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**CONFERENCE OF THE PARTIES SERVING AS THE
MEETING OF THE PARTIES TO THE KYOTO PROTOCOL**
Second session
Nairobi, 6–17 November 2006

Agenda item 22 (a)
Conclusion of the session
Adoption of the report of the Conference of the Parties
serving as the meeting of the Parties to the Kyoto Protocol
on its second session

**Draft report of the Conference of the Parties serving as the meeting of the
Parties to the Kyoto Protocol on its second session**

Rapporteur: Mr. William Kojo Agyemang-Bonsu (Ghana)

Part One: Proceedings

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[to be completed]

PART TWO: ACTION TAKEN BY THE CONFERENCE OF THE PARTIES SERVING AS THE MEETING OF THE PARTIES TO THE KYOTO PROTOCOL AT ITS SECOND SESSION

[to be completed]

I. Opening of the session

(Agenda item 1)

1. The second session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP), convened pursuant to Article 13, paragraph 6, of the Kyoto Protocol,¹ was opened at the premises of the United Nations Office at Nairobi (UNON), Kenya, on 6 November 2006, by Mr. Kivutha Kibwana, Minister for the Environment and Natural Resources of Kenya, President of the COP/MOP at its second session.

A. Addresses of welcome

2. On the occasion of the opening of the twelfth session of the Conference of the Parties (COP) and the second session of the COP/MOP, the Vice-President of Kenya, Mr. Arthur Moody Awori, and the Under-Secretary-General of the United Nations, Director General of UNON, and Executive Director of the United Nations Human Settlements Programme (UN HABITAT), Ms. Anna Tibaijuka, delivered addresses of welcome.

3. Welcoming all delegates to Kenya and the city of Nairobi, the Vice-President said that hosting the conference represented a major accomplishment for Kenya. He expressed his gratitude to the countries that had provided generous support to the Government of Kenya, making the conference possible, and to UNON and the United Nations Environment Programme (UNEP) for their assistance in organizing the event.

4. The Vice-President said that climate change threatened to put at risk the livelihoods of the world's poorest communities. Sub-Saharan countries were the most vulnerable because of the predominantly agrarian structure of their economies. With over 25 per cent of the gross domestic product of those countries being derived from agriculture and over 70 per cent of the population living in rural areas, climate change would have a vast impact on their economies. Reducing the vulnerability of those most affected by climate change would require substantial external financial support to be provided through various channels, including bilateral and multilateral mechanisms. While financial resources and technology transfer were key to finding solutions, the Vice-President noted that success in confronting climate change depended largely on Parties' ability to forge an effective global strategy that was environmentally sound and fair.

5. The Vice-President mentioned that the Convention and its Kyoto Protocol represented important steps in that direction. Based on the principle of common but differentiated responsibilities, it was necessary to engage major emitters of greenhouse gases in a common long-term effort and develop an equitable and environmentally effective post-2012 response to the challenges posed by climate change.

6. Speaking in her role as Director General of UNON, Ms. Tibaijuka said that UNON was honoured to host the first climate change conference to take place in sub-Saharan Africa, which she described as an historic event. Given that the biggest environmental challenges were to be found in developing countries, Kenya and UNON were particularly suited to host the conference. Referring to UNON as the home of two important programmes dealing with the natural environment and the human environment, UNEP and UN HABITAT, respectively, Ms. Tibaijuka highlighted the links between the work of those organizations and that of Parties to the Convention and its Kyoto Protocol. Since climate

¹ The COP/MOP was held in conjunction with the twelfth session of the Conference of the Parties to the Convention (COP). The proceedings of the COP are contained in a separate report. Joint elements such as the addresses of welcome and the proceedings of the joint meetings of the COP and the COP/MOP convened during the high-level segment of the sessions are reproduced in both reports.

change had a direct impact not only on the environment but also on the lives of people, the work of the delegates was highly relevant to that of UNEP and UN HABITAT.

