

**AOSIS Proposal on the establishment of
quantified emission limitation or reduction commitments for Annex I Parties**

Rationale:

In order to enhance ambition, transparency and environmental integrity, QELROs for the second commitment period should:

- a) be expressed as commitments for a five-year commitment period from 2013 to 2017 to avoid locking in insufficient ambition from Annex B Parties for an 8-year period.
- b) reflect the most ambitious end of Parties' pledged emission reduction ranges or be more ambitious to deliver the lowest emissions possible over the commitment period.
- c) not be set at a level that is either: (i) above that Party's 1990 emission levels; or (ii) above the most recently verified year of emissions inventory data, whichever is lower.
- d) be established using a linear trajectory from the Party's first commitment period QELRO to maintain consistency between commitment periods and to ensure transparency and clarity with respect to the scale of emission reductions relative to 1990 base year emissions or the base year or period established under Article 4.5 for the first commitment period.

Insert new Article 3.7 ter:

3.7 ter. The quantified emission reduction or limitation commitments established for the second commitment period shall be based upon a linear trajectory between the year 2010 – at a level equal to each Party's first commitment period's quantified emission reduction or limitation commitment set out in the second column of Annex B – to the year 2020 at a level equal to each Party's reduction target for 2020.

Insert new Article 3.7 quater:

3.7 quater. The assigned amount for any Party in the second commitment period shall not exceed the lower of:

(a) an amount equal to the percentage inscribed for it in column 2 of Annex B of its aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases listed in Annex A for the first commitment period, multiplied by the length in years of the second commitment period; or

(b) an amount equal to that Party's verified emissions of its aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases listed in Annex A in 2008 [2010 report], multiplied by the length in years of the second commitment period.

AOSIS Proposed amendments to Annex B to the Kyoto Protocol:

The following table shall replace the table in Annex B to the Protocol:

Annex B

<i>1</i>	<i>2</i>	<i>3</i>
<i>Party</i>	<i>Quantified emission limitation or reduction commitment (2008-2012) (percentage of base year or period)</i>	<i>Quantified emission limitation or reduction commitment (2013-2017) (percentage of base year or period)¹</i>
Australia ¹	108	93 ²
Austria	92	81
Belgium	92	81
Belarus+	92	65
Bulgaria*	92	81
Canada	94	Withdrawn [#]
Croatia* ³	95	81
Czech Republic*	92	81
Cyprus		81
Denmark	92	81
Estonia*	92	81
European Community ³	92	81
Finland	92	81
France	92	81
Germany	92	81
Greece	92	81
Hungary*	94	81
Iceland ³	110	81
Ireland	92	81
Italy	92	81
Japan	94	No QELRC

¹ Decision 1/CMP.6 agreed that a reference year may be used by a Party on an optional basis for its own purposes to express its QELRO as a percentage of emissions of that year, that is not internationally binding under the Kyoto Protocol, in addition to the listing of its QELRO in relation to the base year in the second and third columns of this table, which are internationally-legally binding.

² This commitment would be 90 if calculated instead as a percentage of emission reductions relative to Australia's reference year of 2000).

³ The commitments for the European Union and its Members States for the second commitment period under the Kyoto Protocol will be fulfilled jointly by the European Union and its Member States, Croatia and Iceland, in accordance with Article 4 of the Kyoto Protocol.

<i>1</i>	<i>2</i>	<i>3</i>
<i>Party</i>	<i>Quantified emission limitation or reduction commitment (2008-2012) (percentage of base year or period)</i>	<i>Quantified emission limitation or reduction commitment (2013-2017) (percentage of base year or period)¹</i>
Latvia*	92	81
Liechtenstein	92	81
Lithuania*	92	81
Luxembourg	92	81
Malta		81
Monaco	92	81
Netherlands	92	81
New Zealand	100	90
Norway	101	81
Poland*	94	81
Portugal	92	81
Romania*	92	81
Russia*	100	No QELRC
Slovakia*	92	81
Slovenia*	92	81
Spain	92	81
Sweden	92	81
Switzerland	92	81
Ukraine*	100	46
United Kingdom of Great Britain and Northern Ireland	92	81
United States of America ^{&}	94	No QELRC

