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**AD HOC WORKING GROUP ON FURTHER COMMITMENTS  
FOR ANNEX I PARTIES UNDER THE KYOTO PROTOCOL**

**Report of the Ad Hoc Working Group on Further Commitments  
for Annex I Parties under the Kyoto Protocol on its first session,  
held at Bonn from 17 to 25 May 2006**

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## **I. Opening of the session**

(Agenda item 1)

### **A. Welcoming ceremony**

1. The formal opening of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG) on 17 May 2006 was preceded by a welcoming ceremony on 15 May 2006. Statements were made by Ms. Rona Ambrose, Minister of the Environment of Canada, President of the Conference of the Parties (COP) and the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP); Mr. Sigmar Gabriel, Federal Minister for Environment, Nature Conservation and Nuclear Safety of Germany, representing the host country; and Mr. Richard Kinley, Officer-in-Charge of the UNFCCC secretariat.

### **B. Opening of the session**

2. The first session of the AWG was held at the Maritim Hotel, Bonn, Germany, from 17 to 25 May 2006. It was opened by Mr. Enele Sopoaga (Tuvalu), Vice-President of the COP and the COP/MOP, acting on behalf of the President. The Vice-President undertook the election of the Chair and Vice-Chair of the AWG (see sections II.A and II.D below). A statement was made by a representative of one Party.

3. After his election, the Chair, Mr. Michael Zammit Cutajar (Malta), thanked the AWG for its confidence in his abilities and looked forward to collaborating in the process with all Parties. He considered the implementation of Article 3, paragraph 9, of the Kyoto Protocol important as a signal of continuity to carbon markets and as an opportunity for Parties included in Annex I to the Convention (Annex I Parties) to continue to demonstrate their leadership in combating climate change. He shared his personal vision of this process as part of a bigger picture to which a number of other processes, within and outside the UNFCCC, were expected to contribute. He said the AWG must develop a view of the scope of its contribution, reviewing and refining this as its work advances at future sessions and understanding that its output must eventually fit in with those other processes in a harmonious composition. For the first steps in its work plan the AWG should focus on building a sound base of information and analysis, as a foundation for the negotiations that must conclude the body's assigned mandate. The AWG must also be cognizant of the injunction of the COP/MOP to the body to finish its work in time to avoid a gap between commitment periods. The AWG must move ahead with its mandate according to its best collective judgement, he concluded.

4. The Vice-Chair, Mr. Luiz Alberto Figueiredo Machado (Brazil), thanked Parties for their trust and support. He said he felt honoured and privileged to work with the Chair and pledged his support to assist him in this endeavour.

5. At the 2<sup>nd</sup> meeting, on 17 May, the Officer-in-Charge of the secretariat, Mr. Richard Kinley, addressed the AWG. He indicated that there was a need for a rapid and solid process to live up to the requirement of decision 1/CMP.1, to ensure that there was no gap between the first and the second commitment periods. He said many of the submissions received from Parties pointed to the clear need for deeper emission reductions than foreseen under the Kyoto Protocol. Some of the reports received on the progress in implementation under the first commitment period were encouraging and demonstrated how much could be achieved. There was already evidence of the potential of market forces to harness the dynamics of the private sector, he said. The exponential growth in the number of clean development mechanism projects over the past few months was impressive but insufficient. There was a need to further unleash the ingenuity, efficiency and dynamism of market forces for the period beyond 2012. Progress in the work of the AWG would send a strong and essential signal to the markets. The secretariat was committed to support this highly important new process and every effort had been made

to absorb the additional workload. However, once major additional tasks were requested from the secretariat, additional resources would be needed or resources would have to be reallocated from other areas at a cost to those activities, he concluded.

## **II. Organizational matters**

(Agenda item 2)

### **A. Election of the Chair**

(Agenda item 2 (a))

6. At its 1<sup>st</sup> meeting, on 17 May, on a proposal by the Vice-President of the COP and COP/MOP, acting on behalf of the President, the AWG elected by acclamation Mr. Michael Zammit Cutajar (Malta) as its Chair.

### **B. Adoption of the agenda**

(Agenda item 2 (b))

7. At its 2<sup>nd</sup> meeting, on 17 May, the AWG considered a note by the Executive Secretary containing the provisional agenda and annotations (FCCC/KP/AWG/2006/1).

8. At the same meeting, the AWG adopted the agenda as follows:

1. Opening of the session.
2. Organizational matters:
  - (a) Election of the Chair;
  - (b) Adoption of the agenda;
  - (c) Organization of the work of the session;
  - (d) Election of officers other than the Chair.
3. Planning of future work.
4. Other matters.
5. Report on the session.

### **C. Organization of the work of the session**

(Agenda item 2 (c))

9. The AWG considered this sub-item at its 2<sup>nd</sup> meeting, on 17 May, at which the Chair drew attention to the proposed programme of work posted on the UNFCCC website. On a proposal by the Chair, the AWG agreed to proceed on the basis of that programme of work.

