



**UNITED
NATIONS**



**Framework Convention
on Climate Change**

Distr.
GENERAL

FCCC/KP/CMP/2008/3 (Part I)
24 October 2008

Original: ENGLISH

**CONFERENCE OF THE PARTIES SERVING AS THE
MEETING OF THE PARTIES TO THE KYOTO PROTOCOL**
Fourth session
Poznan, 1–12 December 2008

**Item 6 of the provisional agenda
Issues relating to joint implementation**

**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**

Note by the secretariat*

Part I

Summary

This annual report of the Joint Implementation Supervisory Committee (JISC) to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) covers activities during the period from 20 October 2007 to 12 September 2008, the closing date of the twelfth meeting of the JISC.

The report recommends actions to be taken by the CMP at its fourth session. It also refers to work undertaken by the JISC during this reporting period, including on the further operationalization of the verification procedure under the JISC and the associated project caseload, and operation of the joint implementation accreditation process. The report also highlights the areas of governance, management and resources, in particular noting the need for adequate and predictable resources to ensure an effective implementation of joint implementation activities.

Based on this information, the CMP may wish to provide further guidance on joint implementation to the JISC.

* This document was submitted after the due date in order to take into account the outcomes of the twelfth meeting of the Joint Implementation Supervisory Committee.

CONTENTS

	<i>Paragraphs</i>	<i>Page</i>
I. EXECUTIVE SUMMARY	1–4	3
II. INTRODUCTION	5–11	3
A. Mandate	5–6	3
B. Scope of the report	7–9	4
C. Action to be taken by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol	10–11	4
III. WORK UNDERTAKEN SINCE THE REPORT OF THE JOINT IMPLEMENTATION SUPERVISORY COMMITTEE TO THE THIRD SESSION OF THE CONFERENCE OF THE PARTIES SERVING AS THE MEETING OF THE PARTIES TO THE KYOTO PROTOCOL	12–30	5
A. Summary of the work undertaken.....	12–15	5
B. Verification procedure under the Joint Implementation Supervisory Committee	16–20	5
C. Accreditation process for independent entities	21–30	7
IV. GOVERNANCE MATTERS	31–58	8
A. Provisions for charging fees and for cooperation with other bodies and stakeholders.....	31–33	8
B. Work undertaken and action taken	34–39	9
C. Membership	40–41	10
D. Calendar of meetings in 2008.....	42–44	11
E. Transparency, communication and information.....	45–51	11
F. Role of the secretariat.....	52–58	12
V. RESOURCES	59–67	13
A. Joint implementation management plan 2008–2009	59–61	13
B. Resources for the work on joint implementation	62–67	14
VI. SUMMARY OF DECISIONS	68	15

Annex

Status of contributions to support joint implementation activities in the biennium 2008–2009 (as at 12 September 2008)	16
---	----

I. Executive summary

1. This annual report of the Joint Implementation Supervisory Committee (JISC) to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) covers activities during the period from 20 October 2007 to 12 September 2008, the closing date of the twelfth meeting of the JISC, in which the JISC held four meetings, and one workshop with stakeholders was organized. The report does not cover the period from 13 September to 30 November 2008; however, the Chair of the JISC, Mr. Georg Børsting, will highlight any relevant matters during this period in his oral report to the CMP.

2. The report recommends actions to be taken by the CMP at its fourth session. It also refers to work undertaken by the JISC during the reporting period, including on the further operationalization of the verification procedure under the JISC (hereinafter referred to as the Track 2 procedure) and the associated project caseload, and operation of the joint implementation accreditation process. Based on this information, the CMP may wish to provide further guidance on joint implementation (JI) to the JISC.

3. The report also highlights the areas of governance, management and resources, which are critical to ensuring the efficient, cost-effective and transparent functioning of the JISC. With regard to the status of the Track 2 procedure, it notes that 155 project design documents (PDDs) have been submitted and published on the UNFCCC JI website and that five positive determinations regarding PDDs have been accepted by the JISC. The 155 JI projects described in the PDDs would achieve emission reductions of approximately 280 million tonnes of carbon dioxide equivalent (t CO₂ eq) during the first commitment period of the Kyoto Protocol. The five projects that have received positive determinations would achieve reductions of 10 million t CO₂ eq in the same period.

4. The JISC, in the revision of the JI management plan for 2008–2009,¹ notes that while it has reduced the estimated budget for the biennium, limited contributions by Parties for 2008–2009 have been received, and it reiterates the urgent need for adequate and predictable resources to implement its activities. The JISC notes that a lack of such contributions could result in envisaged work and planned activities with regard to the accreditation of independent entities (IEs) and consideration of determinations not being undertaken.

