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附件一缔约方在《京都议定书》之下的  
进一步承诺问题特设工作组

## 附件一缔约方在《京都议定书》之下的进一步 承诺问题特设工作组第五届会议续会报告

2008年6月2日至12日在波恩举行

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## 一、会议开幕

### (议程项目 1)

1. 附件一缔约方在《京都议定书》之下的进一步承诺问题特设工作组(特设工作组)第五届会议续会于 2008 年 6 月 2 日至 12 日在德国波恩海洋旅馆举行。会议开幕时,为中国四川省地震和“纳尔吉斯”强热带风暴的受害者默哀一分钟。

2. 特设工作组主席 Harald Dovland 先生(挪威)宣布会议开幕并对所有缔约方和观察员表示欢迎。他还欢迎 Mama Konate 先生(马里)担任特设工作组副主席,并欢迎 Boo-Nam Shin 先生(大韩民国)担任报告员。

3. Dovland 先生提醒各缔约方,第五届会议的议程已在 2008 年 3 月 31 日至 4 月 4 日于泰国曼谷举行的第五届第一期会议上获得通过。他强调,特设工作组第五届会议续会是工作组在加纳开会通过关于分析附件一缔约方为达到减排目标而可资利用的途径和审议有关的方法学问题的结论之前推进工作的最后一次机会。

## 二、组织事项

### (议程项目 2)

#### 安排会议工作

#### (议程项目 2(b))

4. 特设工作组在 6 月 2 日的第 1 次会议上审议了本分项目。主席忆及特设工作组的工作重点是议程项目 3,“分析达到减排目标的途径并确定如何增进这些途径的有效性及其对可持续发展的贡献”和议程项目 4,“审议有关的方法学问题”。他向代表通报了关于达到减排目标的途径问题圆桌会议和有关的方法学问题研讨会的安排,会议分别定于 2008 年 6 月 2 日和 6 月 7 日举行。

5. 9 个缔约方的代表发了言,其中 1 人以 77 国集团和中国的名义发言、1 人以非洲集团的名义发言、1 人以伞状集团的名义发言、1 人以小岛屿国家联盟的名义发言、1 人以最不发达国家的名义发言、1 人以欧洲共同体及其成员国的名义发言,<sup>1</sup> 1 人以环境完整性小组的名义发言。

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<sup>1</sup> 该发言中表明的立场得到了克罗地亚、前南斯拉夫马其顿共和国、波斯尼亚和黑塞哥维那和塞尔维亚的支持。

### 三、分析达到减排目标的途径并确定如何增进这些 途径的有效性及其对可持续发展的贡献

#### (议程项目 3)

##### 1. 议事情况

6. 特设工作组分别在 6 月 3 日和 12 日的第 2 次和第 3 次会议上审议了本项目，包括分项目(a-d)。在第 2 次会议上，主席报告了以上第 4 段所指圆桌会议的结果。他注意到，圆桌会议为特设工作组在第六届第一期会议上完成对附件一缔约方为达到减排目标而可资利用的途径的审议做出了有益贡献。

7. 同样在第 2 次会议上，18 个缔约方的代表发了言，其中 1 人代表欧洲共同体及其成员国发言，<sup>2</sup> 1 人代表 77 国集团和中国发言。

8. 在同次会议上，主席邀请国际民用航空组织、国际海事组织、国际可持续能源理事会和气候行动网的代表就本项目发言。

9. 为了推进各分项目方面的工作，特设工作组同意成立 3 个联络小组，以进一步审议：

(a) 整个议程项目 3、分项目(c), “温室气体、部门和源类别” 和分项目(d), “针对部门排放量的可能方针”，由特设工作组主席主持；

(b) 分项目(a), “排放量交易和基于项目的机制”，由 Christiana Figueres 女士（哥斯达黎加）和 Nuno Lacasta 先生（葡萄牙）共同主持；

(c) 分项目(b), “土地利用、土地利用的变化和林业”，由 Marcelo Rocha 先生（巴西）和 Bryan Smith 先生（新西兰）共同主持。

10. 在第 3 次会议上，主席报告了以上第 9 段(a)小段所述的联络小组的磋商情况。特设工作组审议并通过了主席提出的结论<sup>3</sup>。

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<sup>2</sup> 该发言中表明立场得到了克罗地亚、前南斯拉夫的马其顿共和国、波斯尼亚和黑塞哥维那和塞尔维亚的支持。

