further developed to meet the evolving needs of Parties;
  - (b) **Objective 2: Promotion of the mechanism.** The JISC shall adjust its communication and outreach to enhance understanding among stakeholders and policymakers of the benefits and contributions of JI to supporting climate change mitigation;
  - (c) **Objective 3: Maintain efficient operations of JI.** The JISC shall secure the resources required to ensure the continued operation of the mechanism, including the processing of submissions relating to projects and accreditation, and strengthen its policy guidance to ensure its clarity and improve its usability in both the short and long term.

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

22. An important component of the work of the JISC has been the focus on support to the process of reviewing and revising the JI guidelines. At CMP 10, Parties took note of the on-going work and requested the JISC to submit elaborated recommendations regarding the review of the JI guidelines for consideration by the Subsidiary Body for Implementation at its forty-second session.
23. In addition, the JISC could begin envisaging the work necessary to support implementation of the revised JI guidelines. In this context, the JISC would further elaborate and clarify the transitional measures between the existing and revised JI guidelines that are not included as part of the work required as referred to in the previous paragraph.
24. Considering its experience gained in the operation of the JI mechanism and from interactions with stakeholders, the JISC will continue to monitor the intergovernmental

negotiation process and create and use opportunities to provide further information and recommendations as appropriate.

### **3.2. Objective 2: Promotion of the mechanism**

25. The JISC will continue with its communication and outreach focus aimed at ensuring that the value of JI is well understood by market participants, stakeholders and policymakers, so that the mechanism is appropriately utilized and continues to evolve as required to meet the needs of the Parties.
26. In the current times of uncertainty regarding the future of JI, the JISC considers it critical that policymakers understand and appreciate the considerable work done to date by the JISC, and that policymakers reflect on the unique role that JI can play when the levels of mitigation ambition inevitably increase in response to climate change.

### **3.3. Objective 3: Maintain efficient JI operations**

27. The JISC will need to continue to operate the JI Track 2 procedure and seek opportunities to further improve specific aspects of the JI project cycle process. The project cycle under JI Track 2 has been operating since 2006. Some aspects of the process would benefit from further standardization, including appropriate documentation, to minimize risks including those related to knowledge management and business continuity.

## **Appendix. Management plan**

### **1. Introduction**

1. This joint implementation (JI) management plan (MAP) sets out the work, capacity needs and estimated resource requirements necessary to implement the JI business plan for 2016–2017. It provides details regarding the routine activities to support the operation of JI, the various projects, products and indicative timelines for non-routine work, and the human and financial resources required. This MAP also includes tasks requested by Parties through decision 6/CMP.10.
2. On the basis of the planned activities and associated resource estimates, the budget for JI-related work for 2016 and 2017 is USD 1,653,996. The resources required to deliver some of the JI-related work will depend on the actual level of submissions.

### **2. Assumptions**

3. The Joint Implementation Supervisory Committee (JISC) is dedicated to the efficient and cost-effective functioning of the JI Track 2 procedure. Despite uncertainty with regard to the level and timing of submissions of determinations and verifications, resources still need to be maintained to ensure adequate operation of the JI Track 2 procedure. The JI MAP continues to reflect the cost sharing of cross-cutting activities and support, made possible through the secretariat's Sustainable Development Mechanisms (SDM) programme.
4. The JISC expects minimal submissions under the Track 2 procedure in the 2016–2017 period covered by this MAP, including project design documents (PDDs), determinations, monitoring reports and verifications. The projection of incoming submissions is the area of greatest uncertainty for the JISC, and thus represents a challenge with respect to planning, budgeting and allocating resources. The JISC notes the need to closely monitor the status of submissions and will continue to work with accredited independent entities (AIEs) and designated focal points (DFPs) to improve the reliability of the information available for estimating its project-related workload.
5. Considering the latest trends, it is probable that the JISC will receive no new applications for accreditation or requests for re-accreditation from AIEs during the next two years. In spite of this, the JISC expects an appropriate level of accreditation activities to maintain the JI accreditation process in accordance with the JI accreditation procedure, including performance assessments, and regular surveillance of existing AIEs.
6. Many activities to develop the products detailed 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 7. The secretariat may redeploy SDM human resources during the next two years on an as-needed basis to meet shifting short- and medium-term demands across the various activities.