B. Other statements

7. At the 1st meeting,² on 6 November, general statements were made by the representatives of Belarus, the Russian Federation, Pakistan, Finland (on behalf of the European Community and its member States),³ South Africa (on behalf of the Group of 77 and China) and Bangladesh (on behalf of the least developed countries).

II. Organizational matters

(Agenda item 2)

A. Adoption of the agenda

(Agenda item 2 (a))

8. For its consideration of this sub-item at its 1st meeting, on 6 November, the COP/MOP had before it a note by the Executive Secretary containing the provisional agenda and annotations (FCCC/KP/CMP/2006/1). The provisional agenda had been prepared in agreement with the President of the COP/MOP at its first session, taking into account views expressed by Parties during the twenty-fourth session of the Subsidiary Body for Implementation (SBI) and by members of the Bureau, as well as requests received from Parties.

9. Noting that some Parties had expressed concerns regarding the provisional agenda, the President informed the delegates that he had held consultations on this matter but that it had not been possible to reach a consensus on the agenda as proposed. He therefore proposed to proceed on the basis of the provisional agenda, excluding item 17, "Report of the President on consultations concerning the proposal of the Russian Federation to develop appropriate procedures for the approval of voluntary commitments". He invited Mr. Kishan Kumarsingh (Trinidad and Tobago) to continue to assist him in that matter and to meet with interested Parties with a view to adopting the agenda at the next meeting.

10. Following consultations on this issue, the President, at the 2nd meeting, on 9 November, proposed that item 17 be taken up as a sub-item under the item "Other Matters" of the proposed agenda.

11. The President, upon a proposal by the representative of one Party, also proposed to include an additional agenda item 2 (e), "Status of ratification of the Kyoto Protocol".

12. The COP/MOP, on the proposal of the President, approved the provisional agenda contained in document FCCC/KP/CMP/2006/1, as orally amended at its 2nd meeting. The agenda, as adopted, thus reads as follows:

1. Opening of the session.
2. Organizational matters:
 - (a) Adoption of the agenda;
 - (b) Election of replacement officers;
 - (c) Organization of work, including the sessions of the subsidiary bodies;

² Meetings of the COP/MOP referred to in this report are plenary meetings.

³ The following countries aligned themselves with that statement and all following statements made by Finland on behalf of the European Community and its member States: Bulgaria, Romania, Bosnia and Herzegovina, The former Yugoslav Republic of Macedonia, and Serbia.

- (d) Approval of the report on credentials;
 - (e) Status of ratification of the Kyoto Protocol.
- 3. Reports of the subsidiary bodies and decisions and conclusions arising therefrom:
 - (a) Report of the Subsidiary Body for Scientific and Technological Advice;
 - (b) Report of the Subsidiary Body for Implementation.
- 4. Report of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol.
- 5. Issues relating to the clean development mechanism.
- 6. Report of the Joint Implementation Supervisory Committee.
- 7. Report of the Compliance Committee.
- 8. Amendment of the Kyoto Protocol in respect of procedures and mechanisms relating to compliance.
- 9. Report of the administrator of the international transaction log under the Kyoto Protocol.
- 10. National communications from Parties included in Annex I to the Convention: synthesis of reports demonstrating progress in accordance with Article 3, paragraph 2, of the Kyoto Protocol.
- 11. Review of the Kyoto Protocol pursuant to its Article 9.
- 12. Capacity-building under the Kyoto Protocol.
- 13. Adaptation Fund.
- 14. Matters relating to Article 3, paragraph 14, of the Kyoto Protocol.
- 15. Matters relating to Article 2, paragraph 3, of the Kyoto Protocol.
- 16. Proposal from Belarus to amend Annex B to the Kyoto Protocol.
- 17. Administrative, financial and institutional matters:
 - (a) Audited financial statements for the biennium 2004–2005;
 - (b) Budget performance in the biennium 2006–2007;
 - (c) Privileges and immunities for individuals serving on constituted bodies established under the Kyoto Protocol.
- 18. Other matters referred to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol by the subsidiary bodies.
- 19. High-level segment.
- 20. Statements by observer organizations.
- 21. Other matters.
 - (a) Report of the President on consultations concerning the proposal of the Russian Federation to develop appropriate procedures for the approval of voluntary commitments;
 - (b) Any other matters.