<sup>3</sup> 作为 FCCC/KP/AWG/2008/L.4/Rev.1 号文件通过。

## 2. 结 论

11. 特设工作组继续开展以下工作：分析附件一缔约方为达到减排目标而可资利用的途径；确定如何增进这些途径的有效性，并加大它们对可持续发展和对《公约》第二条所载最终目标的贡献。

12. 特设工作组于 2008 年 6 月 2 日举行了附件一缔约方为达到减排目标而可资利用的途径问题圆桌会议。特设工作组注意到圆桌会议做出了一些有益的贡献，有助于特设工作组在第六届第一期会议上完成对这些事项的审议。特设工作组注意到主席的摘要(见附件一)和缔约方在特设工作组第五届会议续会期间提供的意见和信息。

13. 特设工作组一致认为，对基于项目的机制中土地利用、土地的变化和林业活动的审议需要参考利用对非永久性问题和其他方法学问题的审议结果，前者是关于排放量交易和基于项目的机制的工作的一部分，后者是关于土地利用、土地的变化和林业的工作的一部分。此外，特设工作组注意到根据第 1/CP.13 号决定(《巴厘岛行动计划》)第 1 段(b)小段(三)项正在开展的工作，并认为该项工作可以为特设工作组进一步审议该事项做出贡献。

14. 特设工作组重申，结合正在进行的工作，它还将考虑附件一缔约方为达到减排目标而可资利用的途径变化对碳市场、特别是对《京都议定书》下可交易单位的供给和需求造成的影响。

### A. 排放量交易和基于项目的机制

(议程项目 3(a))

#### 1. 议事情况

15. 在第 3 次会议上，Figueres 女士报告了以上第 9 段(b)小段所述的联络小组的磋商情况。特设工作组审议并通过了主席提出的结论<sup>4</sup>。

## 2. 结 论

16. 根据第五届第一期会议的结论，特设工作组在适当注意改进《京都议定书》的环境完整性的情况下，审议了《京都议定书》下的排放量交易和基于项目的机制可

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<sup>4</sup> 作为 FCCC/KP/AWG/2008/L.8 号文件通过。

能的改进之处，作为附件一缔约方为达到减排目标而可资利用的途径，以及确定如何增进这些途径的有效性，并加大它们对可持续发展和对《公约》第二条所载最终目标的贡献。

17. 特设工作组重申，在审议对有关机制可做的改进时，除其他外，应适当注意促进《京都议定书》的环境完整性和有关机制对可持续发展的贡献，以及利用此种机制应当作为实施附件一缔约方可用的国内行动的补充。

18. 特设工作组一致认为，进一步审议排放量交易和基于项目的机制的可能改进不应妨碍或限制其他机构依据《公约》及其《京都议定书》开展的其他工作。

19. 特设工作组注意到附件二所载由特设工作组主席负责汇编的缔约方发表的意見。

20. 特设工作组同意在第六届第一期会议上继续依照其职权和工作计划开展工作，以期在该届会议上通过结论。

21. 特设工作组注意到，缔约方在本届会议上指出了一些与《京都议定书》下的排放量交易和基于项目的机制有关的问题，对之可考虑在可能情况下在本承诺期内予以适用。在这方面，特设工作组建议作为《京都议定书》缔约方会议的《公约》缔约方会议可以在第四届会议上审议附件三所载由特设工作组主席负责汇编的这类问题清单，并采取适当的行动。

## B. 土地利用、土地利用的变化和林业

(议程项目 3(b))

### 1. 议事情况

22. 在第 3 次会议上，Figueres 女士报告了以上第 9 段(c)小段所述的联络小组的磋商情况。特设工作组审议并通过了主席提出的结论<sup>5</sup>。

### 2. 结 论

23. 根据第五届第一期会议的结论<sup>6</sup>，特设工作组审议了在相关情况下如何解决在《京都议定书》第二个承诺期处理土地利用、土地利用的变化和林业的定义、模

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<sup>5</sup> 作为 FCCC/KP/AWG/2008/L.5 号文件通过。

<sup>6</sup> FCCC/KP/AWG/2008/2, 第 21 段(b)小段。

式、规则和指南问题，并适当注意改进《京都议定书》的环境完整性，以便特设工作组第六届第一期会议可以通过关于这一问题的结论。

24. 特设工作组同意在特设工作组第六届第一期会议上继续就这一问题开展工作，同时考虑附件四所载主席汇编的缔约方的意见。

25. 特设工作组承认，关于这一问题的进一步讨论应当考虑到第 16/CMP.1 号决定所规定的指导处理土地利用、土地利用的变化和林业问题的原则。

26. 特设工作组鼓励缔约方分享信息，以便能够在特设工作组第六届第一期会议之前，更好地评估附件四中确认的各种备选办法和问题的影响，包括对核算的影响。为了推动分享信息，特设工作组请缔约方在特设工作组第六届第一期会议之前，在非正式的基础上向秘书处自愿提交相关信息，并请秘书处将收到的信息公布在《气候公约》的网站上。

