

# 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

**Quantitative illustrative examples of the impacts**

Bonn, 17 August 2012



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# AOSIS PROPOSAL

18 May 2012



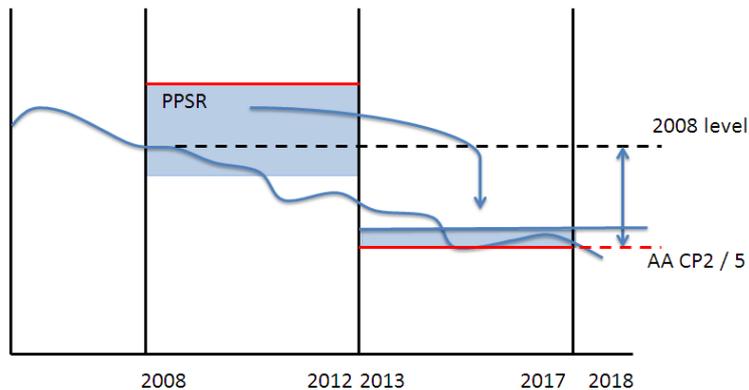
For insertion after Article 3.13

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.

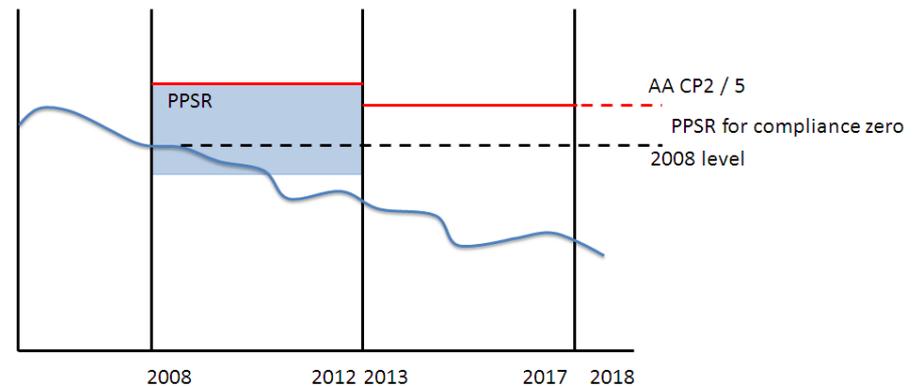
13 ter. After the end of a commitment period, a Party may use, for the purpose of its compliance assessment, any carried-over units up to a quantity which is equal to [5] % of the difference between the Party's inventory emissions in 2008 x [5][8] and its assigned amount for the current commitment period,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