* Countries undergoing the process of transition to a market economy

⁺ First commitment period quantified emission limitation or reduction commitment had been adopted but had not entered into force as of [date]

[^] Proposed first commitment period target

[&] Has not yet ratified the Kyoto Protocol

[#] Notice of withdrawal from the Kyoto Protocol submitted, to become effective December 15, 2012

Annex B
(with provisional 8-year QELRCs as submitted by Annex B Parties in column 3)

1	2	3	4	5	6
<i>Party</i>	<i>Quantified emission limitation or reduction commitment (2008–2012) (percentage of base year or period)</i>	<i>Quantified emission limitation or reduction commitment (2013–[2017] [2020]) (percentage of base year or period)</i>	<i>Reference year¹</i>	<i>Quantified emission limitation or reduction commitment (2013–[2017] [2020]) (expressed as percentage of reference year)¹</i>	<i>Pledges for the reduction of greenhouse gas emissions by 2020 (percentage of reference year)²</i>
Australia ^d	108				
Austria	92	80 ^b	NA	NA	
Belarus ^{c*}		92	1990	92	–8%
Belgium	92	80 ^b	NA	NA	
Bulgaria [*]	92	80 ^b	NA	NA	
Croatia [*]	95	80 ^d	NA	NA	–20%/–30% ^e
Cyprus ^f		80 ^b	NA	NA	
Czech Republic [*]	92	80 ^b	NA	NA	
Denmark	92	80 ^b	NA	NA	
Estonia [*]	92	80 ^b	NA	NA	
European Union ^{g, h}	92	80 ^b	1990	NA	–20% /–30% ^e
Finland	92	80 ^b	NA	NA	
France	92	80 ^b	NA	NA	
Germany	92	80 ^b	NA	NA	
Greece	92	80 ^b	NA	NA	
Hungary [*]	94	80 ^b	NA	NA	
Iceland	110	80 ⁱ	NA	NA	
Ireland	92	80 ^b	NA	NA	
Italy	92	80 ^b	NA	NA	
Kazakhstan [*]			1990		–15%
Latvia [*]	92	80 ^b	NA	NA	
Liechtenstein	92	84–78	1990		–20%/–30% ^k
Lithuania [*]	92	80 ^b	NA	NA	

¹ A reference year may be used by a Party on an optional basis for its own purposes to express its QELRO as a percentage of emissions of that year, that is not internationally binding under the Kyoto Protocol, in addition to the listing of its QELRO in relation to the base year in the second and third columns of this table, which are internationally legally binding.

² Further information on these pledges can be found in documents FCCC/SB/2011/INF.1/Rev.1 and FCCC/KP/AWG/2012/MISC.1 and Add.1.

1	2	3	4	5	6
<i>Party</i>	<i>Quantified emission limitation or reduction commitment (2008–2012) (percentage of base year or period)</i>	<i>Quantified emission limitation or reduction commitment (2013–[2017] [2020]) (percentage of base year or period)</i>	<i>Reference year^l</i>	<i>Quantified emission limitation or reduction commitment (2013–[2017] [2020]) (expressed as percentage of reference year)^l</i>	<i>Pledges for the reduction of greenhouse gas emissions by 2020 (percentage of reference year)²</i>
Luxembourg	92	80 ^b	NA	NA	
Malta ^l		80 ^b	NA	NA	
Monaco	92		1990		–30%
Netherlands	92	80 ^b	NA	NA	
New Zealand ^m	100				
Norway	101	84–81 ⁿ	1990		–30% to –40% ^o
Poland [*]	94	80 ^b	NA	NA	
Portugal	92	80 ^b	NA	NA	
Romania [*]	92	80 ^b	NA	NA	
Slovakia [*]	92	80 ^b	NA	NA	
Slovenia [*]	92	80 ^b	NA	NA	
Spain	92	80 ^b	NA	NA	
Sweden	92	80 ^b	NA	NA	
Switzerland	92	84.2–77.7	1990		–20% to –30% ^p
Ukraine [*]	100		1990		–20%
United Kingdom of Great Britain and Northern Ireland	92	80 ^b	NA	NA	
United States of America ^q					
<i>Party</i>	<i>Quantified emission limitation or reduction commitment (2008–2012) (percentage of base year or period)</i>				
Canada ^r	94				
Japan ^s	94				
Russian Federation ^{t*}	100				

