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**CONFERENCE OF THE PARTIES SERVING AS THE  
MEETING OF THE PARTIES TO THE KYOTO PROTOCOL**

**Report of the Conference of the Parties serving as the  
meeting of the Parties to the Kyoto Protocol  
on its third session, held in Bali  
from 3 to 15 December 2007**

**Addendum**

**Part Two: Action taken by the Conference of the Parties serving as the  
meeting of the Parties to the Kyoto Protocol at its third session**

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## **Decision 1/CMP.3**

### **Adaptation Fund**

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

*Recalling* Article 12, paragraph 8, of the Kyoto Protocol,

*Reaffirming* decisions 3/CMP.1, 28/CMP.1 and 5/CMP.2,

1. *Decides* that developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change are eligible for funding from the Adaptation Fund to assist them in meeting the costs of adaptation;<sup>1</sup>

2. *Decides* that the Adaptation Fund shall finance concrete adaptation projects and programmes that are country driven and are based on the needs, views and priorities of eligible Parties;

#### ***Operating entity***

3. *Decides* that the operating entity of the Adaptation Fund shall be the Adaptation Fund Board, serviced by a secretariat and a trustee;

4. *Decides* that the Adaptation Fund Board shall be established to supervise and manage the Adaptation Fund, under the authority and guidance of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, and shall be fully accountable to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, which shall decide on its overall policies in line with relevant decisions;

#### ***Functions***

5. *Decides* that the functions of the Adaptation Fund Board shall include the following functions and any other functions assigned to it by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol:

- (a) To develop strategic priorities, policies and guidelines, and recommend their adoption to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
- (b) To develop and decide on specific operational policies and guidelines, including programming guidance and administrative and financial management guidelines, in accordance with decision 5/CMP.2, and to report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
- (c) To develop criteria based on principles and modalities listed in decision 5/CMP.2 to ensure that the implementing and executing entities have the capacity to implement the administrative and financial management guidelines of the Adaptation Fund, and report on it to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
- (d) To decide on projects, including the allocation of funds, in line with the Adaptation Fund principles, criteria, modalities, policies and programmes, in accordance with decision 5/CMP.2;

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<sup>1</sup> Decision 28/CMP.1 makes reference in the preambular part to particularly vulnerable countries.

- (e) To develop and agree on additional rules of procedure to those included in this decision and recommend these for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
- (f) To monitor and review implementation of the operations of the Adaptation Fund, including its administrative arrangements and the expenditure incurred under the Adaptation Fund, and recommend decisions, as may be appropriate, for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
- (g) To establish committees, panels and working groups, if required, to provide, inter alia, expert advice, to assist the Adaptation Fund Board in the performance of its functions;
- (h) To draw upon and make use of the expertise that the Adaptation Fund Board may require to perform its functions;
- (i) To regularly review performance reports on implementation and ensure independent evaluation and auditing of activities supported by the Adaptation Fund;
- (j) To develop and approve draft legal and administrative arrangements for secretariat services and the trustee for approval by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
- (k) To be responsible for the monetization of certified emission reductions issued by the Executive Board of the clean development mechanism and forwarded to the Adaptation Fund to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation, and to report annually to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on the monetization of certified emission reductions;
- (l) To report on its activities at each session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
- (m) To include in its work plan for the period up to the fourth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, inter alia, those functions identified in paragraph 5 (a), (b), (c), (e), (j) and (k) above in order for the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to adopt or take note thereof;

### ***Composition***

6. *Decides* that the Adaptation Fund Board shall comprise 16 members representing Parties to the Kyoto Protocol, taking into account fair and balanced representation among these groups as follows:

- (a) Two representatives from each of the five United Nations regional groups;
- (b) One representative of the small island developing States;
- (c) One representative of the least developed country Parties;
- (d) Two other representatives from the Parties included in Annex I to the Convention (Annex I Parties);
- (e) Two other representatives from the Parties not included in Annex I to the Convention (non-Annex I Parties);

7. *Decides* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol shall elect an alternate for each member of the Adaptation Fund Board on the same principles as set out in paragraph 6 above, and that the nomination of a candidate member shall be accompanied by a nomination of a candidate alternate member from the same group;

8. *Decides* that members, including alternate members, of the Adaptation Fund Board with the appropriate technical, adaptation and/or policy expertise shall be identified by their respective governments, nominated by the relevant groups as indicated in paragraphs 6 and 7 above and elected by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to serve as government representatives, and that vacancies shall be filled in the same manner;

9. *Decides* that members and alternate members shall serve for a term of two years and shall be eligible to serve a maximum of two consecutive terms;

#### ***Membership***

10. *Decides* that members, including alternate members, of the Adaptation Fund Board shall be bound by the rules of procedure of the Adaptation Fund Board and have no personal financial interest in any aspect of a project activity or a body presenting a project for approval to the Adaptation Fund Board;

#### ***Quorum***

11. *Decides* that a simple majority of the members of the Adaptation Fund Board must be present at the meeting to constitute a quorum;

#### ***Decision-making***

12. *Decides* that decisions of the Adaptation Fund Board shall be taken by consensus; if all efforts at reaching a consensus have been exhausted, and no agreement has been reached, decisions shall be taken by a two-thirds majority of the members present at the meeting on the basis of one member, one vote;

#### ***Chairmanship***

13. *Decides* that the Adaptation Fund Board shall elect its own Chair and Vice-Chair, with one being a member from an Annex I Party and the other being from a non-Annex I Party, and that the positions of Chair and Vice-Chair shall alternate annually between a member from an Annex I Party and a member from a non-Annex I Party;

#### ***Frequency of meetings***

14. *Decides* that the Adaptation Fund Board shall convene its first meeting soon after the election of its members;

15. *Decides* that, thereafter, the Adaptation Fund Board shall meet at least twice a year, while retaining the flexibility to adjust the number of meetings to suit its needs, and meet in the country hosting the UNFCCC secretariat except when meeting in conjunction with sessions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol or with sessions of subsidiary bodies under the Convention;

***Observers***

16. *Decides* that meetings of the Adaptation Fund Board shall be open to attendance, as observers, by UNFCCC Parties and by UNFCCC accredited observers, except where otherwise decided by the Adaptation Fund Board;

***Transparency***

17. *Decides* that the full text of all decisions taken by the Adaptation Fund Board shall be made publicly available in all six official languages of United Nations;

***Secretariat***

18. *Decides* that secretariat services shall be provided to the Adaptation Fund Board in order to support and facilitate its activities, that a dedicated team of officials shall be identified to render secretariat services to the Adaptation Fund Board in a functionally independent and effective manner and that the head of the secretariat responsible for rendering the services shall be accountable to the Adaptation Fund Board;

19. *Invites* the Global Environment Facility to provide secretariat services to the Adaptation Fund Board on an interim basis;

***Trustee***

20. *Decides* that the Adaptation Fund shall have a trustee that shall have fiduciary responsibility and the administrative competence to manage the Adaptation Fund, and shall comply with principles and modalities for operations stipulated in relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

21. *Decides* that the trustee shall hold in trust the funds, assets and receipts that constitute the Fund, and manage and use them only for the purpose of, and in accordance with, the provisions of relevant decisions, keeping them separate and apart from all other accounts and assets of, or administered by, the trustee;

22. *Decides* that the trustee shall be accountable to the Adaptation Fund Board for the performance of its fiduciary responsibilities and in particular for the monetization of certified emission reductions in accordance with guidance provided by the Adaptation Fund Board;

23. *Invites* the World Bank to serve as the trustee of the Adaptation Fund on an interim basis;

24. *Decides* that a trust fund shall be established under the management of the trustee, to be funded by the monetized share of proceeds of certified emission reductions, to meet the costs of adaptation and other sources of funding;

25. *Decides* that the administrative expenses for operating the Adaptation Fund shall be financed by the trust fund for the Adaptation Fund;

26. *Decides* that the cost of participation of members and of alternate members from developing country Parties and other Parties eligible under the UNFCCC practice shall be covered by the trust fund for the Adaptation Fund;

27. *Invites* Parties to finance the administrative expenses for operating the Adaptation Fund in an interim phase, until the monetization of the share of proceeds of certified emission reductions to meet the costs of adaptation is operational, by making contributions to the trust fund for the Adaptation

