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Methodological issues under the Kyoto Protocol

Implications of the implementation of decisions 2/CMP.7 to 4/CMP.7 and 1/CMP.8 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

Report on the workshop on the implications of the implementation of decisions 2/CMP.7 to 4/CMP.7 and 1/CMP.8 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

Note by the secretariat

Summary

This report provides a summary of the workshop on the implications of the implementation of decisions 2/CMP.7 to 4/CMP.7 and 1/CMP.8 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. The workshop was held in Bonn, Germany, on 24–25 April 2013. Consideration of the implications of the implementation of decisions 2/CMP.7 to 4/CMP.7 and 1/CMP.8 will continue at the thirty-eighth session of the Subsidiary Body for Scientific and Technological Advice.

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I. Introduction

A. Background and mandate

1. In response to the request made by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP),¹ the Subsidiary Body for Scientific and Technological Advice (SBSTA), at its thirty-sixth session, initiated work to assess and address the implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 on the previous CMP decisions on methodological issues related to the Kyoto Protocol, including those relating to Articles 5, 7 and 8 of the Kyoto Protocol.

2. The SBSTA, at its thirty-seventh session, advanced its work on assessing and addressing the implications referred to in paragraph 1 above and forwarded a draft decision on this matter to the CMP for consideration at its eighth session. This draft decision was adopted by the CMP as decision 2/CMP.8, by which the CMP:

(a) Agreed that decision 5/CMP.7 does not result in any modification to the previous decisions;

(b) Invited Parties to submit to the secretariat, by 15 February 2013, views on and proposals or elements of proposals to address the implications referred to in paragraph 1 above, and on any supplementary reporting tables required for the reporting of land use, land-use change and forestry (LULUCF) activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol for the second commitment period of the Kyoto Protocol;²

(c) Requested the secretariat, subject to the availability of financial resources, to implement the measures necessary to enable the implementation of decision 2/CMP.8, including, as appropriate:

(i) To organize a workshop, to be held prior to the thirty-eighth session of the SBSTA, with the aim of facilitating the work of the SBSTA referred to in paragraph 1 above, and to prepare a report on this workshop for consideration by the SBSTA at its thirty-eighth session;

(ii) To organize a workshop, to be held prior to the thirty-ninth session of the SBSTA, with the aim of facilitating the work on the common reporting format tables for LULUCF activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol, and to prepare a report on this workshop for consideration by the SBSTA at its thirty-ninth session.³

3. The SBSTA will continue its consideration of the implications of the implementation of decisions 2/CMP.7 to 4/CMP.7 and 1/CMP.8 at its thirty-eighth session.

B. Scope of the note

4. This report summarizes the proceedings of the workshop organized pursuant to paragraph 2(c)(i) above and the discussions held. It contains an annex, agreed upon by the workshop participants, which presents details of the issues discussed at the workshop.

¹ Decision 1/CMP.7, paragraph 9.

² The submissions received have been compiled into document FCCC/SBSTA/2013/MISC.1 and Add.1 and 2.

³ Decision 2/CMP.8, paragraphs 1, 9 and 10.

II. Proceedings

5. The workshop was held in Bonn, Germany, on 24–25 April 2013. Mr. Richard Muyungi, the Chair of the SBSTA, chaired the workshop.

6. The workshop provided a forum for the discussion on how to assess and address the implications of the matters referred to in paragraph 1 above. The workshop participants had available to them the compilation of Parties' submissions referred to in paragraph 2(b) above. The participants also referred to other documents, namely:

(a) The compilation of Parties' submissions received in response to the invitation of the SBSTA at its thirty-sixth session;⁴

(b) The technical paper prepared by the secretariat in response to the request of the SBSTA at the same session;⁵

(c) The report of the workshop organized in response to the request of the SBSTA at the same session.⁶

7. Fifteen participants from Parties not included in Annex I to the Convention and 29 participants from Parties included in Annex I to the Convention (Annex I Parties) attended the workshop. A representative of the Intergovernmental Panel on Climate Change (IPCC) also attended.⁷

