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Agenda item 4 (b)

METHODOLOGICAL ISSUES

GUIDELINES UNDER ARTICLES 5, 7 AND 8 OF THE KYOTO PROTOCOL

Draft conclusions proposed by the Chair

1. The Subsidiary Body for Scientific and Technological Advice (SBSTA) decided to forward to the Conference of the Parties (COP) at its eighth session a draft decision relating to how the information on demonstrable progress under Article 3, paragraph 2, of the Kyoto Protocol should be presented and evaluated (FCCC/SBSTA/2002/L.6/Add.1).
2. The SBSTA agreed upon a draft decision on the expedited procedure for the review for reinstatement of eligibility to use mechanisms (see annex ...) and decided to forward it to its seventeenth session, with the aim of finalizing the timing referred to in paragraphs 9, 10 and 11 of the annex to that draft decision, and forwarding a draft decision on this matter for adoption to the COP at its eighth session.
3. The SBSTA agreed to consider further, at its seventeenth session, document FCCC/SBSTA/2002/INF.3 on the pending parts of the guidelines under Articles 7 and 8 of the Kyoto Protocol relating to reporting and review of information on assigned amounts and national registries, with a view to recommending a decision on this matter for adoption by the COP at its eighth session.
4. The SBSTA took note of its continuing work under decision 17/CP.7, paragraph 10 (b), and agreed that it may be necessary to consider the implications, if any, of the decision scheduled to be taken by the COP at its ninth session on this issue for the results of the work referred to in paragraph 3 above.
5. The SBSTA invited Parties to submit views on the pending parts of the guidelines under Articles 7 and 8 of the Kyoto Protocol mentioned in paragraph 3 above by 1 August 2002.
6. The SBSTA took note of the report on the first workshop on adjustments under Article 5, paragraph 2, of the Kyoto Protocol (FCCC/SBSTA/2002/INF.5), including the draft technical guidance on methodologies for adjustments under Article 5, paragraph 2, of the Kyoto Protocol contained in the annex to that report.

7. The SBSTA also noted that the outcome of the workshop was a considerable advancement of the methodological work on adjustments under Article 5, paragraph 2, of the Kyoto Protocol. It requested the secretariat to draw up, for consideration at its seventeenth session, a proposal for the development of case studies for simulating the calculation of adjustments using the methods contained in the draft technical guidance mentioned in paragraph 6 above. The results of these case studies should be communicated to Parties by 15 February 2003.

8. The SBSTA invited Parties to submit views on the draft technical guidance on methodologies for adjustments under Article 5, paragraph 2, of the Kyoto Protocol taking into account the results of the case studies mentioned in paragraph 6 above, by 15 March 2003.

9. The SBSTA encouraged Parties to undertake work on methodologies for adjustments under Article 5, paragraph 2, of the Kyoto Protocol taking into account the recommendations of the workshop (FCCC/SBSTA/2002/INF.5) and to share the outcome of any such work with other Parties and the secretariat, by 15 March 2003.

10. The SBSTA requested the secretariat to organize a second workshop,¹ in accordance with the mandate of decision 21/CP.7, in April 2003. The aim of the second workshop will be to assess the results of the case studies, taking into account any information submitted by Parties in accordance with paragraphs 8 and 9 above, and refine the draft technical guidance mentioned in paragraph 6 above with a view to ensuring consistent application of adjustments by the different expert review teams.

11. The SBSTA decided to aim at completing the technical guidance on methodologies for adjustments under Article 5, paragraph 2, of the Kyoto Protocol at its eighteenth session, and forward it for consideration by the COP at its ninth session, in accordance with decision 21/CP.7.

12. The SBSTA took note of the secretariat's technical paper on the treatment of confidential information by international treaty bodies and organizations (FCCC/TP/2002/2).

13. The SBSTA reminded Parties that, in accordance with decision 23/CP.7, Parties were invited to submit views on the characteristics of the relevant training, the subsequent assessment after completion of the training, and/or any other means needed to ensure the necessary competence of experts for participation in expert review teams under Article 8 of the Kyoto Protocol. The SBSTA encouraged Parties to provide their views on this matter by 1 August 2002 in order to facilitate consideration at its seventeenth session.