Fund and that such contributions shall be reimbursed, if requested, from the monetization of the share of proceeds of certified emission reductions to meet the costs of adaptation, in accordance with procedures and a timetable to be determined by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol upon the recommendation of the Adaptation Fund Board;

### ***Monetization***

28. *Decides* that the monetization of certified emission reductions referred to in paragraphs 5 (k), 22 and 27 above shall be undertaken in order to:

- (a) Ensure predictable revenue flow for the Adaptation Fund;
- (b) Optimize revenue for the Adaptation Fund while limiting financial risks;
- (c) Be transparent and monetize the share of the proceeds in the most cost-effective manner, utilizing appropriate expertise for this task;

### ***Access to funding***

29. *Decides* that eligible Parties shall be able to submit their project proposals directly to the Adaptation Fund Board and that implementing or executing entities chosen by governments that are able to implement the projects funded under the Adaptation Fund may also approach the Adaptation Fund Board directly;

30. *Decides* that in order to submit a project proposal, Parties and implementing or executing entities shall meet the criteria adopted by the Adaptation Fund Board in accordance with paragraph 5 (c) above, in order to access funding from the Adaptation Fund;

### ***Institutional arrangements***

31. *Decides* to request the Adaptation Fund Board to develop the necessary legal arrangements, to be concluded between the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and both the secretariat and the trustee servicing the Adaptation Fund, for the purpose of regulating the provisions of the required services, the terms and conditions thereof and the performance standards required from the secretariat and the trustee servicing the Adaptation Fund, and present these legal arrangements for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fourth session;

### ***Review***

32. *Decides* that the interim institutional arrangements mentioned in paragraphs 19 and 23 above shall be reviewed after three years at the sixth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

33. *Decides* to undertake, at its sixth session, a review of all matters relating to the Adaptation Fund, including the institutional arrangements, with a view to ensuring the effectiveness and adequacy thereof, and thereafter every three years, in order to adopt an appropriate decision on the outcome of such a review; the review shall take into account the outcome of performance reviews of the secretariat and the trustee servicing the Adaptation Fund, submissions by Parties and other interested intergovernmental organizations and stakeholders;

34. *Decides* that in the event of any revision of the decision on institutional arrangements, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol shall make the necessary arrangements to ensure that any project activities already funded and in the process of being implemented are not jeopardized.

*9<sup>th</sup> plenary meeting  
14–15 December 2007*



## Decision 2/CMP.3

### Further guidance relating to the clean development mechanism

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

*Recalling* the provisions of Articles 3 and 12 of the Kyoto Protocol,

*Cognizant* of decisions 7/CMP.1 and 1/CMP.2,

*Recognizing* the rapidly expanding portfolio of clean development mechanism project activities and the increasing volume of work for the Executive Board of the clean development mechanism,

*Welcoming* the establishment of 128 designated national authorities, 102 among them in developing country Parties,

*Reminding* Parties wishing to participate in clean development mechanism project activities of the need to identify a designated national authority,

*Reiterating* the importance of ensuring the efficient, cost-effective and transparent functioning of the clean development mechanism and the executive and supervisory role of its Executive Board,

*Reaffirming* that it is the host Party's prerogative to confirm whether a clean development mechanism project activity assists it in achieving sustainable development,

### I. General

1. *Takes note with appreciation* of the annual report for 2006–2007 of the Executive Board of the clean development mechanism,<sup>1</sup> in particular information on the:

- (a) Registration of 825 clean development mechanism project activities;
- (b) Issuance of 85,049,697 million certified emission reductions;
- (c) Accreditation and designation of 18 operational entities;
- (d) Approval of 32 baseline and monitoring methodologies, including the consolidation of eight methodologies into three consolidated methodologies;
- (e) Adoption of new and revised tools, manuals and clarifications to assist project participants;

2. *Notes* that the information in paragraph 1 above reflects that the number of clean development mechanism activities has more than doubled during the 11-month reporting period;

3. *Welcomes* the approval by the Executive Board of the guidelines and procedures for registering a programme of activities as a single clean development mechanism project activity;<sup>2</sup>

4. *Designates* as operational entities those entities that have been accredited, and provisionally designated, as operational entities by the Executive Board to carry out sector-specific validation functions and/or sector-specific verification functions as listed in the annex to this decision;

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<sup>1</sup> FCCC/KP/CMP/2007/3 (Parts I and II).

<sup>2</sup> <<http://cdm.unfccc.int/Reference/index.html>>.

## II. Governance

5. *Encourages* constituencies to nominate members and alternate members who have the required qualifications and sufficient time to perform functions, as indicated in the report referred to in paragraph 1 above, to serve on the Executive Board in order to ensure that the Executive Board has expertise in, inter alia, financial, environmental and clean development mechanism regulatory matters and executive decision-making;
6. *Commends* the Executive Board for maintaining a management plan for the clean development mechanism, pursuant to provisions in decision 7/CMP.1, paragraph 13 (b), and decision 1/CMP.2, paragraph 8, and for implementing measures to further streamline procedures and processes, given the resources available and in the context of a fast growing mechanism;
7. *Reiterates* its request that the Executive Board provide its annual report, including any annexes and addenda, prior to a session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol; this report shall cover the period from the previous session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to the Executive Board meeting that takes place just prior to the one held in conjunction with the session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
8. *Commends* the Executive Board for its work on the catalogue of decisions and on the “CDM Bazaar”;
9. *Encourages* the Executive Board:
  - (a) To take action that allows it to further emphasize its executive and supervisory role by, inter alia, ensuring effective use and expansion of its support structure, including its panels, other outside expertise and the secretariat, strengthening the role of designated operational entities and providing dedicated secretarial and information technology support to members and alternate members;
  - (b) To strive to take concrete actions to improve, and where possible simplify, the operational aspects of the clean development mechanism, such as the review processes, ensuring that its environmental integrity is not affected;
  - (c) To further improve its functions to ensure a fair and equitable regulatory system;
10. *Commends* the Executive Board on its ability to deal with the steadily growing workload under the current governance structure;
11. *Encourages* the Executive Board to ensure a balance in applying its resources between satisfying caseload needs and making general policy and system improvements;
12. *Takes note with appreciation* of the satisfaction expressed by the Executive Board with regard to the quality of work and dedication displayed by its support structure and the secretariat;
13. *Encourages* the Executive Board, designated national authorities, designated operational entities, project participants and stakeholders to make every effort to contribute towards a more transparent, equitable, consistent and predictable clean development mechanism system;
14. *Encourages* designated operational entities to continue to build their capacity to perform their functions under the clean development mechanism;

15. *Requests* the Executive Board:
- (a) To continue improving the efficient, cost-effective, transparent and consistent functioning of the clean development mechanism by continuing to keep the management plan under review and making adjustments as necessary;
  - (b) To conclude, as its highest priority, the clean development mechanism validation and verification manual as a standard for designated operational entities;
  - (c) To identify and implement other means to promote quality and consistency in validation and verification work;
  - (d) To take appropriate action to address minor issues in a transparent manner early on in the registration and issuance process to allow the Executive Board to focus on major issues;
  - (e) To further improve the substantiation of its decisions to increase the understanding of the underlying rationale by users, facilitate broader public understanding and correct misconceptions as they arise;
  - (f) To further develop, as a priority, management indicators and to report on this work to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

### **III. Methodologies and additionality**

16. *Takes note* of the:
- (a) Increasing number of consolidated and approved methodologies and methodological tools covering a wide range of methodological approaches and applicability conditions, as well as the optional “combined tool to identify the baseline scenario and demonstrate additionality”;<sup>3</sup>
  - (b) Examples of non-binding best practices in demonstrating additionality to assist the development of project design documents for small-scale project activities;
  - (c) Definition of project activities under a programme of activities, guidelines and procedures for registration as a single clean development mechanism project activity;
  - (d) Importance of maintaining the broad applicability of small-scale methodologies in order to ensure the relative ease of implementation of small-scale project activities while maintaining environmental integrity;
17. *Reiterates* its encouragement to:
- (a) Project participants to develop and submit, and the Executive Board to approve, more methodologies with broad applicability conditions to increase the availability of different technologies and measures and thereby ease the use of approved methodologies;
  - (b) Project participants to submit methodologies for the demand-side energy efficiency, transport, agriculture, and afforestation and reforestation sectors;

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<sup>3</sup> <<http://cdm.unfccc.int/Reference>>.

