

Advance unedited version

## **Draft decision -/CMP.7**

### **Outcome of the work of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol at its sixteenth session**

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

*Recalling* Article 3, paragraph 9, of the Kyoto Protocol,

*Also recalling* Article 20, paragraph 2, and Article 21, paragraph 7, of the Kyoto Protocol,

*Further recalling* decisions 1/CMP.1, 1/CMP.5 and 1/CMP.6,

*Noting with appreciation* the work of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol,

*Noting also* the importance of developing a comprehensive global response to the problem of climate change,

*Recognizing* the importance of ensuring the environmental integrity of the Kyoto Protocol,

*Cognizant* of decision -/CP.17,<sup>1</sup>

*Emphasizing* the role of the Kyoto Protocol in the mitigation effort by Parties included in Annex I, the importance of ensuring continuity in mitigation action by those Parties and the need to begin the second commitment period of the Kyoto Protocol without delay,

*Aiming to ensure* that aggregate emissions of greenhouse gases by Parties included in Annex I are reduced by at least 25–40 per cent below 1990 levels by 2020, noting in this regard the relevance of the review referred to in Chapter V of decision 1/CP.16 to be concluded by 2015,

*Taking note* of the outcomes of the technical assessment of forest management reference levels referred to in paragraph 5 of decision 2/CMP.6,

1. *Decides* that the second commitment period under the Kyoto Protocol shall begin on 1 January 2013 and end either on 31 December 2017 or 31 December 2020, to be decided by the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol at its seventeenth session;

2. *Welcomes* the agreement achieved by the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol on its work pursuant to decisions 1/CMP.1, 1/CMP.5 and 1/CMP.6 in the areas of land use, land-use change and forestry (decision -/CMP.7),<sup>2</sup> emissions trading and the project-based mechanisms (decision -/CMP.7),<sup>3</sup> greenhouse gases, sectors and source categories, common metrics to calculate the carbon dioxide equivalence of anthropogenic emissions by sources and

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<sup>1</sup> Draft decision proposed for adoption under agenda item 4 of the Conference of the Parties.

<sup>2</sup> Draft decision proposed for adoption under agenda item 4 of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

<sup>3</sup> See footnote 2.

removals by sinks, and other methodological issues (decision -/CMP.7)<sup>4</sup> and the consideration of information on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties (decision -/CMP.7);<sup>5</sup>

3. *Takes note* of the proposed amendments to the Kyoto Protocol developed by the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol as contained in Annexes 1, 2 and 3 to this decision;

4. *Further takes note* of the quantified economy-wide emission reduction targets to be implemented by Parties included in Annex I as communicated by them and presented in Annex 1 to this decision and of the intention of these Parties to convert these targets to quantified emission limitation or reduction objectives (QELROs) for the second commitment period under the Kyoto Protocol;

5. *Invites* Parties included in Annex I listed in Annex 1 to this decision to submit information on their QELROs for the second commitment period under the Kyoto Protocol by 1 May 2012 for consideration by the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol at its seventeenth session;

6. *Requests* the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol to deliver the results of its work on QELROs to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its eighth session with a view to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol adopting these QELROs as amendments to Annex B of the Kyoto Protocol at that session, while ensuring coherence with the implementation of decision -/CP.17<sup>6</sup>;

7. *Requests* the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol to assess the implications of the carry-over of assigned amount units to the second commitment period on the scale of emission reductions to be achieved by Parties included in Annex I in aggregate for the second commitment period with a view to completing this work at its seventeenth session;

8. *Requests* the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol to recommend appropriate actions to be taken to address the implications referred to in paragraph 7 above and to forward these recommendations in time for consideration by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its eighth session;

9. *Requests* the Subsidiary Body for Scientific and Technological Advice to assess and address the implications of the implementation of decisions -/CMP.7<sup>7</sup> referred to in paragraph 2 above on the previous decisions on methodological issues related to the Kyoto Protocol adopted by Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol including those relating to Articles 5, 7 and 8 of the Kyoto Protocol, with a view to preparing relevant draft decisions for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its eighth session, and noting that some issues may need to be addressed at subsequent sessions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

10. *Requests* the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol to aim to deliver the results of its work pursuant to decision 1/CMP.1 in time to complete its work by the eighth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

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<sup>4</sup> See footnote 2

<sup>5</sup> See footnote 2.

<sup>6</sup> Draft decision proposed for adoption under agenda item 4 of the Conference of the Parties.