II. Introduction

A. Mandate

5. The CMP, by its decision 10/CMP.1, established the JISC to supervise, inter alia, the verification of emission reduction units generated by projects under Article 6 of the Kyoto Protocol (hereinafter referred to as JI projects) as per the guidelines for the implementation of Article 6 of the Kyoto Protocol (hereinafter referred to as the JI guidelines).²

6. The JI guidelines require that the JISC reports on its activities to each session of the CMP and that the CMP provides guidance regarding the implementation of Article 6 of the Kyoto Protocol and exercises authority over the JISC.

¹ FCCC/KP/CMP/2008/3 (Part II).

² Decision 9/CMP.1, annex.

B. Scope of the report

7. This report provides information on work undertaken by the JISC since its report to the CMP at its third session. Since completing the operationalization of the Track 2 procedure³ in 2006, the JISC has been working on the operation of the procedure. This report gives information on the decisions and actions taken by the JISC in the further operationalization and operation of the Track 2 procedure and highlights issues the CMP may wish to consider at its fourth session. The report also addresses governance issues, notably measures undertaken to ensure the efficient, cost-effective and transparent functioning of the JISC, as well as resource requirements and actual resources available for the work on JI during the 2008–2009 biennium.

8. The report highlights work accomplished and challenges over the reporting period (defined in para. 9 below) and summarizes the status of JI-related matters handled by the JISC during that time. Full details on operations and functions of the JISC are available on the UNFCCC JI website, which is the central repository for reports of meetings of the JISC and documentation on all matters agreed by the Committee.⁴

9. The report covers the period from 20 October 2007 to 12 September 2008 (the reporting period). The report does not cover the period from 13 September to 30 November 2008; however, the Chair will highlight any relevant matters during this period in his oral report to the CMP.

C. Action to be taken by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

10. After reviewing the annual report of the JISC and taking note of all matters agreed by the Committee, the CMP, at its fourth session, may wish:

- (a) To provide further guidance relating to JI, notably to the JISC;
- (b) To take note of the revised JI management plan covering the biennium 2008–2009;
- (c) To urge Parties included in Annex I to the Convention (Annex I Parties) to make contributions to the Trust Fund for Supplementary Activities for funding the work on JI in the biennium 2008–2009, at a level that would allow the full implementation of the JI management plan for the biennium;
- (d) To elect two members and two alternate members to the JISC from each of the following constituencies for a term of two years, based on nominations being received:
 - (i) Annex I Parties that are undergoing the process of transition to a market economy;
 - (ii) Other Annex I Parties;
- (e) Elect one member and one alternate member to the JISC from Parties not included in Annex I to the Convention (non-Annex I Parties), for a term of two years, based on nominations being received.

³ Defined in paragraphs 30–45 of the JI guidelines.

⁴ See <<http://ji.unfccc.int>>. Further details on operations, functions, agreements and decisions of the JISC are also available on this website.

11. The CMP is also to elect an additional alternate member from a non-Annex I Party to replace, for the remainder of the term, an alternate member who has resigned (see para. 41 below). The JISC was not able to appoint a new alternate member prior to the fourth session of the CMP as no nomination had been received from the constituency concerned.

III. Work undertaken since the report of the Joint Implementation Supervisory Committee to the third session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

A. Summary of the work undertaken

12. With the official launch of the Track 2 procedure in October 2006, the JISC shifted its focus to the operation of the procedure. Over the past two years it has handled project-related submissions and worked, including through its accreditation panel, on the accreditation of applicant IEs. Moreover, it has issued guidance and clarifications, where necessary, with regard to both the accreditation procedure and the Track 2 procedure.

13. To ensure that information on decisions by the JISC and the process leading thereto was well communicated, members and alternate members of the JISC, and the secretariat, convened and/or took part in a number of events at which processes were explained and results presented. The JISC took note of interests and concerns of stakeholders and, wherever feasible and appropriate, sought to address them through improvements to the processes and procedures.

14. The JISC has prepared a revised JI management plan,⁵ covering the biennium 2008–2009, taking into account a proposal by the Executive Secretary, and with the assistance of the secretariat. This plan has been formulated to ensure adequacy of support for the JISC and its work, aiming to make best use of time and resources in handling the workload and meeting future challenges.

15. In summary, the JISC has worked hard to perform its functions and tasks efficiently and effectively. It should be noted that the achievements were made possible by the time and effort devoted by members and alternate members of the JISC, the JI accreditation panel (JI-AP) and the secretariat.

