

DRAFT TEXT

on

SBSTA 39 agenda item 12(a)

Methodological issues under the Kyoto Protocol:

Implications of the implementation of decisions 2/CMP.7 to 4/CMP.7 and 1/CMP.8 on the previous decisions on methodological issues related to the Kyoto Protocol, including those relating to Articles 5, 7 and 8 of the Kyoto Protocol

15 November 2013 at 22:00 hrs.

Decision -/CMP.9

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

Recalling Articles 5, 7 and 8 of the Kyoto Protocol,

Also recalling decisions 2/CMP.7, 3/CMP.7, 4/CMP.7, 1/CMP.8 and 2/CMP.8,

Being aware of decisions 11/CMP.1, 13/CMP.1, 15/CMP.1, 16/CMP.1, 18/CMP.1, 19/CMP.1 and 24/CP.7,

1. *Decides* that, for the purpose of the second commitment period of the Kyoto Protocol and pending the entry into force of the Doha Amendment, contained in decision 1/CMP.8, annex I, any references in this decision and decision 2/CMP.8 to Annex A, Annex B, Article 3, paragraphs 1 bis, 1 ter, 1 quarter, 7 bis, 7 ter, 8, 8 bis, 12 bis and 12 ter, and Article 4, paragraphs 2 and 3, unless otherwise specified, shall be understood as referring to those Articles and Annexes as contained in the Doha Amendment, and that upon the entry into force of the Doha Amendment such references shall be read as references to the relevant Articles of the Kyoto Protocol as amended;
2. *Also decides* that, for the purpose of the second commitment period, decisions 13/CMP.1, 15/CMP.1, 18/CMP.1 and 19/CMP.1 shall apply *mutatis mutandis*, except where otherwise specified in decisions 1/CMP.8 and 2/CMP.8 and in this decision;
3. [*Clarifies* that, for the purpose of the second commitment period, unless otherwise specified in this decision, any references to Parties included in Annex I or Parties in decision 13/CMP.1 shall be understood as referring to Parties included in Annex I with commitments inscribed in the third column of Annex B to the Kyoto Protocol;]
4. *Further decides* that, for the purpose of the second commitment period, the following changes shall apply to decisions 13/CMP.1 and 15/CMP.1:
 - (a) All references to Article 3, paragraph 1, shall be read as references to Article 3, paragraph 1 bis, except those in paragraphs 12(e) and 47(h) of the annex to decision 13/CMP.1;
 - (b) All references to Article 3, paragraphs 7 and 8, shall be read as references to Article 3, paragraphs 7 bis, 8 and 8 bis, except that in decision 13/CMP.1, paragraph 4 and 15/CMP.1, paragraph 3(e);
 - (c) All references to the first commitment period shall be read as references to the second commitment period, except that in paragraph 3(e) of decision 15/CMP.1;
 - (d) All references to activities under Article 3, paragraph 3, and elected activities under Article 3, paragraph 4, shall be read as references to activities under Article 3, paragraph 3, forest management under Article 3, paragraph 4, and any elected activities under Article 3, paragraph 4;

