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Item 8(a) of the provisional agenda  
**Issues relating to joint implementation**  
**Guidance on 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 of the Joint Implementation Supervisory Committee (JISC) during the period from 15 September 2011 to 27 September 2012, during which the JISC held three meetings and one round-table consultation with stakeholders. This report highlights the achievements of and the challenges faced by the JISC in its supervision of the mechanism. In particular, it reports the work of the JISC in response to the request by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) at its seventh session. The report contains a number of recommendations for actions by the CMP in the context of the review of the joint implementation guidelines and recommendations to ensure a smooth transition post-2012. Lastly, it reports on the financial resources for the work on joint implementation.

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## **I. Introduction**

### **A. Mandate**

1. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), by decision 10/CMP.1, established the Joint Implementation Supervisory Committee (JISC) to supervise, inter alia, the verification of emission reductions or removal enhancements generated by projects under Article 6 of the Kyoto Protocol (hereinafter referred to as JI projects), in accordance with the joint implementation (JI) guidelines.<sup>1</sup>

2. The JI guidelines require that the JISC report on its activities to each session of the CMP, and that the CMP provide guidance regarding the implementation of Article 6 of the Kyoto Protocol and exercise authority over the JISC.

### **B. Scope of the report**

3. This annual report of the JISC to the CMP covers JI activities during the period from 15 September 2011 to 27 September 2012 (hereinafter referred to as the reporting period), the closing date of the 30<sup>th</sup> meeting of the JISC. The Chair of the JISC, Mr. Wolfgang Seidel, will highlight any relevant subsequent matters in his oral report to the CMP at its eighth session. During the reporting period, the JISC held three meetings and one round-table consultation with stakeholders. The JISC Accreditation Panel (JI-AP) held two meetings.

4. The report describes the status of JI at the close of the first commitment period of the Kyoto Protocol and recommends urgent action for consideration by the CMP at its eighth session. As in past years, the report refers to work undertaken by the JISC during the reporting period, including the further operationalization of the verification procedure under the JISC (hereinafter referred to as the Track 2 procedure),<sup>2</sup> the associated project caseload, the operation of the JI accreditation process and the financial status of JI.

5. Full details of the operation and functions of the JISC are available on the UNFCCC JI website, which is the central repository for reports of JISC meetings and documentation adopted by the JISC.<sup>3</sup>

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

6. After reviewing this report and taking note of the oral report by the Chair of the JISC, the CMP, at its eighth session, may wish:

(a) To consider and adopt the recommendations of the JISC relating to the immediate issuance of emission reduction units (ERUs) in the early part of the second commitment period (see para. III.A.21 below);

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<sup>1</sup> Decision 9/CMP.1, annex.

<sup>2</sup> Defined in paragraphs 30–45 of the JI guidelines.

<sup>3</sup> <<http://ji.unfccc.int>>.

(b) To consider and adopt the draft modalities and procedures for JI contained in document FCCC/KP/CMP/2012/5 and the related transitional measures (see paras. 22–25 below).

7. In accordance with the JI guidelines, paragraphs 4–6, the CMP is to elect the following to the JISC for a term of two years upon nominations being received from Parties:

(a) Two members and two alternate members from Parties included in Annex I to the Convention (Annex I Parties) that are undergoing the process of transition to a market economy;

(b) Two members and two alternate members from Annex I Parties not referred to in paragraph 7(a) above;

(c) One member and one alternate member from Parties not included in Annex I to the Convention (non-Annex I Parties).

## **II. Joint implementation at the end of the first commitment period of the Kyoto Protocol**

### **A. State of joint implementation**

8. To date, 325 projects have entered the verification pipeline for approval by the JISC under JI Track 2, with 48 so far having been determined as meeting the relevant requirements with potential emission reductions of 51.1 million tonnes of carbon dioxide equivalent (Mt CO<sub>2</sub> eq). The total emission reductions that would be generated if all 325 projects under the Track 2 procedure were realized is estimated to be around 444 Mt CO<sub>2</sub> eq for the period 2008–2012. Available information indicates that a further 384 projects are in place under the verification procedures instituted by host Party governments (JI Track 1). Transactions in the primary market for JI in 2011 had an estimated value of around USD 339 million.<sup>4</sup>