B. Verification procedure under the Joint Implementation Supervisory Committee

16. Since the launch of the Track 2 procedure, the JISC has increasingly focused on information submitted concerning JI projects. However, with a view to improving the operation of the Track 2 procedure, the JISC also considered and took decisions, taking into account the needs of the stakeholders concerned.

1. Operation of the Track 2 procedure

17. As at 12 September 2008, 155 PDDs had been submitted and made publicly available on the UNFCCC JI website, in accordance with paragraph 32 of the JI guidelines. During the first commitment period of the Kyoto Protocol, all these projects together would achieve reductions of emissions by sources of approximately 280 million t CO₂ eq.⁶

⁵ FCCC/KP/CMP/2008/3 (Part II).

⁶ This figure is based on the indications given in the PDDs, as determined.

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

- (a) Five positive determinations regarding PDDs for projects located in three host Parties⁷ 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 reductions of emissions by sources of approximately 10 million t CO₂ eq,⁸
- (b) One determination was rejected by the JISC.

19. Detailed information on the determinations referred to in paragraph 18 above is available under the heading “JI Projects” on the UNFCCC JI website.

2. Further operationalization of the Track 2 procedure

20. During the reporting period, the JISC also considered ways to enhance the efficiency and smooth operation of the Track 2 procedure, as follows:⁹

- (a) At its ninth meeting, the JISC agreed on procedures for the withdrawal of project participants after final determination under the verification procedure under the JISC;
- (b) Based on the discussion of the time frame for carrying out the steps for reviews referred to in paragraph 39 of the JI guidelines and of options for further facilitating their implementation, the JISC, at its tenth meeting, agreed on revised procedures for reviews under the verification procedure under the JISC, and highlighted, in this context, the need for a well-coordinated schedule of a sufficient number of meetings of the JISC;
- (c) At its eleventh meeting, the JISC noted that project participants and/or the accredited independent entities (AIEs) may, as appropriate, submit revised documentation (e.g. PDD or determination report) in the course of interactions with the review team during a detailed review, and that internal forms for the review procedures had been agreed on accordingly;
- (d) Also at its eleventh meeting, the JISC noted that, in principle, under the Track 2 procedure, a determination referred to in paragraph 37 of the JI guidelines may relate to reductions of emissions by sources or enhancements of removals by sinks achieved during a monitoring period that started before a positive determination regarding a PDD became final in accordance with paragraph 35 of the JI guidelines. However, the JISC emphasized that the AIE, in this context, shall also assess whether the reductions of emissions by sources or enhancements of removals by sinks were monitored and calculated in accordance with the determination regarding the PDD;
- (e) At its twelfth meeting, the JISC considered the need to revise its guidance on criteria for baseline setting and monitoring, and decided not to revise it at this stage, but to keep it under review based on experience and requests for clarification, procedures for which are being developed for early adoption.

⁷ Bulgaria, Lithuania and Ukraine.

⁸ This figure is based on the indications given in the PDDs, as determined.

⁹ See <http://ji.unfccc.int/Sup_Committee/Meetings/index.html>.

C. Accreditation process for independent entities

21. The JI-AP held five meetings during the reporting period. Since the announcement on 26 October 2006 that the JI accreditation process would start on 15 November 2006, 15 applications for accreditation from IEs have been received. All of these applications are from entities that also applied for accreditation under the clean development mechanism (CDM); 13 of these may act provisionally as AIEs under JI for at least one function (determination regarding a PDD or determination of reductions of emissions by sources or enhancements of removals by sinks) in at least one sectoral scope, in accordance with decision 10/CMP.1, paragraph 3, and the JISC clarification regarding conditions for designated operational entities for acting provisionally as AIEs (C-JI-ACCR-01).¹⁰

22. The JI-AP has established JI assessment teams (JI-ATs) for all 15 applications for accreditation by selecting experts from the roster of experts established for this purpose, and the assessment work by the JI-ATs is under way. Based on the assessment work of the JI-ATs, the JI-AP issued “indicative letters” (letters indicating successful completion of the desk review and the on-site assessment) to eight applicant IEs during the reporting period. There are currently 37 experts on the roster, selected from three public calls conducted in 2006 and 2007. The JI-AP noted that further public calls will be made as necessary to supplement the roster of experts.