<sup>7</sup> Draft decision proposed for adoption under agenda item 4 of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

## Annex 1

### Proposed amendments to Annex B to the Kyoto Protocol

The following table shall replace the table in Annex B to the Protocol:

<b>Annex B</b>					
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
Party	Quantified emission limitation or reduction commitment (2008–2012) (percentage of base year or period)	Quantified emission limitation or reduction commitment (2013–[2017] [2020]) (percentage of base year or period)	reference year <sup>8</sup>	Quantified emission limitation or reduction commitment (2013–[2017] [2020]) (expressed as percentage of reference year <sup>8</sup> )	Pledges for the reduction of greenhouse gas emissions by the year 2020 (percentage of reference year) <sup>9</sup>
Australia <sup>a</sup>	108				
Austria	92	<i>b</i>	n/a	n/a	
Belarus <sup>c*</sup>			1990		-5% to -10%
Belgium	92	<i>b</i>	n/a	n/a	
Bulgaria <sup>*</sup>	92	<i>b</i>	n/a	n/a	
Croatia <sup>*</sup>	95	<i>d</i>	1990		-5%
Cyprus <sup>e</sup>		<i>b</i>	n/a	n/a	
Czech Republic <sup>*</sup>	92	<i>b</i>	n/a	n/a	
Denmark	92	<i>b</i>	n/a	n/a	
Estonia <sup>*</sup>	92	<i>b</i>	n/a	n/a	
European Union <sup>f, g</sup>	92	<i>b</i>	n/a	n/a	-20% /-30% <sup>h</sup>
Finland	92	<i>b</i>	n/a	n/a	
France	92	<i>b</i>	n/a	n/a	
Germany	92	<i>b</i>	n/a	n/a	
Greece	92	<i>b</i>	n/a	n/a	
Hungary <sup>*</sup>	94	<i>b</i>	n/a	n/a	
Iceland	110	<i>i</i>	1990		-15% /-30%
Ireland	92	<i>b</i>	n/a	n/a	
Italy	92	<i>b</i>	n/a	n/a	
Kazakhstan <sup>*</sup>			1992		-15%
Latvia <sup>*</sup>	92	<i>b</i>	n/a	n/a	
Liechtenstein	92		1990		-20%/ -30%

<sup>8</sup> A reference year may be used by a Party on an optional basis for its own purposes to express its QELRO as a percentage of emissions of that year, that is not internationally binding under the Kyoto Protocol, in addition to the listing of its QELRO in relation to the base year in the second and third columns of this table, which are internationally legally binding.

<sup>9</sup> Further information on these pledges can be found in document FCCC/SB/2011/INF.1/Rev.1.

<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
Party	Quantified emission limitation or reduction commitment (2008–2012) (percentage of base year or period)	Quantified emission limitation or reduction commitment (2013–[2017] [2020]) (percentage of base year or period)	reference year <sup>8</sup>	Quantified emission limitation or reduction commitment (2013–[2017] [2020]) (expressed as percentage of reference year <sup>8</sup> )	Pledges for the reduction of greenhouse gas emissions by the year 2020 (percentage of reference year) <sup>9</sup>
Lithuania <sup>*</sup>	92	<i>b</i>	n/a	n/a	
Luxembourg	92	<i>b</i>	n/a	n/a	
Malta <sup>k</sup>		<i>b</i>	n/a	n/a	
Monaco	92		1990		-30%
Netherlands	92	<i>b</i>	n/a	n/a	
New Zealand <sup>l</sup>	100				
Norway	101		1990		-30% to -40% <sup>m</sup>
Poland <sup>*</sup>	94	<i>b</i>	n/a	n/a	
Portugal	92	<i>b</i>	n/a	n/a	
Romania <sup>*</sup>	92	<i>b</i>	n/a	n/a	
Slovakia <sup>*</sup>	92	<i>b</i>	n/a	n/a	
Slovenia <sup>*</sup>	92	<i>b</i>	n/a	n/a	
Spain	92	<i>b</i>	n/a	n/a	
Sweden	92	<i>b</i>	n/a	n/a	
Switzerland	92		1990		-20% to 30% <sup>n</sup>
Ukraine <sup>*</sup>	100		1990		-20%
United Kingdom of Great Britain and Northern Ireland	92	<i>b</i>	n/a	n/a	
United States of America <sup>o</sup>					
Party	Quantified emission limitation or reduction commitment (2008–2012) (percentage of base year or period)				
Canada <sup>p</sup>	94				
Japan <sup>q</sup>	94				
Russian Federation <sup>r*</sup>	100				

\* Countries that are undergoing the process of transition to a market economy.

