


**Ad Hoc Working Group on Further Commitments
for Annex I Parties under the Kyoto Protocol**

Sixteenth session, part four

Durban, 29 November 2011—*

Agenda item 2(b)

Organizational matters
Organization of the work of the session
Scenario note on the fourth part of the sixteenth session
Note by the Chair**
I. Introduction

1. The fourth part of the sixteenth session of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) will open in Durban, South Africa, on 29 November 2011.
2. Documents for the session include the revised proposal by the Chair to facilitate negotiations,¹ the report of the AWG-KP on the first and second parts of its sixteenth session,² the synthesis report of the technical assessments of Parties' submissions on their forest management reference levels,³ and the annotated agenda.⁴
3. This note aims to help Parties to bring the AWG-KP to a successful conclusion in Durban. It updates, rather than replaces, the scenario note for the third part of the session.

* The fourth part of the session will be held in conjunction with the seventh session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP). The Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) will aim to complete its work and have its results adopted by the CMP as per decision 1/CMP.6, paragraph 1. The closing date of the session of the AWG-KP will be determined in Durban.

** This document has been submitted at this time because the Chair considers that a scenario note is most useful if it is submitted close to the session to which it applies.

¹ FCCC/KP/AWG/2011/CRP.2/Rev.1.

² FCCC/KP/AWG/2011/4.

³ FCCC/KP/AWG/2011/INF.2

⁴ FCCC/KP/AWG/2011/1.

II. Snapshot of the negotiations: how far has the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol come and where does it need to end up in Durban?

4. The current revised proposal by the Chair is the result of five and a half years of negotiations. This text reflects Parties' positions and their concerns, but does not resolve them, most notably the central issue of the second commitment period. The text has been refined and streamlined to a point where for the most part further progress is not possible without clarity on overarching political decisions.

5. Discussions during the first three parts of the session in 2011 improved mutual understanding of Parties' positions. Various informal meetings convened by Parties outside the AWG-KP framework have contributed to this improved understanding. These meetings also generated some ideas that could help in reaching consensus if Parties bring them into the formal negotiations.

6. According to its mandate, the AWG-KP "shall aim to complete its work and have its results adopted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol as early as possible and in time to ensure that there is no gap between the first and second commitment periods".⁵

7. The challenge for the AWG-KP therefore is to achieve a decisive outcome in Durban that completes its work. In Panama City, Panama, Parties indicated that they expected the work of the group to conclude in Durban. Concluding the work means bringing together, in a draft decision form, a package of results on all five chapters of the text. The text could itself provide the structure for a decision or decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP).

8. There is also the broader context of how the AWG-KP will fit into a balanced and comprehensive Durban outcome under the Bali Road Map. Parties' positions under the AWG-KP are frequently informed by their expectations of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA), and vice versa. To secure the desired AWG-KP outcome, Parties will need to resolve the cross-cutting issues.

III. The way ahead

A. Dealing with the outstanding issues

9. The Chair believes that there is a wide recognition among Parties that an agreed substantive outcome of the AWG-KP is a necessary component of a successful outcome of the Durban conference. There is also broad support for what has been called the "smooth continuity" of the Kyoto Protocol acquis beyond the end of 2012.

10. The Chair would like to highlight the following major issues and concerns of Parties in which efforts might best be focused in seeking common ground:⁶

- **Finding consensus on the form and content of the second commitment period**, including exploring options that could provide a workable alternative to full ratification by the beginning of 2013, which does not appear achievable;

⁵ Decision 1/CMP.1.

⁶ This is not intended to be an exhaustive list of the issues that will need to be finalized in Durban.

