



CONFERENCE OF THE PARTIES SERVING AS THE MEETING OF THE PARTIES TO THE KYOTO PROTOCOL
Third session
Bali, 3–14 December 2007

Agenda item 21 (a)
Conclusion of the session
Adoption of the report of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on its third session

Draft report of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on its third session

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Part One: Proceedings

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[to be completed]

PART TWO: ACTION TAKEN BY THE CONFERENCE OF THE PARTIES
SERVING AS THE MEETING OF THE PARTIES TO THE KYOTO PROTOCOL
AT ITS THIRD SESSION

[to be completed]

I. Opening of the session

(Agenda item 1)

1. The third session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), convened pursuant to Article 13, paragraph 6, of the Kyoto Protocol,¹ was opened at the Bali International Convention Centre, Bali, Indonesia, on 3 December 2007, by Mr. Rachmat Witoelar (Indonesia), President of the CMP at its third session.

A. Address of welcome

2. On the occasion of the opening of the thirteenth session of the Conference of the Parties (COP) and the third session of the CMP, the Governor of Bali, Mr. Dewa Made Beratha, delivered an address of welcome.

3. Welcoming all delegates to Indonesia and the island of Bali, the Governor said that hosting the conference was both an honour and, owing to its size, a challenge. He noted that even Bali would experience the adverse effects of climate change and expressed the hope that this meeting would result in concrete steps and a "Bali Road Map".

B. Other statements

4. At the 1st meeting,² on 3 December, general statements were made by the representatives of Australia, Pakistan (on behalf of the Group of 77 and China), Portugal (on behalf of the European Community and its member States)³ and Saudi Arabia.

5. At the same meeting, the President stated that the Government of Indonesia had committed itself to offsetting the carbon footprint of the United Nations Climate Change Conference in Bali to the level of a carbon positive event.

II. Organizational matters

(Agenda item 2)

A. Adoption of the agenda

(Agenda item 2 (a))

6. For its consideration of this sub-item at its 1st meeting, on 3 December, the CMP had before it a note by the Executive Secretary containing the provisional agenda and annotations (FCCC/KP/CMP/2007/1). The provisional agenda had been prepared in agreement with the President of the CMP at its second session, taking into account views expressed by Parties during the twenty-sixth session of the Subsidiary Body for Implementation and by members of the Bureau.

7. Following the proposal of the President, the CMP adopted the agenda as follows:

¹ The CMP was held in conjunction with the thirteenth session of the Conference of the Parties (COP). The proceedings of the COP are contained in a separate report. Joint elements such as the addresses of welcome and the proceedings of the joint meetings of the COP and the CMP convened during the high-level segment of the sessions are reproduced in both reports.

² Meetings of the CMP referred to in this report are plenary meetings.

³ The position expressed in this statement and all subsequent statements made by Portugal on behalf of the European Community and its member States were supported by Albania, Bosnia and Herzegovina, Croatia, The former Yugoslav Republic of Macedonia, Serbia, Montenegro and Ukraine.

1. Opening of the session.
2. Organizational matters:
 - (a) Adoption of the agenda;
 - (b) Election of replacement officers;
 - (c) Organization of work, including the sessions of the subsidiary bodies;
 - (d) Approval of the report on credentials.
3. Reports of the subsidiary bodies and decisions and conclusions arising therefrom:
 - (a) Report of the Subsidiary Body for Scientific and Technological Advice;
 - (b) Report of the Subsidiary Body for Implementation.
4. Report of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol.
5. Issues relating to the clean development mechanism.
6. Issues relating to joint implementation.
7. Report of the Compliance Committee.
8. Amendment of the Kyoto Protocol in respect of procedures and mechanisms relating to compliance.
9. Report of the administrator of the international transaction log under the Kyoto Protocol.
10. National communications from Parties included in Annex I to the Convention: reporting and review.
11. Second review of the Kyoto Protocol pursuant to its Article 9: scope and content.
12. Capacity-building under the Kyoto Protocol.
13. Adaptation Fund.
14. Matters relating to Article 3, paragraph 14, of the Kyoto Protocol.
15. Matters relating to Article 2, paragraph 3, of the Kyoto Protocol.
16. Administrative, financial and institutional matters:
 - (a) Budget performance in the biennium 2006–2007;
 - (b) Programme budget for the biennium 2008–2009.
17. Other matters referred to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol by the subsidiary bodies.
18. High-level segment.
19. Statements by observer organizations.
20. Other matters:
 - (a) Report of the President of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its second session on the workshop on the proposal by the Russian Federation;