- (e) All references to the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* or the IPCC good practice guidance shall be read as references to the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* [as implemented by the UNFCCC reporting guidelines] and the *2013 Revised Supplementary Methods and Good Practice Guidance Arising from the Kyoto Protocol*;
- (f) All references to decision 16/CMP.1 shall be read as references to decision 2/CMP.7;
5. *Reaffirms* that, in accordance with decision 2/CMP.7, the principles contained in paragraph 1 of decision 16/CMP.1 continue to govern the treatment of land use, land-use change and forestry activities, and that, subject to paragraph 7 below, the definitions contained in paragraph 1 of the annex to decision 16/CMP.1 will continue to apply in the second and subsequent commitment periods of the Kyoto Protocol;
6. *Also reaffirms* that, in accordance with decision 2/CMP.7, the provisions contained in paragraph 16 of the annex to decision 16/CMP.1 shall apply mutatis mutandis for the purpose of the second commitment period;
7. *Decides* that, with regard to the definition of ‘reforestation’ set out in paragraph 1(a) of the annex of decision 16/CMP.1, for the second commitment period reforestation activities will be limited to reforestation occurring on lands that did not contain forest on 31 December 1989;
8. *Also decides* that the provisions contained in decision 16/CMP.1 and its annex, other than those referred to in paragraphs 6 and 7 above, shall not apply for the purpose of the second commitment period;
9. *Further decides* that, for the purpose of providing 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, of the Kyoto Protocol in accordance with Article 5, paragraph 2, of the Kyoto Protocol in the second commitment period, Parties included in Annex I shall apply the [*2006 IPCC Guidelines for National Greenhouse Gas Inventories* as implemented through the “Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part I: UNFCCC reporting guidelines on annual inventories”][and the *2013 Revised Supplementary Methods and Good Practice Guidance Arising from the Kyoto Protocol*], in a manner consistent with the Kyoto Protocol, decisions 2/CMP.7 and 4/CMP.7 and the annexes to this decision;
10. *Decides* that Parties shall use, for reporting information supplementary to annual greenhouse gas inventory information in the second commitment period, in addition to the information specified in annex II to decision 2/CMP.8, the common reporting format¹ tables contained in annex I for the purpose of the 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, paragraphs 3 and 4, of the Kyoto Protocol in accordance with Article 5, paragraph 2, of the Kyoto Protocol for the second commitment period;
11. *Requests* the secretariat to develop reporting software for the tables referred to in paragraph 10 above to enable reporting by Parties under the Kyoto Protocol by 15 April 2015 in accordance with paragraph 4 of decision 2/CMP.8;
12. *Decides* that the quantity of 3.5 per cent of the base year greenhouse gas emissions excluding land use, land-use change and forestry referred to in paragraph 13 of the annex to decision 2/CMP.7 shall be calculated on the basis of the base year emissions reported in the report to facilitate the calculation of a Party’s assigned amount for the second commitment period, taking into account any

¹ The common reporting format is a standardized format to be used by Parties for the electronic reporting of estimates of greenhouse gas emissions and removals and any other relevant information.

corrections or adjustments made during the review process under Article 8 of the Kyoto Protocol, and shall remain fixed for the second commitment period;

13. *Also decides* that decisions 14/CMP.1, 17/CMP.1 and 6/CMP.3 shall not apply for the purpose of the second commitment period;

14. *Adopts* the revisions to the modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol² set out in annex II;

15. *Also adopts* the standard electronic format for reporting Kyoto Protocol units and the reporting instructions for the second commitment period contained in annex III for reporting in accordance with paragraph 11 of the annex to decision 15/CMP.1;

16. *Further adopts* the revisions to the “Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol”³ for the second commitment period contained in annex IV;

17. [*Requests* the Subsidiary Body for Scientific and Technological Advice to continue to assess and address the implications of the guidelines referred to in paragraph 16 above as revised by this decision and any other relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for Parties included in Annex I without commitments inscribed in the third column of Annex B to the Kyoto Protocol in relation to the second commitment period of the Kyoto Protocol;]

18. *Requests* the Subsidiary Body for Scientific and Technological Advice to continue to assess and address the implications of the implementation of decisions 2/CMP.7 to 4/CMP.7, 1/CMP.8 and 2/CMP.8 and this decision for the relevant decisions adopted in the first commitment period, including in particular decisions 19/CMP.1, 20/CMP.1 and 22/CMP.1, with the aim of finalizing its consideration thereof and proposing any changes to such decisions for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its tenth session (December 2014).

² Decision 13/CMP.1, annex.

³ Decision 15/CMP.1, annex.