9. Now, at the close of the first commitment period of the Kyoto Protocol, the story of the JI mechanism could be divided into three parts: (1) slow start-up, for a variety of reasons, such as delays in the establishment of necessary domestic regulations in host Parties; (2) a period of steady development, implementation and improvement, accompanied by a growing interest and participation in the mechanism; and (3) the present stage of uncertainty, during which the JISC has focused its attention on consolidating the progress made in implementing JI and formulating, and seeking adoption of, recommendations that would ensure that this valuable tool continues to be available to Parties in the future.

10. Thanks to changes agreed by the CMP at its sixth session allowing the charging of fees on Track 1 projects,<sup>5</sup> the JISC in 2012 was in much better financial shape, especially compared with 2010, when the lack of funds affected the number and timing of meetings. The JISC is in a position to operate without additional voluntary support by Parties in 2013.

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<sup>4</sup> World Bank. 2012. *State and Trends of the Carbon Market 2012*. Available at <[http://siteresources.worldbank.org/INTCARBONFINANCE/Resources/State\\_and\\_Trends\\_2012\\_Web\\_Optimized\\_19035\\_Cvr&Txt\\_LR.pdf](http://siteresources.worldbank.org/INTCARBONFINANCE/Resources/State_and_Trends_2012_Web_Optimized_19035_Cvr&Txt_LR.pdf)>.

<sup>5</sup> Decision 4/CMP.6, paragraph 28.

11. However, the improved financial position of the JISC comes at a time when demand for ERUs is hitting record lows, ultimately related to the negotiations towards a concerted international response to climate change.

## **B. Securing a future for joint implementation**

12. JI is an effective tool at the disposal of Parties to incentivize and focus investment on greenhouse gas emission reductions. The mechanism is already mature, the result of several years of commitment by Parties, stakeholders, especially the private sector, and the JISC. It makes sense for Parties to continue to build on and use JI.

13. However, JI, like the clean development mechanism (CDM) under the Kyoto Protocol, is currently suffering severely from low demand for its units and from uncertainty regarding the level, timing and nature of new national emission targets, despite a decision at the international level to agree on a second commitment period of the Kyoto Protocol<sup>6</sup> and to negotiate a new, comprehensive climate change agreement by 2015.<sup>7</sup>

14. The JI mechanism suffers from additional uncertainty because the units earned by JI projects are created through converting the host Party's existing assigned amount units (AAUs) and removal units (RMUs). These AAUs and RMUs will not be issued until quantified emission limitation or reduction objectives (QELROs) have been established for the second commitment period and the necessary steps have been taken to issue these units.

15. The JISC remains firmly of the view that there is a strong future for JI and that the approach embodied in the mechanism remains a strong basis for its continuing operation. This is based on the experience of the JISC in implementing the mechanism over the past six years, the considerable improvements made to the mechanism in that time, the continual growth in the number of JI projects, and the continued interest and active participation on the part of governments and, crucially, the private sector, despite the challenges involved.

16. However, the overwhelming sense of the JISC is that significant changes in the set-up of the mechanism will be needed if JI is to realize its potential and secure its relevance as a mitigation tool beyond 2012.

17. Overall, the JISC considers that JI needs to evolve beyond 2012 into a more decentralized mechanism, which host Parties implement at the national level under the international guidance and oversight of a new governing body and under the authority of, and with accountability to, the CMP. Such a mechanism would continue to be open for a wide range of activities, including those at project, programmatic, sector and policy levels. The JISC considers that such an evolution in JI would further enhance its value as a policy instrument that Parties may implement nationally in line with their overall mitigation objectives, in particular in sectors not covered by emissions trading systems, while at the same time providing for effective support to collaboration on mitigation efforts among Parties at the international level.