### 3. Resource allocation

7. An overview of allocated resources is provided in table 1, broken down to show the resource allocation per objective, expressed as a percentage of the total allocation. It should be noted that 17 per cent of the budget is allocated to cross-cutting activities (see table 7).

**Table 1. Indicative allocation of resources by objective**

Objective	Title of objective	% of budget
1	Effective contribution to the future development of JI	24
2	Promotion of the mechanism	6
3	Maintain efficient operations of JI	53

### 4. Activities, estimated volumes and resource requirements

8. Tables 2 to 7 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 7 refer to the estimated direct effort of secretariat professional (P) and general service (G) staff respectively, required to perform the listed activities on an annual basis.

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

**Table 2. Activities, projects and associated staff needs for objective 1**

Activity	P-staff months	G-staff months	Total
<b>Market and policy analysis</b>	<b>1.5</b>	<b>0.5</b>	<b>2.0</b>
- Policy analysis (weekly)	1.4	0.5	1.9
- Quarterly market and policy reports	0.1	0.0	0.1
<b>Servicing of Party-level bodies</b>	<b>3.5</b>	<b>0.8</b>	<b>4.3</b>
- CMP (JI)	1.0	0.2	1.2
- Subsidiary Bodies (JI)	2.5	0.6	3.1
<b>Servicing of regulatory body</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>
- Report to the CMP (JI)	0.1	0.0	0.1
<b>Projects</b>	<b>3.5</b>	<b>0.5</b>	<b>4.0</b>

Activity	P-staff months	G-staff months	Total
*Analysis of JI experience to identify best practices	3.5	0.5	4.0

9. In addition to the routine operations in the areas of market and policy analysis, servicing the Parties and the JISC, there is also a project focusing on identifying JI best practices that will also be implemented in 2016 (see table 3).

**Table 3. Projects associated with objective 1**

Project	Project aim	Deliverables	Estimated timing	JISC consideration
<b>Analysis of JI experience to identify best practices</b>	To analyse the experience of JI and provide recommendations with a view to interacting with Parties that plan, implement or refine domestic cap and trade schemes	Concept note on best practices and lessons learned from JI	2016	Yes

#### 4.2. Objective 2: Promotion of the mechanism

**Table 4. Activities associated with objective 2**

Activity	P-staff months	G-staff months	Total
<b>Communication and outreach</b>	<b>1.9</b>	<b>0.8</b>	<b>2.7</b>
- 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	0.3	0.3
- CDM/JI Today	0.0	0.1	0.1

10. The JI mechanism is recognized by various stakeholders for its value as a tool to incentivize and focus investment on emission reduction projects in a capped

environment. The communication and outreach efforts in the biennium will focus on cooperating with these stakeholders, and engaging with the press, to better explain the benefits of JI to policymakers and potential new stakeholders.

#### 4.3. Objective 3: Maintain efficient JI operations

11. Though paragraph 4 of this appendix indicates that there is a minimal number of JI submissions expected under the Track 2 procedure for the period 2016-2017, estimates of 3.3 and 5.4 total staff months have been given for the project and entity assessments respectively. For project assessments 3.3 staff months is the minimum capacity needed in order to support any unforeseen submissions during aforementioned period. Regarding entity assessments, the accreditation of the two remaining AIEs will expire in mid-2016, hence little to no entity assessment activity is expected for the year. A minimum amount of resources has therefore been allocated to these activities. It should be noted that resources identified for the project assessments will be also used to implement any future mandates from the JISC and CMP.

