

DRAFT

AWG-KP draft texts

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These draft texts are intended to facilitate progress in the negotiations of the AWG-KP. They have been prepared under the sole responsibility of the Chair of the AWG-KP, and should not prejudge the form of the results of the work of the AWG-KP at this session.

The Chair would like to stress that nothing will be agreed until everything else is agreed.

Draft decision -/CMP.5

Amendments to the Kyoto Protocol pursuant to its Article 3, paragraph 9

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

Recalling Article 3, paragraph 9 and Article 20 and 21 of the Kyoto Protocol,

Also recalling decisions 1/CMP.1 and 3/CMP.4,

Having considered the proposals for amendments to the Kyoto Protocol submitted under Articles 20 and 21 of the Kyoto Protocol,¹

Noting the reports of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol on its sessions to date and the oral report by the Chair to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fifth session,

Taking into account the proposed amendments to the Kyoto Protocol contained in the annex to the report of the tenth session of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol,²

Noting that Parties listed in the table contained in section A of the annex to this decision have provided, in accordance with Article 21, paragraph 7, of the Kyoto Protocol, their written consent to the adoption of an amendment to Annex B to the Kyoto Protocol,

1. *Adopts* the amendments to the Kyoto Protocol as contained in the annex to this decision;
 2. *[Decides* that the provisions of the amendments contained in the annex to this decision shall apply to all Parties immediately upon the conclusion of the first commitment period under Article 3, paragraph 1, of the Kyoto Protocol, and shall continue to apply on a provisional basis until the entry into force of the amendments for each Party;
 - 3.] *Invites* Parties to deposit their instruments of acceptance in respect of the amendments contained in the annex to this decision, in accordance with Article 20, paragraph 4, with a view to ensuring that there is no gap between the first and second commitment periods;
- [3][4]. *Requests* the Subsidiary Body for Implementation to assess the implications of the carry-over of assigned amount units to the second commitment period on the scale of emission reductions to be achieved by Annex I Parties in aggregate for the second commitment period;
- [4][5]. *Also requests* the Subsidiary Body for Implementation to recommend, at its thirty-third session, appropriate actions to be taken by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to address the implications referred to in paragraph [3][4] above for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its sixth session.

¹ Documents FCCC/KP/CMP/2009/2 to FCCC/KP/CMP/2009/13.

² FCCC/KP/CMP/2009/X.

ANNEX

(a) Annex B

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

Annex B

Party	Quantified emission limitation or reduction commitment (2008–2012) (percentage of base year or period)	Quantified emission limitation or reduction commitment ([2013–2017] [2013–2020]) (percentage of base year or period)	Percentage of reference year 1 (X₁)	Percentage of reference year 2 (X₂)
Australia	108			
Austria	92			
Belarus*	92			
Belgium	92			
Bulgaria*	92			
Canada	94			
Croatia*	95			
Czech Republic*	92			
Denmark	92			
Estonia*	92			
European Union	92			
Finland	92			
France	92			
Germany	92			
Greece	92			
Hungary*	94			
Iceland	110			
Ireland	92			
Italy	92			
Japan	94			
Latvia*	92			
Liechtenstein	92			
Lithuania*	92			
Luxembourg	92			
Monaco	92			
Netherlands	92			
New Zealand	100			

Table (continued)

Party	Quantified emission limitation or reduction commitment (2008–2012) (percentage of base year or period)	Quantified emission limitation or reduction commitment ([2013–2017] [2013–2020]) (percentage of base year or period)	Percentage of reference year 1 (X ₁)	Percentage of reference year 2 (X ₂)
Norway	101			
Poland*	94			
Portugal	92			
Romania*	92			
Russian Federation*	100			
Slovakia*	92			
Slovenia*	92			
Spain	92			
Sweden	92			
Switzerland	92			
Ukraine*	100			
United Kingdom of Great Britain and Northern Ireland	92			

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

(b) **Article 3, paragraph 1 bis**

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

1 bis. The Parties included in Annex I shall, individually or jointly, ensure that their aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases listed in Annex A do not exceed their assigned amounts, calculated pursuant to their quantified emission limitation and reduction commitments inscribed in the third column of the table contained in Annex B and in accordance with the provisions of this Article, with a view to reducing their overall emissions of such gases within the range of [30 to 45] per cent below 1990 levels in the commitment period [2013 to 2018][2013 to 2020].

Article 3, paragraph 7 bis

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

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

Article 3, paragraph 9 bis

In paragraph 9 of Article 3 of the Protocol, for the words:

the consideration of such commitments

there shall be substituted:

the consideration of commitments for the second commitment period

The following paragraph shall be inserted after paragraph 9 of Article 3 of the Protocol:

9 bis. The Conference of the Parties serving as the meeting of the Parties to this Protocol shall initiate the consideration of commitments for the third and subsequent commitment periods at least [five][seven] years before the end of the commitment period that immediately precedes the commitment period under consideration.

Article 4, paragraph 2

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

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

Article 4, paragraph 3

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

the commitment period specified in Article 3, paragraph 7

there shall be substituted:

any commitment period established by the Conference of the Parties serving as the meeting of the Parties to this Protocol

Draft decision -/CMP.5

Land use, land-use change and forestry

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

Affirming that the implementation of land use, land-use change and forestry activities included under the provisions of the Kyoto Protocol shall be consistent with the objectives and principles of, and any decisions taken under, the United Nations Framework Convention on Climate Change and its Kyoto Protocol,

Having considered decision 16/CMP.1 adopted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session,