8. The workshop was structured in three parts. In the first part, the Chair of the SBSTA presented the mandate for and objectives of the workshop, and background information was presented: a representative of the secretariat briefly summarized the developments over the last two years; and a representative of the IPCC explained the status of the IPCC work to review and, if necessary, update supplementary methodologies for estimating anthropogenic greenhouse gas emissions by sources and removals by sinks resulting from LULUCF activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol, related to the annex to decision 2/CMP.7, on the basis of, inter alia, chapter 4 of the IPCC *Good Practice Guidance for Land Use, Land-Use Change and Forestry*.⁸ The Chair of the SBSTA also invited workshop participants to briefly introduce their Parties' submissions, referred to in paragraph 2(b) above. Presentations were made on the submissions from Australia, Japan, New Zealand, Ireland and the European Commission on behalf of the European Union and its member States, Nauru on behalf of the Alliance of Small Island States and Norway (no participant was available to present the submission from Nepal on behalf of the least developed countries group). The Chair invited Ms. Anke Herold and Mr. Nagmeldin Elhassan to co-facilitate the second and third parts of the workshop, and to report back by the end of the workshop.

9. In the second part of the workshop, the participants discussed the implications of the matters referred to in paragraph 1 above on the following: the review of the reports and submissions referred to in paragraph 12 below; reporting requirements for Annex I Parties (including reporting requirements for Annex I Parties that are also Parties to the Kyoto Protocol but do not have a quantified emission limitation or reduction commitment (QELRC) for the second commitment period of the Kyoto Protocol) and accounting modalities and procedures. In addition, a representative of the secretariat presented an analysis of possible implications on the standard electronic format (SEF) tables.

⁴ FCCC/SBSTA/2012/MISC.13.

⁵ FCCC/TP/2012/6.

⁶ FCCC/SBSTA/2012/INF.12.

⁷ The list of workshop participants is available at

<http://unfccc.int/files/meetings/bonn_jun_2013/application/pdf/lop_art_5,7,8_for_web_24apr.pdf>.

⁸ Available at <<http://www.ipcc-nggip.iges.or.jp/public/gpplulucf/gpplulucf.html>>.

10. In the final part of the workshop, participants had a general discussion and agreed on a list of issues which the SBSTA might wish to consider under the relevant agenda item at its thirty-eighth session. This list is included in the annex.

III. Summary of the discussions

A. General issues

11. The workshop participants presented their views on general issues, such as on the mandate and scope of the work under the SBSTA in relation to this agenda item. The participants recognized that some implications of decisions 2/CMP.7 to 4/CMP.7 had been addressed by decision 2/CMP.8, but that there were still some implications to be addressed; they agreed that decision 1/CMP.8 brings new implications. Participants considered that some clustering and prioritization of the work to address the implications would be useful for the SBSTA at its thirty-eighth and thirty-ninth sessions. They also discussed how, in addressing the implications, to keep correct and up-to-date relevant references to Articles of the Kyoto Protocol and CMP decisions.

B. Implications on the review process and adjustments

12. The discussion included the approach to the review of Parties' reports to facilitate the calculation of the assigned amount, the review of national registries and national systems, and the review of the annual submissions. It also included the impact of the implications on reporting and accounting.

13. With respect to the review of the annual submissions, some participants were of the view that some modifications of the current review procedures could bring benefits, including cost benefits and enhanced efficiency. Some participants considered it important to discuss the lessons learned from the experience of the first commitment period, for example, the inclusion of the standard independent assessment reports in the "Guidelines for review under Article 8 of the Kyoto Protocol",⁹ and to clarify the role of the secretariat in the review process.

C. Issues related to reporting

14. Participants discussed the implications on reporting resulting from decision 2/CMP.7 as well as other relevant implications, including from the definitions, modalities, rules and guidelines relating to LULUCF activities under the Kyoto Protocol, the revised "Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part I: UNFCCC reporting guidelines on annual greenhouse gas inventories" and consistency with the *2006 IPCC Guidelines for National Greenhouse Gas Inventories*. They also discussed the reporting requirements for Annex I Parties that are also Parties to the Kyoto Protocol but do not have a QELRC for the second commitment period of the Kyoto Protocol.

15. In addition, the participants discussed the implications of decision 1/CMP.8 on reporting, in particular with respect to carry-over, the previous period surplus reserve (PPSR) accounts and increases in ambition as referred to in paragraphs 7 and 8 of that decision and with respect to Article 3, paragraphs 1 ter and 1 quater, and Article 3, paragraph 7 ter (on the cancellation of a positive difference between the assigned amount

⁹ Decision 22/CMP.1.

and the average annual emissions for the first three years of the preceding commitment period), of the Kyoto Protocol as contained in the amendment adopted through decision 1/CMP.8.