**Table 5. Activities and projects associated with objective 3**

Activity	P-staff months	G-staff months	Total
<b>Entity assessments</b>	<b>4.6</b>	<b>0.8</b>	<b>5.4</b>
- Calibrate assessment team leads	0	0	0
- Performance assessments (determination)	1.1	0.2	1.3
- Performance assessments (verification)	2	0.3	2.3
- Regular surveillance	0	0	0
- Requests for initial accreditation	0	0	0
- Requests for re-accreditation	0	0	0
- Spot-checks	0.5	0.1	0.6
- Accreditation process	1	0.2	1.2
<b>Project assessments</b>	<b>2.7</b>	<b>0.6</b>	<b>3.3</b>
- Requests for JI determination finalization	0.2	0.1	0.3
- Requests for JI monitoring report publication	0.6	0.1	0.7

Activity	P-staff months	G-staff months	Total
- Requests for JI PDD publication	0.3	0.1	0.4
- Requests for JI Track 1 project publication	0.6	0.1	0.7
- Requests for JI verification finalization	0.8	0.1	0.9
- Requests for review	0.2	0.1	0.3
<b>External queries</b>	<b>1.3</b>	<b>0.4</b>	<b>1.7</b>
- AIE queries	0.0	0.0	0.0
- CDM/JI info	0.4	0.2	0.6
- DFP queries	0.6	0.2	0.8
- Letters to the JISC	0.0	0.0	0.0
- ERU issuance reports	0.3	0.0	0.3
<b>Servicing of panels/working groups</b>	<b>3.5</b>	<b>1.1</b>	<b>4.6</b>
- JI Accreditation Panel	2.0	0.5	2.5
- Roster of experts (JI)	1.5	0.6	2.1
<b>Servicing of regulatory body</b>	<b>4.0</b>	<b>2.0</b>	<b>6.0</b>
- JISC	4.0	2.0	6.0
<b>Regulatory management</b>	<b>0.9</b>	<b>0.4</b>	<b>1.3</b>
- Processing and managing official documents (JI)	0.9	0.4	1.3
<b>Projects</b>	<b>1.0</b>	<b>0.2</b>	<b>1.2</b>
- *Improvements of specific JI project-cycle processes	1.0	0.2	1.2

12. In addition to the routine operations in the areas of entity and project assessment, processing of external queries, and servicing panels and working groups, one project focused on efficient management of the processes under the JI mechanism will also be implemented in 2016 (see table 6).

**Table 6. Projects associated with objective 3**

Project	Project aim	Deliverables	Estimated timing	JISC consideration
<b>Improvements of specific JI project-cycle processes</b>	To standardize and document the JI process with a view to preserving institutional memory	Redrafted manual for JI information system workflow	2016	No

13. The estimated staff effort allocated to cross-cutting activities is shown in table 7.

**Table 7. Cross-cutting activities**

Activity	P-staff months	G-staff months	Total
Finance (includes budget reporting)	0.8	0.8	1.6
Human resources (includes recruitment and staff performance management)	0.5	0.4	0.9
Information and knowledge management	0.6	0.5	1.1
Travel planning	0.5	0.7	1.2
Management (includes internal meetings, legal advice, planning and monitoring/reporting on MAP, IT services, and information and knowledge management)	2.1	0.6	2.7

14. The secretariat effort to execute this MAP for 2016 amounts to a total of 44 staff months. This consists of 33 person months of professional staff and 11 person months of general service staff time.