27. 特设工作组还同意，缔约方将继续就附件四中确认的各种备选办法和问题的影响交换意见，包括缔约方在特设工作组第六届第一期会议发言中发表的意见。

### C. 温室气体、部门和源类别

(议程项目 3(c))

#### 针对部门排放量的可能方针

(议程项目 3(d))

#### 1. 议事情况

28. 在第 3 次会议上，主席报告了以上第 9 段(a)小段所述的联络小组的磋商情况。特设工作组审议并通过了主席提出的结论<sup>7</sup>。

#### 2. 结 论

29. 根据特设工作组第五届第一期会议的结论，特设工作组在适当注意改进《京都议定书》的环境完整性的情况下，审议了以下问题：

- (a) 附件一缔约方能够如何利用针对部门排放量的方针，作为达到减排目标而可资利用的途径；

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<sup>7</sup> 作为 FCCC/KP/AWG/2008/L.6 号文件通过。

(b) 在可靠的科学基础上，是否可能扩大温室气体、部门和源类别及其影响的涵盖范围；

(c) 考虑到《京都议定书》第二条第 2 款，附件一缔约方如何将限制或减少航空和海运舱载燃料的温室气体排放的办法作为达到减排目标的途径，上述温室气体的排放不受《蒙特利尔议定书》的管制。

30. 特设工作组注意到，附件一缔约方能够利用针对部门排放量的方针，作为达到而非取代减排目标的途径。

31. 特设工作组注意到附件五所载特设工作组主席负责汇编的、缔约方在这些议程分项目下发表的意见。

32. 特设工作组同意在第六届第一期会议上继续依照其任务和工作方案开展工作，以期在该届会议上通过结论。

#### 四、审议有关的方法学问题

##### (议程项目 4)

##### 1. 议事情况

33. 特设工作组分别在 6 月 3 日和 12 日的第 2 次和第 3 次会议上审议了本项目，包括分项目(a-d)。在第 2 次会议上，1 个缔约方的代表以小岛屿国家联盟的名义发了言。

34. 同样在第 2 次会议上，主席提醒与会者有关的方法学问题研讨会定于 6 月 7 日举行。特设工作组同意该项目应当在以上第 9 段(a)小段所指的联络小组中进一步审议。在第 3 次会议上，主席报告了联络小组的磋商情况。特设工作组审议并通过了主席提出的结论<sup>8</sup>。

##### 2. 结 论

35. 特设工作组启动了对有关的方法学问题的审议，这些问题包括用于估算温室气体人为排放量和全球升温潜能值的方法以及这些方法对缔约方总排放量估计的影响。

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<sup>8</sup> 作为 FCCC/KP/AWG/2008/L.7 号文件通过。



36. 特设工作组于 2008 年 6 月 7 日举行了有关的方法学问题研讨会。特设工作组副主席主持了研讨会并提供了讨论情况摘要<sup>9</sup> (见附件六)。特设工作组注意到各缔约方在研讨会上发表的意见的摘要以及 FCCC/KP/AWG/2008/MISC.3 号文件所载的意见和信息。

37. 特设工作组同意在第六届第一期会议上继续依照其任务和工作方案开展工作，同时考虑到附件七所载主席汇编的缔约方的意见，以期在第六届第一期会议上通过关于这些问题的结论。

## 五、其他事项 (议程项目 5)

38. 没有提出或审议任何其他事项。

## 六、会议报告 (议程项目 6)

39. 在 6 月 12 日的第 3 次会议上，特设工作组审议并通过了第五届会议续会报告草稿(FCCC/KP/AWG/2008/L.3)。在同次会议上，经主席提议，特设工作组授权报告员在秘书处的协助和主席的指导下完成会议报告。

## 七、会议闭幕

40. 在 6 月 12 日的第 3 次会议上，主席感谢各位代表所作的贡献和秘书处的支持。他强调，将于 2008 年 8 月 21 日至 27 日在加纳阿克拉举行的特设工作组第六届第一期会议将经历艰难的谈判。他强调特设工作组将需要新的合作精神，以实现其工作方案中设定的目标，并鼓励缔约方为该会议做好充分准备。

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<sup>9</sup> [http://unfccc.int/files/kyoto\\_protocol/application/pdf/report\\_meth\\_workshop.pdf](http://unfccc.int/files/kyoto_protocol/application/pdf/report_meth_workshop.pdf).