22. Conclusion of the session:

- (a) Adoption of the report of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on its second session;
- (b) Closure of the session.

B. Election of replacement officers

(Agenda item 2 (b))

13. At the 1st meeting, on 6 November, the President recalled Article 13, paragraph 3, and Article 15, paragraph 3, of the Kyoto Protocol, which provide that in matters concerning the Protocol any member of the Bureau of the COP and the subsidiary bodies representing a Party to the Convention but, at that time, not a Party to the Protocol, shall be replaced by an additional member to be elected by and from among the Parties to the Protocol.

14. Noting that the elections to the Bureau of the COP at its twelfth session had not been completed yet, the President said that this sub-item would be taken up at a later meeting.

[to be completed]

C. Organization of work, including the sessions of the subsidiary bodies

(Agenda item 2 (c))

15. In introducing this sub-item at the 1st meeting, on 6 November, the President drew the attention of the COP/MOP to the annotations to the provisional agenda contained in document FCCC/KP/CMP/2006/1. He noted that the subsidiary bodies would be convened with the aim of developing, before their sessions ended on 14 November, draft decisions and conclusions for submission to the COP/MOP.

16. On a proposal by the President, the COP/MOP decided to refer items to the subsidiary bodies for consideration and the submission of appropriate draft decisions or conclusions, as follows:

Subsidiary Body for Implementation

- Item 8 Amendment of the Kyoto Protocol in respect of procedures and mechanisms relating to compliance
- Item 9 Report of the administrator of the international transaction log under the Kyoto Protocol
- Item 10 National communications from Parties included in Annex I to the Convention: synthesis of reports demonstrating progress in accordance with Article 3, paragraph 2, of the Kyoto Protocol
- Item 12 Capacity-building under the Kyoto Protocol
- Item 13 Adaptation Fund
- Item 14 Matters relating to Article 3, paragraph 14, of the Kyoto Protocol
- Item 17 (a) Audited financial statements for the biennium 2004–2005
- Item 17 (b) Budget performance in the biennium 2006–2007
- Item 17 (c) Privileges and immunities for individuals serving on constituted bodies established under the Kyoto Protocol

Subsidiary Body for Scientific and Technological Advice

- Item 15 Matters relating to Article 2, paragraph 3, of the Kyoto Protocol

17. The COP/MOP agreed to proceed on the basis of the proposal made by the President.

D. Approval of the report on credentials

(Agenda item 2 (d))

[to be completed]

E. Status of ratification of the Kyoto Protocol

(Agenda item 2 (e))

[to be completed]

**III. Reports of the subsidiary bodies and decisions
and conclusions arising therefrom**

(Agenda item 3)

[to be completed]

**IV. Report of the Ad Hoc Working Group on Further Commitments
for Annex I Parties under the Kyoto Protocol**

(Agenda item 4)

[to be completed]

V. Issues relating to the clean development mechanism

(Agenda item 5)

18. At its 2nd meeting, on 9 November, the COP/MOP had before it documents FCCC/KP/CMP/2006/4 and Add.1, FCCC/KP/CMP/2006/3, FCCC/KP/CMP/2006/MISC.1 and FCCC/KP/CMP/2006/MISC.2.

19. Introducing this item, the President recalled that the clean development mechanism (CDM) was a unique mechanism for global collaboration that seeks to mitigate climate change while delivering sustainable development to the developing countries that host CDM projects. It was important for Parties to focus on the need to ensure that the CDM continued to be successful and that all countries shared in its sustainable development benefits. Parties had to address the obstacles faced by the least developed countries, in particular those in Africa, in participating successfully in the CDM.

20. Upon the invitation of the President, the Chair of the Executive Board of the CDM, Mr. José Domingos Gonzalez Miguez, provided an overview of the Board's annual report to the COP/MOP, contained in documents FCCC/KP/CMP/2006/4 and Add.1 (parts 1 and 2), which cover activities in the period from end of November 2005 to 1 November 2006.