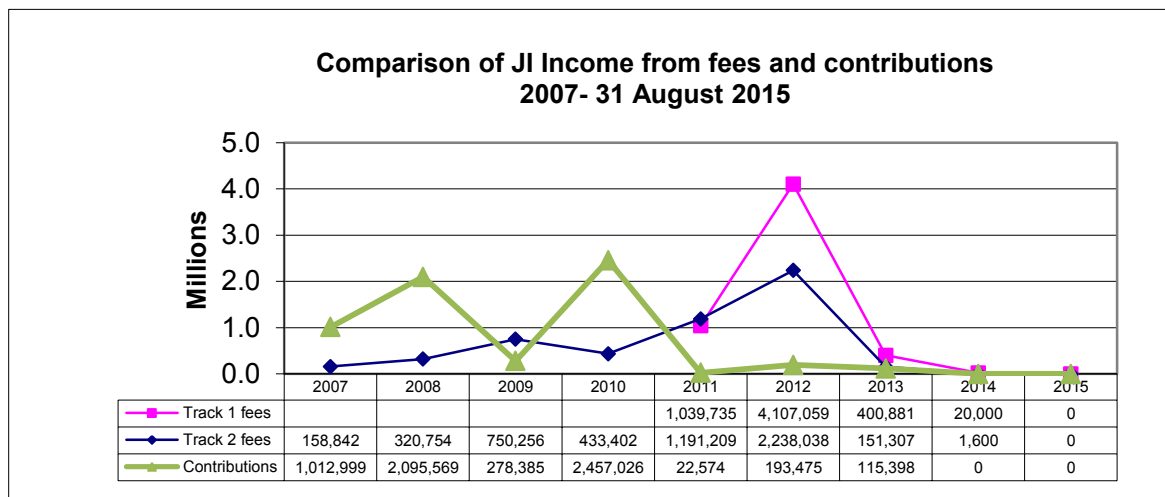
## 5. 2016–2017 programme budget

15. This chapter presents details on the 2016 and 2017 projected income from fees and a budget for the operation of the JI mechanism for the same period.

### 5.1. Income

16. No Track 1, Track 2 and voluntary contribution income have been received in 2015, as at 31 August. No income or close to zero income is expected in the 2016–2017 biennium.
17. Figure 1 shows the fees from Track 1 and Track 2 and the voluntary contributions provided by Parties from 2007 to 2015.

**Figure 1: Comparison of JI income from fees and contributions 2007–2015 (in United States dollars)**



## 5.2. Proposed 2016–2017 budget

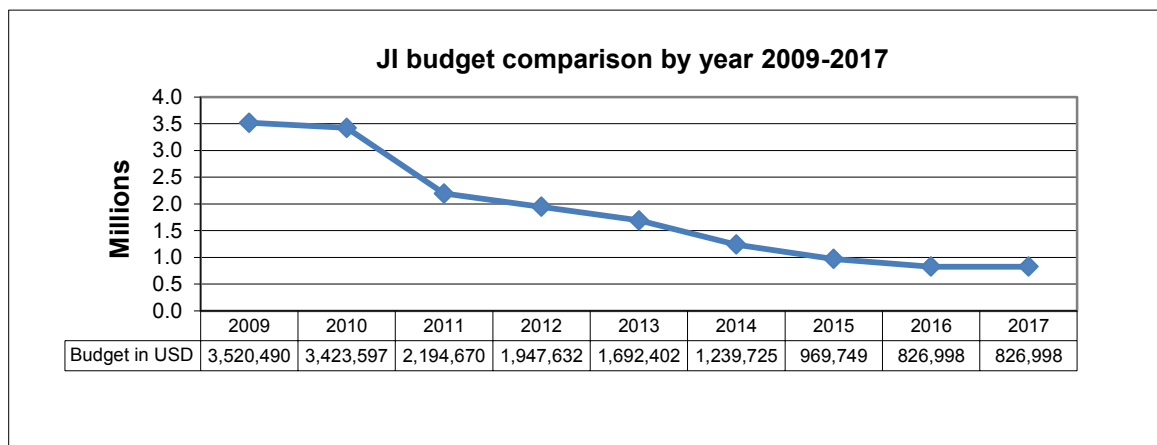
18. Table 8 provides the proposed 2016–2017 budget by object of expenditure for the operation of the JI mechanism. The principal component of the budget for 2016 and 2017 consists of staff and staff-related costs (59.2 per cent of the total budget).
19. The budget includes a provision for two scheduled meetings of the JISC per year, to be held in Bonn, Germany, over the two-year period. In addition, two meetings of the JI accreditation panel are planned per year (one to be held in Bonn and the other electronically via WebEx).
20. Budget reductions in staff costs in the 2016-2017 budgets, in comparison to the 2015 budget, reflects a change in the UNFCCC estimated standard cost per staff.
21. Budget reductions in expert fees and expert travel in the 2016-2017 budgets, in comparison to the 2015 budget, are due to an expected further decrease in project submissions and accreditation work in 2016 and 2017.