Abbreviation: NA = not applicable.

* Countries that are undergoing the process of transition to a market economy.

Notes:

^a Australia is prepared to consider submitting information on its QELRO pursuant to decision 1/CMP.7, paragraph 5, following the necessary domestic processes and taking into account the decision on mitigation (2/CP.17), the 'indaba'/mandate outcome decision (1/CP.17) and decisions 2/CMP.7 (land use, land-use change and forestry), 3/CMP.7 (emissions trading and the project-based mechanisms), 4/CMP.7 (greenhouse gases, sectors and source categories, common metrics to calculate the carbon dioxide equivalence of anthropogenic emissions by sources and removals by sinks, and other methodological issues and 5/CMP.7 (consideration of information on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties).

^b The QELROs for the European Union and its member States for a second commitment period under the Kyoto Protocol are based on the understanding that these will be fulfilled jointly with the European Union and its member States, in accordance with Article 4 of the Kyoto Protocol. The QELROs are without prejudice to the subsequent notification by the European Union and its member States of an agreement to fulfill their commitments jointly in accordance with the provisions of the Kyoto Protocol.

^c Added to Annex B by an amendment adopted pursuant to decision 10/CMP.2. This amendment has not yet entered into force.

^d Croatia's QELRO for a second commitment period under the Kyoto Protocol is based on the understanding that it will fulfil this QELRO jointly with the European Union and its member States, in accordance with Article 4 of the Kyoto Protocol. As a consequence, Croatia's accession to the European Union shall not affect its participation in such joint fulfilment agreement pursuant to Article 4 or its QELRO.

^e As part of a global and comprehensive agreement for the period beyond 2012, the European Union reiterates its conditional offer to move to a 30 per cent reduction by 2020 compared to 1990 levels, provided that other developed countries commit themselves to comparable emission reductions and developing countries contribute adequately according to their responsibilities and respective capabilities.

^f At its seventeenth session, the Conference of the Parties decided to amend Annex I to the Convention by including the name of Cyprus (decision 10/CP.17). The amendment will enter into force on 1 January 2013 or a later date.

^g Upon deposit of its instrument of approval to the Kyoto Protocol on 31 May 2002, the European Community had 15 member States.

^h Upon deposit of its instrument of acceptance of the amendment to Annex B to the Kyoto Protocol on [date], the European Union had [number] member States.

ⁱ The QELRO for Iceland for a second commitment period under the Kyoto Protocol is based on the understanding that it will be fulfilled jointly with the European Union and its member States, in accordance with Article 4 of the Kyoto Protocol.

^j Kazakhstan has submitted a proposal to amend the Kyoto Protocol to include its name in Annex B with a quantified emission limitation and reduction commitment of 100 per cent for the first commitment period. This proposal is contained in document FCCC/KP/CMP/2010/4.

^k Liechtenstein would consider a higher reduction target of 30 per cent by 2020 compared to 1990 levels under the condition that other developed countries commit themselves to comparable emission reductions and that economically more advanced developing countries contribute adequately according to their responsibilities and respective capabilities.

^l At its fifteenth session, the Conference of the Parties decided to amend Annex I to the Convention by including the name of Malta (decision 3/CP.15). The amendment entered into force on 26 October 2010.