18. In the meantime, the JISC will continue to operate the verification procedure under the JISC in accordance with section E of the JI guidelines during the period before the amendments to Annex B<sup>8</sup> to the Kyoto Protocol enter into force, provided that the relevant host Parties meet the requirement of paragraph 20 of the JI guidelines, and taking into account paragraph 10 of decision 4/CMP.6. The JISC will continue to provide guidance on the mechanism as needed. This will ensure the continuity of the work under JI without interruption.

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<sup>6</sup> Decision 1/CMP.7.

<sup>7</sup> Decision 1/CP.17.

<sup>8</sup> Decision 1/CMP.7, paragraphs 5–6.

### **III. Recommendations to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol**

19. This chapter sets out the recommendations of the JISC for the consideration of the CMP at its eighth session. The JISC urges Parties to take the decisions necessary to ensure the continuing usefulness of this mechanism that Parties, stakeholders and the JISC have worked so hard to create.

#### **A. Recommendations relating to immediate issuance**

20. As discussed above, although the JISC will continue to operate the verification procedure under JI Track 2, the issuance of ERUs will not be possible under the current guidance provided by the CMP until QELROs have been established and the necessary steps have been taken to issue AAUs and RMUs.

21. In order to accommodate the issuance of ERUs during this time, the JISC recommends that the CMP, at its eighth session:

(a) Option 1: Decide that, in the period prior to the issuance of AAUs for the second commitment period in its national registry, any host Party that [has a QELRO for the second commitment period in an amendment to Annex B to the Kyoto Protocol adopted by the CMP] [has declared, in accordance with any relevant provisions agreed by Parties to be bound by a QELRO for the second commitment period]<sup>9</sup> may issue ERUs for emission reductions or removal enhancements that occur in this period resulting from JI projects registered in the first or second commitment period, provided that the Party's eligibility has not been suspended in accordance with chapter XV of the annex to decision 27/CMP.1; the amount of AAUs or RMUs for the second commitment period corresponding to the amount of such ERUs issued shall be subsequently deducted from the host Party's national registry upon AAUs or RMUs for the second commitment period having been established for that Party;

(b) Option 2: Decide that, until the end of the first commitment period true-up period<sup>10</sup> or when AAUs or RMUs for the second commitment period have been established for that Party, whichever is the earlier, ERUs may be issued by any host Party that [has a QELRO for the second commitment period in the amendment to Annex B to the Kyoto Protocol adopted by the CMP] [has declared in accordance with any relevant provisions agreed by Parties to be bound by a QELRO for the second commitment period]<sup>11</sup> for emission reductions or removal enhancements that occur in this period resulting from JI projects registered in the first or second commitment period, provided that the Party's eligibility has not been suspended in accordance with chapter XV of the annex to decision 27/CMP.1, by converting the corresponding amount of AAUs or RMUs, as appropriate, for the first commitment period; such ERUs may be used only for the purpose of compliance with the commitments for the second commitment period.

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<sup>9</sup> The CMP may wish to note that the first bracketed text may be more relevant if it adopts the amendments to Annex B to the Kyoto Protocol at its eighth session, otherwise the second bracketed text may be more relevant.

<sup>10</sup> The true-up period, which is formally known as the "additional period for fulfilling commitments", is defined by decision 27/CMP.1, annex, chapter XIII, as extending to 100 days after the date agreed by the Parties for completing the reviews of Annex I Parties' emission inventories for the 2012 calendar year.

<sup>11</sup> See footnote 9 above.

## **B. Recommendations relating to the revision of the joint implementation guidelines**

22. The CMP, at its seventh session, requested the JISC to draft a revised set of key attributes and transitional measures dealing with the possible changes to the JI guidelines and to present them for discussion to the CMP at its eighth session, with a view to developing revised JI guidelines for adoption at its ninth session.<sup>12</sup>

23. The revised key attributes, in the form of draft modalities and procedures, are contained in document FCCC/KP/CMP/2012/5. The recommendations on these key attributes, as set out in paragraph 25 below, are for the consideration of the CMP as part of its first review of the JI guidelines in accordance with decision 9/CMP.1, paragraph 8.

24. They build on recommendations prepared by the JISC and discussed by the CMP at its seventh session,<sup>13</sup> on submissions received from Parties and relevant organizations,<sup>14</sup> and public inputs solicited by the JISC, as mandated by the CMP.