- (b) Proposal from Belarus to prepare for implementation of the amendment to Annex B to the Kyoto Protocol (decision 10/CMP.2) prior to its entry into force;
- (c) Any other matters.

21. Conclusion of the session:

- (a) Adoption of the report of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on its third session;
- (b) Closure of the session.

B. Election of replacement officers

(Agenda item 2 (b))

8. At the 1st meeting, on 3 December, the President recalled that, under the Kyoto Protocol, any member of the Bureau of the COP representing a Party to the Convention but, at that time, not a Party to the Kyoto Protocol, shall be replaced by an additional member to be elected by and from among the Parties to the Kyoto Protocol. He further recalled that currently no member of the Bureau represented a State that was not a Party to the Kyoto Protocol. The elections to the Bureau of the COP at its thirteenth session had not yet been completed. Therefore this sub-item would be taken up at a later meeting.

[to be completed]

C. Organization of work, including the sessions of the subsidiary bodies

(Agenda item 2 (c))

9. In introducing this sub-item at the 1st meeting, on 3 December, the President drew the attention of the CMP to the annotations to the provisional agenda contained in document FCCC/KP/CMP/2007/1. He noted that the subsidiary bodies would be convened with the aim of developing, before the closure of their sessions on 11 December, draft decisions and conclusions for submission to the CMP.

10. On a proposal by the President, the CMP decided to refer items to the subsidiary bodies for consideration and the submission of appropriate draft decisions or conclusions, as follows:

Subsidiary Body for Implementation

- Item 8 Amendment of the Kyoto Protocol in respect of procedures and mechanisms relating to compliance
- Item 9 Report of the administrator of the international transaction log under the Kyoto Protocol
- Item 10 National communications from Parties included in Annex I to the Convention: reporting and review
- Item 12 Capacity-building under the Kyoto Protocol
- Item 13 Adaptation Fund
- Item 14 Matters relating to Article 3, paragraph 14, of the Kyoto Protocol
- Item 16 (a) Budget performance in the biennium 2006–2007

Subsidiary Body for Scientific and Technological Advice

- Item 15 Matters relating to Article 2, paragraph 3, of the Kyoto Protocol.

11. The CMP agreed to proceed on the basis of the proposal made by the President.

12. With regard to agenda item 20 (a) on the proposal by the Russian Federation, the President noted that the President of the CMP at its second session had asked him to sincerely thank Mr. Michael

Zammit-Cutajar (Malta), on his behalf, for chairing the workshop on the proposal held in Bonn, Germany, on 11 May 2007. The President of the CMP at its second session had asked the President to convey his gratitude for the excellent report on the workshop, which he had been very pleased to approve. Lastly, he had asked the President to inform the CMP that he had invited Mr. Zammit-Cutajar to introduce the report when this item was taken up by the CMP at its third session.

D. Approval of the report on credentials

(Agenda item 2 (d))

[to be completed]

III. Reports of the subsidiary bodies and decisions and conclusions arising therefrom

(Agenda item 3)

[to be completed]

IV. Report of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol

(Agenda item 4)

[to be completed]

V. Issues relating to the clean development mechanism

(Agenda item 5)

13. At its 2nd meeting, on 5 December, the CMP had before it document FCCC/KP/CMP/2007/3 (Parts I and II).

14. Introducing this item, the President recalled that the clean development mechanism (CDM) was a unique mechanism for global collaboration that sought to mitigate climate change while, at the same time, delivering sustainable development to the developing countries that hosted CDM projects. The CMP would be discussing many key elements of the CDM at its third session.