16. After the IPCC presentation referred to in paragraph 8 above was made, participants discussed how to advance the outstanding work related to the supplementary reporting tables referred to in paragraph 2(b) above, in view of the short time period between the potential adoption of the supplementary methodologies referred to in paragraph 8 above by the IPCC in October 2013 and the required adoption of these supplementary reporting tables by the SBSTA at its thirty-ninth session.

17. Following the presentation on the SEF tables indicated in paragraph 9 above, the participants suggested that the SBSTA, at its thirty-eighth session, may wish to consider this information in the context of the discussion of the reporting of units, national registries, national systems and accounting modalities. Participants agreed that there was a need to address the implications related to the reporting of units in the SEF tables highlighted in the presentation.

D. Issues related to accounting, including modalities and procedures

18. Participants discussed the implications that decision 1/CMP.8 has on previous methodological decisions. In particular, views were exchanged on the accounting implications of decision 1/CMP.8 with respect to the share of proceeds,¹⁰ increase of ambition,¹¹ PPSR,¹² units from market-based mechanisms to be established under the Convention or its instruments¹³ and cancellation of assigned amount units related to Article 3, paragraph 7 ter, of the Kyoto Protocol.¹⁴

19. With reference to Article 3, paragraphs 12 bis and 12 ter, the implications relating to units from any market-based mechanisms to be established under the Convention or its instruments were discussed. Some participants emphasized that, at the moment, there are no rules and modalities for any new mechanism agreed yet and therefore suggested that such implications be examined at a later date, when such rules and modalities are adopted.

E. Clustering of the issues discussed under the Subsidiary Body for Scientific and Technological Advice

20. Participants grouped the issues discussed during the workshop into the following four categories:

(a) Technical issues related to the methodological decisions under the Kyoto Protocol that are essential for the implementation of the second commitment period. These technical issues require decisions to be adopted by the CMP at its ninth session;

(b) Issues arising from the implementation of the first commitment period that it may be beneficial to address;

(c) Additional issues for which views diverged with regard to need, prioritization or categorization;

¹⁰ Decision 1/CMP.8, paragraphs 20–22.

¹¹ Decision 1/CMP.8, annex I, sections D and E.

¹² Decision 1/CMP.8, paragraphs 23–24.

¹³ Decision 1/CMP.8, annex I, section J.

¹⁴ Decision 1/CMP.8, annex I, section G.

(d) Implications identified related to methodological decisions that could be addressed at a later stage, after CMP 9.

21. The issues identified under each category are included in the annex.

Annex

Issues discussed at the workshop

1. During the workshop, participants considered the implications of the implementation of decisions 2/CMP.7 to 4/CMP.7 and 1/CMP.8 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,¹ identified further implications of decisions 2/CMP.7 to 4/CMP.7 and decision 1/CMP.8 and grouped the identified issues into the different categories listed below.

2. The following categorization of the issues identified is without prejudice to the decision architecture and Parties' negotiation positions. The list may not be exhaustive and should be read in conjunction with document FCCC/SBSTA/2012/INF.12. The examples attached to some issues are for illustration.

A. Technical issues related to the methodological decisions under the Kyoto Protocol that are essential for the implementation of the second commitment period and require decisions to be adopted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its ninth session

3. The workshop participants identified the following issues:

(a) Updating of relevant references to decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), where necessary;

(b) References to Articles of the Kyoto Protocol and references to the calculation of assigned amount need to be assessed and updated if relevant, in order to be consistent with the amendment to the Kyoto Protocol adopted through decision 1/CMP.8;

(c) Addressing specific references to the first commitment period of the Kyoto Protocol where the need to extend these provisions to the second commitment period is identified;

(d) According to decision 4/CMP.7, the estimation of emissions and removals for the second commitment period shall be consistent with the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* (hereinafter referred to as the 2006 IPCC Guidelines) as implemented by the revised "Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part I: UNFCCC reporting guidelines on annual greenhouse gas inventories" (hereinafter referred to as the UNFCCC Annex I inventory reporting guidelines). References to the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* (hereinafter referred to as the Revised 1996 IPCC Guidelines) therefore need to be updated accordingly. However, participants emphasized that there may be specific references to the Revised 1996 IPCC Guidelines to which this general rule may not be applicable. Participants also noted that such updating should reflect the work on the revision of the UNFCCC Annex I inventory reporting guidelines agreed in decision 15/CP.17 and that, in specific cases, it may be preferable to refer to the UNFCCC Annex I inventory reporting guidelines instead of to the 2006 IPCC Guidelines;

¹ Various Parties identified further implications in relation to decisions 13/CMP.1, 14/CMP.1, 15/CMP.1, 18/CMP.1, 19/CMP.1, 20/CMP.1, 22/CMP.1 and 6/CMP.3.