- (c) Parties, intergovernmental organizations, non-governmental organizations, industry and others to support the development by project participants of broadly applicable methodologies;
18. *Encourages* the Executive Board:
- (a) To continue its efforts to broaden the application of methodologies while maintaining their environmental integrity and to ensure that consolidated methodologies cover the full range of methodological approaches and applicability conditions covered by the underlying approved methodologies;
  - (b) To continue its work relating to energy efficiency and renewable energy activities as clean development mechanism project activities, given that such project activities contribute to sustainable development but face difficulties under the clean development mechanism, while continuing to ensure environmental integrity;
  - (c) To further develop generic and user-friendly methodological tools that can assist project participants in designing or applying methodologies and thereby ensure the simplicity and consistency of methodologies;
  - (d) To continue to improve the additionality tool, in cooperation with its support structure and relevant stakeholders, by providing clear guidance on the application of the tool, bearing in mind the need not to add undue complexity;
19. *Encourages* project participants to prepare and submit programmes of activities;
20. *Notes* that no new proposals on how to demonstrate additionality have been submitted to the Executive Board since the second session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
21. *Reiterates* that new proposals on how to demonstrate additionality may be submitted to the Executive Board for its consideration;
22. *Encourages* Parties, intergovernmental organizations, non-governmental organizations and others to respond to calls by the Executive Board for public input;
23. *Approves* the small-scale baseline and monitoring methodologies for afforestation and reforestation project activities under the clean development mechanism, as contained in annexes 1 and 2 to document FCCC/KP/CMP/2007/3 (Part II);
24. *Requests* the Executive Board to approve, at its first meeting in 2008, the simplified methodologies for “Switch from non-renewable biomass for thermal application by the user” and “Energy efficiency measures in thermal applications of non-renewable biomass”, as recommended by the Executive Board, for use for clean development mechanism project activities, as contained in annexes 3 and 4 to document FCCC/KP/CMP/2007/3 (Part II), incorporating the necessary changes to ensure that the application of these methodologies introduces new or improves existing end-user technologies and that, in the case of the methodology “Energy efficiency measures in thermal applications of non-renewable biomass”, the baseline energy efficiency is measured or is based on referenced literature values;
25. *Decides* that the Executive Board may, if necessary, revise the methodologies referred to in paragraphs 23 and 24 above in the future without the need to make recommendations to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

#### IV. Regional distribution and capacity-building

26. *Welcomes* the initiatives undertaken by the Designated National Authorities Forum to date, which have contributed to broader participation in the clean development mechanism through, inter alia, sharing of information and experience;

27. *Further welcomes* the launch of the CDM Bazaar;

28. *Acknowledges* the recommendation of the Executive Board to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol<sup>4</sup> in response to the request in decision 1/CMP.2, paragraph 34, relating to information on regional and subregional distribution of clean development mechanism project activities, systematic or systemic barriers to their equitable distribution and options to address these;

29. *Encourages* the Executive Board and the secretariat to continue to facilitate the regional and subregional distribution of project activities;

30. *Acknowledges* the barriers to equitable regional distribution, and the need to address, in particular, the financial, technical and institutional barriers;

31. *Decides* to abolish the payment of the registration fee and share of proceeds at issuance for clean development mechanism project activities hosted in least developed countries;

32. *Acknowledges* the work undertaken in the context of the Nairobi Framework,<sup>5</sup> launched at the second session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, to catalyse the clean development mechanism in Africa;

33. *Welcomes* initiatives that explore the potential contribution of microfinance mechanisms to the clean development mechanism;

34. *Encourages* Parties included in Annex I to the Convention (Annex I Parties), that are willing to do so, to support initiatives, such as the Nairobi Framework, that address barriers to regional distribution, and also to consider further financial support, either directly or through intergovernmental organizations and non-governmental organizations, as appropriate, for the identification and development of clean development mechanism project activities including start-up costs and demonstration projects, in Parties not included in Annex I to the Convention (non-Annex I Parties), especially least developed countries, African countries and small island developing States;

35. *Encourages* host Parties of clean development mechanism project activities to share experiences and knowledge with other non-Annex I Parties;

36. *Acknowledges* the efforts made by various Parties to address the barriers to equitable regional distribution of clean development mechanism project activities referred to in paragraph 28 above;

37. *Encourages* the Nairobi Framework partner agencies to accelerate their activities under that framework;

38. *Encourages* project participants, stakeholders and experts to make use of the CDM Bazaar and provide feedback to improve it;

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<sup>4</sup> FCCC/KP/CMP/2007/3 (Part I), annex.

<sup>5</sup> <[http://cdm.unfccc.int/Nairobi\\_Framework/index.html](http://cdm.unfccc.int/Nairobi_Framework/index.html)>.

39. *Requests* the secretariat to enhance the functionality of the CDM Bazaar in order to increase its use in developing countries;

40. *Requests* the secretariat to send hard copies of reports of the Executive Board and panel working groups reports to designated national authorities upon request;

41. *Requests* the secretariat to continue to facilitate the coordination among the partner agencies in the implementation of the Nairobi Framework;

42. *Emphasizes* that further efforts are necessary to promote regional and equitable distribution of clean development mechanism project activities;

## **V. Resources for work on the clean development mechanism**

43. *Requests* the Executive Board to continue to provide information in its annual report on the status and the forecast of the revenue from the share of proceeds in order to cover administrative expenses;

44. *Welcomes* the fact that the required operating reserve has now been collected from shares of proceeds and fees, and that the activities of the Executive Board and the support provided by the secretariat to the operation of the clean development mechanism are now funded by the shares of proceeds and fees;

45. *Expresses its appreciation* to the Governments of Austria, Belgium, Canada, Denmark, Estonia, Finland, France, Germany, Iceland, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, Norway, Portugal, Slovenia, Spain, Sweden, Switzerland and the United Kingdom of Great Britain and Northern Ireland and to the European Community for their contributions in support of the work of the clean development mechanism;

46. *Recognizes* that support from these Parties since 2002 assured the operation of the clean development mechanism until it became self-financing in late 2007;

47. *Expresses its appreciation* to the Governments of the Netherlands, Norway, Spain and Sweden for having provided financial resources in support of the Designated National Authorities Forum held in Addis Ababa, Ethiopia, from 4 to 6 October 2007 and the Government of Ethiopia for hosting the meeting;

48. *Welcomes* the offer of the Government of Chile to host one meeting of the forum in October 2008 and the contribution of the Government of Sweden to support translation activities at this meeting;

49. *Invites* Annex I Parties to make contributions to the Trust Fund for Supplementary Activities to fund work in support of the Designated National Authorities Forum.

## ANNEX

**Entities accredited and provisionally designated by the Executive Board of the clean development mechanism and recommended for designation by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for validation and verification/certification for specific sectoral scopes**

<b>Name of entity</b>	<b>Designated and recommended for designation for sectoral scopes</b>	
	<b>Project validation</b>	<b>Emission reduction verification</b>
Bureau Veritas Certification Holding, S.A. (BVC Holding S.A.)	4, 5, 6, 7, 10, 11, 12	
Lloyd's Register Quality Assurance Ltd. (LRQA)	1, 2, 3 4, 5, 6, 7, 10, 11, 12	
Colombian Institute for Technical Standards and Certification (ICONTEC)		1, 2, 3
JACO CDM Ltd. (JACO)		1, 2, 3

*Note:* Numbers 1 to 15 indicate sectoral scopes as determined by the Executive Board. For details, see <<http://cdm.unfccc.int/DOE/scopelst.pdf>>.