23. At its ninth meeting, the JISC, following the recommendation by the JI-AP:

- (a) Adopted a revised procedure (version 03) for accrediting IEs, modifying, inter alia, the sequence and contents of assessment reporting by JI-ATs, and the timing of commenting by applicant IEs on assessment reports for on-site assessments and witnessing activities;
- (b) Issued a clarification regarding the timing of witnessing activities, intending to allow witnessing activities to be conducted more effectively.

24. Following the resignation of a JI-AP member, Mr. Vijay Mediratta, as of 6 November 2007, and the result of a subsequent call for experts, the JISC, at its ninth meeting, selected Mr. Edwin Aalders as a new JI-AP member. Mr. Aalders took up his work on 5 December 2007 and started participating in JI-AP meetings from the ninth meeting onwards.

25. At its tenth meeting, the JISC noted that the JI-AP had revised forms to be used during the assessment of applicant IEs and a guidance document for JI-ATs to ensure consistency in their assessment work. At the same meeting, the JISC agreed on the modalities for electing JI-AP members for the present year and for future years based on the provisions regarding membership of the JI-AP set out in the rules of procedure and terms of reference of the JI-AP.

26. At its tenth meeting, the JISC also considered the existing rules and history regarding the election of the Chair and Vice-Chair of the JI-AP. The JISC agreed to discuss at the first JISC meeting of each calendar year whether to replace the existing Chair and/or Vice-Chair of the JI-AP, and, if a decision is made to replace, to select a new Chair and/or Vice-Chair at the same meeting. With regard to the present year, the JISC, based on the practice agreed, decided to request the existing Chair (Mr. Oleg Pluzhnikov) and Vice-Chair (Ms. Fatou Gaye) to continue to serve the JI-AP.

27. At its eleventh meeting, the JISC:

- (a) Adopted, following the recommendation by the JI-AP, a revised clarification regarding scopes and steps of witnessing activities under the JI accreditation procedure, intending to allow witnessing activities to be conducted more effectively;

¹⁰ See <<http://ji.unfccc.int/Ref/Guida.html>>.

- (b) Selected the following experts as members of the JI-AP for a term starting from its thirteenth meeting for the indicated length of time:
- Ms. Anikó Pogány (two years)
 - Mr. Arek Sinanian (two years)
 - Mr. Massamba Thioye (two years)
 - Mr. Shinichi Iioka (one year)
 - Ms. Maureen Mutasa (one year)
 - Mr. Takashi Otsubo (one year).

28. At its tenth meeting, the JISC decided to establish a communication channel between the JISC and applicant and accredited IEs as a means of collaboration (see para. 37 below).

29. At its twelfth meeting, the JISC discussed the need to facilitate the accreditation process. It decided to request the JI-AP to consider possible measures to achieve this, with an emphasis on the witnessing stage, and to make a recommendation to the JISC in this regard at its thirteenth meeting for its consideration.

30. The JISC expressed its appreciation of the efficient work of the JI-AP and the resulting progress made in the JI accreditation process during the reporting period.

IV. Governance matters

A. Provisions for charging fees and for cooperation with other bodies and stakeholders

Mandate and background

31. The CMP, by its decision 10/CMP.1, requested the JISC to develop provisions for charging fees to cover administrative costs relating to the activities of the JISC. The JISC developed these provisions and subsequently reported to the CMP at its second session. By its decision 3/CMP.2, the CMP endorsed the fee structure proposed by the JISC and requested the JISC to report annually to the CMP on the revenue received by the secretariat to cover administrative costs relating to the activities of the JISC, with a view to reviewing these arrangements as necessary.¹¹

32. In its decision 3/CMP.3, the CMP also noted that income from fees to cover administrative costs relating to the activities of the JISC will accrue during the biennium 2008–2009 and that income from fees may cover the administrative expenses only as of the beginning of 2010 at the earliest. In this regard, in reporting to the CMP on revenues received (see chapter V below), the JISC would like to bring to the attention of the CMP the limited revenues that have accrued to date, and thus the possibility that income from fees may not be adequate to cover expenses from 2010 onwards.

33. The CMP, by its decision 10/CMP.1, encouraged the JISC to collaborate with:

- (a) The Executive Board of the CDM;

¹¹ The provisions for charging fees to cover administrative costs relating to the activities of the JISC were revised to incorporate preferential treatment of JI small-scale projects and were submitted to the CMP for endorsement at its third session (decision 3/CMP.3).

- (b) The Compliance Committee under the Kyoto Protocol, in particular with regard to the list of Parties referred to in paragraph 27 of the JI guidelines;
- (c) The designated focal points (DFPs) for Article 6 under the Kyoto Protocol;
- (d) Observers to meetings of the JISC, referred to in paragraph 18 of the JI guidelines, through regular question-and-answer sessions held in this context.