21. The Chair noted that it had been a year of success for the CDM, which had experienced an exponential growth with the number of requests for registration and issuance exceeding that assumed in the CDM Management Plan (CDM MAP) 2006 by more than 62%. He highlighted, inter alia, the progress made on the following issues identified by the COP/MOP at its first session:

22. With regard to CDM methodologies, the Board had successfully provided a recommendation to the COP/MOP on carbon dioxide capture and storage as CDM project activities and developed a "Combined tool for the demonstration of additionality and selection of the baseline scenario". On regional and subregional distribution of CDM project activities, the Board, based on input from Parties and the public, had provided a recommendation to the COP/MOP.

23. The designated national authorities (DNA) forum had been established and its meetings were providing a useful opportunity for an exchange of views with the Board. The Board had therefore made financial provisions in the CDM MAP 2007–2008 for two additional meetings.

24. The Board had also enhanced its executive role by instituting support structures to provide advice to the Board and by strengthening the role of the secretariat. Based on the experience gained, the Board had made changes to its management plan to ensure that adequate support could be provided in a systematic manner over the next year. Further enhancement of the capacity of the secretariat to prepare draft recommendations and decisions was needed in light of an expected doubling of cases to be considered and more documented interaction with project participants through the secretariat. Relevant provisions had been made in the CDM MAP for 2007–2008, of which a first version had been adopted by the Board, based on a proposal by the Executive Secretary and following identification of needs by the Board.

25. In accordance with the authority delegated to the Board by the COP/MOP at its first session, the implementation of the CDM MAP 2007–2008, published as an addendum to the report of the Board, had already started in order to ensure that additional staff were in place as soon as possible. The Chair highlighted that that practice was paramount for the Board to react to changes in caseload and to optimize support arrangements. The measures undertaken in implementing the CDM MAP 2007–2008 were in line with the Board's vision of its role reflected in the CDM MAP, which underscored oversight and decision-making.

26. The Chair concluded by thanking his predecessors and the Board, project participants, DNAs, designated operational entities (DOEs) and stakeholders for their continued support and constructive comments on the operation of the CDM; and thanking the current members of the Board, in particular the Vice-Chair and those members acting as chairs and vice-chairs of panels and working groups, for their support and important contributions to the achievements of the Board in the reporting period.

27. Following the report by the Chair of the Board, statements were made by representatives of 35 Parties, including representatives speaking on behalf of the European Community and its member States, the Alliance of Small Island States, the African Group, a group of Latin American countries, and the least developed countries. Statements were also made by one observer State and by the International Emissions Trading Association on behalf of business and industry non-governmental organizations.

28. The President said that, in order to acknowledge the work accomplished and to guide further work, a decision would need to be adopted by the COP/MOP at its second session. On his proposal, the COP/MOP decided to establish a contact group on this agenda item, co-chaired by Ms. Christiana Figueres Olsen (Costa Rica) and Mr. Georg Børsting (Norway), to conclude discussion on the matter before the beginning of the high-level segment on 15 November.

29. The President also reminded Parties that several members and alternate members of the Executive Board needed to be elected by the COP/MOP at the session. Mr. Mark Berman (Canada) would undertake consultations on the matter. The President reminded Parties that nominations should be submitted in writing by those constituencies that had not already done so.

[to be completed]

VI. Report of the Joint Implementation Supervisory Committee

(Agenda item 6)

30. At its 2nd meeting, on 9 November, the COP/MOP had before it documents FCCC/KP/CMP/2006/5 and Add.1.

31. Introducing this item, the President recalled that Joint Implementation (JI) under Article 6 of the Kyoto Protocol provided the opportunity for Parties included in Annex I (Annex I Parties) to undertake projects in other Annex I Parties that reduced emissions of greenhouse gases or enhanced their removals by sinks and thus generated emission reduction units (ERUs). ERUs generated by JI projects could be used by Annex I Parties towards meeting their emission targets under the Protocol.