*9<sup>th</sup> plenary meeting  
14–15 December 2007*

### **Decision 3/CMP.3**

#### **Guidance on the implementation of Article 6 of the Kyoto Protocol**

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

*Mindful of the objective of the Convention as set out in its Article 2,*

*Recalling the provisions of Articles 3 and 6 of the Kyoto Protocol,*

*Cognizant of decisions 2/CMP.1, 9/CMP.1 and its annex (joint implementation guidelines), 10/CMP.1, 2/CMP.2 and 3/CMP.2,*

*Recognizing that the work on joint implementation can be accomplished only if sufficient financial and human resources are available to support the work of the Joint Implementation Supervisory Committee,*

*Expressing its appreciation to Parties that have contributed to funding the work on joint implementation,*

*Recalling paragraph 7 of decision 9/CMP.1, which states that any administrative costs arising from procedures contained in the joint implementation guidelines relating to the functions of the Joint Implementation Supervisory Committee shall be borne by both the Parties included in Annex I to the Convention and the project participants,*

*Welcoming the provision of information to the secretariat, in accordance with paragraph 20 of the joint implementation guidelines, from 30 Parties on their designated focal points and from 21 Parties on their national guidelines and procedures for approving joint implementation projects,*

*Reminding Parties wishing to be involved in joint implementation projects that information in accordance with paragraph 20 of the joint implementation guidelines shall be provided to the secretariat,*

*Reiterating that a Party hosting a joint implementation project shall make publicly available information on the project in accordance with paragraph 28 of the joint implementation guidelines,*

*Recognizing the shift in focus of the work of the Joint Implementation Supervisory Committee towards handling project cases, the progress the Committee has made in accreditation of applicant independent entities and the potential for the volume of work of the Committee to increase in the 2008–2009 biennium,*

*Reiterating the importance of ensuring the efficient, cost-effective and transparent functioning of joint implementation and the executive and supervisory role of the Joint Implementation Supervisory Committee,*

*Noting the importance of ensuring privileges and immunities for the members and alternate members of the Joint Implementation Supervisory Committee and the members of its subcommittees, panels and/or working groups,*

*Stressing the importance of constituencies nominating members and alternate members to the Joint Implementation Supervisory Committee who have the required qualifications and sufficient time to serve on the Committee and to perform the functions as indicated in the joint implementation*



management plan 2008–2009,<sup>1</sup> in order to ensure that the Committee has the necessary expertise in, inter alia, financial, environmental and joint implementation regulatory matters and executive decision-making,

## I. General

1. *Invites* Parties wishing to be involved in joint implementation projects to provide to the secretariat information in accordance with paragraph 20 of the joint implementation guidelines if this information has not been previously provided;

2. *Takes note with appreciation* of the annual report of the Joint Implementation Supervisory Committee for 2006–2007,<sup>2</sup> including information on the work programme and budget of the Committee, as well as on the decisions taken and on guidance and clarifications provided to assist project participants;

3. *Takes note with appreciation* that 102 project design documents and two determinations regarding project design documents have been made publicly available in accordance with paragraphs 32 and 34 of the joint implementation guidelines and that numerous assessment activities have been undertaken regarding 15 applications for accreditation of independent entities;

4. *Requests* the secretariat, inter alia, with a view to establishing an overview of all joint implementation projects, to develop a Web-based interface that shall be used by designated focal points of Parties that have provided information in accordance with paragraph 20 of the joint implementation guidelines and host joint implementation projects to:

- (a) Provide transparent access to project information published in accordance with paragraph 28 of the joint implementation guidelines;
- (b) Provide information to the international transaction log on the establishment of joint implementation projects implemented in accordance with paragraph 23 of the joint implementation guidelines;
- (c) Receive project identifiers of joint implementation projects issued by the joint implementation information system, thereby ensuring their uniqueness, and used by the international transaction log;

## II. Governance

5. *Commends* the Joint Implementation Supervisory Committee for maintaining a joint implementation management plan, in particular for the version made available to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its third session pursuant to provisions in paragraph 4 of decision 3/CMP.2; for implementing measures aimed at strengthening the joint implementation process, inter alia, taking into account the experience of the Executive Board of the clean development mechanism; and for its responsiveness to the needs of Parties, project participants, stakeholders and the general public, given the limited resources available;

6. *Encourages* the Joint Implementation Supervisory Committee:

- (a) To continue to keep the management plan under review and make adjustments as necessary to ensure the efficient, cost-effective and transparent functioning of joint implementation;

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<sup>1</sup> FCCC/KP/CMP/2007/4 (Part II).

<sup>2</sup> FCCC/KP/CMP/2007/4 (Parts I and II).

- (b) To enhance its interaction with applicant and accredited independent entities and designated focal points, as well as stakeholders, as proposed in the joint implementation management plan;
- (c) To further emphasize its executive and supervisory role by, inter alia, ensuring effective use and strengthening of its support structure, including its subcommittees, panels and/or working groups, other outside expertise and the secretariat;

7. *Notes with appreciation* the information on decisions of the Joint Implementation Supervisory Committee and on the status of work undertaken by the Committee, as reflected on the UNFCCC joint implementation website maintained by the secretariat;

### **III. Resources for the work on joint implementation**

8. *Notes* the information provided by the Joint Implementation Supervisory Committee regarding the recommended revision to the provisions for the charging of fees to cover administrative costs relating to the activities of the Committee, incorporating preferential treatment of joint implementation small-scale projects with regard to advance payments on the fee for processing of verification reports, as contained in annex I to document FCCC/KP/CMP/2007/4 (Part I);

9. *Endorses* the revision to the fee structure as recommended by the Joint Implementation Supervisory Committee;

10. *Notes* that income from the charging of fees to cover administrative costs relating to the activities of the Joint Implementation Supervisory Committee will accrue during the biennium 2008–2009 and that income from fees may cover the administrative expenses only as of 2010 at the earliest;

11. *Urges* Parties included in Annex I to the Convention to make contributions to the Trust Fund for Supplementary Activities for funding the work on joint implementation in the biennium 2008–2009 as of early 2008, which would ensure the thorough and timely implementation of the joint implementation management plan 2008–2009, including through a strengthened capacity of the secretariat to support the Joint Implementation Supervisory Committee and its subcommittees, panels and/or working groups in their process implementation and decision-making.

*9<sup>th</sup> plenary meeting  
14–15 December 2007*

## Decision 4/CMP.3

### Scope and content of the second review of the Kyoto Protocol pursuant to its Article 9

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

*Recalling* decision 7/CMP.2,

*Being guided* by Articles 2, 3 and 4 of the Convention,

*Pursuant to* Article 9 of the Kyoto Protocol,

1. *Agrees* that the second review of the Kyoto Protocol pursuant to its Article 9 (hereinafter referred to as the second review) shall aim to further enhance the implementation of the Protocol and further elaborate upon a number of its elements, in particular adaptation;
2. *Further agrees* that the second review shall be based on the best scientific information and assessments, including the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, as well as relevant technical, social and economic information;
3. *Reiterates* that the second review shall not prejudge action that may be decided upon by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, and that it shall not lead to new commitments for any Party;
4. *Acknowledges* that preparations for the second review should be streamlined with relevant activities being undertaken under the Kyoto Protocol and the Convention with a view to avoiding duplication of work, and that Parties may wish to take into account results of these activities in preparing for the second review;
5. *Recognizes* that, in accordance with Article 9 of the Kyoto Protocol, based on the results of the second review, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol shall take appropriate action;
6. *Invites* Parties and relevant organizations to submit to the secretariat, by 7 March 2008, for compilation and synthesis, their views on how the following issues, in particular, should be addressed in the second review:
  - (a) Extending the share of proceeds to assist in meeting the costs of adaptation to joint implementation and emissions trading;
  - (b) Relevant procedural elements for inscribing commitments for Annex I Parties in Annex B to the Kyoto Protocol;
  - (c) Privileges and immunities for individuals serving on constituted bodies established under the Kyoto Protocol;
  - (d) The scope, effectiveness and functioning of the flexibility mechanisms, including ways and means to enhance an equitable regional distribution of clean development mechanism projects;
  - (e) The minimization of adverse effects, including the adverse effects of climate change, effects on international trade, and social, environmental and economic impacts on other

Parties, especially developing country Parties and in particular those identified in Article 4, paragraphs 8 and 9, of the Convention, taking into account Article 3 of the Convention;

7. *Further invites* Annex I Parties to include in the submissions referred to in paragraph 6 above, information that demonstrates progress made in implementing their commitments under the Kyoto Protocol relating to reporting and review, the provision of financial resources and the transfer of technology;

8. *Requests* the secretariat, subject to the availability of supplementary funding, to organize a workshop before the twenty-eighth session of the Subsidiary Body for Implementation to consider and discuss the information provided by Parties in the submissions referred to in paragraph 6 above, and to prepare a report on this workshop for consideration by the Subsidiary Body for Implementation at its twenty-eighth session;

9. *Requests* the Subsidiary Body for Implementation to consider, at its twenty-eighth session, the submissions referred to in paragraph 6 above as well as the report on the workshop referred to in paragraph 8 above, and to report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fourth session;

10. *Requests* the secretariat to provide, by October 2008, an information paper on the work of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol with regard to: emissions trading and the project-based mechanisms under the Kyoto Protocol; the rules to guide the treatment of land use, land-use change and forestry; the greenhouse gases, sectors and source categories to be covered, and possible approaches targeting sectoral emissions; and methodologies to be applied for estimating anthropogenic emissions and the global warming potentials of greenhouse gases;

11. *Requests* the secretariat, subject to the availability of supplementary funding, to organize a pre-session workshop before the fourth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to consider the relevance to the second review of progress achieved by the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol in advancing its work programme, and to prepare a report on this workshop;

12. *Decides* to consider the information reported to it, as specified in paragraph 9 above, as well as the report of the workshop referred to in paragraph 11 above, at its fourth session, in undertaking the second review at that session.