14. The SBSTA took note of the report of the intersessional consultations on registries contained in document FCCC/SBSTA/2002/INF.2, including modalities for continuing the work on technical standards for national registries, the CDM registry and the transaction log. It noted that a paper has been prepared on possible technical standards, under the authority of the Chair of the SBSTA, for comments by Parties. It also noted that the secretariat, on the basis of these comments and drawing on the assistance of technical experts, is to prepare a paper to be discussed during further consultations¹ prior to the seventeenth session of the SBSTA in order to prepare draft technical standards for consideration by the SBSTA at that session.

¹ Subject to the availability of resources.

Annex

Draft decision -/CP.8

**Expedited procedure for the review for the reinstatement of eligibility to use mechanisms
(additional sections to be incorporated in the guidelines under Article 8 of the Kyoto Protocol)**

The Conference of the Parties,

Recalling its decision 23/CP.7,

Noting the relevant provisions of the Kyoto Protocol, in particular its Article 8,

1. *Decides* to incorporate in the guidelines for review under Article 8 of the Kyoto Protocol, the section on “Expedited procedure for the review for the reinstatement of eligibility to use the mechanisms”, as contained in the annex to this decision.²

2. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session, adopt the annex to this decision in conjunction with draft decision -/CMP.1 (*Article 8*) annexed to decision 23/CP.7.

² This section will be incorporated as “Part VIII: Expedited procedure for the review for the reinstatement of eligibility to use the mechanisms” (decision 23/CP.7, annex to draft decision -/CMP.1 on guidelines for review under Article 8 of the Kyoto Protocol) (FCCC/CP/2001/13/Add.3).

ANNEX

GUIDELINES FOR REVIEW UNDER ARTICLE 8 OF THE KYOTO PROTOCOL

4. Expedited procedure for the review for the reinstatement of eligibility to use the mechanisms

19 bis. Any Party included in Annex I that has been suspended from eligibility to use the mechanisms may, at any time following suspension, submit to the secretariat information on the matter which led to the suspension of eligibility, for review by an expert review team.³ This information shall be reviewed expeditiously in accordance with the provisions of part VIII of these guidelines.

PART VIII: EXPEDITED PROCEDURE FOR THE REVIEW FOR THE REINSTATEMENT OF ELIGIBILITY TO USE THE MECHANISMS

A. Purpose

1. The purpose of the review of information related to a request, by a Party included in Annex I, for reinstatement of eligibility to use the mechanisms established under Articles 6, 12 and 17, pursuant to paragraph X.2 of the procedures and mechanisms relating to compliance, is:

(a) To provide an objective, transparent, thorough and comprehensive technical assessment of information provided by a Party on matters relating to Articles 5 and 7 which led to the suspension of its eligibility to use the mechanisms;

(b) To provide for an expedited review procedure for the reinstatement of eligibility to use the mechanisms for a Party included in Annex I to the Convention which is able to demonstrate that it is no longer failing to meet eligibility requirements under Articles 6, 12 and 17;

(c) To ensure that the enforcement branch of the Compliance Committee has reliable information to enable it to consider the request of a Party for the reinstatement of its eligibility to use the mechanisms.

B. General procedure

2. The review for the reinstatement of eligibility to use the mechanisms shall be an expedited procedure limited to the review of the matter or matters which led to the suspension of the eligibility. However, the expedited nature of this review procedure shall not compromise the thoroughness of the examination by the expert review team.

3. Any Party included in Annex I that has been suspended from eligibility to use the mechanisms may, at any time following suspension, submit information to the secretariat on the matter or matters which led to the suspension of eligibility. To enable the expert review team to perform its tasks, the information submitted by the Party concerned shall be additional to information previously submitted prior to or during the review that led to the suspension of eligibility. However, information previously submitted by the Party may also be included in the submission, if relevant. The information submitted by the Party shall be reviewed expeditiously in accordance with these guidelines.

³ In accordance with paragraph X.2 of the procedures and mechanisms relating to compliance, a Party may submit a request to reinstate its eligibility, either through an expert review team or directly to the enforcement branch.

4. The secretariat shall organize the review in the most expeditious way possible following the procedures established in these guidelines and taking into account the planned review activities in the regular review cycle. The secretariat shall convene an expert review team for conducting the expedited review procedures established in these guidelines in accordance with the relevant provisions of section E of Part I of these guidelines and shall forward the information referred to in paragraph 3 above to this expert review team.