25. The JISC recommends that the CMP, at its eighth session:

(a) Consider and adopt the draft modalities and procedures contained in document FCCC/KP/CMP/2012/5 as a revision of the annex to decision 9/CMP.1;

(b) Elect members of the governing body, in order that the governing body may begin elaborating the standards and procedures for JI referred to in paragraph 5(b) of document FCCC/KP/CMP/2012/5 as early as possible, with a view to it completing the priority areas of these standards and procedures during 2013;

(c) Decide on the following steps to manage the transition of JI from the current JI guidelines to the new JI modalities and procedures:

(i) The new JI modalities and procedures shall become effective on 1 January 2014, in order that new activities may be submitted for registration as soon as possible after this date;

(ii) All JI projects registered prior to 1 January 2014 shall be deemed registered under, and governed by, the new JI modalities and procedures from that date;

(iii) All accredited independent entities (AIEs) accredited prior to 1 January 2014 shall be deemed accredited under, and governed by, the new JI modalities and procedures from that date;

(iv) The JI projects and AIEs referred to in paragraph 25(c)(ii) and (iii) above shall be brought fully into accordance with the new JI modalities and procedures, and any further guidance elaborated by the governing body, by 31 December 2014;

(v) The JISC shall continue to operate until the new JI modalities and procedures become effective;

(d) Decide that the funds available to the JISC shall also be used for the purpose of supporting the governing body in its initial work and that remaining funds of the JISC shall be transferred to the governing body when the new JI modalities and procedures become effective;

(e) Consider the implications of the new JI modalities and procedures on other decisions of the CMP, in particular:

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<sup>12</sup> Decision 11/CMP.7, paragraph 16.

<sup>13</sup> FCCC/KP/CMP/2011/9.

<sup>14</sup> FCCC/KP/CMP/2012/INF.1.

- (i) Decision 27/CMP.1 on the procedures and mechanisms relating to compliance under the Kyoto Protocol;
- (ii) Decision 13/CMP.1 on the modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol;
- (f) Invite Parties to make contributions to support the initial work of the governing body and the operation of JI.

## **IV. Work undertaken in the reporting period**

### **A. Ensuring a productive future for joint implementation**

26. As reported to the CMP at its seventh session, the JISC and its support structure made considerable improvements to JI Track 2 in 2011, aimed at efficiency and increasing the use of JI Track 2 while maintaining its environmental integrity.<sup>15</sup>

27. In 2012, the JISC devoted its attention to implementing the mechanism and responding to the request by the CMP at its seventh session that it prepare a revised set of key attributes and transitional measures dealing with possible changes to the JI guidelines.

28. In its first meeting of the year, the JISC adopted a two-year business plan and detailed management plan designed to guide the mechanism to a healthy future. The vision included:

- (a) A single but optimized verification process;
- (b) Flexibility to allow an open range of activities in countries using JI;
- (c) Scaling-up of the mechanism while ensuring credibility and integrity through strong international accountability.

### **B. Verification procedure under the Joint Implementation Supervisory Committee**

29. By 27 September 2012, 325 project design documents (PDDs) and one programme of activity design document had been submitted and made publicly available on the UNFCCC JI website in accordance with paragraph 32 of the JI guidelines.

30. In total, 49 determinations regarding PDDs have been published on the UNFCCC JI website in accordance with paragraph 34 of the JI guidelines, of which:

- (a) Forty-eight positive determinations for projects located in six host Parties 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 emission reductions of approximately 51 Mt CO<sub>2</sub> eq;
- (b) One determination was rejected by the JISC;
- (c) No determinations are open for review.

31. By 27 September 2012, 83 verifications of emission reductions had been deemed final in accordance with paragraph 39 of the JI guidelines and were published on the UNFCCC JI website. These verifications are from 31 projects that had determinations

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<sup>15</sup> FCCC/KP/CMP/2011/4.