*9<sup>th</sup> plenary meeting  
14–15 December 2007*

## Decision 5/CMP.3

### Compliance under the Kyoto Protocol

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

*Recalling* Article 18 of the Kyoto Protocol,

*Recalling also* decisions 27/CMP.1 and 4/CMP.2,

*Having considered* the annual report of the Compliance Committee to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,<sup>1</sup>

1. *Expresses its appreciation* to the Compliance Committee of the Kyoto Protocol for the work done in the reporting period;
2. *Expresses its concern* that not all Parties included in Annex I to the Convention have submitted their fourth national communication and the supplementary information required under Article 7, paragraph 2, of the Kyoto Protocol in a timely manner;
3. *Requests* the secretariat to provide information to Parties, in its preparation for the budget for the biennium 2010–2011, on the consequences of the proposal of the Compliance Committee to extend funding for the costs of travel and participation in meetings of the Compliance Committee to all its members and alternate members;
4. *Invites* Parties to make voluntary contributions to the Trust Fund for Supplementary Activities in support of the work of the Compliance Committee in the biennium 2008–2009.

*9<sup>th</sup> plenary meeting  
14–15 December 2007*

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<sup>1</sup> FCCC/KP/CMP/2007/6.

## Decision 6/CMP.3

### Good practice guidance for land use, land-use change and forestry activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol

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

*Recalling* Article 3, paragraphs 3 and 4, Article 5, paragraph 2, Article 6 and Article 7, paragraph 1, of the Kyoto Protocol,

*Further recalling* decisions 13/CMP.1, 15/CMP.1, 16/CMP.1 and 17/CMP.1,

*Having considered* the relevant recommendations of the Subsidiary Body for Scientific and Technological Advice,

1. *Decides* that Parties shall use, for reporting information supplementary to annual greenhouse gas inventory information in the first commitment period, in addition to the elements specified in paragraphs 5–9 of the annex to decision 15/CMP.1, tables to be included in an annex to the national inventory report, as well as the tables of the common reporting format<sup>1</sup> for the purpose of submission of information on anthropogenic greenhouse gas emissions by sources and removals by sinks from land use, land-use change and forestry activities under Article 3, paragraph 3, and, if any, elected activities under Article 3, paragraph 4, in accordance with Article 5, paragraph 2, of the Kyoto Protocol due in 2010 and thereafter; these tables<sup>2</sup> are contained in the annex to this decision;<sup>3</sup>

2. *Requests* the secretariat, subject to availability of supplementary funding, to develop a module to the CRF Reporter software for these tables.

*9<sup>th</sup> plenary meeting  
14–15 December 2007*

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<sup>1</sup> The common reporting format is a standardized format to be used by Parties for electronic reporting of estimates of greenhouse gas emissions and removals and any other relevant information. For technical reasons (such as size of tables and fonts), the layout of the printed version of the tables of the common reporting format for land use, land-use change and forestry activities in this document cannot be standardized.

<sup>2</sup> Technical changes have been included in the final version of these tables.

<sup>3</sup> For ease of reference, the annex is contained in document FCCC/KP/CMP/2007/9/Add.2.

## Decision 7/CMP.3

### **Demonstration of progress in achieving commitments under the Kyoto Protocol by Parties included in Annex I to the Convention**

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

*Recalling* Article 3, paragraph 2, of the Kyoto Protocol,

*Recalling also* decisions 22/CP.7 and 25/CP.8,

*Noting with appreciation* the work by the secretariat in preparing the synthesis of reports demonstrating progress in accordance with Article 3, paragraph 2, of the Kyoto Protocol,<sup>1</sup>

1. *Acknowledges* the progress made by reporting Parties included in Annex I to the Convention (Annex I Parties) that are also Parties to the Kyoto Protocol in developing and implementing policies and measures, and reducing greenhouse gas emissions; the progress made by Parties included in Annex II to the Convention (Annex II Parties) that are also Parties to the Kyoto Protocol in providing financial resources and assistance in capacity-building to developing countries; and the initiatives put forward and financial resources allocated by a number of Annex I Parties that are also Parties to the Kyoto Protocol in facilitating technology transfer to developing countries;

2. *Acknowledges also* the decrease in total aggregated greenhouse gas emissions of Annex I Parties that are also Parties to the Kyoto Protocol; notes that the decrease in emissions at the time of reporting mainly resulted from decrease in emissions in Annex I Parties with economies in transition that are also Parties to the Kyoto Protocol; notes further that emissions from some Annex I Parties that are also Parties to the Kyoto Protocol have increased above their base year levels or compared to their Kyoto targets at the time of reporting, as reflected in the table included in the annex to this decision;

3. *Recognizes* that, in accordance with projections data, all Annex I Parties with economies in transition that are also Parties to the Kyoto Protocol and several Annex I Parties that are also Parties to the Kyoto Protocol and that are not Parties with economies in transition expect to meet their Kyoto targets with implemented policies and measures; a number of other Annex I Parties that are also Parties to the Kyoto Protocol have already elaborated and are implementing additional policies and measures, including the use of carbon sinks, and have put the relevant legislation in place and allocated financial resources to use the Kyoto mechanisms<sup>2</sup> to achieve their Kyoto targets; and that for other Annex I Parties that are also Parties to the Kyoto Protocol and that are not Parties with economies in transition, further actions, such as policies and measures and use of the Kyoto mechanisms, are needed to achieve their Kyoto targets;

4. *Calls on* Annex I Parties that are also Parties to the Kyoto Protocol to continue, or, where appropriate, intensify, their efforts aimed at reducing or limiting their greenhouse gas emissions in accordance with their commitments inscribed in Annex B and in accordance with Article 3, paragraph 1, of the Kyoto Protocol; and on Annex II Parties that are also Parties to the Kyoto Protocol to continue, or, where appropriate, intensify, their efforts aimed at providing financial resources and assistance in capacity-building to developing countries, and to continue intensifying their efforts aimed at facilitating technology transfer to developing countries.

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<sup>1</sup> FCCC/SBI/2006/INF.2.

<sup>2</sup> FCCC/SBI/2006/INF.2, table 1.