B. Work undertaken and action taken

34. At each of its meetings during the reporting period, the JISC took note of the status of revenues received by the secretariat to date from fees to cover administrative costs relating to JISC activities. Revenues amounting to USD 320,754 were received from the advance payments of the fee for the processing of verification reports. No applications for accreditation were received during the reporting period.

35. At each meeting, the JISC discussed cooperation with other bodies, taking into account the request of the CMP by its decision 10/CMP.1 (referred to in para. 33 above), and agreed that, in addition to its regular interactions (see paras. 38 and 39 below), it would collaborate as and when the need arises. With regard to collaboration with the CDM Executive Board, communication has continued as necessary, including through the accreditation panels of the JISC and the CDM Executive Board.

36. In relation to the mandate referred to in paragraph 33 (c) above, the JISC noted the information on the designation of focal points for approving JI projects submitted to the secretariat so far in accordance with paragraph 20 of the JI guidelines, and encouraged the submission of information regarding subparagraphs (a) and (b) of that paragraph. To ensure opportunities to interact and collaborate, the DFPs were invited to participate in the JI workshop held in September 2008. This allowed for discussions among DFPs and the JISC, as well as among DFPs themselves, and helped to provide feedback to the JISC on its operation and operationalization of the Track 2 procedure and to the secretariat on DFP-related issues (communication, information, etc.) and suggestions for further improvement.

37. At its tenth meeting, the JISC decided:

- (a) To recognize the DOE/AIE coordination forum as a communication channel between the JISC and applicant and accredited IEs;
- (b) To invite written inputs from the forum to be submitted 14 days before each JISC meeting at the latest for discussion at that meeting under an agenda item dedicated to interactions between the JISC and the forum on issues relevant to applicant and accredited IEs;
- (c) To request the secretariat to facilitate the organization of meetings of the forum by, inter alia:
 - (i) Providing and moderating a listserv for communication among applicant and accredited IEs belonging to the forum;
 - (ii) Forwarding the written inputs from the forum to the JISC;
 - (iii) Drafting minutes of forum meetings on JI issues;
 - (iv) Supporting the JI Chair (of the forum) during JISC meetings.

38. Based on this decision, the JISC started regular interactions with the DOE/AIE coordination forum at its eleventh meeting.

39. With regard to the mandate referred to in paragraph 33 (d) above, the JISC has continued to have question-and-answer sessions with registered observers at each of its meetings and to webcast these sessions.¹²

C. Membership

40. The CMP, by its decision 9/CMP.1, established the JISC; subsequently the CMP elected members and alternate members of the JISC in accordance with paragraphs 4, 5 and 8 of the JI guidelines. At its third session, the CMP elected members and alternate members to replace those whose terms were ending (see table 1). At its tenth meeting (its first meeting of the calendar year 2008), the JISC elected by consensus Mr. Børsting, a member from an Annex I Party, as its Chair, and Mr. Derrick Oderson, a member from a non-Annex I Party, as its Vice-Chair. The tenures of the Chair and Vice-Chair will end immediately before the first meeting of the JISC in 2009.

41. During the reporting period, two alternate members resigned: Ms. Astrida Celmina and Mr. Vincent Kasulu Seya Makonga. Ms. Celmina resigned as of 4 December 2007 and Mr. Makonga's resignation was effective immediately after the eleventh meeting of the JISC, which took place on 16–17 June 2008. In the former case, a replacement for Ms. Celmina was elected by the CMP at its third session in conjunction with the election of new members and alternate members. In the latter case, the JISC decided to request the relevant constituency to nominate a new alternate member, in accordance with rule 8 of the rules of procedure of the JISC. As at 12 September 2008, the relevant constituency had not nominated a replacement, and in the absence of a nomination, the CMP may elect a new alternate member at its fourth session in the context of the regular election of members and alternate members by the CMP.