15. Upon the invitation of the President, the Chair of the Executive Board of the CDM, Mr. Hans Jürgen Stehr, provided an overview of the Board's annual report to the CMP, contained in document FCCC/KP/CMP/2007/3 (Parts I and II), which covers activities in the period from 1 November 2006 to 19 October 2007 and contains the recommendations of the Executive Board in response to requests by the CMP.

16. The Chair noted that 2007 had been another year in which the CDM had grown beyond the expectations of the previous year. Referring to the report mentioned in paragraph 15 above, the CDM website and other sources, he described the magnitude of the CDM using figures from the paper prepared by the secretariat on investment and financial flows.⁴ The paper indicated that the capital invested, or expected to be invested, in CDM projects registered in 2006 was estimated at USD 7 billion, whereas the capital invested, or expected to be invested, in projects entering the CDM pipeline in 2006 was estimated at over USD 25 billion. By comparison, the total leveraged investment through the Global Environment Facility in climate change since its inception was USD 14 billion.

⁴ *Investment and Financial Flows to Address Climate Change*, available at:
<http://unfccc.int/files/essential_background/background_publications_htmlpdf/application/pdf/pub_07_financial_flows.pdf>.

17. The present pipeline of close to 2,800 project activities, including the nearly 900 already registered, was expected to deliver more than 2.6 billion certified emission reductions (CERs) by 2012. This portfolio of project activities was diverse in type and size. About 60 per cent of the activities were below the small-scale limit of 60,000 tonnes per year. Since 2007, the share of proceeds from CERs had allowed the CDM administration to be self-financing and the Executive Board currently had the resources to conduct a thorough review of the projects submitted for registration and issuance. Although the number of review cases had increased, this was not to be interpreted as a sign of distrust in the designated operational entities (DOEs).

18. The Chair stated that it was a challenge to transform the supervision of cases by the Executive Board into a common understanding of methodologies, tools, their application and quality standards. Greater interaction, in new forms, with DOEs was therefore needed. The Executive Board had held meetings with the Chair of the DOE Forum at meetings of the Executive Board, at the annual joint coordination workshop and in advance of CMP 3, and agreements had been reached on opportunities to intensify the dialogue between the Executive Board and the forum in 2008. This dialogue would be supported substantially by the CDM validation and verification manual, due to be launched at the beginning of 2008.

19. Noting that the success of the CDM was also a management challenge, the Chair stressed the need to balance resources between the immediate caseload and longer-term measures to address governance and system improvements. While the Executive Board had focused on operational capacity in its previous management plan, the current management plan would also need to ensure longer-term management and support capacity. The Chair recalled that the CMP, at its second session, had requested the Executive Board to report on its ability to deal with an exponentially growing workload under the current governance structure. In response, the Executive Board had strengthened the substantive preparatory role of the secretariat and had implemented quality management and control. Alternate members participated fully in the work of the Executive Board and shared the common responsibilities.

20. Other measures such as the selection and conditions of work of Executive Board members and alternates were beyond the Board's prerogative. Members needed the professional and regulatory competence to supervise the CDM as a market mechanism of substantial size, global spread and sectoral diversity. Members had invested, and would continue to invest, a considerable amount of time in their roles without remuneration or compensation. The Chair noted the continued responsibility of Parties to provide members of the Board with the framework necessary to provide professional services in a sustainable manner.