10. The secretariat informed the AWG that applications for provisional accreditation to the sessions of the subsidiary bodies had been received from six non-governmental organizations. The AWG agreed to admit these organizations, on the basis of provisions of Article 7, paragraph 6, of the Convention, without prejudice to subsequent action by the COP.

#### **D. Election of officers other than the Chair**

(Agenda item 2 (d))

11. The AWG considered this sub-item at its 1<sup>st</sup> and 3<sup>rd</sup> meetings, on 17 and 23 May, respectively.
12. At its 1<sup>st</sup> meeting, on a proposal of the Vice-President, acting on behalf of the President, the AWG elected by acclamation Mr. Luiz Alberto Figueiredo Machado (Brazil) as its Vice-Chair.
13. At the 3<sup>rd</sup> meeting, the Chair informed the AWG that agreement had been reached among the regional groups and proposed the nominee for election as Rapporteur. The AWG elected Mr. Evans Njewa (Malawi) as its Rapporteur.

### **III. Planning of future work**

(Agenda item 3)

#### 1. Proceedings

14. The AWG considered this item at its 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> meetings, on 17, 23 and 25 May, respectively. It had before it document FCCC/KP/AWG/2006/MISC.1 and Add.1. Statements were made by representatives of 24 Parties, including one speaking on behalf of the Group of 77 and China, one on behalf of the African Group, one on behalf of the European Community and its member States,<sup>1</sup> one on behalf of the Alliance of Small Island States and one on behalf of the Environmental Integrity Group.
15. At the 2<sup>nd</sup> meeting, the Chair invited Climate Action Network International and the Union of Industrial and Employers' Confederations of Europe to make statements. At the 3<sup>rd</sup> meeting, the Chair invited Climate Action Network International, the Business Councils for Sustainable Energy from Australia, Europe, the United Kingdom of Great Britain and Northern Ireland and the United States of America, and the International Climate Change Partnership to make statements.
16. At its 2<sup>nd</sup> meeting, the AWG agreed to consider this item in informal consultations convened by the Chair. At the 3<sup>rd</sup> and 4<sup>th</sup> meetings, the Chair reported on these consultations.
17. At its 4<sup>th</sup> meeting, the AWG considered and adopted the text<sup>2</sup> proposed by the Chair, for inclusion in the report of the AWG as conclusions.

#### 2. Conclusions

18. The AWG took note of views expressed by Parties in their submissions concerning Article 3, paragraph 9, of the Kyoto Protocol (FCCC/KP/AWG/2006/MISC.1 and Add.1), and of statements made during the session.
19. The AWG reaffirmed that, in pursuance of its mandate under decision 1/CMP.1, in accordance with Article 3, paragraph 9, of the Protocol, its discussions would focus on the consideration of further commitments by Annex I Parties, to be established in amendments to Annex B to the Kyoto Protocol. It recalled, in this connection, the provision in decision 1/CMP.1 that the AWG should aim to complete its work and have its results adopted as early as possible and in time to ensure that there is no gap between the first and second commitment periods under the Protocol.

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<sup>1</sup> This statement was made in association with Bulgaria, Romania, The former Yugoslav Republic of Macedonia, and Bosnia and Herzegovina.

<sup>2</sup> Adopted as FCCC/KP/AWG/2006/L.2/Rev.1.

20. The AWG also reaffirmed that it would proceed expeditiously towards agreement on further commitments by Annex I Parties and the duration thereof, noted with appreciation the willingness of these Parties to work towards this end, and invited these Parties to present information and views to it at the earliest opportunity on the results of their work on the determination of their commitments, including on new quantitative emission limitation or reduction commitments.

21. In this context the AWG observed that Annex I Parties would need to assemble and analyse information on a diversity of scientific, technical and socio-economic topics in order to enhance common understanding of the level of ambition of their further commitments in contributing to the ultimate objective of the Convention and of the potential for achieving these commitments. It recognized the wish of these Parties to exchange views on this information and analysis with all Parties in the multilateral setting of the AWG. It noted that some of the relevant information and analysis was available, or could be sought, from other bodies and processes under the Convention and the Protocol, as well as from the Intergovernmental Panel on Climate Change (IPCC), and that it could also decide to invite inputs from intergovernmental organizations, such as the International Energy Agency (IEA). It considered that the principal sources of inputs to the group's work would be the Parties themselves.

22. The AWG considered that it would be important to be informed of and keep in mind, throughout its work, relevant results achieved and work under way in other bodies and processes under the Convention and the Protocol.

23. The AWG noted that the continuing review of the implementation of commitments of Annex I Parties in the first commitment period is relevant to the consideration of their further commitments.