Table 1. 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 third session

Members	Alternate members	Nominated by
Mr. Olle Björk ^a	Mr. Franzjosef Schafhausen ^a	Other Annex I Parties
Mr. Maurits Blanson Henkemans ^b	Mr. Hiroki Kudo ^b	Other Annex I Parties
Mr. Georg Børsting ^b (Chair)	Mr. Benoît Leguet ^b	Other Annex I Parties
Mr. Muhammed Quamrul Chowdury ^a	Mr. Maosheng Duan ^a	Non-Annex I Parties
Mr. Carlos Fuller ^a	Mr. Javier Andrés Hubenthal ^a	Non-Annex I Parties
Ms. Fatou Gaye ^b	(Mr. Vincent Kasulu Seya Makonga; resigned) ^{b, c}	Non-Annex I Parties
Mr. Derrick Oderson ^a (Vice-Chair)	Ms. Ngedikes Olai Uludong-Polloi ^a	Alliance of Small Island States
Mr. Oleg Pluzhnikov ^a	Ms. Agnieszka Gałan ^a	Annex I Parties with economies in transition
Ms. Daniela Stoycheva ^b	Mr. Georgiy Geletukha ^b	Annex I Parties with economies in transition
Mr. Vlad Trusca ^b	Mr. Matej Gasperic ^b	Annex I Parties with economies in transition

^a Term: two years, ending immediately before the first meeting of the Joint Implementation Supervisory Committee (JISC) in 2010.

^b Term: three years, ending immediately before the first meeting of the JISC in 2009.

^c Effective immediately after the eleventh meeting of the JISC, which took place on 16–17 June 2008.

¹² <http://ji.unfccc.int/Sup_Committee/Meetings>.

D. Calendar of meetings in 2008

42. The JISC adopted a tentative meeting schedule for 2008 at its ninth meeting, and revised it at its subsequent meetings as necessary, deciding to schedule four meetings during 2008 (see table 2). Although the JISC considered earlier in the year the possibility of scheduling a fifth meeting, it decided not to (at its twelfth meeting), noting the need to be efficient in its work and use of resources.

Table 2. Joint Implementation Supervisory Committee meetings in 2008

Meeting	Date	Location
Tenth	21–22 February	UNFCCC headquarters, Bonn, Germany
Eleventh	16–17 June	UNFCCC headquarters (in conjunction with the twenty-eighth sessions of the subsidiary bodies)
Twelfth	11–12 September	UNFCCC headquarters
Thirteenth	27–28 November	Poznan, Poland (in conjunction with the twenty-ninth sessions of the subsidiary bodies and the fourth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol)

43. The annotated agendas for the JISC meetings, as well as documentation supporting agenda items, and reports containing all agreements reached by the JISC, are available on the UNFCCC JI website.¹³

44. To ensure the efficient organization and management of work, the meetings of the JISC in the reporting period were preceded by informal consultations lasting one day.

E. Transparency, communication and information

45. Rule 21 of the rules of procedure of the JISC requires that the work of the JISC be transparent, subject to the need to protect confidential information. This encompasses the timely public availability of documentation and channels through which external comments by all Parties and all UNFCCC accredited observers and stakeholders can be submitted for consideration by the JISC.¹⁴ Rule 20 of the rules of procedure of the JISC requires that documentation be made available via the Internet.¹⁵ Furthermore, the JI guidelines (in particular para. 16) require that decisions by the JISC be made available to the public.¹⁶

46. The UNFCCC JI website is the principal means by which these requirements are met. It contains reports of meetings of the JISC, documentation on all matters agreed by the JISC, and documentation relating to operations and functions of the JISC, JI-AP, AIEs, project participants, experts, the public and the secretariat. It also presents information made available by DFPs established by Parties and notified to the secretariat. In addition, the website contains a wide range of background documentation relating to JI (ranging from CMP decisions to application forms for experts). Furthermore, it provides, as appropriate, interfaces for public input on various topics as deemed necessary by the JISC and for experts to apply for membership of supporting bodies (e.g. the JI-AP). Linked to the website is the JI News facility, which sends the latest information on JI to more than 1,500 subscribers.¹⁷

¹³ <http://ji.unfccc.int/Sup_Committee/Meetings>.

¹⁴ At its first meeting, the JISC had agreed that communications addressed to the JISC, or its members and alternate members, received by the secretariat would be made available on the JISC extranet and that all such communications would receive a standard acknowledgement of receipt. On this basis, the JISC, at its seventh meeting, agreed on procedures for communication of the public with the JISC.

¹⁵ Includes agendas, draft work programmes and annotations to proposed agendas.

¹⁶ <http://ji.unfccc.int/Sup_Committee/Meetings>.

¹⁷ As at 1 September 2008.

47. The secretariat also operates two extranets and 50 listserves to promote efficient, cost-effective and transparent exchange of information between the JISC, the JI-AP, JI-ATs and the secretariat. These electronic facilities are essential for the smooth and cost-effective functioning of the JISC. Additional extranets, improved contact and expert roster interfaces and a messaging centre to facilitate communications relating to the Track 2 procedure and the accreditation process under the JISC, may be added in future.