^m New Zealand is prepared to consider submitting information on its QELRO, pursuant to decision 1/CMP.7, paragraph 5, following the necessary domestic processes and taking into account the decision on mitigation (2/CP.17), the 'indaba'/mandate outcome decision (1/CP.17) and decisions 2/CMP.7 (land use, land-use change and forestry), 3/CMP.7 (emissions trading and the project-based mechanisms), 4/CMP.7 (greenhouse gases, sectors and source categories, common metrics to calculate the carbon dioxide equivalence of anthropogenic emissions by sources and removals by sinks, and other methodological issues and 5/CMP.7 (consideration of information on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties).

ⁿ Norway has estimated that a range of QELROs from 81–84 is consistent with its target of 30% reduction of emissions by 2020, compared to 1990, including the effect of changes in rules decided in Durban, and changes in relevant assumptions.

^o As part of a global and comprehensive agreement for the period beyond 2012 where major emitting Parties agree on emission reductions in line with the 2°C target, Norway will move to a level of 40 per cent reduction for 2020 based on 1990 levels.

^p Switzerland would consider a higher reduction target of 30 per cent by 2020 compared to 1990 levels under the condition that other developed countries commit themselves to comparable emission reductions and that economically more advanced developing countries contribute adequately according to their responsibilities and respective capabilities.

^q Countries that have not ratified the Kyoto Protocol.

^r On 8 June 2011, Canada indicated that it does not intend to participate in a second commitment period of the Kyoto Protocol.

^s In a communication dated 10 December 2010, Japan indicated that it does not have any intention to be under obligation of the second commitment period of the Kyoto Protocol after 2012.

^t In a communication dated 8 December 2010 that was received by the secretariat on 9 December 2010, the Russian Federation indicated that it does not intend to assume a quantitative emission limitation or reduction commitment for the second commitment period.

Analysis of quantified emission limitation and reduction objectives
expressed as percentage of base year and absolute emission levels
(work in progress)

Analysis of quantitative implications of options for addressing the surplus and carry-over of Kyoto units for the second and subsequent commitment periods of the Kyoto Protocol (work in progress)

Proposals considered by the AWG-KP spin-off group at AWG-KP 17

Proposals on surplus and carry-over of AAUs

AOSIS

(Received on 18 May 2012)

For insertion after Article 3.13

13 bis. The total quantity of carried-over assigned amount units (AAUs), certified emission reductions (CERs) and emission reduction units (ERUs) approved for carry-over from the previous commitment period shall be deemed the **Previous Period Surplus Reserve**.

13 ter. After the end of a commitment period, a Party may use, for the purpose of its compliance assessment, any carried-over units up to a quantity which is equal to [5] % of the difference between the Party's inventory emissions in 2008 x [5][8] and its assigned amount for the current commitment period, if that assigned amount is lower than the Party's inventory emissions in 2008 x [5][8], and only up to the extent of the **Previous Period Surplus Reserve**.

African Group

(Received on 19 May 2012)

13. For Parties included in Annex I in the first commitment period, which have inscribed a QELRO for the second commitment period in Annex B, and for whose reviewed inventory emissions from 2008 are higher than that QELRO multiplied by their base year emissions, if the emissions of such a Party in the first commitment period are less than its assigned amount for that period under this Article, this difference shall, on request of that Party, be transferred to a Previous Period Surplus Reserve for the concerned Party as surplus assigned amount units. Any CERs and ERUs transferred from the first commitment period shall similarly be placed in the Previous Period Surplus Reserve.

13 bis. A Party may transfer 2% of the units in its Previous Period Surplus Reserve per year during the second commitment period. 50% of any revenue resulting from such a transfer shall be used to support domestic mitigation measures to be undertaken during that commitment period, and such support should be reflected in that Party's National Communication. The remaining 50% shall be transferred to the Adaptation Fund in the form of AAUs.