Annex I

Common reporting format tables 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, paragraphs 3 and 4, in accordance with Article 5, paragraph 2, of the Kyoto Protocol for the second commitment period

For ease of reference, this annex is contained in document [XXXX](#)

Annex II

Modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol

A. General provisions

1. [For the purpose of the second commitment period, paragraph 2 of decision 13/CMP.1 shall not apply and the following paragraph shall be inserted after paragraph 2 of decision 13/CMP.1:][For the purpose of the second commitment period, paragraph 2 of decision 13/CMP.1 shall be replaced by the following paragraph:]

2 [bis] For the purpose of the second commitment period, after completion of the initial review under Article 8 of the report to facilitate the calculation of the assigned amount pursuant to Article 3, paragraphs 7 bis, 8 and 8 bis, in accordance with , paragraphs 2–4 of decision 2/CMP.8⁴ and resolution of any question of implementation relating to adjustments under Article 5, paragraph 2, or its assigned amount pursuant to Article 3, paragraphs 7 bis, 8 and 8 bis, the assigned amount pursuant to Article 3, paragraphs 7 bis, 8 and 8 bis, of each Party shall be recorded in the database for the compilation and accounting of emissions and assigned amounts referred to in paragraph 50 of the annex to decision 13/CMP.1, and shall remain fixed for the second commitment period.

B. Calculation of the assigned amounts pursuant to Article 3, paragraphs 7 bis, 8 and 8 bis⁴

2. [For the purpose of the second commitment period, paragraph 5 of the annex to decision 13/CMP.1, shall not apply and the following paragraph shall be inserted after paragraph 5 of the annex to decision 13/CMP.1:][For the purpose of the second commitment period, paragraph 5 shall be replaced with the following paragraph:]

5 [bis]. The assigned amount pursuant to Article 3, paragraphs 7 bis, 8 and 8 bis, for the second commitment period, from 2013 to 2020, for each Party included in Annex I with a commitment inscribed in the third column of Annex B shall be equal to the percentage inscribed for it in the third column of Annex B of its aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases, and from the sources, listed in Annex A to the Kyoto Protocol in the base year or period, multiplied by eight, taking into account the following:

(a) The base year shall be 1990 except for those Parties undergoing the process of transition to a market economy that have selected a historical base year or period other than 1990, in accordance with Article 3, paragraph 5, for those Parties that have selected 1995 as the base year for total emissions of hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride, in accordance with Article 3, paragraph 8, and 1995 or 2000 as the base year for total emissions of nitrogen trifluoride, in accordance with Article 3, paragraph 8 bis;

(b) Those Parties for which land-use change and forestry (all emissions by sources and removals by sinks under category 4 of the revised *Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part I: UNFCCC reporting guidelines on annual greenhouse gas inventories* (hereinafter referred to as the revised UNFCCC Annex I reporting guidelines) as contained in the CRF tables) constituted a net source of greenhouse gas emissions in the base year or period shall include in their emissions during that year or period the

⁴ Unless otherwise specified in this annex, the section headings in the annex follow the numbering of the corresponding section headings in the annex to decision 13/CMP.1.

aggregate anthropogenic carbon dioxide equivalent emissions by sources minus removals by sinks in that year or period from land-use change (all emissions by sources minus removals by sinks reported in relation to the conversion of forests (deforestation));

(c) [Those Parties that have reached an agreement in accordance with Article 4 to fulfill their commitments under Article 3 jointly shall use the respective emission level allocated to each of the Parties in that agreement instead of the percentage inscribed for it in the third column of Annex B.]

3. Paragraphs 6, 7 and 8 of the annex to decision 13/CMP.1 shall not apply for the purpose of the second commitment period.

4. The following paragraphs and chapter heading shall be inserted after paragraph 8 of the annex to decision 13/CMP.1:

8 bis. [The report to facilitate the calculation of the assigned amount pursuant to Article 3, paragraphs 7 bis, 8 and 8 bis, referred to in paragraph 2 of decision 2/CMP.8 shall contain the following additional information, in addition to the list in annex I to decision 2/CMP.8:

(a) The calculation of the difference between the assigned amount of the second commitment period and average annual emissions for the first three years of the preceding commitment period multiplied by eight, pursuant to Article 3, paragraph 7 ter, and in accordance with ~~decision /CMP.9,~~ paragraphs 8 ter to 8 quinquies.]

B bis. Cancellation pursuant to Article 3, paragraph 7 ter

[8.bisbis For those Parties that have reached an agreement in accordance with Article 4 to fulfill their commitments under Article 3 jointly, in the framework of, and together with, a regional economic integration organization which is itself a Party to the Kyoto Protocol, Article 3, paragraph 7 ter shall apply to each member State of that regional economic integration organization individually, as well as that regional economic integration organization.]