48. In accordance with paragraph 18 of the JI guidelines and rule 22 of the rules of procedure of the JISC, all Parties and UNFCCC accredited observers and stakeholders may attend JISC meetings as observers, except where otherwise decided by the JISC, provided they register at least two weeks before the meeting. In addition, the JISC held question-and-answer sessions as side events of CMP 3 and the twenty-eighth sessions of the subsidiary bodies, which were open to all participants of the sessions.¹⁸

49. To further improve transparency, the JISC webcasts its meetings and its question-and-answer sessions, to the extent possible.¹⁹

50. In addition, one workshop on JI was held in Bonn, Germany, on 9 and 10 September 2008.²⁰ Organized by the secretariat, the workshop brought together JISC members and alternate members, and more than 50 experts on project-based mechanisms, including DFPs, applicant IEs, non-governmental and intergovernmental organizations, project participants, project developers and consultants. Workshop participants shared experiences, views and information on JI and the progress of the work of the JISC, and discussed the expectations of various stakeholders in the process, in particular with regard to methodological issues and use of PDDs, as well as the work of the AIEs. The first day of the workshop was organized as round-table discussions between the JISC, applicant IEs, and invited project participants, developers and consultants. On the second day of the workshop, involving all stakeholders, discussions focused on methodological and PDD-related issues as well as other critical issues relating to the operation of the Track 2 procedure and the accreditation process under the JISC.

51. During the interactions the JISC has had with the various actors and stakeholders in the JI process, it has taken note of concerns and suggestions raised. The JISC has striven to give them due consideration in the implementation of its work programme. Additionally, concerns have been raised with regard to the need for clarity about the role of JI beyond the first commitment period of the Kyoto Protocol.

F. Role of the secretariat

52. The UNFCCC secretariat services the JISC, in accordance with paragraph 19 of the JI guidelines and rule 28 of the rules of procedure of the JISC.

53. The secretariat provided administrative, logistical and substantive support to four JISC meetings and five JI-AP meetings during the reporting period. It also administered the workflows behind the processes (accreditation and project cycle), developed and maintained the JI information system and the Web interfaces for calls for public input and experts, and responded to external queries.

54. The secretariat has maintained and is further developing the JI information system for supporting the workflow associated with the Track 2 procedure and the necessary interface with the international transaction log (ITL) to ensure timely and accurate communication of JI-project-related information to the ITL.

¹⁸ <<http://ji.unfccc.int/Workshop>>.

¹⁹ <http://ji.unfccc.int/Sup_Committee/Meetings> and <<http://ji.unfccc.int/Workshop>>.

²⁰ A report is available at <<http://ji.unfccc.int/Workshop>>.

55. The CMP, by its decision 3/CMP.3, requested the secretariat, inter alia, with a view to establishing an overview of all JI projects, to develop a web-based interface that shall be used by DFPs of Parties that have provided information in accordance with paragraph 20 of the JI guidelines, inter alia, with a view to establishing an overview of all JI projects, and host JI projects:

- (a) To provide transparent access to project information published in accordance with paragraph 28 of the JI guidelines;
- (b) To provide information to the ITL on the establishment of JI projects implemented in accordance with paragraph 23 of the JI guidelines (also referred to as JI Track 1 projects);
- (c) To receive project identifiers of JI projects issued by the JI information system, thereby ensuring their uniqueness, and used by the ITL.

56. Based on this request, the secretariat developed an interface on the UNFCCC JI website and made it available to DFPs. As a result of this development, an overview of all JI projects (Track 1 and Track 2) is available on the website.²¹

57. The number of secretariat staff supporting the JISC when it was established was small. Although additional staff members have been recruited, the JI section of the secretariat may need more staff as the process evolves. To ensure the long-term provision of timely, high-quality support to the JISC, particularly with respect to case handling under the accreditation and Track 2 procedures, the resources requirement will need to be carefully reviewed as the work associated with the procedures proceeds, as reflected in the JI management plan for 2008–2009.²²

58. The secretariat undertook fund-raising in support of the work on JI, managed contributions from Parties, and reported regularly to the JISC on the status of resources (see chapter V below).

V. Resources

A. Joint implementation management plan 2008–2009

59. The CMP, by its decisions 3/CMP.2 and 3/CMP.3, requested the JISC to keep the JI management plan under review and make adjustments as necessary to continue ensuring the efficient, cost-effective and transparent functioning of the JISC and related activities on JI by, inter alia:

- (a) Identifying and implementing further measures aimed at strengthening the JI process and its responsiveness to the needs of Parties and stakeholders;
- (b) Adopting appropriate management indicators.