1. *Affirms* that principles contained in paragraph 1 of decision 16/CMP.1 continue to govern the treatment of land use, land-use change and forestry activities in the second and subsequent commitment periods;
2. *Decides* that good practice guidance, and methods to estimate, measure, monitor and report changes in carbon stocks and anthropogenic greenhouse gas emissions by sources and removals by sinks resulting from land use, land-use change and forestry activities, as developed by the Intergovernmental Panel on Climate Change, shall be applied by Parties, if decided in accordance with relevant decisions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
3. *Decides* that anthropogenic greenhouse gas emissions by sources and removals by sinks shall be accounted for in accordance with the annex to this decision;
4. *Decides* that anthropogenic greenhouse gas emissions by sources and removals by sinks shall be reported in accordance with supplementary methodologies for the estimation and accounting of anthropogenic emissions by sources and removals by sinks, to be agreed by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its [xxth] session;
5. *Decides* that the information referred to in paragraph 4 above shall be reviewed in accordance with relevant decisions under Article 8 of the Kyoto Protocol;
6. *Agrees* to consider at its [sixth] session the need to revise decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
7. *Agrees* that it is desirable to move towards complete coverage of managed lands when accounting for the land use, land use change and forestry sector, while addressing technical challenges and the need to focus accounting on anthropogenic emissions by sources and removals by sinks;
8. *Requests* the Subsidiary Body for Scientific and Technological Advice to initiate a work programme to explore ways of moving towards more comprehensive accounting of emissions by sources and removals by sinks from land use, land-use change and forestry, including through a more inclusive activity-based approach and a land-based approach, and to report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its seventh session on the outcomes of this work programme;

9. [Requests the Subsidiary Body for Scientific and Technological Advice to provide guidance for the provision and review of transparent and verifiable data on emissions from the harvested wood products pool, taking into account emission estimation methodologies, as revised and refined by Intergovernmental Panel on Climate Change, and taking into account that the best available data for use in estimating emissions arising from wood harvested by a Party prior to 31 December 2007 [and since 1990] may be data provided in guidance issued by the Intergovernmental Panel on Climate Change.]
10. Requests the Subsidiary Body for Scientific and Technological Advice to initiate a work programme to consider and, as appropriate, develop and recommend modalities and procedures for possible additional land use, land-use change and forestry activities under the clean development mechanism (e.g. revegetation, forest management, cropland management, grazing land management and wetland management), with a view to forwarding a draft decision on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for adoption at its seventh session;
11. Further requests the Subsidiary Body for Scientific and Technological Advice to initiate a work programme to consider and, as appropriate, develop and recommend modalities and procedures for alternative approaches to address the risk of non-permanence (e.g. the host country taking responsibility for reversals, insurance, buffers and/or credit reserves, exceptions for low-risk activities, and applying a discount factor to the total emission reductions achieved), with a view to forwarding a draft decision on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for adoption at its sixth session;
12. Further requests the Subsidiary Body for Scientific and Technological Advice to consider the revision of the UNFCCC reporting guidelines for Annex I Parties for the second commitment period and the associated common reporting format tables for supplementary information related to the Annex contained in this decision;
13. Further requests the Subsidiary Body for Scientific and Technological Advice to consider the need for additional methodologies and guidelines related to the annex to this decision and invite the Intergovernmental Panel on Climate Change to develop such methodologies and guidelines if necessary;
14. Adopts the definitions, modalities, rules and guidelines relating to land use, land-use change and forestry activities under the Kyoto Protocol contained in the annex to this decision for application in the second commitment period.

ANNEX

Option A

A. Definitions

1. For land use, land-use change and forestry activities under Article 3, paragraphs 3 and 4, the following definitions shall apply:
 - (a) “Forest” is a minimum area of land of 0.05–1.0 hectares with tree crown cover (or equivalent stocking level) of more than 10–30 per cent with trees with the potential to reach a minimum height of 2–5 metres at maturity *in situ*. A forest may consist either of closed forest formations where trees of various storeys and undergrowth cover a high proportion of the ground or open forest. Young natural stands and all plantations which have yet to reach a crown density of 10–30 per cent or tree height of 2–5 metres are included under forest, as are areas normally forming part of the forest area which are temporarily unstocked as a result of human intervention such as harvesting or natural causes, but which are expected to revert to forest;
 - (b) “Afforestation” is the direct human-induced conversion of land that has not been forested for a period of at least 50 years to forested land through planting, seeding and/or the human-induced promotion of natural seed sources;
 - (c) “Reforestation” is the direct human-induced conversion of non-forested land to forested land through planting, seeding and/or the human-induced promotion of natural seed sources, on land that was forested but that has been converted to non-forested land. For the second commitment period, reforestation activities will be limited to reforestation occurring on those lands that did not contain forest on 31 December 1989;
 - (d) “Deforestation” is the direct human-induced conversion of forested land to non-forested land;
 - (e) “Revegetation” is a direct human-induced activity to increase carbon stocks on sites through the establishment of vegetation that covers a minimum area of 0.05 hectares and does not meet the definitions of afforestation and reforestation contained here. It includes direct human-induced activities related to greenhouse gas emissions and/or decreases in carbon stocks on sites which have been categorized as revegetation areas and do not meet the definition of deforestation;
 - (f) “Forest management” is a system of practices for stewardship and use of forest land aimed at fulfilling relevant ecological (including biological diversity), economic and social functions of the forest, and includes emissions by sources and removals by sinks;
 - (g) “Cropland management” is the system of practices on land on which agricultural crops are grown and on land that is set aside or temporarily not being used for crop production;
 - (h) “Grazing land management” is the system of practices on land used for livestock production aimed at manipulating the amount and type of vegetation and livestock produced;
 - (i) [“Wetland management” is a system of practices for rewetting and draining on land that covers a minimum area of 1 hectare. It includes all lands that have been drained and/or rewetted since 1990 and that are not accounted for under any other activity, where drainage is the artificial lowering of the soil water table and rewetting is the partial or total reversal of drainage;]

- (j) ["Planted production forest" [is a forest consisting of [introduced] species, which as at 1990 met all the following criteria: [dominated by] one or two species at plantation, even age class and regular spacing. The "planted production forest" shall have been established by direct human-induced conversion of non-forest land to forest land [or non-productive forest land to planted production forests] by the planting and/or seeding provisions of an afforestation or reforestation activity;]
- (k) ["Equivalent forest" means an area of forest that will achieve at least the same carbon stock over the same period as would have occurred had the area of harvested "planted production forest" been re-established;]
- (l) ["Force majeure" means, for the purposes of this decision, extraordinary events or circumstances, defined as those events or circumstances whose occurrence or severity was beyond the control of, and not materially influenced by, a Party [and whose associated total annual greenhouse gas emissions by sources and removals by sinks are a minimum of [X per cent][Y to 5 per cent] of the total national emissions included in the base year].