21. The Chair pointed out that addressing the regional balance of CDM project activities remained a complex challenge owing to factors beyond the control of the Executive Board. The Executive Board had nevertheless prepared a set of recommendations for consideration by the CMP. Furthermore, the Executive Board was closely following the progress of work relating to the Nairobi Framework.⁵ In September 2007, the "CDM Bazaar", a Web-based facility for matching the information needs of project developers, experts and buyers of CERs, had been launched; resources were in place for regular improvements.

22. The Executive Board supported two meetings of the CDM Designated National Authorities Forum in 2007 and contributions from Parties included in Annex I to the Convention supported a third such meeting. These provided a platform for knowledge exchange and opportunities for designated national authorities to interact with the Executive Board, DOEs, review experts and the private sector. The Executive Board expected such opportunities for interaction in 2008.

⁵ <http://cdm.unfccc.int/Nairobi_Framework/index.html>.

23. The Executive Board had operationalized the programme of activities (PoA) mandated by the CMP at its second session under decision 1/CMP.2. The first such PoA, aimed at delivering solar-powered home systems in Bangladesh, was at the validation stage. The programme of activities concept, if successful, would create a new challenge. The Chair noted that the Board had agreed to approach the microfinance community in order to explore opportunities for combining microfinance with the CDM programme of activities.

24. The Executive Board was committed to continuous improvement of its supervisory functions, in particular to enhance: (1) the robustness and efficiency in the assessment of emission reductions; (2) general understanding by stakeholders of the CDM, its processes and standards; (3) transparency in decision-making processes; and (4) consistency and predictability. The Board looked forward to refining the system so as to allow the Parties to include the CDM in a post-2012 regime.

25. The Chair concluded by thanking members of the Executive Board, in particular the Vice-Chair and members acting as chairs and vice-chairs of panels and working groups, for their support and important contributions to the achievements of the Executive Board in the reporting period, as well as project participants, DNAs, DOEs and stakeholders for their continued support and constructive comments on the operation of the CDM.

26. Following the report by the Chair of the Board, representatives of 34 Parties made statements, including representatives speaking on behalf of the European Community and its member States, the Group of 77 and China, the Environmental Integrity Group and the least developed countries. Statements were also made by one observer State and by a representative of the International Emissions Trading Association (IETA) on behalf of business and industry non-governmental organizations.

27. The President said that, in order to acknowledge the work of the Executive Board and to guide future work, the CMP at its third session would need to adopt a decision. The CMP thus decided to establish a contact group on this agenda item, co-chaired by Mr. John Kilani (Qatar) and Mr. Georg Borsting (Norway).

28. The President also reminded Parties that several members and alternate members of the Executive Board needed to be elected by the CMP at the session. Mr. William Kojo Agyemang-Bonsu (Ghana) would continue to undertake consultations on the matter. The President reminded Parties that nominations should be submitted in writing by those constituencies that had not already done so.

[to be completed]

VI. Issues relating to joint implementation

(Agenda item 6)

29. At its 2nd meeting, on 5 December, the CMP had before it document FCCC/KP/CMP/2007/4 (Parts I and II).

30. The President recalled that joint implementation (JI) under Article 6 of the Kyoto Protocol provided the opportunity for Annex I Parties with a commitment inscribed in Annex B to the Protocol to acquire emission reduction units (ERUs) resulting from projects aimed at reducing emissions of greenhouse gases or enhancing removals hosted by any other such Party.

31. Upon the invitation by the President, the Chair of the Joint Implementation Supervisory Committee (JISC), Ms. Fatou Gaye, provided an overview of the report of the JISC to the CMP contained in document FCCC/KP/CMP/2007/4 (Parts I and II). In addition, she highlighted the tasks the JISC had undertaken up to and including its last meeting, which ended on 27 November 2007.

32. Over the past year, the JISC had focused on the handling of the project cycle and accreditation process. One hundred project design documents had been submitted and published on the JI website and two determinations regarding project design documents for consideration by the JISC had been submitted and published. Ms. Gaye noted that, during the reporting period, the JISC had treated the accreditation of independent entities as a high priority, recognizing that the beginning of the first commitment period was approaching. The first set of recommendations from the JI accreditation panel on accreditation of independent entities was expected in 2008.

