

## **Note by the Chair of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol on the informal additional session to be held in Bangkok from 30 August to 5 September 2012**

*Issued on 20 July 2012*

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An informal additional session of the AWG-KP will be convened in Bangkok, Thailand from 30 August to 5 September. The Chair of the AWG-KP wishes to inform Parties of her intention to use this additional time to advance the work of the group to ensure a successful outcome in Doha where the AWG-KP will resume its seventeenth session.

**Status of negotiations in the AWG-KP after the Bonn session:** It is the Chair's view that in Bonn the AWG-KP made progress on technical issues such as QELROs<sup>1</sup> and carry-over, and on legal issues relating to the transition from the first to the second commitment period (CP2). However, agreed solutions have not yet been found on the high-level policy issues, such as the length of CP2, access to the Kyoto Protocol mechanisms for the Annex I Parties without QELROs in CP2, the approach to carry-over, or the aggregate emissions reduction target for all Annex I KP Parties. Parties' views on the amendments to the Kyoto Protocol and its Annex B still appear divergent.

*On the length of CP2:* During the discussions in Bonn, Parties more clearly articulated the reasons for their positions, highlighting issues such as the need to increase the level of ambition or inter-linkages with the timeframe outlined in the Durban Platform decision. However, the AWG-KP could not yet resolve the principal disagreement with regard to the two options available, i.e., five or eight years.

*On QELROs for CP2:* In Bonn, Parties explained how they arrived at the QELROs proposed in their submissions.<sup>2</sup> A group of Parties presented their version of QELROs for all Annex B Parties, for a five-year CP2 and based on some additional rules. The discussion continued on the methodology for transforming targets into QELROs, including choice of the starting point, the assumed emissions trajectory and the length of the commitment period. At the end of the Bonn session, the co-facilitators presented a version of Annex B to the Kyoto Protocol that included the QELROs as submitted by Annex B Parties, using the structure in annex 1 to decision 1/CMP.7. A group of Parties also presented a set of proposed amendments to the text of the Kyoto Protocol and its Annex B, but these proposals could not be considered by the working group in detail because of the lack of time.

*On carry-over of AAUs:* The spin-off group considered three proposals; the option of "no change" to the current rule of unlimited carry-over of AAUs also remains on the table. While there was not enough time to consolidate these proposals, the group identified several common elements, such as the concept of the Previous Period Surplus Reserve (PPSR).

*Continuity from CP1 to CP2:* The Vice-Chair's informal consultations resulted in a better understanding on how the entry into force of amendments for CP2 could be organized legally. Four approaches have been identified: (a) ratification; (b) provisional application; (c) unilateral declarations; and (d) implementing decisions. These approaches are not necessarily exclusive but may complement each other.

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<sup>1</sup> The AWG-KP, at its resumed sixth session, agreed that further commitments for Annex I Parties should, for the next commitment period, principally take the form of quantified emission limitation or reduction objectives (QELROs). Article 3, paragraph 1, of the Kyoto Protocol uses the term 'quantified emission limitation and reduction commitments'. This note assumes that both terms refer to the same concept and uses the term QELRO throughout.

<sup>2</sup> All Annex I Parties which intend to participate in CP2 submitted information on their QELROs, with the exception of Monaco and Ukraine. All Parties submitting information, with the exception of New Zealand and Australia, included a numerical QELRO or QELRO-related estimate.

There was also growing understanding among Parties that continuity between the first and second commitment period has two facets: legal continuity and technical continuity. The legal continuity could be addressed through the four approaches listed above, but achieving technical continuity would require relevant work under the Subsidiary Body for Scientific and Technological Advice (SBSTA)<sup>3</sup> in conjunction with decisions under the AWG-KP.

**Advancing the work in Bangkok:** The Chair intends to use the informal additional time in Bangkok to work towards resolving outstanding issues to ensure the successful completion of the group's work in Doha by recommending an amendment to the CMP for adoption. This would allow the second commitment period to start immediately from 1 January 2013.

As the session is informal, the Chair proposes to carry out work as follows:

- a) A short informal plenary meeting at the beginning of the session to outline the mode of work, immediately followed by an informal meeting of the contact group to allow Parties to exchange views on the outstanding political issues and the way forward;
- b) Informal meetings moving forward the work started in Bonn in the spin-off groups on numbers/text, including QELROs, options of carry-over and the review;
- c) Continued informal consultations by the AWG-KP Vice-Chair on the legal and procedural issues relating to transition to the second commitment period;
- d) An informal stock-taking contact group in the middle of the session to ensure transparency and provide a space for reporting on progress;
- e) If needed, additional informal consultations by the AWG-KP Chair on high-level policy issues and any further issues;
- f) At the end, an informal contact group followed by a short informal plenary.

The Chair would like to remind Parties that the following information from the May session can be found on the UNFCCC website:<sup>4</sup>

- QELRO presentations made by Parties;
- Compilation of the proposals/discussions in the spin-off group by the co-facilitators;
- Compilation of legal options proposed by the Vice-Chair; and
- Informal technical papers<sup>5</sup> on carry-over and calculation of QELROs by Parties.

The Chair also wishes to remind Parties of the technical paper<sup>6</sup> mandated by the SBSTA to support its work on the implications of decisions 2-5/CMP.7 on previous decisions on methodological issues, including those relating to Articles 5, 7 and 8 of the Kyoto Protocol, since it may indicate issues which would have an impact on the work of the AWG-KP.

The Chair will undertake informal pre-session consultations with Parties' and groups to discuss their views on how the AWG-KP can best use the informal time in Bangkok. Parties are welcome to contact the Chair and Vice-Chair on any matter before or during the session.

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<sup>3</sup> SBSTA agenda item on 'Implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 on the previous decisions on methodological issues relevant to the Kyoto Protocol, including those related to Articles 5, 7 and 8 of the Kyoto Protocol'.

<sup>4</sup> See <[http://unfccc.int/kyoto\\_protocol/items/4944.php](http://unfccc.int/kyoto_protocol/items/4944.php)>.

<sup>5</sup> These informal technical papers were requested by Parties in the spin-off group on "numbers/text" during the Bonn session and they will be made available on the website prior to the Bangkok session.

<sup>6</sup> The mandated publication deadline for this technical paper is 1 September 2012.