(e) Revision of the common reporting format (CRF) tables for land use, land-use change and forestry activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol to reflect the changes arising from decisions 2/CMP.7 and 2/CMP.8, and consideration of further guidance from the Intergovernmental Panel on Climate Change (IPCC) and inclusion of the revised CRF tables in the CRF Reporter software;

(f) Transparent reflection in the context of decisions on reporting and review of the establishment of cancellation accounts resulting from decision 1/CMP.8, including with respect to carry-over, previous period surplus reserve (PPSR) accounts, any increases in ambition as referred to in paragraphs 7 and 8 of that decision and with respect to Article 3, paragraphs 1 ter and 1 quater, and Article 3, paragraph 7 ter, of the Kyoto Protocol as amended, including:

(i) Defining additional types of cancellations, accounts and transactions in the modalities and procedures for accounting;

(ii) Reflecting the timing of the application of Article 3, paragraph 7 ter, in the accounting modalities;

(iii) Reflecting the changes set out in paragraph 3(f)(i–ii) above in the reporting requirements and in the standard electronic format (SEF) tables for reporting of units;

(iv) Reflecting the above-mentioned additional reporting requirements in the scope of the review process;

(g) Inclusion of reporting on the share of proceeds in the SEF tables (decision 1/CMP.8, para. 21) and consideration of the implications in relation to the review of national registries to cope with this inclusion;

(h) Procedures, including timing, for the review of Parties' reports to facilitate the calculation of the assigned amount for the second commitment period. Among other things, this might require a distinction between such procedures related to Parties with quantified emission limitation and reduction commitments (QELRCs) inscribed in Annex B to the Kyoto Protocol for the first commitment period and those without;

(i) Clarification of reporting requirements and related review procedures for Parties without a QELRC for the second commitment period;

(j) Consistency of references to Parties, taking into account whether or not they have taken on QELRCs for the second commitment period;

(k) Consideration of the supplementary guidance being developed by the IPCC, the need to update references to methodological guidance of the IPCC and any relevant supplementary methodologies as agreed by the CMP.

B. Issues arising from the implementation of the first commitment period that it may be beneficial to address

4. The workshop participants identified the following issue in this category as substantial: the current public availability of some information from the national registries may cause problems related to the registries' security (e.g. e-mail addresses of account holders).

C. Additional issues for which views diverged with regard to need, prioritization or categorization

5. The workshop participants identified the following issues in this category:

(a) The need to move the paragraphs relating to reporting requirements on national systems and national registries from part II, "Reporting of supplementary information under Article 7, paragraph 2", of the annex to decision 15/CMP.1 to part I, "Reporting of supplementary information under Article 7, paragraph 1", of the same annex;

(b) Elaboration of solutions for a more efficient review process under Article 8 of the Kyoto Protocol;

(c) Assessing additional implications of decision 1/CMP.8 related to the share of proceeds;

(d) The need to define more clearly the situations when questions of implementation arise in the review of national systems;

(e) Consideration of units, including any modalities and procedures, from approved activities under market-based mechanisms, if any, to be established under the Convention or its instruments;

(f) Assessing and addressing the impact of the PPSR on the calculation of the commitment period reserve;

(g) Mandatory information required to be publicly available from the national registry and the international transaction log (ITL) that could not be implemented in the first commitment period (e.g. the requirement to make all transaction log records publicly available as established in paragraph 43(d) of the annex to decision 13/CMP.1);

(h) Streamlining of publicly available information from the national registry;

(i) References to the standard independent assessment reports as currently implemented by the secretariat (in its capacity as ITL administrator) in the review process that reflect the implementation of the requirements for national registries and any potential problems related to national registries;

(j) Clarification of the coordination role of the secretariat in the review process;

(k) Implementation of a centralized review of national communications for small Parties in line with decision 10/CMP.6.

D. Implications identified related to methodological decisions that could be addressed after the ninth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

6. The workshop participants identified the following issues in this category:

(a) Further work on adjustments for technical corrections of forest management reference levels;

(b) Consideration of potential changes to the conservativeness factors in the technical guidance on methodologies for adjustments under Article 5, paragraph 2, of the Kyoto Protocol;²

² Decision 20/CMP.1, annex.

(c) Reflection of changes in land use, land-use change and forestry accounting modalities in the “Guidelines for review under Article 8 of the Kyoto Protocol” (e.g. review technical corrections of forest management reference levels).
