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**Conference of the Parties serving as the meeting
of the Parties to the Kyoto Protocol**

Seventeenth session

Sharm el-Sheikh, 6–18 November 2022

Item 6 of the provisional agenda

Matters 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***

Summary

This report covers the work carried out by the Joint Implementation Supervisory Committee from 15 September 2021 to 14 September 2022. During the reporting period, the Committee maintained the necessary infrastructure for the operation of joint implementation and prudently managed its resources as requested by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

* This document was scheduled for publication after the standard publication date owing to circumstances beyond the submitter's control.

Abbreviations and acronyms

AIE	accredited independent entity
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
CMP	Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol
DOE	designated operational entity
JI	joint implementation
JISC	Joint Implementation Supervisory Committee

I. Introduction

A. Mandate

1. CMP 1 established¹ the JISC to supervise, inter alia, the verification of emission reductions or removal enhancements generated by projects under Article 6 of the Kyoto Protocol in accordance with the “Guidelines for the implementation of Article 6 of the Kyoto Protocol”.²

2. The JISC is required to report on its activities at each session of the CMP.³ The CMP provides guidance regarding implementation of Article 6 of the Kyoto Protocol and exercises authority over the JISC.

B. Scope

3. This annual report of the JISC to the CMP covers JI activities carried out in the reporting period between 15 September 2021 and 14 September 2022, including in relation to the operation of JI Track 2,⁴ and the financial status of the JI mechanism.

4. Full details on the operations and functions of the JISC are available on the JI web pages,⁵ which are the central repository for reports on meetings of the JISC, information on projects and accreditation, and documents adopted by the JISC.

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

5. The CMP may wish to take note of this annual report.

6. The CMP is to elect JISC members for a term of two years, upon receipt of nominations from Parties, as follows:⁶

(a) One member and one alternate member from Parties included in Annex I⁷ that are undergoing the process of transition to a market economy;

(b) One member and one alternate member from Parties included in Annex I not referred to in paragraph 6(a) above;

(c) Two members and two alternate members from Parties not included in Annex I;

(d) One member and one alternate member from small island developing States.

II. Work undertaken in the reporting period

A. Ensuring cost-effective and transparent functioning of joint implementation

7. CMP 16 did not issue any new mandates to the JISC.

8. The JISC maintained operations in accordance with its two-year management plan for 2022–2023⁸ by maintaining the infrastructure and capacity to support JI operations, as

¹ Decision 10/CMP.1, para. 1.

² Decision 9/CMP.1, annex.

³ As per decision 9/CMP.1, annex, para. 3(a).

⁴ The verification procedure under the JISC; see decision 9/CMP.1, annex, paras. 30–45.

⁵ <http://ji.unfccc.int/>.

⁶ As per decision 9/CMP.1, annex, paras. 4–5.

⁷ As defined in Article 1, para. 7, of the Kyoto Protocol.

⁸ Available in JISC document JI-JISC44-A01.

needed, and by monitoring the intergovernmental negotiation process and creating opportunities to provide further information and recommendations on the basis of lessons learned from JI, as appropriate, for developing the rules for operationalizing the mechanisms under Article 6 of the Paris Agreement.

B. Outreach

9. The secretariat maintains the JI web pages and the UNFCCC web pages related to JI negotiations as a promotional tool and repository of information relating to the mechanism.

C. Meeting in 2022

10. The JISC held its 45th meeting, in virtual format, on 14 September 2022. A total of 16 of the 18 current JISC members and alternate members participated.

11. The annotated agenda for the meeting, supporting documentation, webcast and report containing all agreements reached by the JISC are available on the JI web pages.

12. In the spirit of prudent resource management, the JISC decided not to hold further meetings in 2022, and that its Chair and Vice-Chair would consult by electronic means with members for decision-making, if required.

D. Interaction with bodies and stakeholders

13. The JISC continued to make itself available for interaction with AIEs, project developers and other stakeholders. The JISC invited the chairs of the DOE/AIE Coordination Forum and the Project Developer Forum, as well as all UNFCCC accredited observers, to its 45th meeting.

E. Accreditation of independent entities

14. The JISC reviewed its reliance on the clean development mechanism accreditation system and agreed to continue allowing DOEs accredited under the mechanism to act voluntarily as AIEs to perform JI determinations and verifications. As at 31 August 2022, 11 DOEs had submitted self-declarations expressing interest in acting voluntarily as AIEs for 2022.