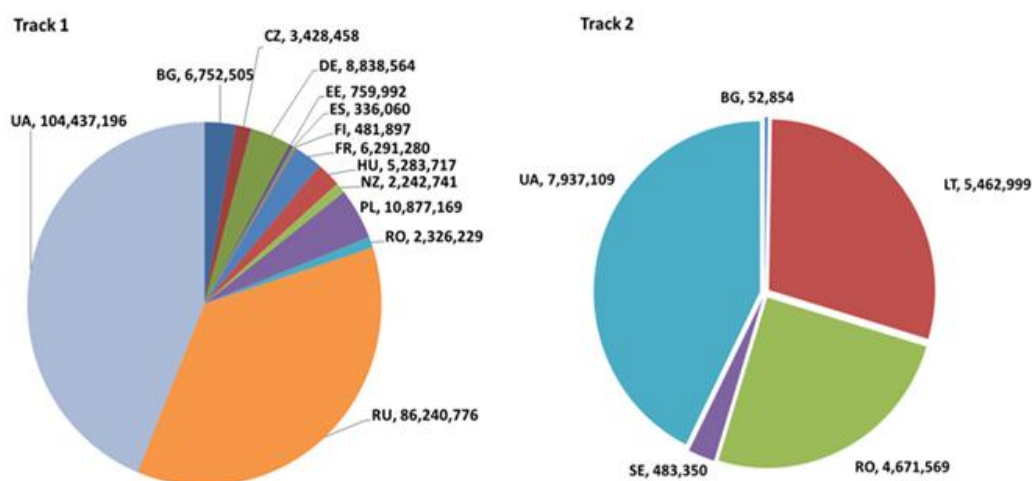
deemed final. These final verifications allow for 19.4 Mt CO<sub>2</sub> eq of units to be issued as ERUs.

32. Detailed information on the determinations and verifications is available under “JI Projects” on the UNFCCC JI website. Total ERUs issued under JI are shown in table 1 and the breakdown by country is shown in the figure.

Table 1  
Total emission reduction units issued under joint implementation, 2008–2012

	Track 1	Track 2	Total
2008	120 000	–	120 000
2009	4 670 641	1 324 448	5 995 089
2010	28 033 010	2 921 570	30 954 580
2011	86 702 918	6 818 250	93 521 168
2012	129 067 095	7 543 613	136 610 708
<b>Total</b>	<b>248 593 664</b>	<b>18 607 881</b>	<b>267 201 545</b>

Total emission reduction units issued under joint implementation, by host Party



*Abbreviations:* BG = Bulgaria, CZ = Czech Republic, DE = Germany, EE = Estonia, ES = Spain, FI = Finland, FR = France, HU = Hungary, LT = Lithuania, NZ = New Zealand, PL = Poland, RO = Romania, RU = Russian Federation, SE = Sweden, UA = Ukraine.

33. During the reporting period, the verification casework was facilitated by work carried out by the JISC in 2010 and 2011 in response to decision 4/CMP.6, paragraph 13, including: further improvement in the verification procedure; enhancement of the clarity of its documents; the setting of time limits in the JI project cycle, together with the use of electronic decision-making, in particular in relation to reviews; and encouraging and supporting project-based innovative methodological approaches.

### C. Accreditation of independent entities

34. Since the announcement on 26 October 2006 that the JI accreditation process would start on 15 November 2006, 11 independent entities (IEs) have been granted with accreditation, as listed in table 2.

Table 2

**Entities accredited and provisionally designated by the Joint Implementation Supervisory Committee in the reporting period 15 September 2011 to 27 September 2012, including entities for which the scope of accreditation was extended**

<i>Name of entity</i>	<i>Date of initial accreditation</i>	<i>Accredited sectoral scopes<sup>a</sup></i>
DNV Climate Change Services AS	24 Feb. 2010	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15
Japan Quality Assurance Organization	1 Aug. 2011	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15
Lloyd's Register Quality Assurance Ltd.	1 Aug. 2011	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13
JACO CDM Ltd.	1 Aug. 2011	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14
Bureau Veritas Certification Holding SAS	18 June 2009	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15
TÜV SÜD Industrie Service GmbH	18 Feb. 2009	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15
Spanish Association for Standardisation and Certification	22 June 2011	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15
TÜV NORD CERT GmbH	1 Aug. 2011	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15
TÜV Rheinland Japan Ltd.	14 Sept. 2011	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15
Swiss Association for Quality and Management Systems	1 Aug. 2011	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15
KPMG Advisory N.V.	1 Aug. 2011	1, 2, 3, 4, 13

35. During the reporting period no additional IEs were accredited.

36. The application from Germanischer Lloyd Certification GmbH for accreditation as an IE was withdrawn in the reporting period. No further applications were received.