32. Referring to decision 10/CMP.1, which had established the Joint Implementation Supervisory Committee (JISC), the President said that the COP/MOP, at its second session, would for the first time consider a report from the JISC on its work.

33. Upon invitation of the President, the Chair of the JISC, Ms. Daniela Stoycheva, provided an overview of the report of the JISC to the COP/MOP covering the period from 7 December 2005 until 1 November 2006.

34. The Chair expressed her satisfaction that within less than a year after its establishment the JISC had successfully completed its ambitious work programme, culminating in the launch, on 26 October, of the JI verification procedure under the JISC (JI Track 2). In less than two weeks of operation four project design documents had been submitted to the secretariat for publication. Furthermore, the JISC had undertaken a number of important tasks, including developing its work programme for 2006, its management plan and budget, the rules of procedure, and an appropriate fee structure to cover the administrative costs of its work. It had also set up an Accreditation Panel, which had developed the relevant procedures and forms to allow for the start of the accreditation process, formally as of 15 November 2006. At the time of reporting, thirteen indications of interest in accreditation had been received, including three formal applications.

35. As instructed by the COP/MOP, the JISC had cooperated with the Executive Board of the CDM and drawn, wherever possible and appropriate, on the substantial experience the Board had to offer. In particular, with regard to the work required to set up the operational elements of JI, the JISC had benefited significantly from the CDM process to the extent appropriate and would continue to do so.

36. Ms. Stoycheva highlighted that, at the time of reporting, thirteen Annex I Parties had provided information to the secretariat on their JI designated focal points, eight of which had also provided information on their national guidelines and procedures for approving JI projects. Since that was a requirement for participation in JI, the Chair invited concerned Parties to provide the relevant information to the secretariat if they had not yet done so.

37. Turning to the challenges ahead, the Chair said that the JISC expected a significant workload with regard to the accreditation of independent entities and the appraisals and reviews of determinations submitted by accredited independent entities. The JISC would also have to establish means by which it could interact more closely with applicant or accredited independent entities and designated focal points of Parties involved in JI projects.

38. The Chair expressed her appreciation to those Parties that had contributed to the funding of JISC activities. At the same time, the JISC was facing a financial shortfall in resources required for the biennium 2006–2007 of more than USD 2 million. In order for the JISC to continue to carry out to completion its mandated functions, stability and predictability of resources was imperative. In view of the fact that the JISC could only become self-financing in 2009, at the earliest, the JISC requested that the COP/MOP consider carefully the funding situation and take appropriate actions.

39. In closing, the Chair thanked all project participants, stakeholders and Parties that support JI, and the members and alternate members of the JISC, particularly the Co-Chair, who had contributed substantially to the success of the JISC. She also thanked the secretariat for its hard work and support

during the last year and expressed her confidence that, through the work of the JISC, the JI would soon realize its full potential.

40. Following the report by the Chair of the JISC, statements were made by representatives of three Parties, including one speaking on behalf of the European Community and its member States.

41. The President said that, in order to acknowledge the work accomplished and to guide further work, a decision would need to be adopted by the COP/MOP at its second session. On his proposal, the COP/MOP decided to establish a contact group on this agenda item, co-chaired by Mr. Johan Nylander (Sweden) and Mr. William Agyemang-Bonsu (Ghana), to conclude discussion on the matter before the beginning of the high-level segment on 15 November.

[to be completed]

VII. Report of the Compliance Committee

(Agenda item 7)

42. At its 2nd meeting, on 9 November, the COP/MOP had before it document FCCC/KP/CMP/2006/6.

43. Introducing this item the President recalled that the compliance mechanism under the Kyoto Protocol was designed to strengthen the environmental integrity of the Protocol and the credibility of the carbon market. A strong and effective compliance mechanism was therefore key to the successful implementation of the Protocol.