33. Ms. Gaye stressed that Parties were contributing to the operation of JI. Thirty Annex I Parties had provided information to the secretariat on their designated focal points. Twenty-one of these Parties had also informed the secretariat on their national guidelines and procedures for approving JI projects. She invited those Parties wishing to be involved in JI projects that had not yet provided such information, to do so.

34. On the subject of the challenges ahead, the Chair said that the upcoming biennium would be marked by the continued advancement of the accreditation process and project-related operational work. The challenges would include: (1) a substantial workload with regard to accreditation of independent entities; (2) an increase in the work with regard to determinations; (3) the continued review of procedures for JI Track 2 and the accreditation process; (4) increased interactions with applicant and accredited independent entities; (5) continued interactions with the designated focal points of Parties; (6) provision of enhanced information about JI; and (7) the further review of resources to ensure that the JISC and the secretariat could sustain the required level of support to the JI process.

35. While expressing the appreciation of the JISC to those Parties that had contributed to the funding of its activities, Ms. Gaye noted that the JISC operated in 2006–2007 without the full funding requested in the JI management plan, resulting in delays in the recruitment of secretariat staff for supporting the JISC. Stating that the management plan submitted to the CMP was modest and realistic, Ms. Gaye emphasized that it was very important to raise sufficient resources to fully implement the management plan and called for early contributions from Parties. She noted that even with the provision of fees, the JISC would not be self-financing until 2010 at the earliest. The JISC recommended that the CMP consider the funding situation carefully and take appropriate action.

36. In closing, the Chair thanked all project participants, stakeholders and Parties that had supported JI, and the members and alternate members of the JISC, particularly the Co-Chair, who had contributed substantially to the success of the JISC during the reporting period. She also thanked the secretariat for its hard work and support during the last year.

37. Following the report by the Chair of the JISC, the floor was given to the secretariat for a statement on broader issues related to JI. A representative of the secretariat noted that Parties hosting JI Track 1 projects were required to make information on their projects publicly available. The secretariat would need further guidance from the CMP on the means by which, and to what extent, it should facilitate the publication of such information. In this context, guidance on the effective communication of project information to the international transaction log could also be considered, taking into account the need for unique project identifiers. He indicated that Parties might wish to consider providing further guidance to the secretariat on these issues.

38. Representatives of four Parties made statements, including one speaking on behalf of the European Community and its member States. A representative of IETA made a statement on behalf of business and industry non-governmental organizations.

39. The President said that, in order to acknowledge the work accomplished and to guide further work, a decision would need to be adopted by the CMP at its third session. On his proposal, the CMP

decided to establish a contact group on this agenda item, co-chaired by Mr. József Feiler (Hungary) and Mr. Agyemang-Bonsu. The President also reminded Parties that several members and alternate members of the JISC needed to be elected by the CMP. Mr. Agyemang-Bonsu would undertake consultations on the matter. The President reminded Parties that nominations should be submitted in writing by those constituencies that had not already done so.

[to be completed]

VII. Report of the Compliance Committee

(Agenda item 7)