5. To ensure objectivity, the expert review team for the reinstatement of eligibility shall not be composed of the same members and lead reviewers who formed part of the expert review team that conducted the review which led to the suspension of eligibility of the Party concerned, and shall be composed of members with the necessary expertise for addressing the matter or matters contained in the Party's submission.

6. Depending on the issue that led to the suspension of the eligibility to participate in the mechanisms, the review shall be performed as a centralized review or an in-country review as provided for in parts II, III, IV and V of these guidelines, as deemed appropriate by the secretariat.⁴

C. Scope of the review

7. The review shall cover the information submitted by the Party. The expert review team may also consider any other information, including information previously submitted by the Party and any information relating to the Party's subsequent inventory, which the expert review team considers necessary in order to complete its task. The expert review team shall assess, consistent with the applicable provisions in parts II, III, IV or V of these guidelines, whether the question or questions of implementation that led to suspension of eligibility have been addressed and resolved.

8. If the expedited review for reinstatement of eligibility relates to the submission of a revised estimate for a part of its inventory to which an adjustment was previously applied, the expert review team shall assess whether the revised estimate is prepared in accordance with the IPCC Guidelines as elaborated by the IPCC good practice guidance or whether the new information substantiates the original emission estimate provided by the Party.

D. Timing⁵

9. A Party included in Annex I that intends to submit information under paragraph 3 to the secretariat on the matter or matters which led to its suspension of eligibility should provide the secretariat with at least [X1] weeks notice of the date on which it intends to submit such information. The secretariat, on receipt of such notice, should undertake the necessary preparations with the aim of ensuring that an expert review team is convened and ready to start consideration of the information within [X2] weeks of the receipt of the submission of information under paragraph 3 from the Party concerned.

10. For the expedited procedure for the review for reinstatement of eligibility, the following time frames shall apply from the date of receipt of the information:

(a) The expert review team shall prepare a draft expedited review report within [X2+Y1] weeks of the receipt of information from the Party concerned;

⁴ For example, if the failure to have in place a national system for the estimation of anthropogenic emissions led to loss of eligibility and such system has not previously been reviewed, the national system shall be reviewed in accordance with part IV of these guidelines, such review to include an in-country visit.

⁵ During the negotiations, the following time periods were proposed for this section of the guidelines: X1: 4-6 weeks, X2: 2 weeks, Y1: 2-4 weeks, Y2: 2-4 weeks, Y3: 2-4 weeks and Z1: 4 weeks.

(b) The Party concerned shall be provided with up to [Y2] weeks to comment upon the draft expedited review report. If the Party concerned notifies the expert review team, within that period of time, that it does not intend to provide comments, then the draft expedited review report becomes the final expedited review report upon receipt of such notification. If the Party concerned does not provide any comments within that period of time, the draft expedited review report becomes the final expedited review report;

(c) If comments by the Party are received within the time frame indicated above, the expert review team shall prepare a final expedited review report within [Y3] weeks of the receipt of comments upon the draft report.

11. The time periods in paragraph 10 (a) to (c) above are considered maximum time periods. The expert review team and the Party should strive to complete the review in the shortest time possible. However, the expert review team may, with the agreement of the Party, extend the time periods in paragraph 10 (a) to (c) above for the expedited review procedure for an additional [Z1] weeks.

12. Where the start of the consideration of information by the expert review team is delayed due to the Party giving shorter notice than provided in paragraph 9, the expert review team may extend the time in paragraph 10 (a) up to the difference in time between the period for notification in paragraph 9 and the actual notification given by the Party.

E. Reporting

13. The expert review team shall, under its collective responsibility, produce a final review report on the reinstatement of eligibility in accordance with the relevant provisions of paragraph 48 of these guidelines and in accordance with the relevant provisions for review reports in parts II, III, IV or V of these guidelines depending on the specific reason for the suspension of eligibility.

14. The expert review team shall include a statement whether the team considered thoroughly all questions of implementation that led to the suspension of the eligibility in the time available for the reinstatement procedure and shall indicate whether there is or is not any longer a question of implementation with respect to the eligibility of the Party concerned to use the mechanisms established under Articles 6, 12 and 17.
