

Draft submission by the Africa Group to the AWG-KP on carry-over of surplus assigned amount units from the first to the second commitment period

Proposal to streamline the proposed text in FCCC/KP/AWG/2011/CRP.1 to address the carry-over of surplus assigned amount units from the first to the second commitment period.

In response to the request from the facilitators of the AWG-KP group on Chapter 1 of the Chair's text, the Africa group proposes the text below as a way of streamlining the existing proposals. The proposal would operate as follows:

1. Carry-over would be limited to 1% of each Party's assigned amount for the first commitment period.
2. Parties may sell the carried-over amount, and if they choose to do so, 50% of the revenue must be used for domestic mitigation, and 50% must be transferred to the Adaptation Fund.
3. If a Party's emissions exceed their assigned amount for the second commitment period, Parties may request the addition of any of the surplus referred to in point 1 above that has not already been transferred, to their assigned amounts, for purposes of compliance.

The following proposed text should be inserted as a fifth option for the amendment of Article 3.13 of the Kyoto Protocol, contained in Section S, Option B, Chapter 1 of FCCC/KP/AWG/2011/CRP.1.

“The following paragraphs shall be inserted after paragraph 13 of Article 3 of the Protocol:

13 bis. Any additions to the assigned amount for the second commitment period referred to in paragraph 13 above shall be limited to 1% of the Party's assigned amount for the first commitment period.

13 ter. If a Party chooses to sell all or a part of the carried over assigned amount units, the proceeds from the sale must be allocated as follows: 50% of revenue must be used to fund domestic climate change mitigation actions of that Party. The CMP shall adopt guidelines to ensure the supervision and public scrutiny of such projects implemented using these revenues. All AAUs that are carried over shall be earmarked. Sales of earmarked AAUs and the use of their revenues are to be reported as a special item in a Party's annual inventory report. 50% of revenue must be transferred to the Adaptation fund within one year of the sale of units.

13 quater. Any Party referred to in paragraph 13 above whose emissions during the 2nd commitment period exceed the Party's assigned amount for that commitment period, may, for the purpose of compliance calculations, add to its assigned amount a quantity equal to either the amount by which its emissions have exceeded this assigned amount *or* 1% of the Party's assigned amount of the first commitment period minus any assigned amount units transferred in terms of paragraph 13, whichever is lower.”