37. In response to guidance from Parties, the JISC has worked with the JI-AP to assist in the performance of its functions concerning accreditation issues in accordance with the workplan of the JI-AP for 2012.

38. To ensure the quality of the project validations and emission reduction/limitation determinations carried out by applicant independent entities (IEs) and accredited independent entities (AIEs), the JI-AP worked on the following:

- (a) Assessment of new applications for accreditation;

- (b) Continuous monitoring of compliance of the IEs/AIEs with the JI accreditation standard;
- (c) Complaints and disputes from and against IEs/AIEs;
- (d) Enhancing capacity and consistency of the JI assessment team (JI-AT) experts.

39. The JI-AP held two meetings during the reporting period as part of its work in support of the JISC. The JISC, at its 28<sup>th</sup> meeting, appointed Mr. Derrick Oderson and Mr. Benoît Leguet to serve as Chair and Vice-Chair, respectively, of the JI-AP. The JISC expressed its deep appreciation to Mr. Leguet and Mr. Carlos Fuller, as the outgoing Chair and Vice-Chair of the JI-AP, for their dedication and excellent support.

40. Two meetings took place between the JI-AP and the CDM Accreditation Panel for streamlining the accreditation process. The outcomes of these meetings included: feedback for the work conducted by the secretariat on further alignment of the key JI accreditation documents, including on the JI accreditation procedure and the JI accreditation standard, with the respective CDM accreditation documents; and the establishment of a common CDM/JI accreditation roster of experts.

## V. Governance and management matters

### A. Interaction with bodies and stakeholders

41. The JISC held a round-table consultation on 9 August 2012 in Bonn, Germany. The event brought together members of the JISC and key stakeholders, including designated focal points, in support of the mandate of the JISC to draft key attributes and transitional measures dealing with possible changes to the JI guidelines, for consideration by the CMP at its eighth session.

42. The JISC continued its regular interaction with applicant IEs and AIEs by encouraging them to provide written inputs and by inviting the Chair of the DOE/AIE (CDM designated operational entity and JI AIE) Coordination Forum to JISC meetings and to the round-table consultation.

43. The JISC also continued its interaction with project participants, inviting project participants to JISC meetings and the round-table consultation. At its 19<sup>th</sup> meeting, the JISC decided to recognize two groups (the Joint Implementation Action Group and the Project Developer Forum) as communication channels between the JISC and project participants, and allowed for interaction with these groups at its meetings, without preventing communication between the JISC and entities not affiliated with these groups and the public.

44. The JISC continued to meet for question-and-answer sessions with registered observers at each of its meetings. The JISC also held question-and-answer sessions as side events at the seventh session of the CMP and the thirty-sixth sessions of the Subsidiary Body for Implementation and the Subsidiary Body for Scientific and Technological Advice. These question-and-answer sessions are available as webcasts.<sup>16</sup>

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<sup>16</sup> <[http://unfccc4.meta-fusion.com/kongresse/cop17/templ/play.php?id\\_kongresssession=4271&theme=unfccc](http://unfccc4.meta-fusion.com/kongresse/cop17/templ/play.php?id_kongresssession=4271&theme=unfccc)>;<[http://unfccc4.meta-fusion.com/kongresse/sb36/templ/play.php?id\\_kongresssession=5109&theme=unfccc](http://unfccc4.meta-fusion.com/kongresse/sb36/templ/play.php?id_kongresssession=5109&theme=unfccc)>.

45. In addition, JISC members and representatives of the secretariat continued to interact with stakeholders by, inter alia, attending conferences and workshops on JI and/or carbon market events, making presentations on JISC activities and exchanging views on JI.