**Table 8. Proposed 2016-2017 budget by object of expenditure, compared against 2015 budget (in United States dollars)**

Object of expenditure	Budget 2015	Budget 2016	Budget 2017	% variance 2016 vs 2015	% variance 2017 vs 2016
<b>Staff</b>	584 571	488 346	488 346	-16.5%	0.0%
<b>General temporary assistance</b>	0	0	0	0.0%	0.0%
<b>Consultants</b>	0	0	0	0.0%	0.0%
<b>Expert fees</b>	44 096	19 600	19 600	-55.6%	0.0%
<b>Expert travel</b>	17 924	15 816	15 816	-11.8%	0.0%
<b>Staff-related costs</b>	1 576	1 576	1 576	0.0%	0.0%
<b>Travel of representatives</b>	89 622	89 622	89 622	0.0%	0.0%
<b>Travel of staff</b>	11 500	8 000	8 000	0.0%	0.0%
<b>Training and skills development</b>	1 000	1 000	1 000	0.0%	0.0%
<b>Operating expenses</b>	105 396	105 396	105 396	0.0%	0.0%
<b>Communications</b>	1 500	1 500	1 500	0.0%	0.0%
<b>Supplies</b>	1 000	1 000	1 000	0.0%	0.0%
<b>Total</b>	858 185	731 856	731 856	-14.7%	0.0%
<b>Programme support costs 13%</b>	111 564	95 141	95 141		
<b>Grand total</b>	<b>969 749</b>	<b>826 998</b>	<b>826 998</b>		

22. Figure 2 shows a comparison of the JI budget from 2009 to 2017.

**Figure 2 JI budget comparison by year 2009 to 2017**



### 5.3. Expenditure

23. Table 9 provides the comparison of the 2015 JI budget against expenditure as at 31 August 2015, by object of expenditure. The budget implementation rate for this period is 50.5 per cent, as compared to a 66 per cent expenditure rate using a linear projection.
24. The lower expenditure rate in staff cost, in comparison to the linear projection, is due to the difference between the secretariat-wide estimated standard cost per staff position, as compared to the actual expenditure.
25. The lower expenditure rate in expert fees and expert travel, in comparison to the linear projection, reflects the decrease in project submissions and accreditation work in 2015.
26. The lower expenditure rate in travel of representatives, travel of staff and operating expenses, in comparison to the linear projection, reflects the fact that all meetings related to the JI mechanism were held in Bonn during 2015.