8 ter. The reference to the assigned amount of the second commitment period referred to in Article 3, paragraph 7 ter, shall be understood as referring to the assigned amount for the second commitment period calculated pursuant to Article 3, paragraphs 7 bis, 8 and 8 bis.

[8 quater.option#1 For the purpose of Article 3, paragraph 7 ter, the calculation of the annual emissions for the first three years of the preceding commitment period shall take into consideration any recalculations made by [the Party] during and after the first commitment period in accordance with decision 4/CMP.7.]

[8.quater.option#2 For the purposes of Article 3, paragraph 7 ter, the calculation of the annual emissions for the first three years of the preceding commitment period shall be based on the greenhouse gas inventories for the years 2008, 2009 and 2010 submitted as part of the report to facilitate the calculation of the assigned amount in accordance with paragraph 1 of annex I to decision 2/CMP.1 after completion of the initial review under Article 8 and resolution of any question of implementation. The greenhouse gases, sectors and categories to be taken into account shall be the same as those used in the assigned amount calculation.]

8 quinquies For the purpose of Article 3, paragraph 7 ter, the units cancelled shall be AAUs issued by [the Party] [the regional economic integration organization] for the second commitment period.

8 sexties Where a Party applies the cancellation pursuant to Article 3, paragraph 7 ter, the commitment period reserve for the second commitment period under paragraph 6 of the annex to decision 11/CMP.1 for that Party shall not drop below 90 per cent of eight times its average annual emissions for the first three years of the first commitment period, or 100 per cent of eight times its most recently reviewed inventory, whichever is lowest.

C. Recording of the assigned amounts pursuant to Article 3, paragraphs 7 bis, 8 and 8 bis

5. For the purpose of the second commitment period, the following paragraphs shall be inserted after paragraphs 9 and 10 of the annex to decision 13/CMP.1, respectively:

9 bis. After initial review under Article 8 and resolution of any questions of implementation relating to adjustments or the calculation of its assigned amount pursuant to Article 3, paragraphs 7 bis, 8 and 8 bis, [any positive] ~~[the]~~ difference between the assigned amount of the second commitment period for a Party included in Annex I and average annual emissions for the first three years of the preceding commitment period multiplied by eight of each Party shall be recorded in the database for the compilation and accounting of emissions and assigned amounts referred to in paragraph 50 of the annex to decision 13/CMP.1.

10 bis. Once recorded in the compilation and accounting database referred to in paragraph 50 of the annex to decision 13/CMP.1, the quantity to cancel under Article 3, paragraph 7 ter, of each Party shall remain fixed for the second commitment period.

D. Additions to, and subtractions from, the assigned amounts pursuant to Article 3, paragraphs 7 bis, 8 and 8 bis, for the accounting of the compliance assessment

6. For the purpose of the second commitment period, the following shall be inserted after paragraph 11(d):

11(d) bis. Any acquisition by a Party of ~~ERUs, CERs and/or~~ AAUs from previous period surplus reserve accounts of other Parties shall be in accordance with decision 1/CMP.8.

7. [In accordance with para. Xx of decision 1/CMP.8,]For the purpose of the second commitment period, paragraph 11(f) of the annex to decision 13/CMP.1 shall not apply and the following shall be inserted after paragraph 11(f) of the annex to decision 13/CMP.1:[For the purpose of the second commitment period, paragraph 11(f) shall be replaced with the following:]

11(f) bis Carry-over by the Party of ERUs, CERs and/or AAUs from the previous commitment period, in accordance with paragraphs 23–26 of decision 1/CMP.8.