## **B. Outreach activities**

46. In response to decision 4/CMP.6, paragraph 20, the JISC adopted the JISC communication and outreach workplan for 2011. In 2012, the JISC, at its 28<sup>th</sup> meeting, adopted an updated workplan, and at its 29<sup>th</sup> meeting adopted a revised strategy intended to increase awareness about, and participation in, the Track 2 procedure. The main activities in 2012 included:

- (a) Continuing efforts to enhance media outreach, including adoption of a media engagement plan;
- (b) Launching the carbon mechanisms social media accounts;
- (c) Enhancing the UNFCCC JI website;
- (d) Preparing communication materials (fact sheets, audio files, frequently-asked-questions lists);
- (e) Launching an annual photography contest targeting project participants and designated focal points.

## **C. Membership issues**

47. The CMP, by decision 9/CMP.1, established the JISC and subsequently elected members and alternate members of the JISC in accordance with paragraphs 4, 5, 6 and 8 of the JI guidelines.

48. At its seventh session, the CMP elected new members and alternate members of the JISC to fill vacancies arising from the expiration of terms of tenure of outgoing members and alternate members. During the reporting period, the JISC comprised the members and alternate members listed in table 3.

Table 3  
**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 seventh session**

<i>Members</i>	<i>Alternate members</i>	<i>Constituency</i>
Ms. Carola Borja <sup>b</sup> (Vice-Chair)	Mr. Carlos Fuller <sup>b</sup>	Non-Annex I Parties
Mr. Mykhailo Chyzenko <sup>a</sup>	Ms. Milya Dimitrova <sup>a</sup>	Annex I Parties with economies in transition
Mr. Piotr Dombrowicki <sup>b</sup>	Mr. Oleg Pluzhnikov <sup>b</sup>	Annex I Parties with economies in transition
Mr. Denis Lansana <sup>a</sup>	Mr. Evans Njewa <sup>a</sup>	Non-Annex I Parties
Mr. Benoît Leguet <sup>a</sup>	Mr. Anton Beck <sup>a</sup>	Annex I Parties
Mr. Chebet Maikut <sup>b</sup>	Nomination pending <sup>b, c</sup>	Non-Annex I Parties
Mr. Derrick Oderson <sup>b</sup>	Mr. Andrew Yatilman <sup>b</sup>	Small island developing States
Mr. Wolfgang Seidel <sup>b</sup> (Chair)	Ms. Gertraud Wollansky <sup>b</sup>	Annex I Parties
Mr. Evgeny Sokolov <sup>a</sup>	Mr. Hiroki Kudo <sup>a</sup>	Annex I Parties
Ms. Irina Voitekhovitch <sup>a</sup>	Ms. Miriana Roman <sup>a</sup>	Annex I Parties with economies in transition

<sup>a</sup> Term: two years, that is, ending immediately before the first meeting in 2013.

<sup>b</sup> Term: two years, that is, ending immediately before the first meeting in 2014.

<sup>c</sup> Nomination was not received at the seventh session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol; therefore, the current alternate member, Mr. Momin Agha, will remain in office until the successor is nominated by the respective constituency.

#### **D. Election of the Chair and the Vice-Chair of the Joint Implementation Supervisory Committee**

49. At its 28<sup>th</sup> meeting, the JISC elected by consensus Mr. Wolfgang Seidel, a member from an Annex I Party, as its Chair, and Ms. Carola Borja, a member from a non-Annex I Party, as its Vice-Chair. The tenures of the Chair and the Vice-Chair will end immediately before the first meeting of the JISC in 2013.

50. The JISC expressed deep appreciation to the outgoing Chair, Mr. Muhammed Quamrul Chowdhury, and the Vice-Chair, Mr. Wolfgang Seidel, for their excellent leadership during the sixth year of operation of the JISC.

#### **E. Meetings in 2012**

51. The JISC adopted a tentative meeting schedule for 2012 at its 27<sup>th</sup> meeting. All meetings in 2012 took place as planned (see table 4).