### IF AA CP2 < 5x 2008



### IF AA CP2 > 5x 2008

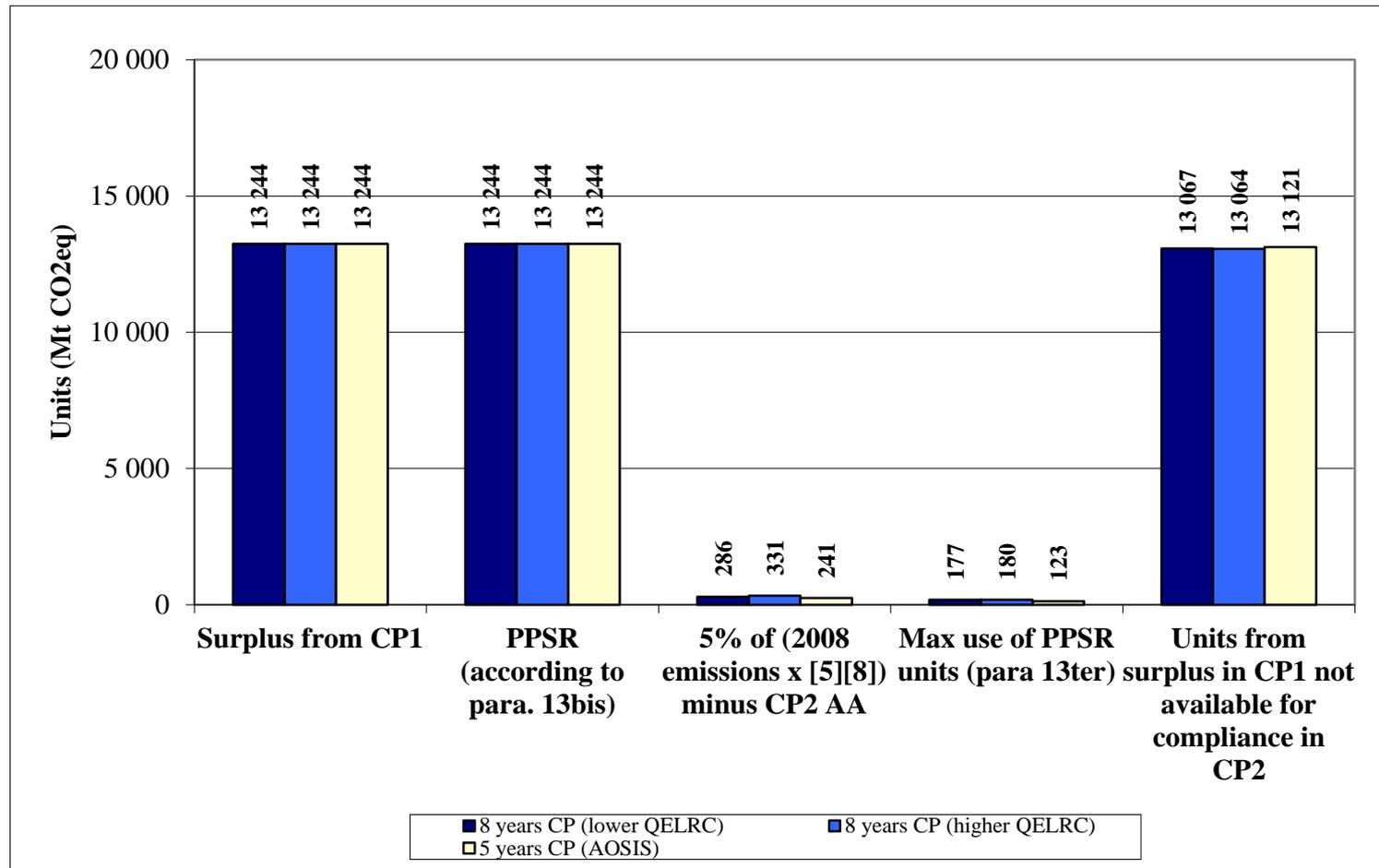


**Source:** AOSIS, available at

[http://unfccc.int/files/meetings/ad\\_hoc\\_working\\_groups/kp/application/pdf/awgkp\\_aosis\\_presentation.pdf](http://unfccc.int/files/meetings/ad_hoc_working_groups/kp/application/pdf/awgkp_aosis_presentation.pdf)



## Quantitative implications



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# **African Group**

**19 May 2012**



Proposed Africa Group carry-over amendment for KP CP2, Bonn 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.