## ANNEX

**Submission date of reports demonstrating progress under the Kyoto Protocol from Parties included in Annex I to the Convention that are also Parties to the Kyoto Protocol and data on total greenhouse gas emissions without land use, land-use change and forestry reported therein<sup>a</sup>**

Annex I Party	Submission date of report demonstrating progress (RDP)	Total greenhouse gas emissions without land use, land-use change and forestry (million tonnes CO <sub>2</sub> equivalent)		Changes in emissions for base year to 2003, or 2004 (%)
		Base year reported in RDP	Latest year, 2003, or 2004 reported in RDP <sup>b</sup>	
Belarus	29-May-06	127.4 <sup>c</sup>	69.8	-45.2
Bulgaria	31-Aug-06	138.4 <sup>d</sup>	69.2	-50.0
Canada	15-Nov-06	599.0 <sup>c</sup>	758.0 <sup>b</sup>	26.5
Czech Republic	3-Feb-06	192.0 <sup>c</sup>	147.1	-23.3
Estonia	30-Dec-05	42.6	21.2	-50.3
European Community <sup>c</sup>	22-Dec-05	4145.0	4074.5	-1.7
Austria	18-Oct-06	78.5	91.6	16.6
Belgium	23-Dec-05	146.8	147.7	0.6
Denmark	30-Dec-05	69.6	74.0	6.3
Finland	14-Feb-06	71.5	81.8 <sup>b</sup>	14.4
France	27-Jul-06	564.8 <sup>c</sup>	552.7	-2.1
Germany	1-Aug-06	1230.0	1024.4	-16.7
Greece	10-Mar-06	111.7	137.6	23.3
Ireland	16-Oct-06	55.8	68.7 <sup>b</sup>	23.1
Italy	11-Nov-06	519.5 <sup>c</sup>	575.7 <sup>b</sup>	10.8
Luxembourg	submission pending			
Netherlands	22-Dec-05	213.0	215.0	0.9
Portugal	22-Jun-06	60.8	84.5 <sup>b</sup>	39.1
Spain	21-Apr-06	286.1	402.3	40.6
Sweden	30-Dec-05	72.2 <sup>c</sup>	70.6	-2.2
United Kingdom of Great Britain and Northern Ireland	8-Mar-06	766.7	654.8 <sup>b</sup>	-14.6
Hungary	17-Jan-06	122.2 <sup>d</sup>	83.2	-31.9
Iceland <sup>f</sup>	28-Apr-06	3.3 <sup>c</sup>	3.1	-6.1
Japan	6-Feb-06	1237.0	1339.1	8.3
Latvia	24-May-06	25.4 <sup>c</sup>	10.5	-58.5
Liechtenstein	25-Sep-06	0.3 <sup>c</sup>	0.3	5.3
Lithuania	6-Feb-06	50.9 <sup>c</sup>	17.2	-66.2
Monaco <sup>g</sup>				
New Zealand	4-May-06	61.5 <sup>c</sup>	75.3	22.5
Norway	16-Feb-06	50.1 <sup>c</sup>	54.8	9.4
Poland	29-Dec-06	568.8 <sup>d</sup>	382.8	-32.7
Romania	31-Jan-06	265.1 <sup>d</sup>	142.9	-46.1
Russian Federation	13-Feb-07	3216.0	2152.0 <sup>b</sup>	-33.1
Slovakia	30-Dec-05	72.1 <sup>c</sup>	51.6	-28.4
Slovenia	12-Jun-06	20.2 <sup>d</sup>	19.8	-1.9
Switzerland	2-Dec-05	52.4 <sup>c</sup>	52.3	-0.4
Ukraine	3-Nov-06	925.4 <sup>c</sup>	416.0	-55.0

<sup>a</sup> Emission levels in 2003 or 2004 only reflect the emissions reported for these years and do not necessarily reflect the ability of a Party to meet its Kyoto target (see paras. 2 and 3 of this decision).

<sup>b</sup> In the absence of data from reports demonstrating progress (RDPs) on 2003 emission levels, data shown in this column and in the next column indicate emission levels or trends included in the RDP for year 2004.

<sup>c</sup> Data shown in column "base year" might not fully reflect the Party's decision on its base year for fluorinated gases (HFCs, PFCs, SF<sub>6</sub>).

<sup>d</sup> Base year data (under the Convention) are used here instead of 1990 data (as per decisions 9/CP.2 and 11/CP.4) for Bulgaria (1988), Hungary (average of 1985–1987), Poland (1988), Romania (1989) and Slovenia (1986).

<sup>e</sup> The 15 member States of the European Community which are Parties to the agreement under Article 4 of the Kyoto Protocol must achieve a total combined level of emissions reduction of 8% compared to base year emissions. Within this total combined level of emission reduction several member States are permitted to increase their emissions: Greece (25%), Ireland (13%), Portugal (27%), Spain (15%) and Sweden (4%). Other member States have to decrease or stabilize their emissions, Austria (-13%), Belgium (-7.5%), Denmark (-21%), Finland (0%), France (0%), Germany (-21%), Italy (-6.5%), Luxembourg (-28%), the Netherlands (-6%), and the United Kingdom of Great Britain and Northern Ireland (-12.5%).

<sup>f</sup> Emission data for 2003 for Iceland exclude CO<sub>2</sub> emissions covered by decision 14/CP.7.

<sup>g</sup> Submission date for report demonstrating progress is not applicable for Monaco as it ratified the Kyoto Protocol on 26 February 2006.

*9<sup>th</sup> plenary meeting  
14–15 December 2007*



### **Decision 8/CMP.3**

#### **Compilation and synthesis of supplementary information incorporated in fourth national communications submitted in accordance with Article 7, paragraph 2, of the Kyoto Protocol**

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

*Recalling* the relevant provisions of the Kyoto Protocol, in particular Article 5, Article 7, paragraphs 2 and 3, and Articles 10 and 11,

*Recalling* decisions 14/CP.7, 15/CMP.1, 22/CMP.1 and 26/CMP.1,

*Emphasizing* that the national communications and annual greenhouse gas inventories submitted by Parties included in Annex I to the Convention that are also Parties to the Kyoto Protocol are the main source of information for reviewing the implementation of the Convention and its Kyoto Protocol by these Parties, and that the reports from the in-depth reviews of these national communications provide important additional information for this purpose,

*Welcoming* the work of the secretariat in preparing the compilation and synthesis of supplementary information incorporated in fourth national communications submitted in accordance with Article 7, paragraph 2, of the Kyoto Protocol,<sup>1</sup>

1. *Requests* Parties included in Annex I to the Convention that are also Parties to the Kyoto Protocol to include, in the fifth national communications submitted in accordance with Article 12, paragraphs 1 and 2, of the Convention and decision 10/CP.13, the necessary supplementary information required under the guidelines for reporting supplementary information under Article 7, paragraph 2, of the Kyoto Protocol contained in the annex to decision 15/CMP.1, in accordance with Article 7, paragraph 2, of the Kyoto Protocol;

2. *Concludes* that the review of supplementary information incorporated in national communications submitted in accordance with Article 7, paragraph 2, of the Kyoto Protocol and consideration of the outcome of this review have proved to be useful and should continue in accordance with decisions 22/CMP.1 and 26/CMP.1.

*9<sup>th</sup> plenary meeting  
14–15 December 2007*

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<sup>1</sup> FCCC/SBI/2007/INF.7.

### **Decision 9/CMP.3**

#### **Implications of possible changes to the limit for small-scale afforestation and reforestation clean development mechanism project activities**

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

*Recalling decisions 5/CMP.1 and 6/CMP.1,*

*Recalling paragraph 27 of decision 1/CMP.2,*

*Decides* to revise the limit for small-scale afforestation and reforestation project activities under the clean development mechanism referred to in paragraph 1 (i) of the annex to decision 5/CMP.1 as follows:

“Small-scale afforestation and reforestation project activities under the CDM” are those that are expected to result in net anthropogenic greenhouse gas removals by sinks of less than 16 kilotonnes of CO<sub>2</sub> per year and are developed or implemented by low-income communities and individuals as determined by the host Party. If a small-scale afforestation or reforestation project activity under the CDM results in net anthropogenic greenhouse gas removals by sinks greater than 16 kilotonnes of CO<sub>2</sub> per year, the excess removals will not be eligible for the issuance of tCERs or ICERs.

*9<sup>th</sup> plenary meeting  
14–15 December 2007*

## Decision 10/CMP.3

### Budget performance for the biennium 2006–2007

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

*Having considered* the information in documents prepared by the secretariat on administrative, financial and institutional matters,<sup>1</sup>

*Recalling* paragraphs 11 and 19 of the financial procedures for the Conference of the Parties adopted in decision 15/CP.1, which also applies to the Kyoto Protocol,<sup>2</sup>

1. *Takes note* of the interim financial statements as at 31 December 2006, the report on budget performance for the period 1 January 2006 to 30 June 2007 and the status of contributions to the Trust Fund for the Core Budget, the Trust Fund for Supplementary Activities and the Trust Fund for Participation in the UNFCCC Process, as at 15 November 2007;

2. *Calls upon* Parties that have not paid their contributions to the core budget to do so without further delay, particularly bearing in mind that contributions are due on 1 January of each year in accordance with the financial procedures;

3. *Expresses appreciation* to Parties that have paid their contributions to the core budget in a timely manner;

4. *Also expresses appreciation* for the contributions received from Parties to the Trust Fund for Participation to facilitate the participation of developing country Parties in the Convention process, and to the Trust Fund for Supplementary Activities;

5. *Encourages* Parties to increase their efforts to contribute to the Trust Fund for Participation in the UNFCCC Process and to the Trust Fund for Supplementary Activities in light of the increased work for which provisions are not made in the core budget;

6. *Reiterates its appreciation* to the Government of Germany for its annual voluntary contribution to the core budget of EUR 766,938 and its special contribution of EUR 1,789,522 as Host Government to the secretariat.