40. At its 3rd meeting, on 5 December, the CMP had before it document FCCC/KP/CMP/2007/6, containing the second annual report of the Compliance Committee, which provides information on activities of the Compliance Committee during its second year of operation, from 9 September 2006 to 7 September 2007. The President invited the co-chair of the Compliance Committee and chair of its enforcement branch, Mr. Raúl Estrada Oyuela, to introduce the report.
41. Mr. Estrada noted that during the reporting period, the Compliance Committee, with the support of the secretariat, had consolidated its modalities and procedures in order: (1) to satisfy the requirements of the Protocol; (2) to provide transparency to its operations through the webcasting of its meetings (live and on demand on the UNFCCC website); and (3) to limit its operating costs by using electronic means of communication and reducing the number of meetings held each year.
42. The Compliance Committee requested the CMP: (1) to adopt specific criteria to guide the work of the Compliance Committee in cases when Parties delay the submission of their fourth national communications and the supplementary information required under Article 7, paragraph 2, of the Kyoto Protocol (fourth national communications and supplementary information); (2) to grant the necessary means to support experts who analyse the information and reports submitted by Parties under the Kyoto Protocol; (3) to arrange for resources to guarantee the independence of the members of the Compliance Committee; and (4) to advance measures to grant immunities to members of organs created under the Protocol.
43. In the fourth meeting of the plenary of the Compliance Committee, held on 5–7 September 2007, the members and alternate members had taken their oath of service, in accordance with the text approved at the second session of the CMP. They had taken on clear commitments with respect to the confidentiality of subjects that they would deal with and possible conflicts of interests. The plenary had also received information from the secretariat regarding delays in the submission of fourth national communications and supplementary information.
44. The plenary had received the review reports of the initial reports⁶ of Austria, Hungary, Japan, New Zealand and Switzerland. The expert review teams had not indicated questions of implementation in these reports. In its discussions on this point, the enforcement branch had considered the question of early eligibility and the effects of provisions of the Protocol relating to joint implementation, the CDM and emissions trading based on the text of the annexes to decision 3/CMP.1, annex, paragraph 32, decision 9/CMP.1, annex, paragraph 22, and decision 11/CMP.1, annex, paragraph 3. Since none of the expert review teams had indicated questions of implementation and considering that systems for the transfer of credits created under the Protocol already existed, Mr. Estrada had proposed that the enforcement branch transmit to the secretariat information that it was not proceeding with any question

⁶ Reports to facilitate the calculation of the assigned amount of an Annex I Party pursuant to Article 3, paragraphs 7 and 8, of the Kyoto Protocol, and to demonstrate its capacity to account for emissions and the assigned amount.

of implementation. As this suggestion had not been accepted by the enforcement branch, 16 months would have to elapse before initial eligibility was achieved.

45. After the fourth meeting of the plenary, the secretariat had forwarded to the members and alternate members the review reports of the initial reports of the Czech Republic, Denmark, Estonia, Finland, France, Ireland, Lithuania, Norway, Portugal, Slovakia, Slovenia, Spain, Sweden, the Netherlands and the United Kingdom of Great Britain and Northern Ireland, none of which had indicated questions of implementation.

46. On the subject of resources required for the work of the Compliance Committee, Mr. Estrada acknowledged contributions made by Belgium, Finland, Japan, Luxembourg, Norway, Spain, Switzerland and the Netherlands for the biennium 2006–2007.

47. In paragraphs 22–23 of the second annual report of the Compliance Committee referred to in paragraph 40 above, the plenary of the Compliance Committee had expressed its concern that some Parties with quantified emission limitation and reduction commitments had not yet submitted their fourth national communications and supplementary information. Mr. Estrada requested the CMP to indicate to the Compliance Committee whether it should take specific action on receiving advice from the secretariat of delays in the submission of the reports of Parties.

48. Mr. Estrada recalled that the Compliance Committee relied on the quality of the reports of expert review teams and on their timely completion. The Compliance Committee, in its second annual report, had expressed concern that experts might not receive adequate support to participate in reviews in the future. Mr. Estrada stressed the need for resources to train new experts and noted that such experts would have a larger role in the future.

49. Mr. Estrada observed that there was a contradiction between the fact that members and alternate members of the Compliance Committee had been elected to serve in their individual capacities on the one hand, and the fact that they received support from their governments if they were ineligible for funding under the current practices regarding financial support for participation in meetings of the Compliance Committee on the other. The Compliance Committee had submitted proposals to the CMP on this matter in paragraphs 26–27 of its second annual report.