Notes:

<sup>a</sup> Australia is prepared to consider submitting information on its QELRO pursuant to decision 1/CMP.7, paragraph 5, following the necessary domestic processes and taking into account decision 1/CP.17 and decisions on mitigation (-/CP.17) and the 'indaba'/mandate outcome decision (-/CP.17) and decisions -/CMP.7 (Land use, land-use change and forestry), -/CMP.7 (Emissions trading and the project-based mechanisms, -/CMP.7 (Greenhouse gases, sectors and source categories, common metrics to calculate the carbon dioxide equivalence of anthropogenic emissions by sources and removals by sinks, and other methodological issues and -/CMP.7 (Consideration of information on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties).

<sup>b</sup> The QELROs for the European Union and its Member States for a second commitment period under the Kyoto Protocol are based on the understanding that these will be fulfilled jointly with the European Union and its Member States, in accordance with Article 4 of the Kyoto Protocol.

<sup>c</sup> Added to Annex B by an amendment adopted pursuant to decision 10/CMP.2. This amendment has not yet entered into force.

<sup>d</sup> Croatia's QELRO for a second commitment period under the Kyoto Protocol is based on the understanding that it will fulfil this QELRO jointly with the European Union and its Member States, in accordance with Article 4 of the Kyoto Protocol. As a consequence, Croatia's accession to the European Union shall not affect its participation in such joint fulfilment agreement pursuant to Article 4 or its QELRO.

<sup>e</sup> At its seventeenth session, the Conference of the Parties decided to amend Annex I to the Convention by including the name of Cyprus (decision -/CP.17). The amendment will enter into force on 1 January 2013 or on a later date.

<sup>f</sup> Upon deposit of its instrument of approval to the Kyoto Protocol on 31 May 2002, the European Community had 15 Member States.

<sup>g</sup> Upon deposit of its instrument of acceptance of the amendment to Annex B to the Kyoto Protocol on [date], the European Union had 27 Member States.

<sup>h</sup> As part of a global and comprehensive agreement for the period beyond 2012, the European Union reiterates its conditional offer to move to a 30% reduction by 2020 compared to 1990 levels, provided that other developed countries commit themselves to comparable emission reductions and developing countries contribute adequately according to their responsibilities and respective capabilities.

<sup>i</sup> Iceland's QELRO for a second commitment period under the Kyoto Protocol is based on the understanding that it will fulfil this QELRO jointly with the European Union and its Member States, in accordance with Article 4 of the Kyoto Protocol. As a consequence, future accession by Iceland to the European Union shall not affect its participation in such joint fulfilment agreement pursuant to Article 4 or its QELRO.

<sup>j</sup> Kazakhstan has submitted a proposal to amend the Kyoto Protocol to include its name in Annex B with a quantified emission limitation and reduction commitment of 100 per cent for the first commitment period. This proposal is contained in document FCCC/KP/CMP/2010/4.

<sup>k</sup> At its fifteenth session, the Conference of the Parties decided to amend Annex I to the Convention by including the name of Malta (decision 3/CP.15). The amendment entered into force on 26 October 2010.

<sup>l</sup> New Zealand is prepared to consider submitting information on its QELRO, pursuant to decision 1/CMP.7, paragraph 5, following the necessary domestic processes and taking into account decision 1/CP.17, decisions on mitigation (-/CP.17) and the 'indaba'/mandate outcome decision (-/CP.17) and decisions -/CMP.7 (Land use, land-use change and forestry), -/CMP.7 (Emissions trading and the project-based mechanisms, -/CMP.7 (Greenhouse gases, sectors and source categories, common metrics to calculate the carbon dioxide equivalence of anthropogenic emissions by sources and removals by sinks, and other methodological issues and -/CMP.7 (Consideration of information on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties).

<sup>m</sup> As part of a global and comprehensive agreement for the period beyond 2012 where major emitting Parties agree on emission reductions in line with the 2 degrees celsius target, Norway will move to a level of 40 per cent reduction for 2020 based on 1990 levels.

<sup>n</sup> Switzerland would consider a higher reduction target of 30 per cent by 2020 compared to 1990 levels, under the condition that other developed countries commit themselves to comparable emissions reductions and that economically more advanced developing countries contribute adequately according to their responsibilities and respective capabilities.