*9<sup>th</sup> plenary meeting  
14–15 December 2007*

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<sup>1</sup> FCCC/SBI/2007/19, FCCC/SBI/2007/INF.1 and FCCC/SBI/2007/INF.11.

<sup>2</sup> In accordance with Article 13, paragraph 5, of the Kyoto Protocol.

## Decision 11/CMP.3

### Programme budget for the biennium 2008–2009

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

*Recalling* Article 13, paragraph 5, of the Kyoto Protocol,

*Taking note* of decision 13/CP.13, in particular its paragraph 6,

*Having considered* the proposed programme budget for the biennium 2008–2009 submitted by the Executive Secretary,<sup>1</sup>

1. *Endorses* decision 13/CP.13 on the programme budget for the biennium 2008–2009 adopted by the Conference of the Parties at its thirteenth session, as it applies to the Kyoto Protocol;
2. *Adopts* the indicative scale of contributions for 2008 and 2009 contained in the annex to this decision covering 36.8 per cent of the indicative contributions specified in table 1 of decision 13/CP.13;
3. *Invites* all Parties to the Kyoto Protocol to note that contributions to the core budget are due on 1 January of each year in accordance with paragraph 8 (b) of the financial procedures and to pay promptly and in full, for each of the years 2008 and 2009, the contributions required to finance the approved expenditures set out in decision 13/CP.13;
4. *Takes note* of the financing requirements<sup>2</sup> for the clean development mechanism and joint implementation proposed by the Executive Board of the clean development mechanism and the Joint Implementation Supervisory Committee, respectively;
5. *Requests* the secretariat to take steps necessary to establish a separate trust fund for the receipt of fees and shares of proceeds for the administration of the clean development mechanism;
6. *Takes note* of the resource requirements of activities relating to the international transaction log administrator for 2008–2009 identified in the programme budget proposal;<sup>3</sup>
7. *Recognizes* that, in order to ensure sufficient and stable funding for the international transaction log in the biennium 2008–2009, during which time information on transactions can be gathered, an interim measure is necessary in order to meet the resource requirements referred to in paragraph 6 above;
8. *Authorizes* the Executive Secretary, as an interim measure for the biennium 2008–2009, to advise the Parties to the Kyoto Protocol planning to use the international transaction log in the biennium 2008–2009, as listed in annex II to this decision, of annual fees for the connection of their national registry to, and use of, the international transaction log and for the related activities of the international transaction log administrator in order to cover the resource requirements referred to in paragraph 6 above;
9. *Adopts* the indicative scale of fees for the biennium 2008–2009, as contained in annex II to this decision;

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<sup>1</sup> FCCC/SBI/2007/8 and Add.1 and 2.

<sup>2</sup> FCCC/SBI/2007/8.

<sup>3</sup> FCCC/SBI/2007/8/Add.2.

10. *Decides* that, in the event that a Party not listed in annex II to this decision decides to use the international transaction log in the biennium 2008–2009, the Party shall be added to the list in annex II to this decision and that the fees paid<sup>4</sup> shall be deducted from the resource requirements of activities relating to the international transaction log administrator in the next biennium;
11. *Requests* the secretariat to initiate the creation of an additional trust fund for the receipt of fees to cover the resource requirements of activities relating to the international transaction log administrator;
12. *Requests* the Executive Secretary to notify Parties planning to use the international transaction log of annual fees to cover the resource requirements referred to in paragraph 6 above, subject to paragraph 13 below, at least three months in advance of the relevant calendar year;
13. *Requests* the Executive Secretary to review the resource requirements of activities relating to the international transaction log administrator and, if additional resources are required, report to the Subsidiary Body for Implementation at its twenty-eighth session on any proposed adjustments of the fees for 2009, calculated in accordance with annex II;
14. *Requests* the Executive Secretary to provide a breakdown of the expenditures on the development and operation of the international transaction log with a view to optimizing the cost structure;
15. *Authorizes* the international transaction log administrator to deny or suspend registry system operations with the international transaction log in the event of non-payment of the fee by the Party, although not earlier than four months after the beginning of the relevant calendar year, subject to at least two reminders having been given to the Party and consultation having taken place with the Party concerned prior to the final reminder;
16. *Requests* the Subsidiary Body for Implementation, at its thirtieth session, to review the manner of distributing fees in subsequent bienniums and, where appropriate, measures to enhance the reliability and timeliness of their payment, with a view to forwarding a draft decision on this issue to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for adoption at its fifth session;
17. *Decides* that the review referred to in paragraph 16 shall include the elaboration of a methodology for calculating user fees, including for the clean development mechanism registry, inter alia on the basis of the volume of transactions.

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<sup>4</sup> The user fee to be included in the list for the Party shall be calculated on the basis of the Party's equal share of 40 per cent of the resource requirements relating to the international transaction log administrator for 2008–2009 and an additional amount equivalent to the Party's share, in accordance with annex I to this decision, adjusted to include only Parties included in annex II to this decision, of the remaining 60 per cent of these resource requirements, with the overall user fee of the Party being made proportional to the period between the date of connection of the national registry and the end of the biennium.

## ANNEX I

**Indicative scale of contributions from Parties to the Kyoto Protocol  
for the biennium 2008–2009**

<b>Party Name</b>	<b>United Nations scale of assessment for 2008</b>	<b>Kyoto Protocol adjusted scale for 2008</b>	<b>Kyoto Protocol adjusted scale for 2009</b>
Albania	0.006	0.008	0.008
Algeria	0.085	0.110	0.110
Angola	0.003	0.004	0.004
Antigua and Barbuda	0.002	0.003	0.003
Argentina	0.325	0.419	0.419
Armenia	0.002	0.003	0.003
Austria	0.887	1.143	1.143
Azerbaijan	0.005	0.006	0.006
Bahamas	0.016	0.021	0.021
Bahrain	0.033	0.043	0.043
Bangladesh	0.010	0.010	0.010
Barbados	0.009	0.012	0.012
Belarus	0.020	0.026	0.026
Belgium	1.102	1.420	1.420
Belize	0.001	0.001	0.001
Benin	0.001	0.001	0.001
Bhutan	0.001	0.001	0.001
Bolivia	0.006	0.008	0.008
Bosnia and Herzegovina	0.006	0.008	0.008
Botswana	0.014	0.018	0.018
Brazil	0.876	1.129	1.129
Bulgaria	0.020	0.026	0.026
Burkina Faso	0.002	0.003	0.003
Burundi	0.001	0.001	0.001
Cambodia	0.001	0.001	0.001
Cameroon	0.009	0.012	0.012
Canada	2.977	3.837	3.837
Cape Verde	0.001	0.001	0.001
Chile	0.161	0.208	0.208
China	2.667	3.437	3.437
Colombia	0.105	0.135	0.135
Congo	0.001	0.001	0.001
Cook Islands	0.001	0.001	0.001
Costa Rica	0.032	0.041	0.041
Côte d'Ivoire	0.009	0.010	0.010
Cuba	0.054	0.070	0.070
Cyprus	0.044	0.057	0.057
Czech Republic	0.281	0.362	0.362
Democratic People's Republic of Korea	0.007	0.009	0.009
Democratic Republic of the Congo	0.003	0.004	0.004
Denmark	0.739	0.952	0.952