44. The President further recalled that the COP/MOP, at its first session, had adopted decision 27/CMP.1 and its annex containing the procedures and mechanisms relating to compliance under the Kyoto Protocol. Under section III, paragraph 2 (a) of those procedures and mechanisms, the plenary of the Compliance Committee was required to report to each ordinary session of the COP/MOP. The Compliance Committee now being fully operational, delegates had before them its first report providing information on activities of the Committee since its first meeting. The President invited the Co-Chair of the Compliance Committee and Chair of its facilitative branch, Mr. Hironori Hamanaka, to introduce the report.

45. Noting that Mr. Raúl Estrada Oyuela, co-chairperson of the Compliance Committee and chairperson of the enforcement branch, could not be present at the meeting, Mr. Hamanaka provided an overview of the report of the Compliance Committee to the COP/MOP, covering the period from 1 March to early September 2006.

46. Mr. Hamanaka introduced the further rules of procedure approved by the Committee for adoption by the COP/MOP, stressing that the adoption by the COP/MOP of the rules of procedure would enhance the credibility of the compliance mechanism and support its efficient operation.

47. On financial matters, he explained the Committee's request that the COP/MOP invite Parties to make contributions to the Trust Fund for Supplementary Activities for the biennium 2006–2007 to support the work of the Compliance Committee. While the Committee had made all efforts to use resources allocated to it by the COP/MOP as efficiently as possible, its remaining funds would not be sufficient to support the expected intensifying workload of the Committee. That was in large part due to a shortfall in the contributions received so far. He also drew the attention of the COP/MOP to the Committee's proposal in relation to funding and travel arrangements for the participation of all members and alternate members in the meetings of the Committee.

48. Mr. Hamanaka outlined the lessons learned by the Committee from the first deliberations of the facilitative branch. These included the challenge of achieving the three-quarter majority required by the annex to decision 27/CMP.1, and the importance of reaching a quorum for the deliberations of the Committee. The Committee's deliberations had also allowed the branch to test possible means of electronic decision-making.

49. Reflecting on the experience of the past year and looking forward to the work ahead, Mr. Hamanaka emphasized the value of enhancing the appreciation by focal points of the intricacies of the procedures and mechanisms relating to compliance and the further rules of procedure, as well as the implications of those provisions.

50. In concluding his report, Mr. Hamanaka thanked the members and alternate members of the Committee for their hard work and dedication to the Committee, and the secretariat for its invaluable support to the operations of the Committee.

51. Following the report, statements were made by the representatives of two Parties, including one speaking on behalf of the European Community and its member States.

52. The President said that a decision would need to be adopted by the COP/MOP under this agenda item. On his proposal, the COP/MOP decided to invite Mr. Denis Langlois (Canada) and Mr. Eric Mugurusi (United Republic of Tanzania) to undertake informal consultations on the matter, with the aim of concluding discussions before the beginning of the high-level segment on 15 November.

53. The President also reminded Parties that one Compliance Committee member from the Eastern European regional group and one member from the Alliance of Small Island States needed to be elected by the COP/MOP at the session to fill vacancies in the facilitative branch. Members elected from those constituencies would serve for the remaining period of the term of the members they were replacing, ending on 31 December 2007. Mr. Mark Berman (Canada) would undertake consultations on the matter. The President reminded Parties that nominations should be submitted in writing by those constituencies that had not already done so.

[to be completed]

VIII. Amendment of the Kyoto Protocol in respect of procedures and mechanisms relating to compliance

(Agenda item 8)

[to be completed]

IX. Report of the administrator of the international transaction log under the Kyoto Protocol

(Agenda item 9)

[to be completed]

X. National communications from Parties included in Annex I to the Convention: synthesis of reports demonstrating progress in accordance with Article 3, paragraph 2, of the Kyoto Protocol

(Agenda item 10)

[to be completed]

XI. Review of the Kyoto Protocol pursuant to its Article 9

(Agenda item 11)

54. For its consideration of this item at its 3rd meeting, on 9 November, the COP/MOP had before it documents FCCC/KP/CMP/2006/MISC.3 and Add.1 and Add.2.