13 ter. A Party whose emissions in the second commitment period have exceeded its assigned amount may retire, for the purpose of its compliance assessment for the second commitment period, a quantity of surplus assigned amount units, including any remaining surplus assigned amount units from the Party's own PPSR pursuant to

13 bis., which is equal to 1% of that Party's assigned amount for the second commitment period, as initially issued.

13 quater. If the number of units inscribed for a Party in Annex C is greater than the amount specified in 13 ter, a Party may retire the greater amount for compliance purposes as specified in 13 ter.

13 quinquies. Any surplus assigned amount units not retired after the second commitment period shall be cancelled.

Brazil
(Received on 23 May 2012)

13. If the emissions of a Party included in Annex I in a commitment period are less than its assigned amount under this Article, this difference shall, on request of that Party, be carried-over to the subsequent commitment period, as follows:

a. If the assigned amount of a Party included in Annex I for the first commitment period is less or equal than that Party's emissions in 2007, multiplied by five, the difference between the assigned amount for that Party for the first commitment period and its average emissions from 2008 to 2012, multiplied by five, shall be deemed the Previous Period Surplus Reserve, if positive.

b. If the assigned amount of a Party included in Annex I for the first commitment period is greater than that Party's emission in 2007 multiplied by five, the difference between that Party's emissions in 2007 multiplied by five and its average emissions from 2008 to 2012, multiplied by five shall be deemed the Previous Period Surplus Reserve, if positive.

13 bis. The difference between the assigned amount of the second commitment period for a Party included in the Annex I and the emissions in the last year of the first commitment period multiplied by [five][eight] shall be transferred to the cancellation account of that Party.

13 ter. After the end of the second commitment period, the units of a Party included in Annex I Previous Period Surplus Reserve may be added to its assigned amount.

13 qua. The difference between the assigned amount of a Party included in the Annex I and the emissions of that Party in the second commitment period, deducted, when applicable, from the units transferred to its cancellation account, in accordance with Article 13 bis, may be carried-over, if positive, to the subsequent commitment period.

Proposals on the level of ambition

**European Union
(Received on 18 May 2012)**

Review of the level of ambition of Parties commitments:

The EU proposal to establish a review of the level of ambition of Parties' QELROs (coinciding with the 2013-2015 review under the Convention) has to be seen in the context of an 8-year 2d commitment period. and addresses the concern raised by some Parties than such an 8-year CP would lock in a low level of ambition.

Proposed wording of Article 3(1)

The Parties included in Annex I shall, individually or jointly, ensure that their aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases listed in Annex A do not exceed their assigned amounts, calculated pursuant to their quantified emission limitation and reduction commitments inscribed in the third column of the table contained in Annex B and in accordance with the provisions of this Article. Parties shall review these quantified emission limitation and reduction commitments at the latest by [2015] with a view to strengthening these commitments in line with an overall reduction of emissions of such gases by Annex I Parties of at least 25 to 40 per cent below 1990 levels in 2020.

A simplified procedure to amend Annex B (QELROs)

The EU proposal to simplify procedure to amend Annex B aims at facilitating an increase of its level of ambition by a Party.

Proposed wording of Article 21

8. As an exception to paragraph 7 above, a proposal by a Party included in Annex B to increase the ambition of its quantified emission limitation and reduction commitments inscribed in the third column of the table contained in Annex B through an amendment decreasing this percentage shall be considered adopted unless more than three-fourth of the Parties present and voting at the meeting object to its adoption. The adopted amendment shall be communicated by the secretariat to the Depositary and shall enter into force on 1 January of the year following this communication.

Brazil
(received on 19 May 2012)

Brazilian Proposal on Forfeit

Parties included in Annex I may, at any time, revise their quantified emission limitation and reduction objectives inscribed in Annex B, with a view to strengthening their commitments under this Protocol. In order to ensure that such revision is immediately effective, by means of a decrease in a Party's quantified emission limitation and reduction objective, the concerned Party may forfeit part of its assigned amount units, transferring these units to a cancellation account established for this purpose, under its national registry, and communicating such transfer to the UNFCCC Secretariat thereafter.

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