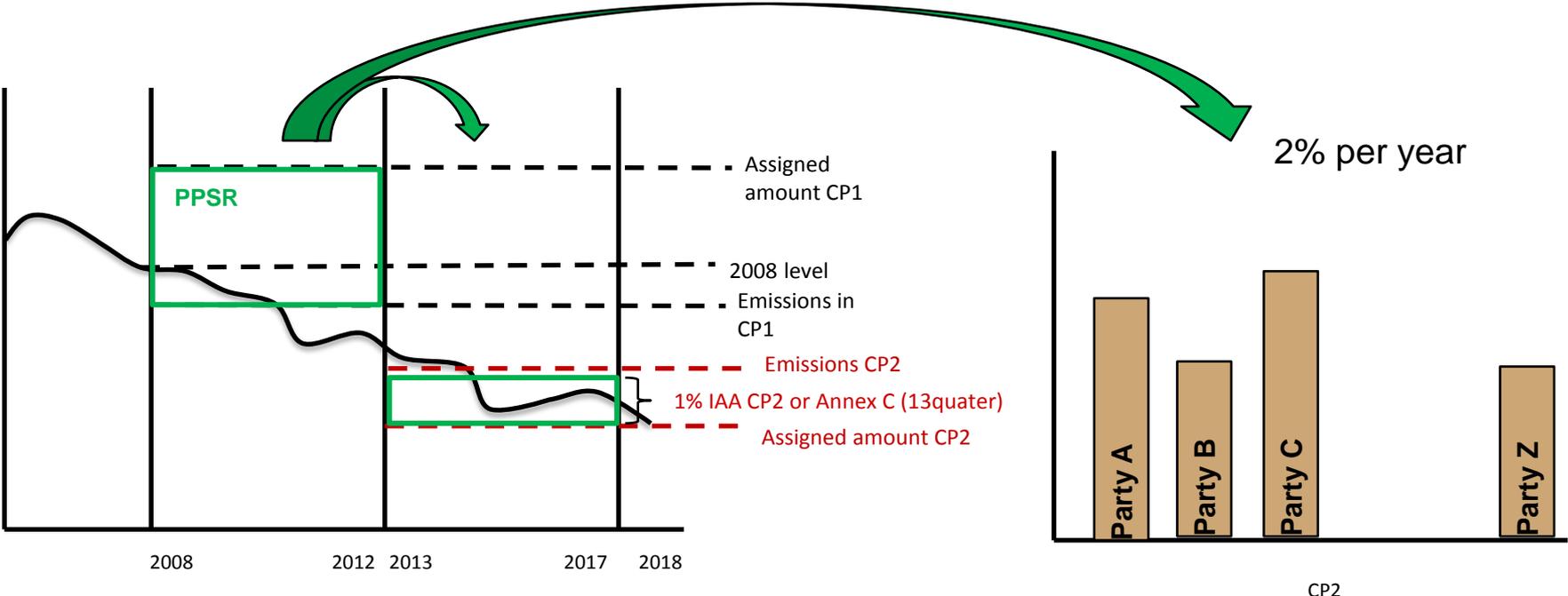
13 ter. A Party whose emissions in the second commitment period have exceeded its assigned amount may retire, for the purpose of its compliance assessment for the second commitment period, a quantity of surplus assigned amount units, including any remaining surplus assigned amount units from the Party's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