8. For the purpose of the second commitment period, the following shall be added after the relevant subparagraphs of paragraph 12 of the annex to decision 13/CMP.1:

12(e) bis. For the second commitment period of the Kyoto Protocol, cancellation by the Party of AAUs under Article 3, paragraphs 1 ter and 1 quater;

12(e) ter. For the second commitment period of the Kyoto Protocol, cancellation by the Party of AAUs under Article 3, paragraph 7 ter;

12(f) bis. Transfers by the Party of ~~ERUs, CERs and/or~~ AAUs from ~~its~~the Party's previous period surplus reserve account to the previous period surplus reserve accounts of other Parties registries in accordance with paragraph 26 of decision 1/CMP.8;

12(f) ter. Transfer by the Party of ~~ERUs, CERs and/or~~ AAUs from the previous period surplus reserve account to the retirement account in accordance with paragraphs 23–26 of decision 1/CMP.8;

12(f) quater Voluntary cancellation by the Party of any units under paragraph 21(e) of the annex to decision 13/CMP.1;

12(f) quinquies Cancellation of units that are remaining after the expiration of the additional period for fulfilment commitments and carry-overs under paragraph 36 of the annex to decision 13/CMP.1;

12(f) sexties Cancellation of tCERs by the Party after their expiry under paragraph 53 of the annex to decision 5/CMP.1;

12(f) septies Cancellation of ICERs by the Party after their expiry under paragraph 53 of the annex to decision 5/CMP.1;

12(f) octies Cancellation of ICERs by the Party held in holding accounts where there has been a reversal of removals by sinks for the project activity concerned under **decision 5/CMP.1, annex, paragraph 49 and appendix D, paragraph 3;**

12(f) nonies Cancellation of ICERs by the Party held in holding accounts where a certification report for the project activity concerned has not been provided under **decision 5/CMP.1, annex, paragraph 50, and appendix D, paragraph 3;**

12(f) decies. Cancellation of AAUs, CERs, ERUs, RMUs and/or tCERs for the purpose of replacing tCERs prior to expiry under [paragraph 43] [paragraphs 41-43] of the annex to decision 5/CMP.1;

12(f) undecies Cancellation of AAUs, CERs, ERUs and/or RMUs for the purpose of replacing ICERs prior to expiry under paragraph 47(a) of the annex to decision 5/CMP.1;

12(f) duodecies Cancellation of AAUs, CERs, ERUs, RMUs and/or ICERs from the same project activity for the purpose of replacing ICERs where there has been a reversal of removals by sinks under paragraph 47(b) of the annex to decision 5/CMP.1;

12(f) terdecies Cancellation of AAUs, CERs, ERUs, RMUs and/or ICERs from the same project activity for the purpose of replacing ICERs where a certification report has not been provided under paragraph 47(c) of the annex to decision 5/CMP.1.

E. Basis for the compliance assessment

9. For the purpose of the second commitment period, the assessment referred to in **decision 14/CMP.1** paragraph 14 **of the annex to decision 13/CMP.1**, shall be carried out in accordance with paragraph 25 of decision 1/CMP.8.

F. Carry-over

10. [Paragraph 15 of the annex to decision 13/CMP.1 shall not apply for the purpose of the second commitment period and any carry-over shall be in accordance with paragraphs 23–26 of decision 1/CMP.8.]

11. For the purpose of the second commitment period, the following section heading and paragraphs shall be inserted after paragraph 16 of the annex to decision 13/CMP.1:

F bis Share of proceeds

16 bis The share of proceeds pursuant to paragraphs 20 and 21 of decision 1/CMP.8 shall be calculated in accordance with the following:

- (a) The quantity of units levied as a share of the proceeds on the issuance of CERs from project activities, on the first international transfers of AAUs and on the issuance of ERUs, shall be calculated as 2 per cent of the amount of units issued or transferred in each transaction, rounded up to the next higher integer value;
- (b) The quantity of units levied as a share of the proceeds on the first international transfer of AAUs shall be [included in] [additional to] the quantity of AAUs transferred. The quantity of units levied as a share of the proceeds on the issuance of ERUs for Article 6 projects shall be included in the quantities of ERUs issued for the project concerned;
- (c) The transfers pursuant to paragraphs 20–22 of decision 1/CMP.8 shall not be subject to the share of proceeds;
- (d) The first international transfers of units between previous period surplus reserve accounts shall [not] be subject to the share of proceeds;
- (e) The term ‘first international transfer’ refers to the first transfer of each individual AAU between distinct national registries, tracked by its serial number.