60. At its twelfth meeting, the JISC considered and agreed on the revised management plan for 2008–2009 prepared by the secretariat, as contained in document FCCC/KP/CMP/2008/3 (Part II).²³ The revisions to the management plan take into account the increasing workload expected with regard to the project cycle caseload and ongoing work towards accreditation of IEs. However, the JISC has taken into account the present uncertainty as regards the level of activities to be undertaken, and in continuing to try to contain costs associated with its related activities, while ensuring the efficiency of its work, it has made the required revisions to the plan while not increasing the overall costs of its activities for the biennium.

²¹ <http://ji.unfccc.int/JI_Projects/ProjectInfo.html>.

²² FCCC/KP/CMP/2008/3 (Part II).

²³ The original management plan is contained in document FCCC/KP/CMP/2007/4 (Part II).

61. The JISC noted the need, in accordance with decision 3/CMP.2, to develop appropriate management indicators. The JISC has begun this work, considering the issue at its ninth, tenth and twelfth meetings. Specifically, it has tested some preliminary indicators and, working with the secretariat, will further refine indicators to be used at its thirteenth meeting. The JISC will subsequently report to the CMP.

B. Resources for the work on joint implementation

62. During the reporting period, the JISC monitored and reviewed the status of resources for the work on JI, based on reports by the secretariat. Information on the major activity areas (i.e. meetings and activities of the JISC, activities relating to accreditation of IEs, to submissions of PDDs and determinations, technical workshops, and activities in support of the areas of work) and resource requirements was developed and maintained by the secretariat. This information was used for fund-raising, and has been included in the JI management plan. Updated information on resource availability is also included in the plan.

63. The annex to this document contains a summary of pledges and contributions by Parties to support work on JI in 2008–2009. These contributions and pledges are acknowledged with appreciation by the JISC.

64. The CMP, by its decision 9/CMP.1, decided that administrative costs arising from procedures contained in the JI guidelines relating to the functions of the JISC shall be borne both by Annex I Parties and by the project participants according to specifications set out in a decision by the CMP at its first session. In this context, the CMP, by its decision 10/CMP.1, requested the JISC to develop provisions for charging fees; the JISC developed these provisions and subsequently reported to the CMP at its second session. At its eighth meeting, the JISC agreed to recommend a revision to the fee structure, which was endorsed by the CMP at its third session.

65. The resources for supplementary funding during the reporting period were as follows:

- (a) Carry-over from 2007: USD 2,037,958;
- (b) Contributions by Parties in 2008–2009:²⁴ USD 808,899 (see annex).

66. At the end of the reporting period, the resource gap was USD 1.8 million for the remainder of the 2008–2009 biennium, based on the current budget as contained in the JI management plan. It should also be noted that even with the agreed provisions on fees referred to in paragraph 31 above, the total fees to date amount to USD 545,563, equivalent to approximately 7 per cent of the amount necessary to fund the work of the JISC from 2010 from this source. Therefore, voluntary contributions from Annex I Parties need to continue to cover the administrative expenses for implementing Article 6 of the Kyoto Protocol, at least to the end of 2009. Depending on developments during the remainder of the biennium, further contributions may be required to support the work on JI beyond 2009.

67. Given this situation, the JISC has continued to reiterate the calls by the CMP to Annex I Parties to make contributions to the Trust Fund for Supplementary Activities in a predictable and sustainable manner to ensure that all necessary activities envisaged in support of Article 6 of the Kyoto Protocol can be carried out. A lack of such contributions could result in the JISC not being able to undertake the envisaged work and planned activities with regard to the accreditation of IEs and consideration of determinations.

²⁴ As at 12 September 2008.

VI. Summary of decisions

68. In accordance with paragraph 16 of the JI guidelines, decisions of the JISC are made publicly available in all six official languages of the United Nations by including the decisions or referring to them (indicating their placement on the UNFCCC JI website) in the JISC annual report to the CMP.

Annex

**Status of contributions to support joint implementation activities
in the biennium 2008–2009 (as at 12 September 2008)**

Party	Pledge (USD)	Received (USD)	Outstanding (USD)
Austria	37 035	37 035	0
Belgium	0	34 139	0
European Community	150 000	118 343	31 657
Latvia	4 000	4 000	0
Netherlands	117 547	117 547	0
Romania	20 891	0	20 891
Spain	33 272	76 466	0
United Kingdom of Great Britain and Northern Ireland	228 881	421 369	0
Total	591 626	808 899	52 548