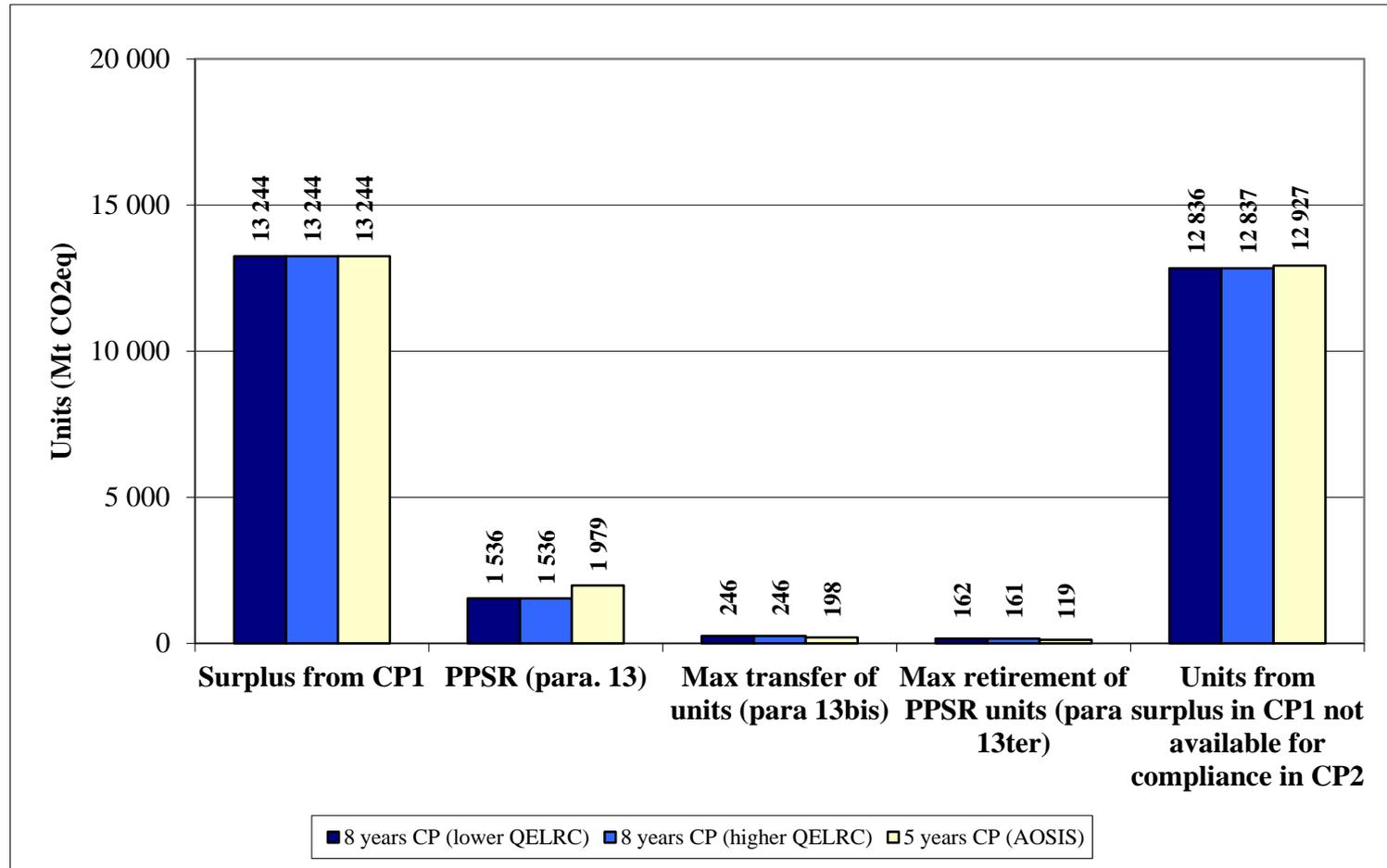
13 quinqies. Any surplus assigned amount units not retired after the second commitment period shall be cancelled.



African Group Proposal: graphical presentation



## Quantitative implications



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**Brazil**

**22 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.



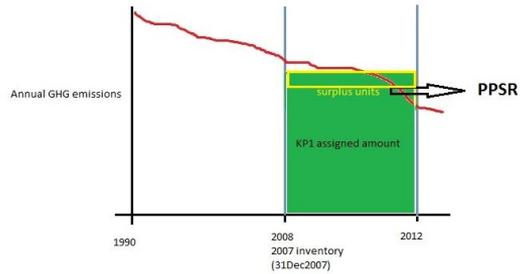
13 bis. The difference between the assigned amount of the second commitment period for a Party included in the Annex I and the emissions in the last year of the first commitment period multiplied by [five][eight] shall be transferred to the cancellation account of that Party.

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.

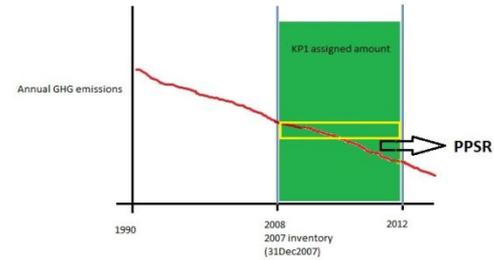
13 qua. The difference between the assigned amount of a Party included in the Annex I and the emissions of that Party in the second commitment period, deducted, when applicable, from the units transferred to its cancellation account, in accordance with Article 13 bis, may be carried-over, if positive,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



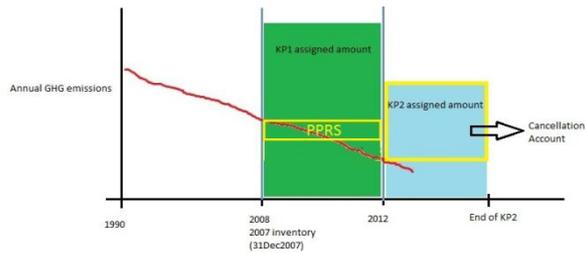
### 3.a (overachievement)