B. Article 3, paragraph 3

2. For the purposes of Article 3, paragraph 3, eligible activities are those direct human-induced afforestation, reforestation and/or deforestation activities that meet the requirements set forth in this annex and that started on or after 1 January 1990 and before 31 December of the last year of the commitment period.
3. For the purposes of determining the area of deforestation to come into the accounting system under Article 3, paragraph 3, each Party shall determine the forest area using the same spatial assessment unit as is used for the determination of afforestation and reforestation, but not larger than 1 hectare.
- 3 bis. [In the case of “planted production forests” [established before 1 January 1990 only], conversion of forest land to non-forest land shall be considered harvesting, and shall not be considered deforestation, where an “equivalent forest” is established elsewhere on non-forest land that would have qualified for afforestation or reforestation. “Equivalent forest” shall not be included in a Party’s assessment of emissions and removals from afforestation and reforestation activities and must be included in a Party’s accounting of forest management under Article 3, paragraph 4, if elected.]
4. [Debits arising from harvesting a unit of land that was subject to afforestation or reforestation between 1 January 1990 and 31 December 2007, and has not since been harvested, shall not be greater than credits accounted for in total on that unit of land since 1 January 2008.]
5. Each Party included in Annex I shall report, in accordance with Article 7, on how harvesting or forest disturbance that is followed by the re-establishment of a forest is distinguished from deforestation. This information will be subject to review in accordance with Article 8.

C. Article 3, paragraph 4

6. A Party included in Annex I may choose to account for anthropogenic greenhouse gas emissions by sources and removals by sinks resulting from any or all of the following activities: [revegetation,] [forest management,] [cropland management,] [grazing land management and] [wetland management].
- 6 bis. [All Parties included in Annex I shall account for anthropogenic greenhouse gas emissions by sources and removals by sinks resulting from the following: any activity under Article 3, paragraph 4, elected in the first commitment period; and [revegetation,] [forest management,] [cropland management,] [grazing land management and] [wetland management].
7. [A Party included in Annex I wishing to account for activities under Article 3, paragraph 4, in the second commitment period shall identify, in its report to enable the establishment of its assigned amount pursuant to Article 3, paragraphs 7 and 8, the activities under Article 3, paragraph 4, which it elects to include in its accounting for the second commitment period. Upon election, a decision by a Party will be fixed for the second commitment period. *(Delete or revise if all or some activities are mandatory.)*]
- 7 bis. [Activities elected by a Party under Article 3, paragraph 4, in the first commitment period shall continue to be accounted for in the second commitment period. Such ongoing accounting shall be incorporated into the calculation of its assigned amount pursuant to Article 3, paragraphs 7 and 8.]
8. During the second commitment period, a Party included in Annex I that selects any or all of the activities mentioned in paragraph 6 above (if any), in addition to those already selected for the first commitment period, shall demonstrate that such activities have occurred since 1990 and are human-induced. A Party included in Annex I shall not account for emissions by sources and removals by sinks resulting from activities under Article 3, paragraph 4, if these are already accounted for under Article 3, paragraph 3.

9. For the second commitment period, accountable anthropogenic greenhouse gas emissions by sources and removals by sinks resulting from [revegetation,] [forest management,] [cropland management,] [grazing land management,] [wetland management,] under Article 3, paragraph 4, shall be equal to anthropogenic greenhouse gas emissions by sources and removals by sinks in the commitment period, less [X] times the anthropogenic greenhouse gas emissions by sources and removals by sinks resulting from these eligible activities in the base year of that Party, while avoiding double accounting. *(Forest management would be deleted from this paragraph depending on the option adopted).*

Accounting for forest management

[Option 1 (*caps*):

11. For the second commitment period, additions to and subtractions from the assigned amount of a Party¹ resulting from forest management under Article 3, paragraph 4, and resulting from forest management project activities undertaken under Article 6 shall not exceed the value inscribed in the appendix², times [x].]

[Option 2 (*reference levels*):

11. For the second commitment period, accountable anthropogenic greenhouse gas emissions by sources and removals by sinks resulting from forest management under Article 3, paragraph 4, from forest land shall be equal to anthropogenic greenhouse gas emissions by sources and removals by sinks in the commitment period, less [X] times the reference level inscribed in the appendix below.³

[11 bis. [Neither credits nor debits shall result if net removals or emissions are [between the reference level and zero] [within X per cent⁴ of the reference level. In this case, credits or debits outside this range shall be generated by the difference calculated with reference to X per cent above or below the reference level according to whether the net removals or emissions are above or below.]]

D. Article 12

12. Afforestation and reforestation are eligible projects activities under the clean development mechanism in the second commitment period. Activities additional to afforestation and reforestation will be eligible if agreed by any future decision of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

13. Modalities and procedures contained in decision 5/CMP.1 for afforestation and reforestation project activities under the clean development mechanism, and in decision 6/CMP.1 for small-scale

¹ In accordance with decision -/CMP.1 (“Modalities for the accounting of assigned amounts”).

² [In arriving at the values in the appendix, the Conference of the Parties was guided by the application of an 85 per cent discount factor to account for the removals identified in paragraph 1 (h) of decision 16/CMP.1 (“Land use, land-use change and forestry”) and a 3 per cent cap on forest management, using a combination of data provided by Parties and by the Food and Agriculture Organization of the United Nations. Consideration was also given to national circumstances (including the degree of effort needed to meet Kyoto commitments and the forest management measures implemented). The accounting framework established in this paragraph shall not be construed as establishing any precedent for the second and subsequent commitment periods.]

