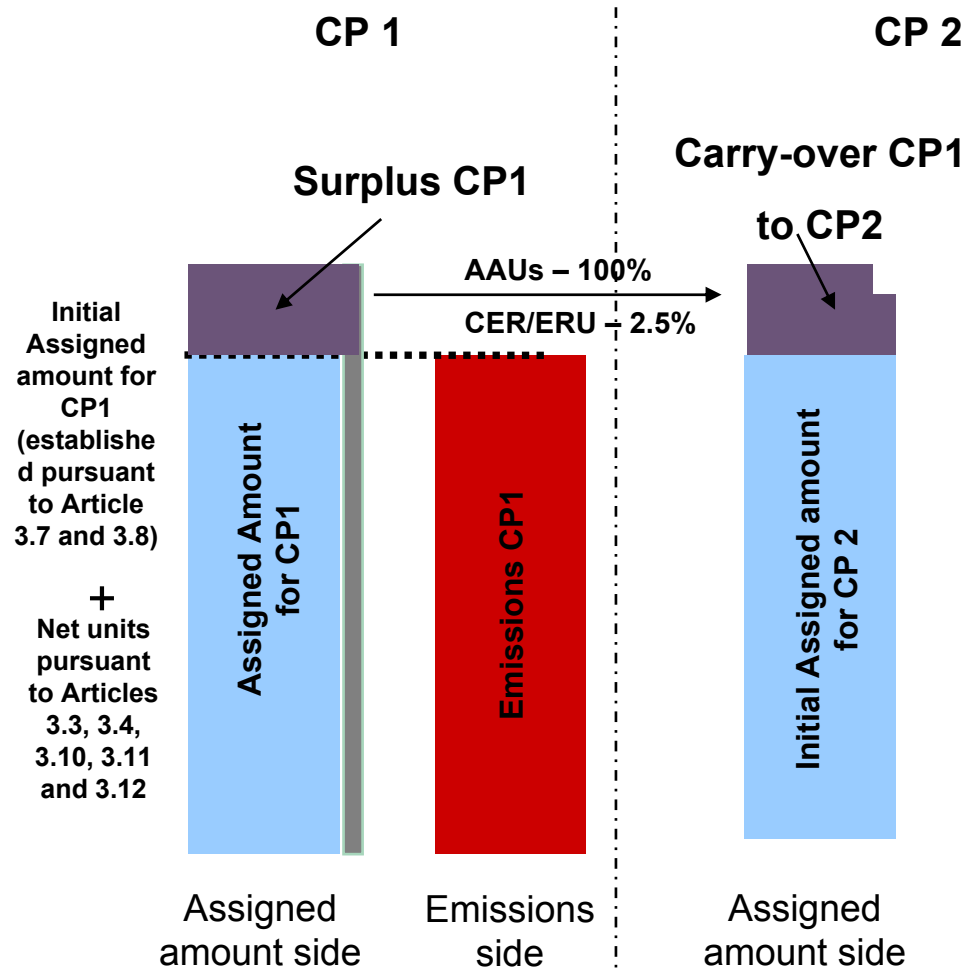


# Options for addressing the surplus and carry-over of Kyoto units for the second and subsequent commitment periods of the Kyoto Protocol

**Quantitative illustrative examples**

Durban, South Africa, 6 December 2011





| <b>CP1</b>              |        |
|-------------------------|--------|
| Initial Assigned Amount | 37 000 |
| CER/ERU                 | 3 000  |
| RMU                     | 1 000  |
| Assigned amount         | 41 000 |
| Total Emissions CP1     | 35 000 |