55. The President recalled that this item was included in the agenda in accordance with the provisions of the Kyoto Protocol. Article 9, paragraph 1, states that the COP/MOP shall periodically review this Protocol in the light of the best available scientific information and assessments on climate change and its impacts, as well as relevant technical, social and economic information. Article 9, paragraph 2, states that the first review shall take place at the second session of the COP/MOP, and that further reviews shall take place at regular intervals and in a timely manner.

56. Noting that a successful outcome on this agenda item would be essential to the overall success of the session, the President invited Parties to express their views.

57. Statements were made by representatives of twenty-one Parties, including representatives speaking on behalf of the African Group, the European Community and its member States, and a group of nine countries. Statements were also made by a representative of one observer State and by a representative of Greenpeace on behalf of the Climate Action Network.

58. On the proposal of the President, the COP/MOP agreed that the President undertake informal consultations, facilitated by Mr. Fernando Tudela Abad (Mexico), to be concluded before the start of the high-level segment on 15 November.

[to be completed]

XII. Capacity-building under the Kyoto Protocol

(Agenda item 12)

[to be completed]

XIII. Adaptation Fund

(Agenda item 13)

[to be completed]

XIV. Matters relating to Article 3, paragraph 14, of the Kyoto Protocol

(Agenda item 14)

[to be completed]

XV. Matters relating to Article 2, paragraph 3, of the Kyoto Protocol

(Agenda item 15)

[to be completed]

XVI. Proposal from Belarus to amend Annex B to the Kyoto Protocol

(Agenda item 16)

59. At its 3rd meeting, on 9 November, the COP/MOP had before it document FCCC/KP/CMP/2006/2.

60. Introducing this item, the President recalled that the COP/MOP, at its first session, had considered the request of the Government of Belarus that it would like to be assigned a quantified greenhouse gas emissions limitation and reduction commitment under Article 3 of the Protocol of 95 per cent of the 1990 base level in the commitment period 2008 to 2012 and to introduce an appropriate amendment to Annex B to the Kyoto Protocol.

61. Noting that Belarus had now submitted the text of a proposed amendment, as requested in decision 32/CMP.1, he invited Belarus to introduce the proposal.

62. Following the presentation by Belarus, statements were made by representatives of seven Parties, including representatives speaking on behalf of the European Community and its member States and on behalf of the Group of 77 and China.

63. Having listened to the statements by Parties, the COP/MOP invited Ms. Thelma Krug (Brazil) to undertake informal consultations and to report back to the COP/MOP at a future meeting during the sessions.

[to be completed]

XVII. Administrative, financial and institutional matters

(Agenda item 17)

[to be completed]

XVIII. Other matters referred to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol by the subsidiary bodies

(Agenda item 18)

[to be completed]

XIX. High-level segment

(Agenda item 19)

[to be completed]

XX. Statements by observer organizations

(Agenda item 20)

[to be completed]

XXI. Other matters

(Agenda item 21)

A. Report of the President on consultations concerning the proposal of the Russian Federation to develop appropriate procedures for the approval of voluntary commitments

(Agenda item 21 (a))

64. For its consideration of this sub-item at its 3rd meeting, on 9 November, the COP/MOP had before it document FCCC/KP/CMP/2006/MISC.4.

65. The President recalled that at the first session of the COP/MOP, the Russian Federation proposed that the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG) be mandated to develop appropriate procedures for the approval of voluntary commitments by

countries that wish to do so. The COP/MOP had subsequently requested the President to hold consultations on how to address this issue and to report the results of his consultations to the COP/MOP at its second session.

66. The President noted that the President of the COP/MOP at its first session was unable to attend the present meeting but that she had provided him with a report on her consultations.

67. He informed delegates that informal consultations had been held at the twenty-fourth sessions of the subsidiary bodies in May 2006 on how to address the proposal made by the Russian Federation. A broad range of participants attended those consultations, which were chaired by Mr. William Agyemang-Bonsu (Ghana), a member of the Bureau of the COP at its eleventh session. Participants in the consultations agreed on the overall importance of the proposal. Although no formal consensus was reached, there had been general agreement that the President should report to the COP/MOP at its second session that a range of views and options had been expressed by participants. It had further been suggested that the President of the COP/MOP at its second session propose that the informal consultations be continued, with a view to reaching consensus on a recommendation to the COP/MOP at its second session on how to address the proposal. In concluding his report, the President invited the Russian Federation to make a statement on this item.