³ [The forest management reference levels inscribed in the appendix were set transparently, taking into account:

(a) Removals or emissions from forest management as shown in GHG inventories and relevant historical data;
 (b) Age-class structure;
 (c) Forest management activities already undertaken;
 (d) Projected forest management activities;
 (e) Continuity with the treatment of forest management in the first commitment period.
 Points (c), (d) and (e) will apply where relevant.

[The forest management reference levels also took into account the need for consistency with the provisions for addressing force majeure contained in paragraphs 19 bis through 19 septies by excluding emissions by sources and removals by sinks due to force majeure.]]

⁴ “X per cent” refers to a percentage of the reference level. Assumes the same value would apply for all Parties.

afforestation and reforestation project activities under the clean development mechanism, shall apply, mutatis mutandis, to the second commitment period. Alternative approaches to address the risk of non-permanence may apply in accordance with any future decision of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

14. For the second commitment period, the total of additions to a Party's assigned amount resulting from afforestation and reforestation project activities under Article 12 shall not exceed one per cent of base year emissions of that Party, times [X].

E. General

15. Each Party included in Annex I shall, for the purpose of applying the definition of "forest" as contained in paragraph 1 (a) above, apply the definition of forest selected in the first commitment period.

16. Those Parties included in Annex I that did not select a definition of forest for the first commitment period shall, for the purpose of applying the definition of "forest" as contained in paragraph 1 (a) above, select a single minimum tree crown cover value of between 10 and 30 per cent, a single minimum land area value of between 0.05 and 1 hectare and a single minimum tree height value of between 2 and 5 metres.

17. For the second commitment period, and subject to other provisions in this annex, the additions to and subtractions from the assigned amount of a Party pursuant to Article 3, paragraphs 7 and 8, shall be equal to anthropogenic greenhouse gas emissions by sources and removals by sinks measured as verifiable changes in carbon stocks, and non-carbon dioxide greenhouse gas emissions during the period [1 January 2013] to, [31 December [YY]] resulting from afforestation, reforestation and deforestation under Article 3, paragraph 3, [and forest management under Article 3, paragraph 4,] that have taken place since 1 January 1990. Where the result of this calculation is a net sink of greenhouse gases, this value shall be added to the assigned amount of that Party. Where the result of this calculation is a net source of greenhouse gas emissions, this value shall be subtracted from the assigned amount of that Party. *(This paragraph may need to be revised in light of decisions on forest management.)*

18. Accounting of anthropogenic greenhouse gas emissions by sources and removals by sinks resulting from land use, land-use change and forestry activities under Article 3, paragraphs 3 and 4, shall begin with the onset of the activity or the beginning of the commitment period, whichever comes later.

19. Once land is accounted for under Article 3, paragraphs 3 and 4, all anthropogenic greenhouse gas emissions by sources and removals by sinks on this land must be accounted for throughout subsequent and contiguous commitment periods.

Force majeure

[Option 1: *delete section on Force Majeure*]

[Option 2 (*paragraphs 19 bis through 19 septies*):

19 bis. Each Party shall, for the purposes of applying the definition of force majeure, select a single minimum value for total annual greenhouse gas emissions by sources and removals by sinks in the range [Y to 5 per cent] of the total national emissions included in the base year. The selection made by the Party shall be fixed for the duration of the [commitment period]. Each Party shall explain why and how the value was chosen.]

19 ter. A Party included in Annex I where force majeure has occurred during the second or subsequent commitment periods affecting carbon stocks on lands subject to Article 3, paragraph 3, and[, if elected,] land subject to activities under Article 3, paragraph 4, may, at the end of the commitment period, or annually during the commitment period, [exclude from accounting the associated total annual [CO₂] [greenhouse gas emissions] until they have been balanced by subsequent removals], [or] [carry over the

associated [CO₂] [greenhouse gas emissions] to the subsequent commitment period] provided that no land-use change has occurred on those lands. Emissions associated with the harvesting of salvage wood shall not be [excluded] [or] [carried over].

19 quater. A Party included in Annex I that applies the provisions of force majeure shall calculate the emissions and removals subject to the provisions in paragraph 19 bis, showing that these emissions and removals comply with the definition of force majeure, and provide information⁵:

- (a) Showing that all lands subject to the provisions in paragraph 19 ter are identified, including the geo-referenced location, year and type of force majeure;
- (b) Showing that no land-use change has occurred on lands subject to the provisions in paragraph 19 ter and describing how lands monitoring will identify any future land-use changes on those lands;
- (c) That demonstrates that the occurrence or severity of the events or circumstances was beyond the control of, and not materially influenced by, the Party, by demonstrating efforts to manage or control, where practicable, the events or circumstances that led to the application of the provisions in paragraph 19 ter;
- (d) That demonstrates the efforts to rehabilitate, where practicable, the carbon stocks on the lands subject to the provisions in paragraph 19 ter;
- (e) Describing the system in place to ensure the monitoring and reporting of emissions and subsequent removals occurring on lands subject to the provisions in paragraph 19 ter;
- (f) That demonstrates that removals by sinks on lands after force majeure do not enter the accounting until they equal the [CO₂][greenhouse gas] emissions excluded due to force majeure;
- (g) That demonstrates that consistency is maintained with the treatment of force majeure in reference levels established for forest management;
- (h) Showing that emissions associated with the harvesting of salvaged wood were not [excluded] [or] [carried over].

19 quinquies. The supplementary information described in paragraph 19 quater will be included in the national greenhouse gas inventory reports of Parties. Actual emissions and removals and those described in paragraph 19 quater (h) above will be included in the Party's common reporting format tables provided by Parties. All information and estimates listed in paragraph 19 quater will be subject to expert review as part of the expert review of the national greenhouse gas inventory report submitted by Parties.

19 sexies. [A Party included in Annex I must ensure that reporting continues to provide estimates of emissions by sources and removals by sinks until the greenhouse gas emissions due to force majeure have been balanced by subsequent removals, and ensure unbiased accounting by maintaining consistency with the treatment of reference levels established for forest management.]⁶

19 septies. The lands subject to force majeure must re-enter the accounting when the excluded greenhouse gas emissions and subsequent removals have been balanced on those lands.]