<sup>o</sup> Countries that have not ratified the Kyoto Protocol.

<sup>p</sup> On 8 June 2011, Canada indicated that it does not intend to participate in a second commitment period of the Kyoto Protocol.

<sup>q</sup> In a communication dated 10 December 2010, Japan indicated that it does not have any intention to be under obligation of the second commitment period of the Kyoto Protocol after 2012.

<sup>r</sup> In a communication dated 8 December 2010 that was received by the secretariat on 9 December 2010, the Russian Federation has indicated that it does not intend to assume a quantitative emission limitation or reduction commitment for the second commitment period.

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## Annex 2

### Proposed amendments to Annex A to the Kyoto Protocol

*The following table shall replace the list under the heading “Greenhouse gases” in Annex A to the Protocol:*

#### **Greenhouse gases**

Carbon dioxide (CO<sub>2</sub>)

Methane (CH<sub>4</sub>)

Nitrous oxide (N<sub>2</sub>O)

Hydrofluorocarbons (HFCs)

Perfluorocarbons (PFCs)

Sulphur hexafluoride (SF<sub>6</sub>)

Nitrogen trifluoride (NF<sub>3</sub>)

## Annex 3

### Proposed amendments to the Kyoto Protocol

#### A. Article 3, paragraph 1 bis

*The following paragraphs shall be inserted after paragraph 1 of Article 3 of the Protocol:*

1 bis. The Parties included in Annex I shall, individually or jointly, ensure that their aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases listed in Annex A do not exceed their assigned amounts, calculated pursuant to their quantified emission limitation and reduction commitments inscribed in the third column of the table contained in Annex B and in accordance with the provisions of this Article, with a view to reducing their overall emissions of such gases by at least [X] per cent below 1990 levels in the commitment period 2013 to [2017][2020].

#### B. Article 3, paragraph 7 bis

*The following paragraphs shall be inserted after paragraph 7 of Article 3 of the Protocol:*

7 bis. In the second quantified emission limitation and reduction commitment period, from 2013 to [2017][2020], the assigned amount for each Party included in Annex I shall be equal to the percentage inscribed for it in the third column of the table contained in Annex B of its aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases listed in Annex A in 1990, or the base year or period determined in accordance with paragraph 5 above, multiplied by [five][eight]. Those Parties included in Annex I for whom land-use change and forestry constituted a net source of greenhouse gas emissions in 1990 shall include in their 1990 emissions base year or period the aggregate anthropogenic carbon dioxide equivalent emissions by sources minus removals by sinks in 1990 from land-use change for the purposes of calculating their assigned amount.

#### C. Article 3, paragraph 8

*In paragraph 8 of Article 3 of the Protocol, the words:*

paragraph 7

*shall be substituted by:*

paragraph 7 bis

#### D. Article 3, paragraphs 8 bis

*The following paragraph shall be inserted after paragraph 8 of Article 3 of the Protocol:*

8 bis. Any Party included in Annex I may use 1995 or 2000 as its base year for nitrogen trifluoride for the purposes of the calculation referred to in paragraph 7 bis above.

#### E. Article 3, paragraphs 12 bis and ter

*The following paragraph shall be inserted after paragraph 12 of Article 3 of the Protocol:*

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12 bis. Any units generated from market-based mechanisms to be established under the Convention or its instruments may be used by Parties included in Annex I to assist them in achieving compliance with their quantified emission limitation and reduction commitments under Article 3. Any such units which a Party acquires from another Party to the Convention shall be added to the assigned amount for the acquiring Party and subtracted from the quantity of units held by the transferring Party.

12 ter. The Conference of the Parties serving as the meeting of the Parties to this Protocol shall ensure that, where units from approved activities under market-based mechanisms referred to in paragraph 12 bis above are used by Parties included in Annex I to assist them in achieving compliance with their quantified emission limitation and reduction commitments under Article 3, a share of these units is used to cover administrative expenses, as well as to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation if these units are acquired under Article 17.

**F. Article 4, paragraph 2**

*The following words shall be added to the end of the first sentence of paragraph 2 of Article 4 of the Protocol:*

, or on the date of deposit of their instruments of acceptance of any amendments to Annex B pursuant to Article 3, paragraph 9

**G. Article 4, paragraph 3**

*In paragraph 3 of Article 4 of the Protocol, the words:*

, paragraph 7

*shall be substituted by:*

to which it relates

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