68. Following the statement by the Russian Federation, statements were made by representatives of seven Parties, including one speaking on behalf of the Group of 77 and China and one speaking on behalf of the European Community and its member States. Noting that there was no consensus, the President said he would ask Mr. William Agyemang-Bonsu to advise him on how to proceed further on this matter.

69. At its 4th meeting, on 13 November, the President invited Mr. William Agyemang-Bonsu to provide delegates with further information on this item based on his consultations with Parties.

70. Noting that, following the 3rd meeting, a number of Parties had expressed their interest in additional information on the consultations held on this issue during the twenty-fourth sessions of the subsidiary bodies, Mr. Agyemang-Bonsu gave an overview of the process of those consultations, the main points of the proposal presented by the Russian Federation, and the views and options expressed by participants in response to the presentation of the proposal. He emphasized once more that those consultations were intended solely to seek advice from Parties on how the proposal should be addressed, but not on its substance.

71. He explained that, when introducing the proposal during the informal consultations at the twenty-fourth sessions of the subsidiary bodies, the representative of the Russian Federation noted that it only contained initial ideas. The objective of the proposal was to seek to offer procedures and mechanisms for those Parties that wished to voluntarily reduce their emissions, or those that are not included in Annex I but wished to join it. Some options for further action were highlighted, such as the preparation of a draft decision by the COP/MOP at its second session, or the start of a process during the twenty-fifth session of the subsidiary bodies, where the Russian Federation would present a more detailed paper. The representative of the Russian Federation referred to some cases where Parties had expressed their desire to undertake voluntary commitments, and invited other Parties to provide further views on the matter.

72. Mr. Agyemang-Bonsu said that during the consultations some delegations supported referring the issue to the SBI, on the understanding that it did not imply amending the Convention and the Kyoto Protocol. Some participants said that they needed more time to study this proposal and were not ready to make a recommendation during the May 2006 session on how the proposal should be taken further. They suggested that the proposal should be brought to the COP/MOP, at its second session, with a list of options on how it could be addressed further. They also noted that it could be addressed in the

discussions of the AWG or under Article 9 of the Kyoto Protocol, in addition to consideration by the SBI or by the workshops under the dialogue on long-term cooperative action to address climate change by enhancing implementation of the Convention (the Dialogue). One delegation suggested that the Dialogue could serve as the forum for discussion of this issue, but expressed flexibility. Another delegation favoured an additional consultation to elaborate the text of the Russian proposal in order to determine where the proposal might best belong. One delegation emphasized that it had been trying to find a way to assume voluntary commitments for seven years.

73. Mr. Agyemang-Bonsu said that at the informal consultations in May many Parties emphasized the need for further consideration of the proposal. The representative of the Russian Federation indicated its intent to pursue bilateral consultations and noted the possibility of distributing a detailed paper or a proposed draft COP/MOP decision prior to the second session of the COP/MOP. A number of participants expressed a willingness to assist the Russian Federation in elaborating its proposal.

74. Following his report on the informal consultations held during the twenty-fourth sessions, Mr. Agyemang-Bonsu informed delegates about the views expressed by Parties on how to proceed on this item in the consultations undertaken by him after the 3rd meeting of the COP/MOP at its second session.

75. The President thanked Mr. Agyemang-Bonsu for the information and advice provided and expressed his appreciation to delegations for their constructive participation in the discussions on this item. He said that he would undertake further consultations and would report back to the COP/MOP at a later meeting during the session.

[to be completed]

XXII. Conclusion of the session

(Agenda item 22)

[to be completed]

Annexes

[to be completed]

PART TWO: ACTION TAKEN BY THE CONFERENCE OF THE PARTIES
SERVING AS THE MEETING OF THE PARTIES TO THE KYOTO PROTOCOL
AT ITS SECOND SESSION

[to be completed]

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