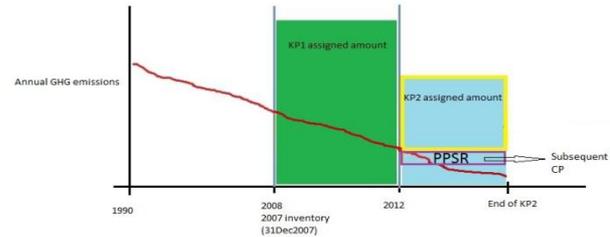
### 3.b ter (achievement)



### 3.13 bis



### 3.13 ter+qua



#### 3.1: ter

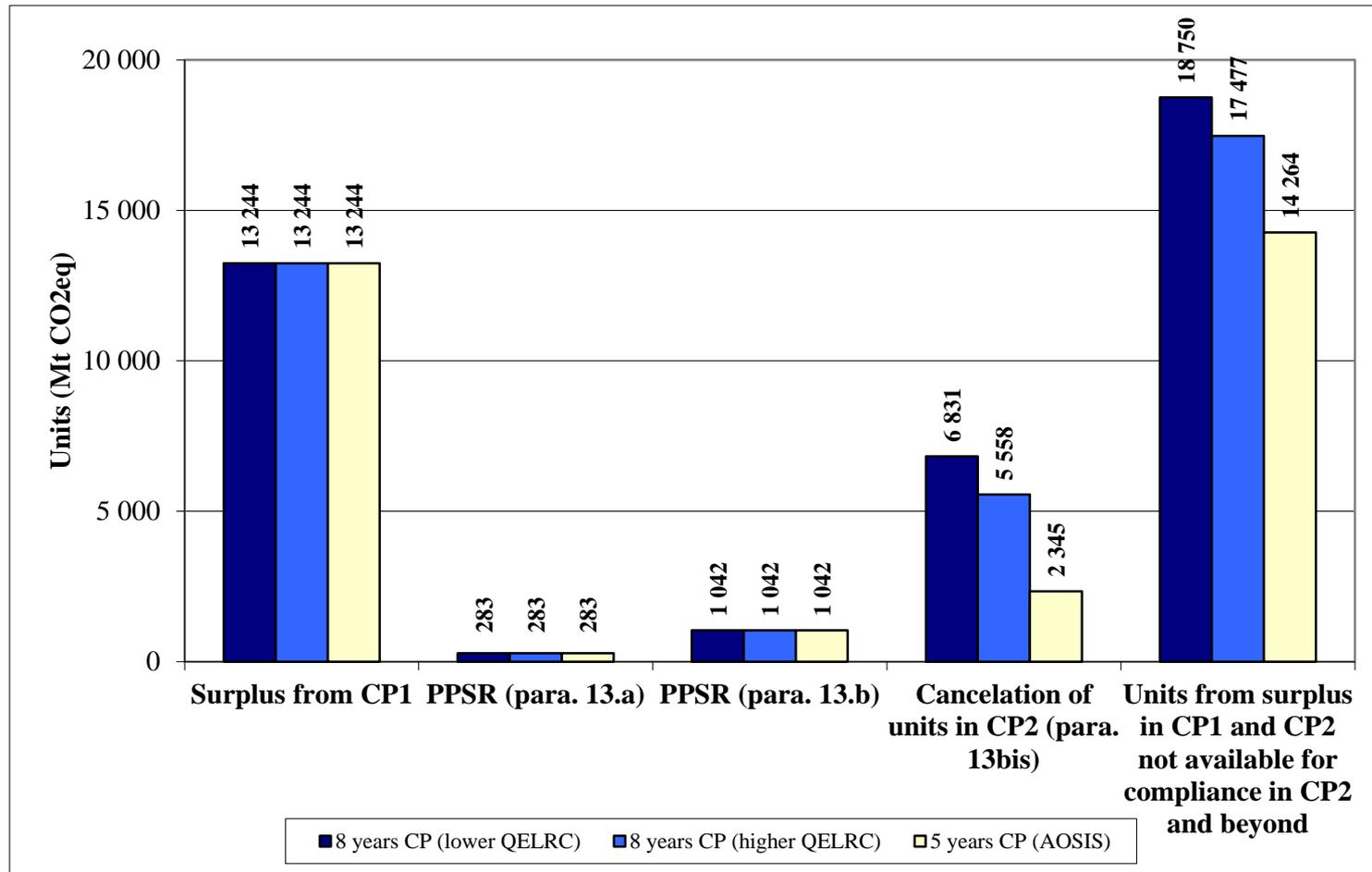
AAUs CP2 = remaining AAUs CP2 + PPSR

**Source:** Brazil (adapted), original version available at

[http://unfccc.int/files/meetings/ad\\_hoc\\_working\\_groups/kp/application/pdf/awgkp\\_brazil\\_presentation.pdf](http://unfccc.int/files/meetings/ad_hoc_working_groups/kp/application/pdf/awgkp_brazil_presentation.pdf)