15. No JI project determinations or verifications under JI Track 2 were submitted by a DOE acting voluntarily as an AIE under JI.

F. Verification procedure under the Joint Implementation Supervisory Committee

16. As at 31 August 2022, 597 projects had been published under JI Track 1,⁹ of which 548 had received unique project identifiers and been submitted to the international transaction log. Information on 332 projects and one programme of activities under JI Track 2 had been made available on the JI web pages. A total of 52 determinations regarding project design documents had been published, of which 51 have been deemed final, while 128 of the 129 published verifications had been deemed final. A total of 871,893,629 emission reduction units had been issued, of which 846,477,357 under JI Track 1 and 25,416,272 under JI Track 2.

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

⁹ See decision 9/CMP.1, annex, para. 23.

III. Governance and management matters

A. Membership of the Joint Implementation Supervisory Committee

18. At CMP 16, new members and alternate members of the JISC were elected to fill vacancies arising from the expiration of terms of tenure. In 2022, the JISC comprised the members and alternate members listed in table 1.

19. The JISC wishes to highlight to the CMP the importance of constituencies filling vacant seats and the impact of vacant seats on constituting a quorum. The JISC encourages constituencies with vacant seats to nominate individuals to join the JISC.

Table 1

Members and alternate members of the Joint Implementation Supervisory Committee in 2022

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

^a Two-year term, ending prior to the first meeting in 2023.

^b Two-year term, ending prior to the first meeting in 2024.

^c Nomination pending since CMP 15. Where applicable, the current member or alternate member remains in office until their successor has been nominated by the respective constituency.

^d Nomination pending since CMP 16. Where applicable, the current member or alternate member remains in office until their successor has been nominated by the respective constituency.

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

20. At its 45th meeting the JISC elected by consensus Jakob Wiesbauer-Lenz, a member from a Party included in Annex I, as its Chair, and Emil Calles, a member from a Party not included in Annex I, as its Vice-Chair. Their tenures will end immediately before the first meeting of the JISC in 2023.

21. The JISC expressed its deep appreciation to the outgoing Chair, Derrick Oderson, and Vice-Chair, Jakob Wiesbauer-Lenz, for their excellent leadership during 2021.

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

22. The JISC continued to carefully monitor the status of, and prudently use, the resources available for work on JI. Resources were used in support of implementing the approved two-year management plan for 2022–2023, as reflected in table 3.

23. A summary of the income of the JISC is provided in table 2.

Table 2

Income for the work of the Joint Implementation Supervisory Committee as at 31 August 2022

(United States dollars)

<i>Income source</i>	<i>Amount</i>
Carry-over from 2021 ^a	1 350 891
Contributions received in 2022	–
Total JI Track 1 fees for 2022	–
Total JI Track 2 fees for 2022	–
Total income with 2021 carry-over	1 350 891

Note: The financial reporting period is from 1 January to 31 August 2022.

^a After accounting for 2021 income and expenditure (full year). Includes JI Track 2 fees previously held in reserve.

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

Table 3

Comparison of the 2022 expenditure versus the 2022 budget of the Joint Implementation Supervisory Committee as at 31 August 2022

(United States dollars)

<i>Item</i>	<i>Amount</i>
Budget	276 178
Expenditure	10 964
Difference	265 214

Note: The financial reporting period is from 1 January to 31 August 2022.

25. Table 4 summarizes the financial status of the JI mechanism as at 31 August 2022, showing a balance of USD 1.3 million.

Table 4

Financial status of the Joint Implementation Supervisory Committee as at 31 August 2022

(United States dollars)

<i>Item</i>	<i>Amount</i>
Carry-over from 2021	1 350 891
Contributions from Parties in 2022	–
Income from JI fees (JI Tracks 1 and 2)	–
Subtotal	1 350 891
Expenditure in 2022	10 964
Balance	1 339 927

Note: The financial reporting period is from 1 January to 31 August 2022.

V. Recommendations for the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

26. The JISC recommends that the CMP take note of its annual report for the reporting period and that the CMP invite the CMA to continue using the experience gained and lessons learned from JI to inform the implementation of Article 6 of the Paris Agreement.

27. In the context of the second commitment period of the Kyoto Protocol having ended and the expiration of the additional period for fulfilling commitments for the second commitment period (the true-up period) approaching, the JISC recommends that the CMP consider the discontinuation of its activities and functions including:

- (a) The management of the JI regulatory framework;
 - (b) The management of independent entities;
 - (c) Issuance of emission reduction units after the end of the true-up period.
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