

**Informal consultations by the Chair of the Ad Hoc Working Group on Further Commitments
for Annex I Parties under the Kyoto Protocol (AWG-KP)
on Kyoto Protocol eligibility issues relating to the second commitment period**

12–13 November 2012
Langer Eugen building, room 2705,
Hermann-Ehlers-Str. 10, 53113 Bonn, Germany

AGENDA

<u>DAY 1: Monday, 12 November</u>	
08:45–09:45	Registration
10:00–10:15	Opening by Ms. Madeleine Diouf Sarr, AWG-KP Chair
10:15–11:30	<p>Session 1: Eligibility under and participation in the Kyoto Protocol flexibility mechanisms for Kyoto Protocol Parties</p> <p><i>Chair: Ms. Madeleine Diouf Sarr, AWG-KP Chair</i> <i>Facilitation: Mr. Jukka Uosukainen, AWG-KP Vice-Chair¹</i></p> <p>Issues to consider:</p> <p>1) <i>What is the difference between participation/access to the mechanisms and eligibility to use, transfer and acquire units?</i></p> <p>2) <i>Which of the participation and eligibility requirements need to be considered in the framework of transition from the first (CP1) to the second (CP2) commitment period?</i></p> <p>3) <i>What participation and eligibility issues may arise for</i></p> <ul style="list-style-type: none">- <i>Annex I KP Parties with commitments in CP2,</i>- <i>Annex I KP Parties without commitments in CP2,</i>- <i>non-Annex I Parties?</i> <p>References: see “Background information sheet for session 1”</p>
11:30 – 11:45	Coffee/tea break
11:45–13:15	<p>Session 2: Continuity aspects of the eligibility of Annex I CP2 Parties to use, transfer and acquire units under the mechanisms</p> <p><i>Chair: Ms. Madeleine Diouf Sarr, AWG-KP Chair</i> <i>Facilitation: Mr. Jukka Uosukainen, AWG-KP Vice-Chair</i></p> <p>Issues to consider:</p> <p>1) <i>Does the eligibility established in CP1 continue into CP2 from 1 January 2013 or does CP2 eligibility need to be established anew? If eligibility is maintained, do any of the eligibility requirements need to be reassessed in light of any CP2-related milestones?</i></p> <p>2) <i>If eligibility for CP2 needs to be established anew, when does take place and how?</i></p> <p>3) <i>How is eligibility affected by the following specific dates relating to the second commitment period: on 1 January 2013 (CP2 beginning), at the point of establishing the assigned amounts for CP2 (not known yet) or at the point of entry into force of CP2-related amendments to the KP?</i></p> <p>References: see “Background information sheet for session 2”</p>

¹ At the outset of each session, the facilitator will present issues and outline discussion topics.

13:15–14:30	Lunch break
14:30–16:15	<p>Session 2 (continued): Continuity aspects of the eligibility of Annex I CP2 Parties to use, transfer and acquire units under the mechanisms</p> <p><i>Chair: Ms. Madeleine Diouf Sarr, AWG-KP Chair Facilitation: Mr. Juergen Lefevere, AWG-KP facilitator</i></p> <p>Issues to consider:</p> <p>1) <i>In the absence of any CMP decisions addressing the issues of eligibility and CP2 transactions from the beginning of the CP2, how will the KP mechanisms operate from 1 January 2013?</i></p> <ul style="list-style-type: none"> • CDM • JI • ET <p>2) <i>And, in the absence of such decisions, what will be implications for the carbon market?</i></p>
16:15–16:30	Coffee/tea break
16:30–18:00	<p>Session 2 (continued): Continuity aspects of the eligibility of Annex I CP2 Parties to use, transfer and acquire units under the mechanisms</p> <p><i>Chair: Ms. Madeleine Diouf Sarr, AWG-KP Chair Facilitation: Mr. Juergen Lefevere, AWG-KP facilitator</i></p> <p>Issues to consider:</p> <p>1) <i>What eligibility-related aspects for Annex I and non-Annex I Parties should be addressed by CMP 8 in Doha?</i></p> <p>2) <i>Where should such eligibility-related aspects be addressed, at AWG-KP or at the SBSTA?</i></p>
18:00	End of day 1

<u>DAY 2: Tuesday, 13 November</u>	
10:00–11:30	<p>Session 3: Eligibility and entry into force of CP2-related amendments to the Kyoto Protocol</p> <p><i>Chair: Ms. Madeleine Diouf Sarr, AWG-KP Chair Facilitation: Ms. Sandea de Wet, AWG-KP facilitator</i></p> <p>Issues to consider:</p> <p>1) How eligibility issues are linked to the various legal options to prevent a legal gap between 1 January 2013 and the time of entry into force of CP2-related amendments?</p> <p>2) What measures could be put in place to enable transfers and acquisitions of Kyoto Protocol units from 1 January 2013? Do these measures depend on the particular mechanism (CDM, JI, ET)?</p> <p>3) If no measures are taken to prevent the legal gap after 1 January 2013, what would be implications for the legal nature of the Kyoto Protocol units generated under CP2?</p> <p>References: see pages 5–8 in FCCC/KP/AWG/2012/CRP.1</p>
11:30–11:45	Coffee/tea break
11:45–13:15	<p>Session 4: Eligibility for Annex I Kyoto Protocol Parties without commitments in CP2</p> <p><i>Chair: Ms. Madeleine Diouf Sarr, AWG-KP Chair Facilitation: Ms. Sandea de Wet, AWG-KP facilitator</i></p> <p>Issues to consider:</p> <p>1) What are key reasons behind the two known positions on that issue, one allowing participation and another one not allowing participation?</p> <p>2) What would be market implications for taking each of these positions?</p> <p>3) If non-CP2 KP Parties are allowed to participate, what changes would be required in the formulation of eligibility criteria for CDM, JI and ET?</p> <p>4) If non-CP2 Parties were to access KP mechanisms, what such access would mean for specific mechanisms (CDM: issuance, use? JI: issuance, transfer, acquisition? ET: transfer, acquisition?)</p>
13:15 – 13:30	Closing remarks by Ms. Madeleine Diouf Sarr, AWG-KP Chair
13:30	End of the consultations

Key references:

Articles 6, 12 and 17 of the Kyoto Protocol; decisions 2/CMP.1 (general); decision 3/CMP.1 (CDM), section F of the annex in particular; decision 9/CMP.1 (JI), section D of the annex in particular; decision 11/CMP.1 (ET), paras 2 and 3 of the annex in particular; decision 13/CMP.1 (modalities for assigned amounts).

The participants may also find useful the Chair's proposal to facilitate negotiations under AWG-KP (document FCCC/KP/AWG/2012/CRP.1) as well as some parts of the recent technical paper, FCCC/TP/2012/6, which was prepared by the secretariat in support of SBSTA work on the implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 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; sections VII.C and VII.E may be particularly relevant.