## Quantitative implications

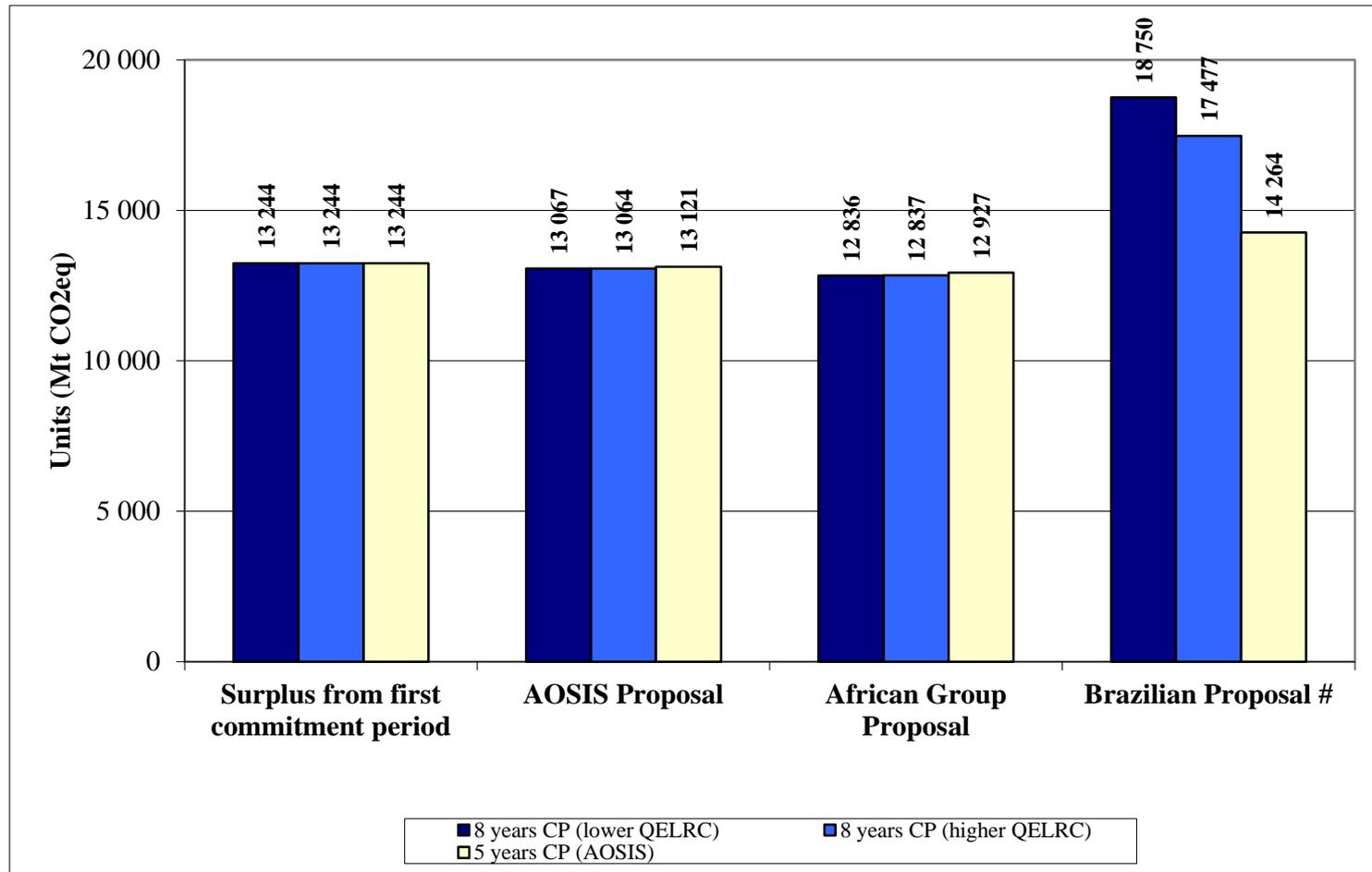


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# Comparative Analysis of the proposals



## Surplus units not available in the second commitment period of the Kyoto Protocol



# The Brazilian proposal considers also cancelation of units from CP2.



- Information on proposals

AOSIS, 18 May 2012

- Available at

[http://unfccc.int/files/meetings/ad\\_hoc\\_working\\_groups/kp/application/pdf/awgkp\\_aosis\\_insubmission\\_3.pdf](http://unfccc.int/files/meetings/ad_hoc_working_groups/kp/application/pdf/awgkp_aosis_insubmission_3.pdf)

African group, 19 May 2012

- Available at

[http://unfccc.int/files/meetings/ad\\_hoc\\_working\\_groups/kp/application/pdf/awgkp\\_africangroup\\_insubmission.pdf](http://unfccc.int/files/meetings/ad_hoc_working_groups/kp/application/pdf/awgkp_africangroup_insubmission.pdf)

Brazil, 22 May 2012

- Available at

[http://unfccc.int/files/meetings/ad\\_hoc\\_working\\_groups/kp/application/pdf/awgkp\\_brazil\\_insubmission\\_2.pdf](http://unfccc.int/files/meetings/ad_hoc_working_groups/kp/application/pdf/awgkp_brazil_insubmission_2.pdf)

- Explanations provided by Parties on their proposals during the first part of AWG-KP



## Assumptions and conditions

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- Calculation of surplus from the first commitment period
  - GHG inventory data from the most recent inventory submissions
    - 2012 submission (base year – 2010 data)
  - Surplus of Parties when occurring is used for compliance of Parties with deficit of units
- Data on Kyoto Protocol units
  - Initial assigned amount for the first commitment period established through the initial review process
  - Inventory submission data for 2008-2010 for the accounting of the LULUCF sector (Article 3, paragraphs 3 and 4)