Annex I

[ENGLISH ONLY]

**Round table on the means to reach emission reduction targets****Summary by the chair****I. Introduction**

1. At its resumed fourth session, the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) requested the secretariat, under the guidance of the Chair of the AWG-KP, to organize a round table on the analysis of means that may be available to Annex I Parties to reach their emission reduction targets and the identification of ways to enhance the effectiveness of these means and their contribution to sustainable development.<sup>1</sup>
2. The round table was held in Bonn, Germany, on 2 June 2008, during the resumed fifth session of the AWG-KP, and was chaired by Mr. Harald Dovland, Chair of the AWG-KP.
3. The aim of the round table was to gather concrete ideas from Parties on how to enhance the effectiveness of the means referred to in paragraph 1 above and their contribution to sustainable development. It built on the outcomes of a workshop on the same topic held in Bangkok, Thailand, from 1 to 3 April 2008.
4. The round table was open to all Parties and observers. It was divided into three panels as follows:
  - (a) First panel: emissions trading and the project-based mechanisms;
  - (b) Second panel: land use, land-use change and forestry (LULUCF);
  - (c) Third panel: greenhouse gases (GHGs), sectors and source categories to be covered; and possible approaches targeting sectoral emissions.
5. Up to six experts from different Parties were invited to share concrete ideas during each panel on how to enhance the effectiveness of the means and their contribution to sustainable development. This was followed by a focused discussion in which Parties had the opportunity to present additional ideas.
6. The following issues were considered at the round table, in accordance with the conclusions adopted by the AWG-KP at the first part of its fifth session.<sup>2</sup>
  - (a) Possible improvements to emissions trading and the project-based mechanisms under the Kyoto Protocol on their scope, effectiveness, efficiency, accessibility, contribution to sustainable development, capacity to generate co-benefits and the transfer of technology;
  - (b) How to address, where applicable, the definitions, modalities, rules and guidelines for the treatment of LULUCF in the second commitment period;
  - (c) How approaches targeting sectoral emissions could be used by Annex I Parties as a means to reach their emission reduction targets;

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<sup>1</sup> FCCC/KP/AWG/2007/5, paragraph 19 (d) (i).

<sup>2</sup> FCCC/KP/AWG/2008/2, paragraph 21.

- (d) Possible broadening of the coverage of GHGs, sectors and source categories and its implications, based on sound science;
- (e) How approaches to limit or reduce emissions of GHGs not controlled by the Montreal Protocol from aviation and marine bunker fuels could be used by Annex I Parties as a means to reach their emission reduction targets, taking into account Article 2, paragraph 2, of the Kyoto Protocol.

7. At the closing of the round table, the Chair informed participants that a report would be available on Tuesday, 3 June.

## II. Summary of discussions

### A. First panel: emissions trading and the project-based mechanisms

8. Parties reiterated their support for the continuation of emissions trading, the clean development mechanism (CDM) and joint implementation (JI) in the future and expressed a common desire to strengthen the use of these mechanisms, including through improving the regional distribution of projects under the mechanisms. Parties stressed the need for stronger emission reduction commitments to drive the demand for credits, in particular from the CDM, although some Parties also expressed concern that the supply of credits from new activities should not overwhelm market demand. Parties agreed that the use of the mechanisms should be supplemental to domestic action.

9. In relation to emissions trading, Parties identified the need to reduce differentiation in the carbon market by promoting the linking of national and regional emissions trading schemes and the broader mutual acceptance of units (fungibility) among these schemes. Some Parties also suggested that the commitment period reserve could be reduced in the second commitment period for Parties which had met their emission reduction obligations in the first period.

10. In relation to JI, some Parties noted that certain changes identified for the CDM may also apply.

11. Most of the discussion during the panel focused on the CDM. In relation to the scope of the CDM, Parties were supportive of broadening the coverage of project activities under the mechanism. In this context, some Parties mentioned in particular the LULUCF and agriculture sectors. Other Parties made more general references to all sectors and technologies.

12. In relation to the governance of the CDM, some Parties considered that the Executive Board of the CDM should focus on providing guidance, for example to Parties, designated operational entities (DOEs) and project participants, and should be less involved in specific project cases. This issue is closely related to the need to ensure that members of the Executive Board possess the appropriate expertise and to a consideration of the role of the secretariat in providing support to the Board.

