

SUBMISSION BY CYPRUS AND THE EUROPEAN COMMISSION ON BEHALF OF THE EUROPEAN UNION AND ITS MEMBER STATES

Nicosia, 28 November 2012

Subject: Eligibility related paragraphs in the annexes to decision 3/CMP.1 and 11/CMP.1

1. Decides that [this decision][paragraph 2 and paragraph 3] shall apply to the operation of the clean development mechanism [...] for the issuance, transfer, acquisition and use of certified emission reductions [...] for the second commitment period.

2. Decides that a Party not included in Annex I that is a Party to the Kyoto Protocol may participate, including for the period between 1 January 2013 and the entry into force for that Party of the amendments establishing the second commitment period, in a CDM project activity that results in emission reductions during the second commitment period.

3. Decides that subject to the provisions of paragraph 32 (b) of the Annex to decision 3/CMP.1, a Party included in Annex I with a commitment inscribed in Annex B for the second commitment period [which has been adopted by the CMP] shall be considered to continue to be eligible, including for the period between 1 January 2013 and the entry into force for that Party of the amendments establishing the second commitment period from 1 January 2013, to use CERs, valid for the second commitment period in accordance with the relevant provisions, to contribute to compliance with part of its commitment under Article 3, if it is in compliance with the eligibility requirements in sub-paragraph (a) and sub-paragraphs (c) to (e) of paragraph 31 of the Annex to decision 3/CMP.1 and, after calculation and recording of that Party's assigned amount for the second commitment period, also with subparagraph (f) of paragraph 31 of the Annex to decision 3/CMP.1. The second sentence of subparagraph (e) of paragraph 31 of the Annex to decision 3/CMP.1 shall be extended to apply to the second commitment period.

Subject to the provisions of paragraph 3 (b) of the Annex to decision 11/CMP.1, such Party shall also be considered to continue to be eligible to transfer and acquire such CERs if it is in compliance with the eligibility requirements in sub-paragraph (a) and sub-paragraphs (c) to (e) of paragraph 2 of the Annex to decision 11/CMP.1 and, after calculation and recording of that Party's assigned amount for the second commitment period, also with subparagraph (f) of paragraph 2 of the Annex to decision 11/CMP.1. The second sentence of subparagraph (e) of paragraph 2 of the Annex to decision 11/CMP.1 shall be extended to apply to the second commitment period.

Paragraphs 6 to 9 of the Annex to decision 11/CMP.1 and other provisions related to the operation of the commitment period reserve shall not apply to the transfer and acquisition of such CERs by such Party between 1 January 2013 and the calculation and recording of that Party's assigned amount for the second commitment period.

[4. Requests the Secretariat to make the appropriate arrangements to expedite the implementation of paragraph 1 to paragraph 3 above]

Explanation:

The eligibility of developing countries to participate in the CDM and the use of CERs for developed countries are addressed in the annex to decision 3/CMP.1.

The eligibility to transfer and acquire CERs is addressed in the annex to decision 11/CMP.1.

There are number of options on where the eligibility issues may be addressed:

- The first is through a revision of the actual annexes to decisions 3/CMP.1 and 11/CMP.1, and recasting these entire annexes in CP.2 decisions. This raises a number of broader questions on the need to revise these decisions, ranging from cross-references to substantive issues.
- The other option is to take a decision in Doha that focuses only on eligibility issues, and does not, for now, amend any other part of these decisions.

This proposal is based on the 2nd option.