- **Clarifying Annex I commitments and the level of ambition**, including conversion of mitigation targets to quantified emission limitation or reduction objectives (QELROs), and how to achieve greater ambition;
- **Ensuring continuity of the rules-based system**, with clarity on the rules that will apply after 2012, including the land use, land-use change and forestry (LULUCF) related rules;
- **Ensuring continuation of the market-based mechanisms**, especially the clean development mechanism;
- **Addressing concerns about environmental integrity**, especially relating to LULUCF rules, market-based mechanisms and carry-over of assigned amount units;
- **Addressing the implications of the decision by some Annex I Parties that they will not take mitigation commitments under the Kyoto Protocol in a second commitment period.**

11. Bearing these major issues in mind, the Chair suggests that the emphasis in the first week of Durban should be to assemble the elements of an AWG-KP package, so that the zone of possible convergence can be seen by the end of the week. It would be important in this regard for Parties to maintain an overview of the text as a whole. At the same time, technical work can continue in areas where Parties see scope for more progress – mainly chapters I and II of the current Chair’s text.⁷ Such an approach would help Parties to identify the remaining major issues for resolution during the second week.

B. Organizing the work

12. The Chair considers that the contact group would be best placed to carry out the overview role described in paragraph 11 above. With this in mind, the following organization of work is proposed:

- **The holding of plenary meetings at the beginning and end of the session.** The first plenary, scheduled for Tuesday, 29 November, will resume the sixteenth session, and a second, closing plenary will adopt draft decisions to be forwarded to the CMP. At the resumption plenary the Chair will invite statements from groups of Parties, and will also provide an opportunity for Parties to share information on meetings outside the AWG-KP process but relevant to the work of the group, such as informal consultations by the current or incoming Presidencies of the Conference of the Parties (COP) and the CMP. Finally, time permitting, observers will be invited to speak;
- **The holding of a possible additional plenary midway through the session.** The Chair suggests leaving this option open and allowing Parties to decide towards the end of the first week if this would be useful. It could be formal or informal;
- **The holding of regular meetings of the contact group.** The contact group will begin as soon as possible after the resumption plenary and will hold regular meetings throughout the session. As during the earlier parts of the sixteenth session, the contact group will discuss outstanding political and policy issues, but a key task in Durban will be to maintain an overview and to try to bring together elements of the emerging package under the AWG-KP, covering all chapters of the text;
- **The work in the informal spin-off groups as required to advance the text.** Since three of the five groups (mechanisms, methodological issues and potential consequences) indicated that they had got as far as they could in Panama City in the

⁷ FCCC/KP/AWG/2011/CRP.2/Rev.1.

absence of a resolution on the outstanding political and policy issues, these chapters will initially be taken up in the contact group, where it is hoped that the presence of heads of delegation will facilitate progress. As progress on the political and policy issues is made, work on the text can continue as needed under the guidance of the facilitators. At the end of the Panama City session, Parties indicated that there was still potential for advancing technical work on chapter I (amendments to the Kyoto Protocol pursuant to its Article 3, paragraph 9 (numbers)) and chapter II (LULUCF). Accordingly, the Chair intends to schedule meetings of these two spin-off groups from the beginning of the session.

13. However efficiently the Durban session is organized, it is unrealistic to expect that the allocated official meeting time will be sufficient to resolve the issues. The Chair would therefore like to encourage Parties to work among themselves from early in the session, so as to bring possible solutions to the table, and stands ready, with the Vice-Chair, to assist.

14. The Chair will undertake pre-session consultations with Parties in order to discuss the organization of the fourth part of the session and its expected outcomes. All groups and Parties are invited to contact the secretariat if they would like to schedule a meeting with the Chair and the Vice-Chair. Groups and Parties are also welcome to contact the Chair and the Vice-Chair directly on any matter.

C. An outcome of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol as part of the Durban package

15. The Chair observes that, to a large extent, the major political decisions needed to conclude the AWG-KP appear to be interdependent with those of other negotiation bodies, the AWG-LCA in particular. A substantive outcome of the work of the AWG-KP can only be achieved as part of a comprehensive agreed outcome of the Durban conference.

16. The relationship between the outcome of the AWG-KP and the overall outcome of the Durban conference will be a decisive factor for achieving success in Durban. As this broader picture is beyond what can be delivered by the AWG-KP, a continuation of informal consultations by the incoming COP/CMP Presidency may be useful to ensure that these issues can receive the political attention required. The Chair and the Vice-Chair will continue to support and cooperate with the Presidency in this regard.