13. Parties also raised issues concerning the roles of other actors in the CDM. In particular, several Parties referred to the need to ensure that the performance of DOEs is of high quality and to provide them with clear guidance as to their activities. Some Parties also mentioned that host Party governments could play stronger roles in clarifying their views on project activities and giving inputs to their development. Parties noted the link between governance issues and the work under the second review of the Kyoto Protocol pursuant to its Article 9, and that some of these issues may be relevant to the first commitment period.

14. In relation to procedural issues for the CDM, Parties emphasized the need to ensure the environmental integrity of the Kyoto Protocol and the additionality of projects, but considered that there

may be alternative ways to assess the additionality of projects that may improve the efficiency in processing cases. These alternatives include allowing more scope for projects to claim more conservative levels of emission reductions, in return for less precise project procedures, or for the additionality of certain project types to be assured through setting baselines at a macro level. The importance of ensuring the consistent treatment of similar projects under the CDM was also mentioned.

15. Some Parties also referred to the need for alternative approaches to address non-permanence in afforestation and reforestation projects under the CDM. For this purpose, it may be possible to identify approaches that simplify the accounting rules for such projects and avoid the need for temporary units.

16. In relation to the regional distribution of CDM projects, a number of suggestions were made. These included identifying and reducing barriers to projects, including LULUCF projects, in countries that currently have only a few projects or none. It was suggested that the procedures for small-scale project activities could be further simplified for projects in certain host country Parties. Others suggested allocating numbers of projects to certain host country Parties and providing capacity-building activities.

17. In relation to transforming the CDM, some suggestions were made for moving from project-based approaches to allow for sector-based approaches, including through focusing more on the programmatic CDM and sectoral CDM. Some Parties suggested that this may provide a solution to issues of additionality, transaction costs and efficiency. While there was no consensus on these points, some Parties stated that further definition of approaches should be undertaken. Some Parties suggested that discussion is also needed on sectoral crediting based on no-lose targets, emissions trading based on sectoral targets and options to enhance the contribution of the CDM to global mitigation efforts.

18. A number of cross-cutting issues, across the mechanisms, were also identified. These included a review of carry-over restrictions between commitment periods and improved transparency regarding green investment schemes. Parties also noted that the rules for emissions trading would need to be reviewed in the light of future agreed commitment structures.

19. A number of Parties raised the need for increased funding for adaptation purposes and supported an extension of the share of proceeds under the CDM to emissions trading and JI in this regard. However, other Parties, while also mindful of the need to increase such funding, did not consider that the market-based mechanisms were an appropriate source of such funding.

20. Some Parties stressed that the AWG-KP should bear in mind linkages between some of the issues identified during the panel and issues being addressed under other processes, notably the Ad Hoc Working Group on Long-term Cooperative Action under the Convention and the second review of the Kyoto Protocol pursuant to its Article 9. Other Parties also referred to the guidance provided by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to the Executive Board, as a way to enhance the effectiveness of some aspects of the CDM.

#### **B. Second panel: land use, land-use change and forestry**

21. Parties reiterated their support for the continuation of LULUCF activities as means for Annex I Parties to reach their emission reduction targets. Some Parties noted that the definitions, modalities, rules and guidelines for LULUCF in the first commitment period provide limited incentive for Parties to realize the full potential of the sector and to promote sustainable land management.

22. Parties stressed the importance of ensuring the environmental integrity of the Kyoto Protocol and recognized the important role of the principles contained in decision 16/CMP.1.

23. Most Parties considered that any modifications should aim at simpler and more transparent definitions, rules and modalities. Other Parties emphasized the importance of maintaining consistency with the rules that apply to LULUCF in the first commitment period, as well as to LULUCF in the general context of the Convention and its Kyoto Protocol.

24. Several Parties emphasized the need to consider carefully the implications of any modifications to the rules that currently apply to LULUCF. Some Parties emphasized the need to focus on anthropogenic emissions and removals by excluding emissions from natural disturbances, sinks for natural processes, and indirect effects of climate change and age-structure legacy. Concrete proposals to address inter-annual variability and natural disturbances were presented by some Parties. Proposals presented by Parties can be broadly summarized as follows:

- (a) Small adjustments to the current definitions, rules and modalities;
- (b) Amendments to current rules, including:
  - (i) Harmonizing the accounting for all activities under Article 3, paragraph 4, of the Kyoto Protocol (Article 3.4);
  - (ii) Identifying alternative ways to account only for direct anthropogenic emissions and removals resulting from forest management, for example discounting factors and forward-looking baselines;
  - (iii) Making activities under Article 3.4 compulsory;
  - (iv) Including additional activities under Article 3.4, for example wetland restoration;
  - (v) Modifying the current treatment of harvested wood products and addressing biofuels;
  - (vi) Changing the base year or consideration of base year period;
- (c) A more inclusive approach to LULUCF, aiming at a broad coverage of land. Some Parties suggested that similar accounting to that used in other sectors be introduced by including the LULUCF sector in Annex A to the Kyoto Protocol.