II. Registry requirements

A. National registries

12. For the purpose of the second commitment period, the following shall be inserted after paragraph 21(d) of the annex to decision 13/CMP.1:

21(d) bis One cancellation account for each commitment period for the purpose of cancelling AAUs under Article 3, paragraphs 1 ter and 1 quater;

21(d) ter One cancellation account for each commitment period for the purpose of cancelling AAUs pursuant to Article 3, paragraph 7 ter;

21(d) quater One previous period surplus reserve account for holdings of AAUs, [CERs] [and ERUs] in accordance with paragraphs 23–26 of decision 1/CMP.8;

12(f) quinques One cancellation account for voluntary cancellation by the Party of any units under paragraph 21(e) of the annex to decision 13/CMP.1;

12(f) sexies One cancellation account for the purpose of cancelling units that are remaining after the expiration of the additional period for fulfilment commitments and carry-overs under paragraph 36 of the annex to decision 13/CMP.1;

12(f) septies One cancellation account for the purpose of cancelling tCERs by the Party after their expiry under paragraph 53 of the annex to decision 5/CMP.1;

12(f) octies One cancellation account for the purpose of cancelling lCERs by the Party after their expiry under paragraph 53 of the annex to decision 5/CMP.1;

12(f) nonies One cancellation account for the purpose of cancelling lCERs by the Party held in holding accounts where there has been a reversal of removals by sinks for the project activity concerned under **decision 5/CMP.1, annex, paragraph 49 and appendix D, paragraph 3**;

12(f) decies One cancellation account for the purpose of cancelling ICERs by the Party held in holding accounts where a certification report for the project activity concerned has not been provided under decision 5/CMP.1, annex, paragraph 50, and appendix D, paragraph 3;

12(f) undecies One cancellation account for the purpose of cancelling AAUs, CERs, ERUs, RMUs and/or tCERs for the purpose of replacing tCERs prior to expiry under paragraph 43 of the annex to decision 5/CMP.1;

12(f) duodecies One cancellation account for the purpose of cancelling AAUs, CERs, ERUs and/or RMUs for the purpose of replacing ICERs prior to expiry under paragraph 47(a) of the annex to decision 5/CMP.1;

12(f) terdecies One cancellation account for the purpose of cancelling AAUs, CERs, ERUs, RMUs and/or ICERs from the same project activity for the purpose of replacing ICERs where there has been a reversal of removals by sinks under paragraph 47(b) of the annex to decision 5/CMP.1;

12(f) quaterdecies One cancellation account for the purpose of cancelling AAUs, CERs, ERUs, RMUs and/or ICERs from the same project activity for the purpose of replacing ICERs where a certification report has not been provided under paragraph 47(c) of the annex to decision 5/CMP.1.

B. Issuance of ERUs, AAUs and RMUs

13. The following paragraphs shall [be included after][replace] paragraph 23 of the annex to decision 13/CMP.1:

23 [bis]. For the purpose of the second commitment period, each Party included in Annex I shall issue in its national registry a quantity of AAUs equivalent to the assigned amount of that Party pursuant to Article 3, paragraphs 7 bis, 8 and 8 bis, calculated and reported in accordance with paragraph 5 bis of the annex to decision 13/CMP.1, as revised in accordance with the provisions of the present annex, and paragraph 3 of decision 2/CMP.8.

23 ter. For the purpose of the second commitment period, the transfer of units for cancellation in accordance with Article 3, paragraph 7 ter, by the Parties shall occur prior to [date] [immediately upon issuance of the assigned amount in the previous paragraph].

C. Transfer, acquisition, cancellation, retirement and carry-over

14. [For the purpose of the second commitment period, paragraphs 30, 34 and 36 of the annex to decision 13/CMP.1 shall not apply and the following paragraphs shall be inserted after paragraphs 30, 33, 34 and 36 of the annex to decision 13/CMP.1, respectively, as follows:][For the purpose of the second commitment period, paragraphs 30, 34 and 36 of the annex to decision 13/CMP.1 shall be replaced by the following paragraphs and paragraph 33 bis shall be inserted after paragraphs 33 and 35, respectively, as follows:]

30 [bis]. For the purpose of the second commitment period, ERUs, CERs, AAUs and RMUs may be transferred between registries in accordance with decisions 3/CMP.1, 9/CMP.1, 11/CMP.1 and 1/CMP.8, and may be transferred within registries.