**Table 9. Comparison of the 2015 JI budget against expenditure as at 31 August 2015 (in United States dollars)**

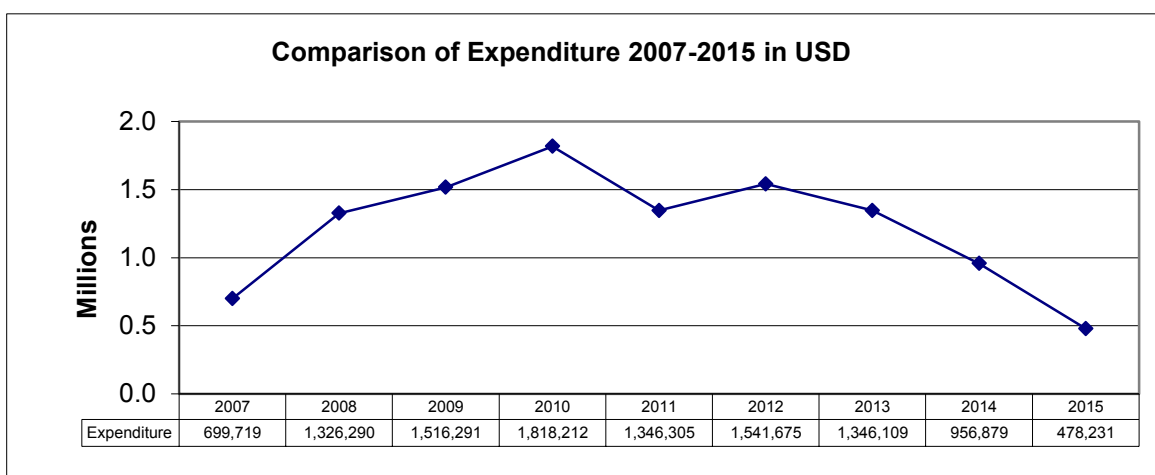
Object of expenditure	Budget 2015	Expenditure as at 31 August 2015	Expenditure vs. budget %
<b>Staff</b>	584 571	330 888	56.6%
<b>General temporary assistance</b>	0	0	0.0%
<b>Consultants</b>	0	0	0.0%
<b>Expert fees</b>	44 096	0	0.0%
<b>Expert travel</b>	17 924	487	2.7%
<b>Staff-related costs</b>	1 576	1 733	109.9%
<b>Travel of representatives</b>	89 622	52 756	58.9%
<b>Travel of staff</b>	11 500	0	0.0%



Object of expenditure	Budget 2015	Expenditure as at 31 August 2015	Expenditure vs. budget %
Training and skills development	1 000	377	37.7%
Operating expenses	105 396	46 728	44.3%
Communications	1 500	273	18.2%
Supplies	1 000	201	20.1%
<b>Total</b>	<b>858 185</b>	<b>433 443</b>	<b>50.5%</b>
<b>Programme support costs 13%</b>	<b>111 564</b>	<b>44 788</b>	
<b>Grand total</b>	<b>969 749</b>	<b>478 231</b>	

27. Figure 3 provides a comparison of expenditure for the years 2007 to 2015. A gradual increase in total expenditure in the period from 2008 to 2010 is observed with a considerable decrease in 2011.

**Figure 3 Comparison of expenditure from 2007 to August 2015 (in United States dollars)**



#### 5.4. Closing remarks

28. Table 10 provides a summary of the projected fund balance for the JI mechanism at the end of 2017. The projections in this table are based on the assumption that, although a continued decrease in project submissions and accreditation work is expected, the 2016–2017 budget must provide for, and ensure, that sufficient infrastructure and capacity for the mechanism’s use by Parties remains in place until at least the end of the additional period for fulfilling commitments under the second commitment period of the Kyoto Protocol.
29. As can be seen in table 10, the balance of funds available at the end of 2015 (USD 6.7 million) is sufficient to cover the planned JI activities up until the end of the period 2016–2017 covered by this MAP, at which time a projected surplus, as at 31 December 2017, of just under USD 5.1 million would be available to implement JI activities in the period from 2018 and beyond.

**Table 10. Summary of the projected fund balance for the JI mechanism at end of 2017 (in United States dollars)**

	Projections		
	2015	2016	2017
<b>Carry over from prior year (2014)</b>	7 551 936	6 724 938	5 897 940
<b>Track 1 fees</b>	0	0	0
<b>Track 2 fees</b>	0	0	0
<b>Contributions from Parties</b>	0	0	0
<b>Total income</b>	<b>7 551 936</b>	<b>6 724 938</b>	<b>5 897 940</b>
<b>Less projected expenditure<sup>(a)</sup></b>	826 998	826 998	826 998
<b>Fund balance</b>	<b>6 724 938</b>	<b>5 897 940</b>	<b>5 070 942</b>

<sup>(a)</sup> Projected expenditure as at 31 December 2015 with the assumption that expenditure remains constant over the 2 year period.

## 6. Human resources

30. As at July 2015, there are four full-time equivalent staff members supporting work related to the JI mechanism in the SDM programme.

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