25. Some Parties suggested that the eligibility activities under the CDM be expanded after the first commitment period.

26. Most Parties emphasized the importance of agreeing on the definitions, modalities, rules and guidelines for LULUCF before agreeing on further commitments for Annex I Parties.

### **C. Third panel: greenhouse gases, sectors and source categories to be covered; and possible approaches targeting sectoral emissions**

#### **1. Greenhouse gases, sectors and source categories**

27. Parties generally shared the view that the current approach under the Kyoto Protocol to GHGs, sectors and source categories should continue to be applied.

28. Some Parties suggested that additional gases could be included in Annex A to the Kyoto Protocol, for example, nitrogen trifluoride and the group of fluorinated ethers. Some Parties acknowledged that, while these gases have high global warming potentials (GWPs), they represent a small share of global GHG emissions. Other Parties noted that the phasing out of gases controlled by the Montreal Protocol

could lead to a significant increase in the use of these GHGs as substitutes for ozone-depleting substances.

29. A number of Parties suggested that, in discussions on the inclusion of additional gases, due consideration should be given to the availability of methodologies to assess these gases and the GWPs that are provided by the Intergovernmental Panel on Climate Change. Other Parties also referred to the need for scientific evidence that these gases are of direct anthropogenic origin. They also noted that the reporting of any newly included gases should be comparable and consistent with the current reporting framework under the Kyoto Protocol.

30. One Party noted that the coverage of sectors under Annex A to the Kyoto Protocol could be expanded by including the LULUCF sector.

## 2. Emissions from aviation and marine bunker fuels

31. Parties noted that the current provisions of the Kyoto Protocol exclude emissions from international aviation and maritime transport from national totals. Some Parties suggested that the AWG-KP should explore options on how to include these emissions in national totals.

32. Some Parties suggested that options for limiting or reducing emissions from international aviation and maritime transport under Article 2, paragraph 2, of the Protocol would need to apply to all Parties, in accordance with the principles of the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO). Other Parties stressed that discussions under the AWG-KP should be strictly focused on Annex I Parties, bearing in mind the principles of the Convention.

33. A range of views was expressed on the role of different United Nations bodies. Several Parties expressed the view that ICAO and IMO should take the lead on all issues relating to the limitation or reduction of emissions from international aviation and maritime transport. Other Parties suggested that work on this issue could be carried out through cooperation between the UNFCCC, ICAO and IMO. One Party further proposed that the UNFCCC could develop specific reduction or limitation targets, while ICAO and IMO could provide the technical expertise on how such targets could be achieved.

34. One Party made a specific suggestion of specific measures that could contribute to the reduction of emissions from international maritime transport. The proposal involved establishing a legally binding instrument under IMO (with reduction or limitation targets defined under the UNFCCC), for which a number of different approaches for maritime transport could be considered, such as emission caps and emissions trading or other market-based measures.

35. One Party expressed the view that, in order to advance on issues related to emissions from international aviation and maritime transport, progress should be made with regard to discussions on Article 2, paragraph 3, of the Kyoto Protocol. Another Party expressed disagreement with the notion of assigning responsibility for emissions from maritime transport according to the national flag carried by the ship.

## 3. Approaches targeting sectoral emissions

36. Several Parties stressed that discussions on possible approaches targeting sectoral emissions within the AWG-KP should take place in the context of further commitments for Annex I Parties under the Kyoto Protocol. They suggested that a broader consideration of this issue lies outside the scope of the AWG-KP and cited, in particular, discussions on cooperative sectoral approaches and on finance and technology to support sectoral efforts in developing countries.