<b>Party Name</b>	<b>United Nations scale of assessment for 2008</b>	<b>Kyoto Protocol adjusted scale for 2008</b>	<b>Kyoto Protocol adjusted scale for 2009</b>
Djibouti	0.001	0.001	0.001
Dominica	0.001	0.001	0.001
Dominican Republic	0.024	0.031	0.031
Ecuador	0.021	0.027	0.027
Egypt	0.088	0.113	0.113
El Salvador	0.020	0.026	0.026
Equatorial Guinea	0.002	0.003	0.003
Eritrea	0.001	0.001	0.001
Estonia	0.016	0.021	0.021
Ethiopia	0.003	0.004	0.004
European Community	2.500	2.500	2.500
Fiji	0.003	0.004	0.004
Finland	0.564	0.727	0.727
France	6.301	8.121	8.121
Gabon	0.008	0.010	0.010
Gambia	0.001	0.001	0.001
Georgia	0.003	0.004	0.004
Germany	8.577	11.055	11.055
Ghana	0.004	0.005	0.005
Greece	0.596	0.768	0.768
Grenada	0.001	0.001	0.001
Guatemala	0.032	0.041	0.041
Guinea	0.001	0.001	0.001
Guinea-Bissau	0.001	0.001	0.001
Guyana	0.001	0.001	0.001
Haiti	0.002	0.003	0.003
Honduras	0.005	0.006	0.006
Hungary	0.244	0.314	0.314
Iceland	0.037	0.048	0.048
India	0.450	0.580	0.580
Indonesia	0.161	0.208	0.208
Iran (Islamic Republic of)	0.180	0.232	0.232
Ireland	0.445	0.574	0.574
Israel	0.419	0.540	0.540
Italy	5.079	6.546	6.546
Jamaica	0.010	0.013	0.013
Japan	16.624	21.426	21.426
Jordan	0.012	0.015	0.015
Kenya	0.010	0.013	0.013
Kiribati	0.001	0.001	0.001
Kuwait	0.182	0.235	0.235
Kyrgyzstan	0.001	0.001	0.001
Lao People's Democratic Republic	0.001	0.001	0.001
Latvia	0.018	0.023	0.023
Lebanon	0.034	0.044	0.044
Lesotho	0.001	0.001	0.001

<b>Party Name</b>	<b>United Nations scale of assessment for 2008</b>	<b>Kyoto Protocol adjusted scale for 2008</b>	<b>Kyoto Protocol adjusted scale for 2009</b>
Liberia	0.001	0.001	0.001
Libyan Arab Jamahiriya	0.062	0.080	0.080
Liechtenstein	0.010	0.013	0.013
Lithuania	0.031	0.040	0.040
Luxembourg	0.085	0.110	0.110
Madagascar	0.002	0.003	0.003
Malawi	0.001	0.001	0.001
Malaysia	0.190	0.245	0.245
Maldives	0.001	0.001	0.001
Mali	0.001	0.001	0.001
Malta	0.017	0.022	0.022
Marshall Islands	0.001	0.001	0.001
Mauritania	0.001	0.001	0.001
Mauritius	0.011	0.014	0.014
Mexico	2.257	2.909	2.909
Micronesia (Federated States of)	0.001	0.001	0.001
Moldova	0.001	0.001	0.001
Monaco	0.003	0.004	0.004
Mongolia	0.001	0.001	0.001
Morocco	0.042	0.054	0.054
Mozambique	0.001	0.001	0.001
Myanmar	0.005	0.006	0.006
Namibia	0.006	0.008	0.008
Nauru	0.001	0.001	0.001
Nepal	0.003	0.004	0.004
Netherlands	1.873	2.414	2.414
New Zealand	0.256	0.330	0.330
Nicaragua	0.002	0.003	0.003
Niger	0.001	0.001	0.001
Nigeria	0.048	0.062	0.062
Niue	0.001	0.001	0.001
Norway	0.782	1.008	1.008
Oman	0.073	0.094	0.094
Pakistan	0.059	0.076	0.076
Palau	0.001	0.001	0.001
Panama	0.023	0.030	0.030
Papua New Guinea	0.002	0.003	0.003
Paraguay	0.005	0.006	0.006
Peru	0.078	0.101	0.101
Philippines	0.078	0.101	0.101
Poland	0.501	0.646	0.646
Portugal	0.527	0.679	0.679
Qatar	0.085	0.110	0.110
Republic of Korea	2.173	2.801	2.801
Romania	0.070	0.090	0.090
Russian Federation	1.200	1.547	1.547



Party Name	United Nations scale of assessment for 2008	Kyoto Protocol adjusted scale for 2008	Kyoto Protocol adjusted scale for 2009
Rwanda	0.001	0.001	0.001
Saint Lucia	0.001	0.001	0.001
Saint Vincent and the Grenadines	0.001	0.001	0.001
Samoa	0.001	0.001	0.001
Saudi Arabia	0.748	0.964	0.964
Senegal	0.004	0.005	0.005
Seychelles	0.002	0.003	0.003
Sierra Leone	0.001	0.001	0.001
Singapore	0.347	0.447	0.447
Slovakia	0.063	0.081	0.081
Slovenia	0.096	0.124	0.124
Solomon Islands	0.001	0.001	0.001
South Africa	0.290	0.374	0.374
Spain	2.968	3.825	3.825
Sri Lanka	0.016	0.021	0.021
Sudan	0.010	0.010	0.010
Suriname	0.001	0.001	0.001
Swaziland	0.002	0.003	0.003
Sweden	1.071	1.380	1.380
Switzerland	1.216	1.567	1.567
Syrian Arab Republic	0.016	0.021	0.021
Thailand	0.186	0.240	0.240
The former Yugoslav Republic of Macedonia	0.005	0.006	0.006
Togo	0.001	0.001	0.001
Trinidad and Tobago	0.027	0.035	0.035
Tunisia	0.031	0.040	0.040
Turkmenistan	0.006	0.008	0.008
Tuvalu	0.001	0.001	0.001
Uganda	0.003	0.004	0.004
Ukraine	0.045	0.058	0.058
United Arab Emirates	0.302	0.389	0.389
United Kingdom of Great Britain and Northern Ireland	6.642	8.561	8.561
United Republic of Tanzania	0.006	0.008	0.008
Uruguay	0.027	0.035	0.035
Uzbekistan	0.008	0.010	0.010
Vanuatu	0.001	0.001	0.001
Venezuela (Bolivarian Republic of)	0.200	0.258	0.258
Viet Nam	0.024	0.031	0.031
Yemen	0.007	0.009	0.009
Zambia	0.001	0.001	0.001
<b>TOTAL</b>	<b>78.163</b>	<b>100.000</b>	<b>100.000</b>

## ANNEX II

**Indicative scale of fees for the international transaction log  
for the biennium 2008–2009**

<b>Party Name</b>	<b>Scale of fees for 2008–2009 (percentage)</b>
Austria	1.562
Belgium	1.941
Bulgaria	0.035
Canada	4.476
Czech Republic	0.495
Denmark	1.301
Estonia	0.028
European Community	2.642
Finland	0.993
France	10.497
Germany	15.103
Greece	1.049
Hungary	0.430
Iceland	0.726
Ireland	0.784
Italy	8.944
Japan	14.700
Latvia	0.032
Liechtenstein	0.185
Lithuania	0.055
Luxembourg	0.150
Monaco	0.178
Netherlands	3.298
New Zealand	0.945
Norway	2.282
Poland	0.882
Portugal	0.928
Romania	0.123
Russian Federation	2.699
Slovakia	0.111
Slovenia	0.169
Spain	5.226
Sweden	1.886
Switzerland	2.715
Ukraine	0.734
United Kingdom of Great Britain and Northern Ireland	11.696
<b>Total</b>	<b>100.000</b>

*9<sup>th</sup> plenary meeting  
14–15 December 2007*

### **Resolution 1/CMP.3**

## **Expression of gratitude to the Government of the Republic of Indonesia and the people of the province of Bali**

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

*Having met* in Bali from 3 to 15 December 2007 at the invitation of the Government of the Republic of Indonesia,

1. *Express their profound gratitude* to the Government of the Republic of Indonesia for having made it possible for the thirteenth session of the Conference of the Parties and the third session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to be held in Bali;
2. *Request* the Government of the Republic of Indonesia to convey to the people of Bali the gratitude of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for the hospitality and warmth extended to the participants.

*9<sup>th</sup> plenary meeting  
14–15 December 2007*

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