33 bis. Each Party included in Annex I may cancel AAUs under Article 3, paragraphs 1 ter and 1 quater, so they cannot be used in fulfilment of commitments under Article 3, paragraph 1 bis, in accordance with paragraph [12(e) bis above], by transferring them to the appropriate cancellation account in its national registry. Legal entities, where authorized by the Party, may also transfer AAUs into the cancellation account.

33 ter. Each Party included in Annex I shall cancel AAUs pursuant to Article 3, paragraph 7 ter, in accordance with paragraph [12(e) ter above], to the appropriate cancellation account in its national registry.

34 [bis] For the purpose of the second commitment period, prior to the end of the additional period for fulfilling commitments, each Party included in Annex I shall retire ERUs, CERs, AAUs and/or RMUs valid for that commitment period for use towards meeting its commitments under Article 3, paragraph 1 bis, in accordance with paragraph 13 of the annex to decision 13/CMP.1 and paragraph 25 of decision 1/CMP.8 by transferring ERUs, CERs, AAUs and/or RMUs to the retirement account for that commitment period in its national registry.

36 [bis] For the purpose of the second commitment period, each Party included in Annex I may carry over to the subsequent commitment period, in accordance with [paragraph 15 of the annex to decision 13/CMP.1 and] paragraphs 23–26 of decision 1/CMP.8, ERUs, CERs and/or AAUs held in its registry that have not been cancelled or retired for a commitment period or that are not held in its previous period surplus reserve account. Each ERU, CER and/or AAU carried over in this manner shall maintain its original serial number and shall be valid in the subsequent commitment period. ERUs, CERs, AAUs and RMUs held in the national registry of a Party that have not been carried over in this manner or retired for the commitment period shall be cancelled in accordance with paragraph 12(f) of the annex to decision 13/CMP.1, once the additional period for fulfilling commitments has ended.

D. Transaction procedures

15. [For the purpose of the second commitment period, paragraph 42 of the annex to decision 13/CMP.1 shall not apply and the following paragraph shall be added after paragraph 42 of the annex to decision 13/CMP.1][For the purpose of the second commitment period, the following paragraph shall replace paragraph 42 of the annex to decision 13/CMP.1:]

42[bis]. Upon receipt of the record, for the second commitment period the transaction log shall conduct an automated check to verify that there is no discrepancy with regard to:

- (a) In all transactions: units previously retired or cancelled; units existing in more than one registry; units for which a previously identified discrepancy has not been resolved; units improperly carried over or improperly transferred to previous period surplus reserve accounts; units improperly issued, including those that infringe the limits contained in decision 2/CMP.7; and the authorization of legal entities involved to participate in the transaction;
- (b) In the case of cancellations specified in paragraph 12 above infringement of a notification from the ITL to cancel the specified quantity of units within 30 days;
- (c) In the case of transfers between registries: the eligibility of Parties involved in the transaction to participate in the mechanisms; infringement of the commitment period reserve of the transferring Party; and infringements of the limits to transfer units between previous period surplus reserve accounts of different Parties set out in paragraph 26 of decision 1/CMP.8;
- (d) In the case of acquisitions of CERs from land use, land-use change and forestry projects under Article 12: infringement of the limits contained in decision 2/CMP.7;
- (e) In the case of a retirement of CERs: the eligibility of the Party involved to use CERs to contribute to its compliance under Article 3, paragraph 1 bis.

E. Publicly accessible information

16. [For the purpose of the second commitment period, paragraph 45(e) of the annex to decision 13/CMP.1 shall not apply.]