20. National inventory systems under Article 5, paragraph 1, shall ensure that information on the areas of land subject to land use, land-use change and forestry activities under Article 3, paragraphs 3 and

⁵ Not all of the information listed below may be needed in the case of carry-over.

⁶ May not be needed in the case of carry-over.

4, are identifiable, and information about these areas should be provided by each Party included in Annex I in their national inventories in accordance with Article 7. Such information will be reviewed in accordance with Article 8.

21. Each Party included in Annex I shall account for all changes in the following carbon pools: above-ground biomass, below-ground biomass, litter, dead wood, [and] soil organic carbon [and harvested wood products]. A Party may choose not to account for a given pool in a commitment period, if transparent and verifiable information is provided that demonstrates that the pool is not a source.

21 bis. [When accounting for greenhouse gas emissions by sources and removals by sinks, Parties included in Annex I to the Convention may remove the impacts of inter-annual variability.]

Harvested wood products

[Option 1: *Delete section on Harvested Wood Products.*]

[Option 2: *(paragraphs 21 ter through 21 novies)*]

21 ter Emissions from carbon in wood removed from forests accounted for under Article 3 of the Kyoto Protocol shall be accounted for by the producing country, as a default, on the basis of instantaneous oxidation, or on the basis of estimates of when emissions occur, provided that verifiable and transparent data are available. Accounting shall be confined to harvested wood products originating from harvested forest for which emissions and removals have been included in the accounting of the Party.

21 quater Emissions from carbon in wood removed from forests accounted for under Article 12 of the Kyoto Protocol shall be accounted, as a default, on the basis of instantaneous oxidation, or on the basis of estimates of when emissions occur provided that verifiable and transparent data are available. Accounting shall be confined to harvested wood products originating from harvested forest for which emissions and removals have been included in the accounting of the afforestation/reforestation project.

21 quinques Accounting may be on the basis of when emissions occur for the domestically produced and consumed harvested wood products pool only, and may also be on the basis of when emissions occur for the exported harvested wood products pool.

21 sexies Estimates of net emissions from harvested wood products shall specify product categories and underlying assumptions for both domestic and export markets.

21 septies When accounting for exported harvested wood products is on the basis of when emissions occur, estimates shall be reported separately for each country to which the harvested wood products are exported, using nationally specific data on the fate of the wood in the importing country.

21 octies Emissions from harvested wood products in solid waste disposals sites are accounted for on the basis of instantaneous oxidation.

[21 novies Emissions that occur during the commitment period from the harvested wood pool arising from wood harvested by the Party prior to 31 December 2007 [and since 1990] shall also be accounted for, using the same procedure as above and in line with the latest Intergovernmental Panel on Climate Change guidance approved by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.]

21 decies A Party shall maintain consistency in the treatment of harvested wood products in the reference level and in the commitment period, and in order to do this shall make an accounting adjustment if necessary, and shall report on how the adjustment was made.]]

[APPENDIX (*Option 1, paragraph 11*)]

Party	Mt C/yr¹
Australia	0.00
Austria	0.63
Belarus	
Belgium	0.03
Bulgaria	0.37
Canada	12.00
Croatia	0.265
Czech Republic	0.32
Denmark	0.05
Estonia	0.10
Finland	0.16
France	0.88
Germany	1.24
Greece	0.09
Hungary	0.29
Iceland	0.00
Ireland	0.05
Italy	2.78 ²
Japan	13.00
Latvia	0.34
Liechtenstein	0.01
Luxembourg	0.01
Monaco	0.00
Netherlands	0.01
New Zealand	0.20
Norway	0.40
Poland	0.82
Portugal	0.22
Romania	1.10
Russian Federation	33.00
Slovakia	0.50
Slovenia	0.36
Spain	0.67
Sweden	0.58
Switzerland	0.50
Ukraine	1.11
United Kingdom	0.37

¹ As listed in the appendix to decision 16/CMP.1.

² This figure has been changed from 0.18 to 2.78 by decision 8/CMP.2.

[APPENDIX (*Option 2, paragraphs 11–11bis*)]

Party	Reference level (Mt C/yr)	Quantitative limitation
Australia	[-9.16]	
Austria	[-1.52]	
Belarus	[xx]	
Belgium	[-3.15]	
Bulgaria	[-6.49]	
Canada	[-105.40]	
Croatia	[xx]	
Czech Republic	[-3.99]	
Denmark	[0.32]	
Estonia	[-0.74]	
Finland	[-13.70]	
France	[-50.98]	
Germany	[0.85]	
Greece	[-3.08]	
Hungary	[-1.25]	
Iceland	[xx]	
Ireland	[-0.09]	
Italy	[-53.45]	
Japan	[0.00]	
Latvia	[-26.03]	
Liechtenstein	[xx]	
Luxembourg	[-0.26]	
Monaco	[xx]	
Netherlands	[-1.84]	
New Zealand	[17.05]	
Norway	[-14.20]	
Poland	[-34.01]	
Portugal	[-0.28]	
Romania	[-30.26]	
Russian Federation	[-177.80]	
Slovakia	[-2.15]	
Slovenia	[-2.71]	
Spain	[-19.37]	
Sweden	[-21.84]	
Switzerland	[-1.11]	
Ukraine	[xx]	
United Kingdom	[-3.44]	

Draft decision -/CMP.5

Emissions trading and the project based mechanisms

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

Recalling Articles 6, 12 and 17 of the Kyoto Protocol,

Noting the reports of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol on its sessions to date,

I. Clean development mechanism

Carbon dioxide capture and storage

Option 1:

1. *Decides* that activities relating to carbon dioxide capture and storage shall not be eligible under the clean development mechanism in the second commitment period owing to unresolved concerns and issues at the international level, including:

- (a) Non-permanence, including long-term permanence;
- (b) Measurement, reporting and verification;
- (c) Environmental impacts;
- (d) The definition of project activity boundaries;
- (e) Issues of international law;
- (f) Issues of liability;
- (g) The potential for the creation of perverse incentives for increased dependency on fossil fuels;
- (h) Safety;
- (i) The absence of insurance coverage to provide compensation for damage to the environment and to the atmosphere resulting from storage site leakage;

Option 2:

2. *Decides* that activities relating to carbon dioxide capture and storage in geological formations shall be eligible under the clean development mechanism in the second and subsequent commitment periods;

3. *Requests* the Subsidiary Body for Scientific and Technological Advice to recommend modalities and procedures for inclusion under the clean development mechanism of the activities referred to in paragraph 2 above, with a view to forwarding a draft decision on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for adoption at its seventh session, including in relation to:

- (a) Non-permanence, including long-term permanence;
- (b) Measuring, reporting and verification;
- (c) Environmental impacts;
- (d) The definition of project activity boundaries;
- (e) Issues of international law;
- (f) Issues of liability;
- (g) Insurance to compensate for leakage;
- (h) The potential for perverse outcomes;
- (i) Safety;

Nuclear

Option 1:

4. *Decides* that activities relating to nuclear facilities shall not be eligible under the clean development mechanism in the second commitment period;

Option 2:

5. *Recognizes* that Parties included in Annex I to the Convention that are also Parties to the Kyoto Protocol are to refrain from using certified emission reductions generated from nuclear facilities to meet their quantified emission limitation and reduction commitments;

Option 3:

6. *Decides* that activities relating to nuclear facilities that commenced operation on or after 1 January 2008 shall be eligible under the clean development mechanism in the second and subsequent commitment periods;

7. *Requests* the Subsidiary Body for Scientific and Technological Advice to recommend modalities and procedures for inclusion under the clean development mechanism of the activities referred to in paragraph 6 above, with a view to forwarding a draft decision on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for adoption at its seventh session;

Standardized baselines

Option 1:

8. *No decision to be made with respect to this issue*

Option 2:

9. *Decides* that, where appropriate, in order to enhance the environmental integrity, efficiency and regional distribution of the clean development mechanism, standardized baselines shall be used on a national or subnational level for specific project activity types in the determination of additionality and the calculation of emission reductions and removals;

10. *Requests* the Subsidiary Body for Scientific and Technological Advice to recommend modalities and procedures for the definition, periodic adjustment and use of standardized baselines as referred to in paragraph 9 above, with a view to forwarding a draft decision on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for adoption at its sixth session;

*Improving regional distribution and access*¹

Option 1:

11. *No decision to be made with respect to this issue*

Option 2:

12. *Requests* the Executive Board of the clean development mechanism to establish simplified modalities for demonstrating additionality for project activities under 5 megawatts that employ renewable energy as their primary technology and for energy efficiency project activities that aim to achieve energy savings at a scale of less than 20 gigawatt hours per year;

13. *Decides* that project activities in small island developing States shall be exempt from payment of the registration fee and a share of the proceeds to cover administrative expenses of the clean development mechanism;

14. *Also decides* to permit the postponement of the payment of the registration fee for project activities hosted in Parties with fewer than 10 registered project activities;

15. *Requests* the Executive Board of the clean development mechanism to provide upfront financing for the validation, verification and certification of project activities hosted in Parties with fewer than 10 registered project activities through the provision of loans under the clean development mechanism management plan, to be repaid upon the first issuance of certified emission reductions;

16. *Encourages* Parties included in Annex I to the Convention that are also Parties to the Kyoto Protocol to take measures such that [x] per cent of all units used to comply with their quantified emission limitation and reduction commitments in the second commitment period are certified emission reductions from project activities hosted in least developed countries;

17. *Requests* the Executive Board of the clean development mechanism to include in its annual report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol an update on actions taken relating to the measures referred to in paragraphs 12 to 16 above;

Co-benefits

Option 1:

18. *No decision to be made with respect to this issue*

Option 2:

19. *Requests* the Executive Board of the clean development mechanism to implement measures in the registration and ongoing assessment of project activities to enhance the visibility of their co-benefits;

¹ This issue is also under discussion under agenda item 6 (“Issues relating to the clean development mechanism”) of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

20. *Decides* that each designated operational entity shall, as part of its validation of a project activity, confirm that one or more co-benefits are demonstrated by the project activity;

Discount factors

Option 1:

21. *No decision to be made with respect to this issue*

Option 2:

22. *Decides* that specified project activities under the clean development mechanism shall generate certified emission reductions equal to the certified level of emission reductions or removals adjusted by a discount factor;

23. *Requests* the Subsidiary Body for Scientific and Technological Advice to recommend modalities and procedures for the discount factors referred to in paragraph 22 above, with a view to forwarding a draft decision on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for adoption at its seventh session;

II. Joint implementation

Nuclear

Option 1:

24. *Decides* that activities relating to nuclear facilities shall not be eligible under joint implementation in the second commitment period;

Option 2:

25. *Recognizes* that Parties included in Annex I to the Convention that are also Parties to the Kyoto Protocol are to refrain from using emission reduction units generated from nuclear facilities to meet their quantified emission limitation and reduction commitments;

Option 3:

26. *Decides* that activities relating to nuclear facilities that commenced operation on or after 1 January 2008 shall be eligible under joint implementation in the second and subsequent commitment periods;

27. *Requests* the Subsidiary Body for Scientific and Technological Advice to recommend modalities and procedures for inclusion under joint implementation of the activities referred to in paragraph 26 above, with a view to forwarding a draft decision on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for adoption at its seventh session;

Co-benefits

Option 1:

28. *No decision to be made with respect to this issue*

Option 2:

29. *Requests* the Joint Implementation Supervisory Committee to implement measures in the determination and ongoing assessment of projects under the Joint Implementation Supervisory Committee to enhance the visibility of their co-benefits;

III. Other

Carry-over (banking)

Option 1:

30. *Decides* that limits on the carry-over of units from the first commitment period to the second commitment period shall apply to the carry-over of units from the second commitment period to the third commitment period;

Option 2:

31. *Decides* that there shall be no restrictions on the carry-over of units beyond the second commitment period;

Share of proceeds

Option 1:

32. *No decision to be made with respect to this issue*

Option 2:

33. *Decides* that, to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation, [0.5] [2] [8] per cent of assigned amount units and removal units for each Party included in Annex I to the Convention with a commitment inscribed in Annex B to the Kyoto Protocol shall be issued and transferred to the specified account of the Adaptation Fund before the remaining assigned amount units and removal units may be issued;

34. *Decides* that, as applicable, the share of proceeds to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation shall be amended to [x] per cent of certified emission reductions;

Commitment period reserve

Option 1:

35. *No decision to be made with respect to this issue*

Option 2:

36. *Decides* that, in the second commitment period, each Party included in Annex I to the Convention shall maintain in its national registry a commitment period reserve which should not drop below the lower of either:

- (a) 90 per cent of the assigned amount of the Party; or

- (b) The sum of the reviewed inventories reported by the Party thus far in the period, plus 100 per cent of its most recently reviewed inventory multiplied by the difference between the number of years in the period and the number of years for which the inventories of the Party have been reported for the period;

Option 3:

37. *Decides* to review at its seventh session, and revise as appropriate, the design of the commitment period reserve for the second commitment period to support the effective operation of emissions trading, taking into account, inter alia, the relevant rules, modalities, guidelines and procedures for measuring, reporting, verification and compliance;

Emissions trading

Option 1:

38. *No decision to be made with respect to this issue*

Option 2:

39. *Decides* to enable the trading of units generated from new market-based mechanisms;

40. *Requests* the Subsidiary Body for Scientific and Technological Advice to recommend modalities and procedures for the trading of units referred to in paragraph 39 above, with a view to forwarding a draft decision on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for adoption at its seventh session.

Draft decision -/CMP.5

Greenhouse gases, sectors and source categories; common metrics to calculate the carbon dioxide equivalence of anthropogenic emissions by sources and removals by sinks; and other methodological issues

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

Recalling Article 3, paragraph 9, and Articles 5, 7, 8, 20 and 21 of the Kyoto Protocol,

Also recalling decisions 1/CMP.1 and 3/CMP.4,

Having considered proposals by Parties relating to greenhouse gases, sectors and source categories, common metrics to calculate the carbon dioxide equivalence of anthropogenic emissions by sources and removals by sinks, and other methodological issues,

Noting the reports of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol on its tenth session and the oral report by the Chair to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fifth session,

Taking into account proposals by Parties for elements of draft decisions contained in the annex to the report of the Ad Hoc Working Group on Further Commitments for Annex I Parties to the Kyoto Protocol at its tenth session,

In relation to greenhouse gases, sectors and source categories

Option 1:

1. *Affirms* that, for the second commitment period of the Kyoto Protocol, the actual emissions of hydrofluorocarbons and perfluorocarbons, including new species included by the Intergovernmental Panel on Climate Change in its Fourth Assessment Report, as well as actual emissions of sulphur hexafluoride, nitrogen trifluoride, fluorinated ethers and perfluoripolyethers, should be estimated, where data are available, and used for the reporting of emissions;

Option 2:

Provisions of the Kyoto Protocol relating to coverage of greenhouse gases and sectors remain unchanged;

In relation to common metrics to calculate the carbon dioxide equivalence of emissions by sources and removals by sinks

2. *Decides* that, for the second commitment period of the Kyoto Protocol, the global warming potentials used by Parties to calculate the carbon dioxide equivalence of anthropogenic emissions by sources and removals by sinks of greenhouse gases listed in Annex A to the Kyoto Protocol shall be those [provided by the Intergovernmental Panel on Climate Change in its Second Assessment Report (“1995 Intergovernmental Panel on Climate Change global warming potential values”)] [listed in the column entitled “Global Warming Potential for Given Time Horizon” in table 2.14 of the Errata to the contribution Working Group I to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change], based on the effects of greenhouse gases over a 100-year time horizon, taking into account the inherent and complicated uncertainties involved in global warming potential estimates;

Note: If the Parties decide to use the Second Assessment Report and to add new gases or new groups of gases to Annex A, then the following text would be added to the paragraph above:

3. *Also decides* that for those greenhouse gases listed in Annex A to the Kyoto Protocol for which values for global warming potentials are not provided in the Second Assessment Report, the values used shall be those listed in the column entitled “Global Warming Potential for Given Time Horizon” in table 2.14 of the Errata to the contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, based on the effects of greenhouse gases over a 100-year time horizon;
4. *Requests* the Subsidiary Body for Scientific and Technological Advice to conduct an assessment, based on the work of, inter alia, the Intergovernmental Panel on Climate Change, of the implications of the choice of metrics used to calculate the carbon dioxide equivalence of anthropogenic emissions by sources and removals by sinks of the greenhouse gases listed in Annex A to the Kyoto Protocol for the third and subsequent commitment periods;
5. *Also requests* the Subsidiary Body for Scientific and Technological Advice to initiate such an assessment no later than 2015 and present its recommendations on the most appropriate metric and related values to be used by Parties to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, with a view to the Conference of the Parties serving as the meeting of the Parties adopting a decision on the metric and related values;
6. *Decides* that any decision adopted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to change the metric or revise the values used by Parties to calculate carbon dioxide equivalence shall apply only to commitments under Article 3 of the Kyoto Protocol in respect of any commitment period adopted subsequent to that change or revision;
7. *Encourages* the Parties to the Convention, the Kyoto Protocol and any relevant legal instruments to strive for a consistent approach in relation to the metric and related values used by Parties to calculate the carbon dioxide equivalence of greenhouse gases;

In relation to application of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories

8. *Acknowledges* that the Subsidiary Body for Scientific and Technological Advice, at its thirtieth session, agreed to launch a work programme in 2010 to revise 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” (hereinafter referred to as the UNFCCC reporting guidelines) and to address the methodological issues related to reporting when using the *2006 IPCC Guidelines for National Greenhouse Gas Inventories*, with a view to recommending a draft decision on revised UNFCCC reporting guidelines for adoption by the Conference of the Parties for regular use starting in 2015;
9. *Decides* that, starting with the second commitment period of the Kyoto Protocol, the methodologies for estimating anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol for the greenhouse gases and sectors/source categories listed in Annex A to the Kyoto Protocol, shall be consistent with the use of the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* as implemented through the revised UNFCCC reporting guidelines referred to in paragraph 8 above;
10. *Also decides*, that for the estimation and accounting of anthropogenic emissions by sources and removals by sinks of greenhouse gases 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 shall agree on supplementary methodologies, referred to in paragraph x of decision -/CMP.5, at its seventh session at the latest which shall be based on, inter alia,

chapter 4 of the *Good Practice Guidance for Land Use, Land-Use Change and Forestry* of the Intergovernmental Panel on Climate Change;

In relation to the sector/source categories listed in Annex A to the Kyoto Protocol

11. *Agrees* that for the second commitment period of the Kyoto Protocol:
- (a) The category “Energy/Fuel combustion/Other” includes the subcategory “CO₂ transport and storage”;
 - (b) The category “Industrial processes/Other” includes the subcategory “electronics industry”;
 - (c) The category “Waste/Other” includes the subcategory “biological treatment of solid waste”;

In relation to cross-cutting issues

12. *Requests* the Subsidiary Body for Scientific and Technological Advice to assess the implications of the action taken in accordance with paragraphs 1–11 above on the decisions that guide the reporting and review under Articles 5, 7 and 8 of the Kyoto Protocol, with a view to preparing relevant draft decisions for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its seventh session, at the latest;

13. *Also requests* the Subsidiary Body for Scientific and Technological Advice to address any transitional issues arising from actions taken in accordance with paragraphs 1–12 above on the decisions that guide the reporting and review under Articles 5, 7 and 8 of the Kyoto Protocol, with a view to preparing relevant draft decisions for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its seventh session, at the latest.

Draft decision -/CMP.5

Consideration of information on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures

Recalling that the work of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol on the consideration of information on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties (hereinafter referred to as potential consequences) should be guided and informed by Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol, the relevant provisions and principles of the Convention and the best available relevant scientific, social, environmental and economic information,

Emphasizing that the work of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol should be guided by the ultimate objective of the Convention,

Noting that a framework for consideration of potential consequences has been established through decisions 15/CMP.1, 27/CMP.1 and 31/CMP.1,

Also noting that additional work on this issue should, in accordance with the provisions, principles and relevant Articles of the Convention and its Kyoto Protocol, build on relevant decisions of the Conference of the Parties and of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, and work being carried out by other bodies and in other processes under the Convention and its Kyoto Protocol, with the aim of maintaining an approach that is coherent with other work under the UNFCCC process,

Further noting that striving to minimize the adverse impacts of mitigation policies and measures is a common concern of both developing and developed countries,

Noting that there could be both positive and negative consequences of mitigation policies and measures,

Agreeing that the work on the consideration of potential consequences should focus on minimizing negative potential consequences for Parties, especially developing country Parties,

Recognizing that although potential negative consequences present challenges for all Parties, they will be most severe for developing country Parties, in particular,

Option 1: Those identified in Article 4, paragraphs 8, 9 and 10, of the Convention,

Option 2: The poorest and most vulnerable developing country Parties that are least capable of addressing these consequences,

Noting the challenges in anticipating, attributing and quantifying potential consequences,

Acknowledging that the careful design by Parties included in Annex I to the Convention of policies and measures under Article 2 of the Kyoto Protocol could assist them in implementing such policies and measures in a manner consistent with Article 2, paragraph 3, of the Kyoto Protocol,

Underlining the importance of Article 3, paragraph 5, of the Convention in the implementation of Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol,

Noting that the work on potential consequences should not constrain or hinder progress in addressing climate change, should benefit from the experiences of Parties and lessons learned, should take into consideration the role of national policies and measures and should consider both negative and positive potential consequences,

Also Noting that the impacts of potential consequences may be influenced by the institutional capacity and regulatory framework in Parties not included in Annex I to the Convention (non-Annex I Parties),

1. *Urges* Annex I Parties to support the efforts of non-Annex I Parties in strengthening such capacities and frameworks in this regard,
2. *Recognizes* that there is a need to deepen the understanding of potential consequences and any observed impacts and that this can be achieved through various means, including:
 - (a) The regular and systematic provision by all Parties of information that is as complete as possible, on potential and observed impacts of policies and measures, in particular through national communications, and the regular review of this information;
 - (b) Assessment of potential consequences and observed impacts carried out by, inter alia, relevant national institutions and international organizations;
 - (c) Information from work being carried out by other UNFCCC bodies that may be relevant in considering potential consequences;
3. *Decides* to review the guidelines contained in decision 15/CMP.1 on the preparation of the information required under Article 7 of the Kyoto Protocol in order to assist Parties included in Annex I to the Convention (Annex I Parties) to report on potential consequences in their national communications;
4. *Decides* to use the existing guidelines contained in decision 15/CMP.1;
5. *Decides* to establish a permanent forum through which Parties report impacts and consequences of policies and measures, which would offer a common space where Parties may provide information on their specific needs and concerns relating to those consequences, and identify ways to minimize negative consequences of these policies and measures adopted by Annex I Parties on Parties not included in Annex I to the Convention (Annex I Parties);
6. *Recommends* that the Subsidiary Body for Implementation provides a channel within national communications for the reporting and review of impacts and consequences of the policies and measures of Annex I Parties;
7. *Decides* that Parties shall provide solid information on their specific needs and concerns relating to the adverse and beneficial social, environmental and economic impacts arising from mitigation actions taken by Parties;
8. *Further decides* that all Parties shall report on observed impacts of response measures in their national communications.