37. Some Parties further specified that the AWG-KP should limit its discussions to possible approaches targeting sectoral emissions as means for Annex I Parties to reach their emission reduction targets. Such discussions may focus only on sectors within and among Annex I Parties.
38. Parties generally shared the view that approaches targeting sectoral emissions should not replace nationwide targets but should instead complement them. Some Parties stressed that these approaches should not lead to commitments for non-Annex I Parties or be used to impose trade barriers.
39. A number of Parties noted the need for clarity on what is meant by “sectors”. In this context, some Parties stated that discussions could focus on those sectors that are a significant source of anthropogenic GHG emissions, referring to the energy, transport, aluminum, iron and steel, and cement sectors. One Party stated that singling out sectors would not be acceptable.
40. A distinction was drawn between approaches at national and transnational levels, on the one hand, and sectoral efforts and sectoral agreements on the other. One Party suggested that the AWG-KP should focus on national efforts. Another Party stressed that information at the sectoral level could be used to determine national emission reduction targets, following a bottom-up approach.
41. Some Parties noted that possible approaches targeting sectoral emissions can assist in directing technologies and actions into specific sectors. One Party presented some suggestions for targeting sectoral emissions, namely: sector-specific targets; agreements to phase out inefficient technologies; and technical regulations and standards. This Party further noted that different alternatives would apply to different sectors.

Annex II

[ENGLISH ONLY]

**Views expressed by Parties on possible improvements to emissions trading and the project-based mechanisms under the Kyoto Protocol, as means that may be available to Annex I Parties to reach their emission reduction targets, compiled by the Chair of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol**

This annex is the compilation of views of Parties and does not prejudice any actions by the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol.

## I. Clean development mechanism

### A. Scope

1. Modification of the scope of the clean development mechanism (CDM):
  - (a) Include other land use, land-use change and forestry (LULUCF) activities;<sup>1</sup>
  - (b) Introduce a cap for eligible LULUCF activities;<sup>2</sup>
  - (c) Include carbon dioxide capture and storage;<sup>3</sup>
  - (d) Include nuclear activities;
  - (e) Introduce sectoral CDM for emission reductions below a baseline defined at a sectoral level;
  - (f) Introduce sectoral crediting of emission reductions below a previously established no-lose target;
  - (g) Introduce crediting on the basis of nationally appropriate mitigation actions.

### B. Effectiveness and efficiency

2. Enhancements to the supervisory role of the Executive Board of the CDM:

Introduce a different supervisory structure and institutional arrangement in case of modification of the scope of the CDM.
3. Enhancements to the efficiency of the Executive Board:

Ensure equitable representation of Parties on the Executive Board through changes to the modalities and procedures for the CDM.

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<sup>1</sup> Discussion to be informed by outcomes of the consideration of non-permanence and other methodological issues.

<sup>2</sup> Discussion to be informed by outcomes of the consideration of non-permanence and other methodological issues.

<sup>3</sup> This issue is being considered by the Subsidiary Body for Scientific and Technological Advice under its work on carbon dioxide capture and storage in geological formations as CDM project activities. This item is listed without prejudging or limiting that consideration for the first commitment period.



4. Role of the secretariat:

Shift the function of the secretariat to support the Executive Board to another organization.
5. Designated operational entities (DOEs):

Introduce alternative institutional arrangements to replace DOEs.
6. Broaden the role of host Party governments.
7. Alternative ways to ensure environmental integrity and assess the additionality of projects:
  - (a) Develop standardized, multiple-project baselines;
  - (b) Establish additionality at the macro level;
  - (c) Exempt certain project types from the additionality test;
  - (d) Introduce criteria for projects that would have happened anyway.

#### **C. Accessibility<sup>4,5</sup>**

8. Differentiate the treatment of Parties under the CDM:
  - (a) Define eligible Parties through use of indicators;
  - (b) Improve access to CDM projects by certain host Parties.
9. Differentiate the treatment of types of projects by Party.

#### **D. Contribution to sustainable development, capacity to generate co-benefits and the transfer of technology**

10. Enhance the contribution of the CDM to sustainable development, as approved by the host Party:

Allocate proportions of the demand for certified emission reductions (CERs) to specific project types (high sustainable development component) and/or specific groups of Parties.
11. Increase the demand for afforestation and reforestation projects:

Define alternative accounting rules for afforestation and reforestation projects.<sup>6</sup>
12. Increase the co-benefits of CDM projects (e.g. energy efficiency):

Include co-benefits (e.g. monetary, other) as a project assessment criterion.

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<sup>4</sup> Equitable regional distribution is being considered by the Subsidiary Body for Implementation under its work on the preparation for the second review of the Kyoto Protocol pursuant to its Article 9.

<sup>5</sup> Non-permanence and other methodological issues are being considered by the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol under its work on LULUCF.