50. Following the report, a representative of one Party made a statement on behalf of the European Community and its member States.

51. The President said that a decision would need to be adopted by the CMP under this agenda item. On his proposal, the CMP decided to establish a contact group on this agenda item, co-chaired by Mr. Denis Langlois (Canada) and Mr. Eric Mugurusi (United Republic of Tanzania), with the aim of concluding discussions as early as possible in the second week of the session.

52. The President reminded Parties that the CMP needed to elect members and alternate members of the Compliance Committee at the session to fill vacancies in the facilitative and enforcement branches. Mr. Agyemang-Bonsu would undertake consultations on the matter. The President reminded Parties that nominations should be submitted in writing during the consultations to be held for the purpose.

[to be completed]

VIII. Amendment of the Kyoto Protocol in respect of procedures and mechanisms relating to compliance

(Agenda item 8)

[to be completed]

IX. Report of the administrator of the international transaction log under the Kyoto Protocol

(Agenda item 9)

[to be completed]

X. National communications from Parties included in Annex I to the Convention: reporting and review

(Agenda item 10)

[to be completed]

XI. Second review of the Kyoto Protocol pursuant to its Article 9: scope and content

(Agenda item 11)

53. For its consideration of this item at its 2nd meeting, on 5 December, the CMP had before it documents FCCC/KP/CMP/2007/MISC.1 and Add.1 and 2 and FCCC/KP/CMP/2007/INF.1.

54. The President recalled that pursuant to Article 9, paragraph 2 of the Kyoto Protocol, the first review had taken place at the second session of the CMP. The President also recalled that the CMP, through its decision 7/CMP.2, had decided that the second review should take place at the fourth session of the CMP. It had also agreed to consider the scope and content for this review at this session.

55. Noting that a successful outcome on this agenda item would be essential to the overall success of the session, the President invited Parties to express their views.

56. Statements were made by representatives of 24 Parties, including representatives speaking on behalf of the African Group, the European Community and its member States, and the Alliance of Small Island Developing States. One observer State made a statement on behalf of the Umbrella Group.

57. On the proposal of the President, the CMP decided to establish a contact group on this agenda item, co-chaired by Mr. Adrian Macey (New Zealand) and Mr. Raphael de Azereedo (Brazil), to continue discussion on the matter. The President asked the group to prepare a decision on the scope and content for the second review and to consider the preparations required during 2008 to undertake the review at the end of that year.

58. The President invited the group, in preparing this decision, to bear in mind work to be undertaken by the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol, in particular, on the analysis of means to achieve mitigation objectives of Annex I Parties and ways to enhance their effectiveness and contribution to sustainable development. He asked the group to be strategic so as to avoid duplication of work and be effective.

[to be completed]

XII. Capacity-building under the Kyoto Protocol

(Agenda item 12)

[to be completed]

XIII. Adaptation Fund

(Agenda item 13)

[to be completed]

XIV. Matters relating to Article 3, paragraph 14, of the Kyoto Protocol

(Agenda item 14)

[to be completed]

XV. Matters relating to Article 2, paragraph 3, of the Kyoto Protocol

(Agenda item 15)

[to be completed]

XVI. Administrative, financial and institutional matters

(Agenda item 16)

[to be completed]

XVII. Other matters referred to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol by the subsidiary bodies

(Agenda item 17)

[to be completed]

XVIII. High-level segment

(Agenda item 18)

[to be completed]

XIX. Statements by observer organizations

(Agenda item 19)

[to be completed]

XX. Other matters

(Agenda item 20)

A. Report of the President of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its second session on the workshop on the proposal by the Russian Federation

(Agenda item 20 (a))

59. For its consideration of this sub-item at its 3rd meeting, on 5 December, the CMP had before it documents FCCC/KP/CMP/2007/MISC.2 and Add.1 and 2 and FCCC/KP/CMP/2007/INF.2.