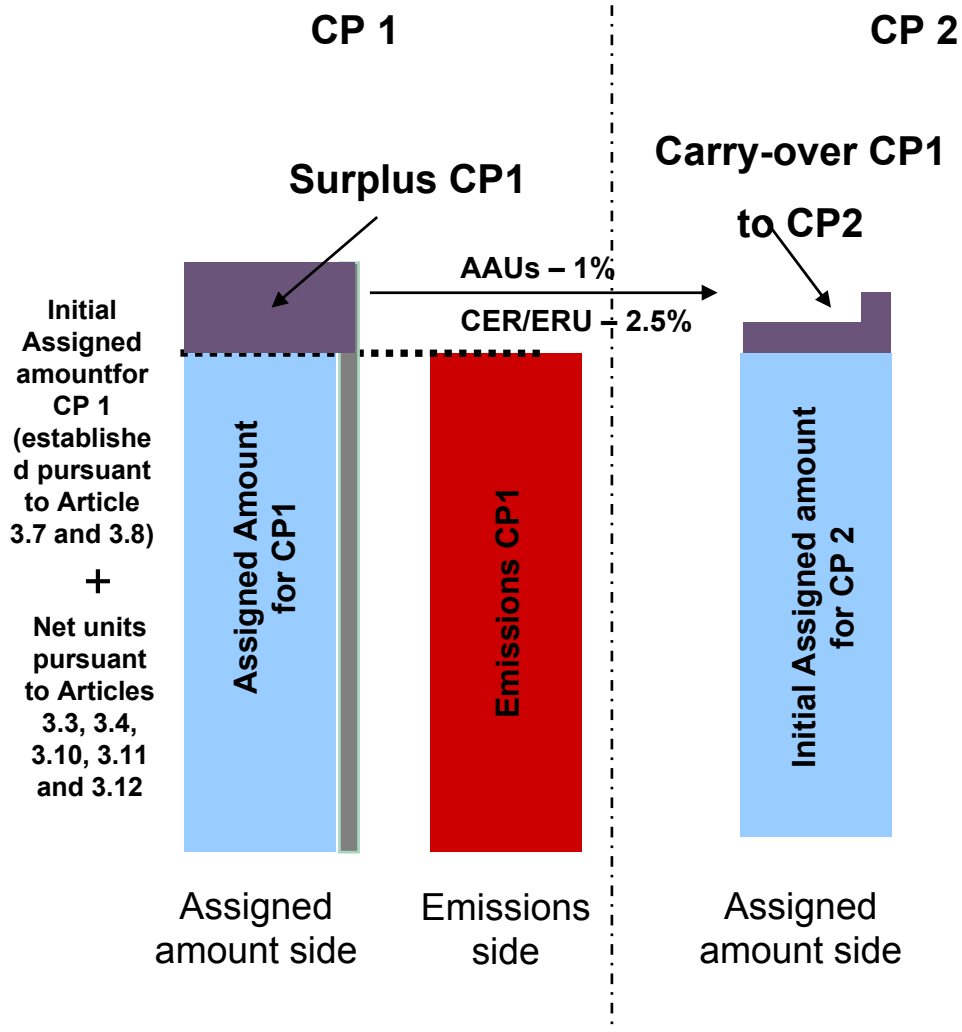
| <b>Surplus CP1</b> |       |
|--------------------|-------|
| AAU                | 4 950 |
| CER/ERU            | 1 000 |
| RMU                | 50    |

| <b>Carry Over</b> |                       |
|-------------------|-----------------------|
| AAU               | 4 950 = Surplus AAUs  |
| Cap CER/ERU       | 925 = 2.5% (CER+ ERU) |
| CER/ERU           | 925                   |
| RMU               | 0 No carry over       |

| <b>CP2</b>              |                      |
|-------------------------|----------------------|
| Initial Assigned Amount | 30 000               |
| Carry over              | 5 875                |
|                         | 20 % Initial AA CP2  |
| Cancellation            | 125                  |
|                         | 0.4 % Initial AA CP2 |



Limited carry over: 1% of the Initial Assigned Amount for the first commitment period



|                         |                       |
|-------------------------|-----------------------|
| <b>CP1</b>              |                       |
| Initial Assigned Amount | 37 000                |
| CER/ERU                 | 3 000                 |
| RMU                     | 1 000                 |
| Assigned amount         | 41 000                |
| Total Emissions CP1     | 35 000                |
| <b>Surplus CP1</b>      |                       |
| AAU                     | 4 950                 |
| CER/ERU                 | 1 000                 |
| RMU                     | 50                    |
| <b>Carry Over</b>       |                       |
| Cap AAUs                | 370                   |
| AAU                     | 370                   |
| Cap CER/ERU             | 925 = 2.5% (CER+ ERU) |
| CER/ERU                 | 925                   |
| RMU                     | 0                     |
| <b>CP2</b>              |                       |
| Initial Assigned Amount | 30 000                |
| Carry over              | 1 295                 |
|                         | 4 % Initial AA CP2    |
| Cancellation            | 4 705                 |
|                         | 16 % Initial AA CP2   |



**Potential carry over: limited to**

1 295 units =

370 AAU units (1% initial assigned amount CP1)

925 CER/ERU units (2.5% initial assigned amount CP1)

**Domestic use of carry-over**

| carry-over                                  | Cancellation of<br>units from<br>carry-over | Total cancelation  |
|---|---|--|
| <b>Emissions &gt; assigned amount (CP2)</b> |   |  |
| 1 295                                       | 0   | 4 705 emissions minus assigned<br>amount, limited by the cap |
| 4%  | 0%  | 16% Initial AA CP2   |
| <b>Assigned amount &gt; emissions (CP2)</b> |   |  |
| 0   | 1 295                                       | 6 000 no carry-over  |
| 0%  | 4%  | 20% Initial AA CP2   |



**Potential carry over: limited to**

1 295 units =

370 AAU units (1% initial assigned amount CP1)

925 CER/ERU units (2.5% initial assigned amount CP1)

**AOSIS proposal**

| carry-over                                  | Cancelation of units from carry-over | Total cancelation                           |
|---|--------------------------------------|---|
| <b>Emissions &gt; assigned amount (CP2)</b> |                                      |   |
| 324   |                                      | Adaptation support: 25% cap                 |
| 971   |                                      | PPSR* (up to 75%), for compliance           |
| 1 295                                       | 0                                    | 4 705 Upper limit of carry-over             |
| 4%  | 0%                                   | 16% Initial AA CP2                          |
| <b>Assigned amount &gt; emissions (CP2)</b> |                                      |   |
| 324   |                                      | Adaptation support: 25% cap                 |
| 243   |                                      | Domestic support: up to 25% surplus reserve |
| 567   | 728                                  | 5 433 Lower limit                           |
| 2%  | 2%                                   | 18% Initial AA CP2                          |

\* PPSR - Previous Period Surplus Reserve