  - Data on units included in national registries with reference to assigned amount units (AAUs), emission reduction units (ERUs) and certified emission reduction (CER) units, as recorded in the International Translation Log as of 31 December 2012

### Calculation of the assigned amount for the second commitment period of the Kyoto Protocol

- Assigned amount for the second commitment period determined from provisional QELROs submitted by Parties , or included in FCCC/TP/2010/3/Rev.1 for those Parties that have not provided information, for an 8-year commitment period
- Assigned amount for the second commitment period determined from the QELRCs calculated and proposed by AOSIS, for a 5-year commitment period, as contained in

[http://unfccc.int/files/meetings/ad\\_hoc\\_working\\_groups/kp/application/pdf/awgkp\\_aosis\\_infsubmission\\_4.pdf](http://unfccc.int/files/meetings/ad_hoc_working_groups/kp/application/pdf/awgkp_aosis_infsubmission_4.pdf)

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# Annex

## Calculation of carry-over at European Union Level

- **Assumptions**
  - The carry-over of units from the first commitment period of the Kyoto Protocol, for the 15 member States of the European Union that decided to fulfil their commitments for the first commitment period of the Kyoto Protocol in accordance with Article 4, paragraph 2, of the Kyoto Protocol, is calculated for the 15 member States as a whole; in the main presentation, carry-over was calculated for individual member States.
  - The use of units carried-out or in the Previous Period Surplus Reserve or the cancelation of units from the second commitment period of the Kyoto Protocol is determined as a whole for the 27 member States that are part of the European Union.