60. Introducing this item, the President recalled that the CMP, at its second session, had requested its President to convene a workshop during the sessional period in May 2007 to clarify and explore the scope and implications of the Proposal by the Russian Federation for appropriate procedures to be developed to enable Parties to the Kyoto Protocol to adopt voluntary commitments. He further recalled that the President of the CMP at its second session had asked him to sincerely thank Mr. Zammit-Cutajar for chairing the workshop and to convey his gratitude for the report on the workshop, which he had been

pleased to approve. The President of the CMP at its second session had invited Mr. Zammit-Cutajar to introduce the report when this sub-item was taken up by the CMP at its third session.

61. Mr. Zammit-Cutajar noted that the workshop had been a welcome opportunity for a first substantive interaction on the proposal. He stated that the workshop had helped to clarify the intent and possible ramifications of the proposal and had stimulated a lively and informal exchange of views in which convergence and divergence could be discerned. Parties had expressed their views on two elements of the proposal: (1) the procedural component – simplifying procedures for accession to Annex I of the Convention and to Annex B of the Kyoto Protocol; and (2) the substantive component – exploring new forms of engagement for Parties not included in Annex I to the Convention (non-Annex I Parties). Parties had also explored how these elements of the proposal could be considered further, if appropriate.

62. While no objection in principle had been discerned in discussions at the workshop on the idea of simplifying procedures, there had been clear divergence of views regarding potential new forms of engagement for non-Annex I Parties. Whereas some Parties had expressed the view that there were merits in further consideration of this element of the proposal, others had stressed that further consideration was unnecessary. Views had been expressed on the ways in which consideration could be envisaged. This had been more articulated with regard to procedural aspects. One participant had commended to the consideration of Parties the precedent of the Gothenburg Protocol to the Convention on Long-range Transboundary Air Pollution,⁷ which – like the Kyoto Protocol – contains an annex listing Parties and their emission ceilings, but includes a simple procedure for adding new Parties to the listing.

63. Mr. Zammit-Cutajar noted that since the workshop report had been issued in early August, many Parties had submitted views, which were contained in documents FCCC/KP/CMP/2007/MISC.2 and Add.1 and 2. The summary of views expressed at the workshop as contained in the report of the workshop needed, therefore, to be read in conjunction with the views contained in the subsequent submissions by Parties.

64. Following the report by Mr. Zammit-Cutajar, representatives of nine Parties made statements, including one speaking on behalf of the European Community and its member States. A representative of one observer State made a statement on behalf of the Umbrella Group. A statement was also made by a representative of Greenpeace on behalf of Climate Action Network.

65. Having listened to the statements, the CMP invited Mr. Djismun Kasri (Indonesia) to speak to Parties and advise the President on the matter as early as possible in the second week of the session.

[to be completed]

B. Proposal from Belarus to prepare for implementation of the amendment to Annex B to the Kyoto Protocol (decision 10/CMP.2) prior to its entry into force
(Agenda item 20 (b))

66. For its consideration of this sub-item at its 3rd meeting, on 5 December, the CMP had before it document FCCC/KP/CMP/2007/7.

67. Upon the invitation of the President, a representative of Belarus made a statement under this sub-item, followed by statements from representatives of three Parties, including one speaking on behalf of the European Community and its member States.

⁷ The 1999 Gothenburg Protocol to Abate Acidification, Eutrophication and Ground-level Ozone.

68. On the proposal of the President, the CMP invited Mr. Mark Berman (Canada) to undertake informal consultations on this issue and to report back to the CMP in the second week of the session.

[to be completed]

XXI. Conclusion of the session

(Agenda item 21)

[to be completed]

Annexes

[to be completed]

PART TWO: ACTION TAKEN BY THE CONFERENCE OF THE PARTIES
SERVING AS THE MEETING OF THE PARTIES TO THE KYOTO PROTOCOL
AT ITS THIRD SESSION

[to be completed]