24. The AWG decided to hold its second session during the next sessional period (November 2006). The AWG considered that its work during its second session could be enhanced by an in-session workshop providing for the presentation and exchange of relevant information. In this context, the AWG noted with interest the preliminary information provided by several Annex I Parties about their work on the scientific basis for determining their further commitments, including on scenarios for the stabilization of atmospheric concentrations of greenhouse gases and on the implications of these scenarios. It invited Annex I Parties to provide, as soon as possible, further scientific, technical and socio-economic information on these subjects. It also invited the early presentation of such information on emission trends for Annex I Parties, the mitigation potential of policies and technologies in different national circumstances, including experience gained so far, and the costs and benefits of emission reductions. It considered that these broad topics could provide a substantive basis for the workshop, as a step towards consideration by the AWG of the determination of amendments to Annex B to the Protocol.

25. The AWG requested the secretariat, in consultation with the Chair and taking account of the views expressed by Parties, to organize this workshop and to include in its programme a presentation by the IPCC on its work relevant to the AWG, and presentations by Parties on the topics outlined in paragraph 24 above and on how to determine further emission limitation or reduction commitments. In order to facilitate adequate preparation for this workshop, the AWG invited Parties to submit to the secretariat, by 1 September 2006, information on topics that they would wish to present at the workshop. It requested the secretariat to make this information available for its second session.

26. The AWG decided that it would meet during the two sessional periods to be held in 2007. It agreed to further elaborate its work plan and schedule at its second session.

27. On his own initiative and under his responsibility, the Chair made available an indicative, non-exhaustive list of topics that may be relevant to the further work of the AWG, drawing on the views expressed by Parties. This list is annexed hereto (annex D).

#### **IV. Other matters**

(Agenda item 4)

28. No other matters were raised or considered.

#### **V. Report on the session**

(Agenda item 5)

29. At its 4<sup>th</sup> meeting, on 25 May, the AWG considered and adopted the draft report on its first session (FCCC/KP/AWG/2006/L.1). At the same meeting, on a proposal by the Chair, the AWG authorized the Rapporteur to complete the report on the session, under the guidance of the Chair and with the assistance of the secretariat.

#### **VI. Closure of the session**

30. At the 4<sup>th</sup> meeting, on 25 May, the Chair thanked delegates for their contributions. He also thanked the secretariat for its support.

Annex I**Indicative, non-exhaustive list of topics that may be relevant to the further work of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol<sup>1</sup>**

1. Scientific basis for determining the level of ambition of further commitments by Annex I Parties:
  - (a) Scenarios for stabilizing atmospheric concentrations of greenhouse gases, as guidance for the contribution of the Kyoto Protocol to the ultimate objective of the Convention
  - (b) Adverse impacts (risks) associated with these scenarios
  - (c) Costs of impacts and of adaptation
  - (d) Other relevant scientific, technical and socio-economic information
  
2. Emission trends and mitigation potential of Annex I Parties:
  - (a) Emission trends and socio-economic drivers (e.g. to 2020, 2030, 2050)
  - (b) Potential responses: policies and measures, and technologies
  - (c) Costs and benefits of emission reductions (including win-win options)
  - (d) Sectoral analyses and impacts on competitiveness
  
3. Experience gained and lessons learned in implementing the Kyoto Protocol:
  - (a) Review and update of methods used for emission inventories (global warming potentials, inventory guidelines, land use, land-use change and forestry)
  - (b) Effectiveness of policies and measures
  - (c) Effectiveness of flexibility mechanisms
  - (d) Demonstrable progress
  
4. Architecture of further commitments for Annex I Parties:
  - (a) Duration of commitment period(s)
  - (b) Review of sectors and sources of emissions
  - (c) Differentiation and burden-sharing
  - (d) Feasibility of measures to complement quantified emission limitation or reduction commitments (e.g. sectoral approaches)
  - (e) Contribution of flexibility mechanisms
  - (f) Further incentives for development, deployment and transfer of technology
  
5. Legal matters:
  - (a) Scope of amendments to Annex B
  - (b) Elements of the Kyoto Protocol to be amended or supplemented to give effect to amendments to Annex B
  - (c) Entry into force of amendments to Annex B
  - (d) Avoidance of a gap between commitment periods

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<sup>1</sup> Made available by the Chair, on his own initiative, under his responsibility and drawing on views expressed by Parties.



Annex II**Documents before the Ad Hoc Working Group on Further Commitments  
for Annex I Parties under the Kyoto Protocol at its first session**

FCCC/KP/AWG/2006/1	Provisional agenda and annotations. Note by the Executive Secretary
FCCC/KP/AWG/2006/MISC.1 and Add.1	Views regarding Article 3, paragraph 9, of the Kyoto Protocol. Submissions from Parties
FCCC/KP/AWG/2006/L.1	Draft report of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol on its first session
FCCC/KP/AWG/2006/L.2/Rev.1	Planning of future work. Revised report proposed by the Chair

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