17. For the purpose of the second commitment period, the following shall be added after the respective subparagraphs of paragraph 47 of the annex to decision 13/CMP.1:

47(a) bis. The total quantity of [ERUs, CERs,] AAUs [in each][the] previous period surplus reserve at the beginning of the year;

47(h) bis. The total quantity of AAUs cancelled under Article 3, paragraph 1 ter and 1 quater;

47(h) ter. The total quantity of AAUs cancelled under Article 3, paragraph 7 ter.

III. Compilation and accounting of emission inventories and assigned amounts

A. Compilation and accounting database

18. For the purpose of the second commitment period, the following shall be added after the respective subparagraphs of paragraph 52 of the annex to decision 13/CMP.1:

52(c) For the purpose of the second commitment period, the value of the difference between the assigned amount of the second commitment period for a Party included in Annex I and average annual emissions for the first three years of the preceding commitment period multiplied by eight, pursuant to Article 3, paragraph 7 ter;

52(d) For the purpose of the second commitment period, the forest management reference level inscribed in the decision 2/CMP.7, annex, appendix;

52(e) For the purpose of the second commitment period, any cancellations of Kyoto Protocol units pursuant to decision 27/CMP.1, annex, section XV, paragraph 5(a), arising from non-compliance in the first commitment period;

19. For the purpose of the second commitment period, the following shall be added after paragraph 55(e) of the annex to decision 13/CMP.1:

55(f) Technical corrections in accordance with decision 2/CMP.7, paragraph 15;

55(g) For those activities for which the Party has elected to account annually, the net anthropogenic emissions and removals of greenhouse gases in accordance with decision 2/CMP.7 and the related accounting quantity for the calendar year;

55(h) For those activities for which the Party has elected to account for the entire commitment period, the net anthropogenic emissions and removals of greenhouse gases in accordance with decision 2/CMP.7 and the related accounting quantity at the end of the commitment period;

55(i) In the second commitment period, any changes to the total allowable issuance of RMUs resulting from forest management activities under Article 3, paragraph 4, due to technical corrections to forest management reference levels reported by a Party in accordance with paragraphs 14 and 15 of decision 2/CMP.7 and reviewed under Article 8 in accordance with decision 2/CMP.7.

20. For the purpose of the second commitment period, the following shall be added after the respective subparagraphs of paragraph 58 of the annex to decision 13/CMP.1:

58(h) bis. For the purpose of the second commitment period, total cancellations of AAUs cancelled under Article 3, paragraph 1 ter and 1 quater;

58(h) ter. For the purpose of the second commitment period, total cancellations of AAUs cancelled under Article 3, paragraph 7 ter.

Annex III (SEF tables and instructions)

[The draft SEF tables included as annex to the SBSTA 38 to be included here]

Annex IV

Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol

1. For the purpose of the second commitment period, paragraph 11 of the annex to decision 15/CMP.1 shall not apply and Parties shall report Kyoto Protocol units in accordance with the standard electronic format and reporting instructions as contained in annex III.

2. For the purpose of the second commitment period, paragraph 18 of the annex to decision 15/CMP.1 shall not apply and the following paragraph shall be inserted after paragraph 18 of the annex to decision 15/CMP.1: [For the purpose of the second commitment period, paragraph 18 of the annex to decision 15/CMP.1 shall be replaced with the following paragraph:]

18 [bis]. For the purpose of the second commitment period, each Party included in Annex I shall report the calculation of its commitment period reserve in accordance with the annex to decision 18/CP.7, 11/CMP.1 and paragraph 18 of decision 2/CMP.8;

3. For the purpose of the second commitment period, paragraph 19 of the annex to decision 15/CMP.1 shall not apply and the following paragraph shall be inserted after paragraph 19 of the annex to decision 15/CMP.1: [For the purpose of the second commitment period, paragraph 19 of the annex to decision 15/CMP.1 shall be replaced with the following paragraph:]

19 [bis]. For the purpose of the second commitment period, each Party included in Annex I shall provide access, upon the request of expert review teams, to information held in the national registry relating to the holding accounts referred to in paragraph 21(b) of the annex to decision 13/CMP.1, and other types of accounts and transactions for the previous calendar year, that substantiates the supplementary information reported under paragraphs 11 and 12 above [and paragraphs x and y of the annex to decision _/CMP.9 [above]