Table 4  
**Joint Implementation Supervisory Committee meetings in 2012**

<i>Meeting</i>	<i>Date</i>	<i>Location</i>
Twenty-eighth	22–23 March	Bonn, Germany
Twenty-ninth	28–30 May	Bonn (in conjunction with the sessions of the subsidiary bodies)
Thirtieth	26–27 September	Bonn

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

53. 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 location on the UNFCCC JI website) in the annual report of the JISC to the CMP.

## **VI. Report on the status of financial resources for the work of the Joint Implementation Supervisory Committee and its supporting structures**

54. During the reporting period, the JISC monitored and reviewed, through reports by the secretariat, the status of resources for the work on JI. Information and resource requirements were developed and maintained by the secretariat on the major activity areas: meetings and activities of the JISC; activities relating to the project cycle, including the handling of submissions of PDDs, determinations, monitoring reports and verifications of Track 2 projects, and Track 1 project submissions; activities relating to the accreditation of IEs, including meetings of the JI-AP; and other meetings and consultations. This information has been included in the JI management plan.<sup>17</sup>

55. The JISC, at its 29<sup>th</sup> meeting, adopted revised provisions for the charging of fees to ensure that fees paid for a project under Track 1 can be offset against fees to be paid under the Track 2 procedure and vice versa, in accordance with the request by the CMP (decision 11/CMP.7, para. 28).

56. The budget performance report provided in this chapter contains information on income and expenditure for the reporting period and includes a status of income, a listing of voluntary contributions and a status of expenditure against budget. Table 5 shows a summary of income in 2012.

<sup>17</sup> The CMP, by decisions 3/CMP.2, 3/CMP.3, 5/CMP.4, 3/CMP.5 and 4/CMP.6, requested the JISC to keep the JI management plan under review and to make adjustments as necessary to continue ensuring the efficient, cost-effective and transparent functioning of the JISC.

Table 5  
**Income for the work of the Joint Implementation Supervisory Committee, 2012**  
 (United States dollars)

<i>Status of income in 2012<sup>a</sup></i>	<i>Amount</i>
Carry-over figure from 2011 <sup>b</sup>	3 571 917
Contributions received in 2012	128 904
Total joint implementation Track 1 fees 2012	1 454 606
Total joint implementation Track 2 fees 2012	1 428 680
<b>Total income</b>	<b>6 584 107</b>

<sup>a</sup> The financial reporting period in 2012 is from 1 January 2012 to 31 August 2012.

<sup>b</sup> Includes Track 2 fees previously held in reserve.

57. Table 6 gives an overview of the voluntary contributions received in 2012. These contributions are acknowledged with appreciation by the JISC.

Table 6  
**Contributions for the work of the Joint Implementation Supervisory Committee, 2012**  
 (United States dollars)

<i>Status of voluntary contributions in 2012</i>	<i>Amount</i>
Japan	128 904
<b>Total contributions 2012</b>	<b>128 904</b>

58. The approved budget for 2012 amounted to USD 1,947,632, with the expenditure amounting to USD 1,142,985, yielding a difference of USD 804,647, as shown in table 7.

Table 7  
**Budget less expenditure relating to the work of the Joint Implementation Supervisory Committee, 2012**  
 (United States dollars)

<i>Comparative status of expenditure against budget</i>	<i>2012<sup>a</sup></i>
Budget	1 947 632
Expenditure	1 142 985
<b>Difference</b>	<b>804 647</b>

<sup>a</sup> The financial reporting period in 2012 is from 1 January 2012 to 31 August 2012.

59. Table 8 summarizes the financial status of JI for 2012, showing a balance at the end of the reporting period of USD 5.4 million.

Table 8  
**Financial status, Joint Implementation Supervisory Committee, 2012**  
 (United States dollars)

<i>Summary of current financial status as at 31 August 2012</i>	<i>Amount</i>
Carry-over from 2011	3 571 917
Contributions from Parties 2012	128 904
Income from joint implementation fees (Tracks 1 and 2)	2 883 286
<b>Subtotal</b>	<b>6 584 107</b>
Less expenditure in 2012	1 142 985
<b>Balance</b>	<b>5 441 122</b>

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