<sup>6</sup> Non-permanence and other methodological issues are being considered by the AWG-KP under its work on LULUCF.

13. Restrict CDM to bilateral CDM projects.
14. Alternatives to the current application of global warming potentials (GWPs):
  - (a) Introduce multiplication factors for emission reductions to determine CERs from certain technologies;
  - (b) Replace the application of GWPs with the application of global temperature-change potentials (GTPs).<sup>7</sup>
15. Increase the technology transfer of the CDM (North–South, South–South, within a country):

Include technology transfer as a project assessment criterion.

## **II. Joint implementation**

### **A. Scope**

16. Modalities for graduation of Parties from CDM projects to joint implementation (JI) projects.
17. Consistency of approaches to LULUCF activities:<sup>8</sup>
  - (a) Ensure approaches for LULUCF projects under JI are in line with the treatment of LULUCF under Article 3, paragraphs 3 and 4, of the Kyoto Protocol;
  - (b) Introduce approaches to LULUCF projects under JI that are parallel to the treatment of afforestation and reforestation activities under the CDM.
18. Modification of the scope of JI:
  - (a) Include activities to reduce emissions from deforestation and degradation;<sup>9</sup>
  - (b) Introduce crediting on the basis of nationally appropriate mitigation actions.

### **B. Effectiveness and efficiency**

19. Enhancements to the supervisory role of the Joint Implementation Supervisory Committee (JISC):

Introduce a different supervisory structure and institutional arrangement in case of modification of the scope of the JI.
20. Enhancements to the efficiency of the JISC:

Ensure equitable representation of Parties on the JISC through changes to the guidelines for JI.
21. Role of the secretariat:

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<sup>7</sup> GWPs are being considered by the AWG-KP under its work on greenhouse gases, sectors and source categories.

<sup>8</sup> Non-permanence and other methodological issues are being considered by the AWG-KP under its work on LULUCF.

<sup>9</sup> Non-permanence and other methodological issues are being considered by the AWG-KP under its work on LULUCF.

Shift the secretariat's function to support the JISC to another organization.

22. Accredited independent entities (AIEs):  
Introduce alternative institutional arrangements to replace the AIEs.
23. Broaden the role of host Party governments.
24. Alternative ways to ensure environmental integrity and assess the additionality of projects:
  - (a) Establish additionality at the macro level;
  - (b) Exempt certain project types from the additionality test;
  - (c) Introduce criteria for projects that would have happened anyway.

#### **C. Accessibility<sup>10</sup>**

25. Differentiate the treatment of Parties under the JI:
  - (a) Define eligible host Parties through use of indicators;
  - (b) Improve access to JI projects by certain host Parties.
26. Differentiate the treatment of types of projects by host Party.

#### **D. Contribution to sustainable development, capacity to generate co-benefits and the transfer of technology**

27. Enhance the contribution of JI to sustainable development, as approved by the host Party:  
Allocate proportions of the demand for emission reduction units to specific project types (high sustainable development component) and/or specific groups of Parties.
28. Increase the co-benefits of JI projects (e.g. energy efficiency):  
Include co-benefits (e.g. monetary, other) as a project assessment criterion.
29. Restrict JI to bilateral JI projects.
30. Alternatives to the current application of GWPs:
  - (a) Introduce multiplication factors for emission reductions to determine emission reduction units from certain technologies;
  - (b) Replace the application of GWPs with the application of GTPs.<sup>11</sup>
31. Increase the technology transfer of JI:  
Include technology transfer as a project assessment criterion.

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<sup>10</sup> Non-permanence and other methodological issues are being considered by the AWG-KP under its work on LULUCF.

<sup>11</sup> GWPs are being considered by the AWG-KP under its work on greenhouse gases, sectors and source categories.

### **III. Emissions trading (Article 17)**

#### **A. Scope**

32. Introduce emissions trading based on sectoral targets.
33. Introduce emissions trading on the basis of nationally appropriate mitigation actions.
34. Linking to voluntary national/regional/sectoral emissions trading schemes in non-Annex I Parties.

#### **B. Effectiveness and efficiency**

35. Linking of national and regional emissions trading schemes.
36. Broader mutual acceptance of units (fungibility):
  - (a) Review restrictions on the access to and use of certain Kyoto unit types;
  - (b) Greater convertibility among Kyoto unit types.
37. Commitment period reserve (CPR):
  - (a) Eliminate the CPR provisions;
  - (b) Lower CPR levels in subsequent commitment periods for Annex I Parties that meet their commitment in the previous commitment period;
  - (c) Raise or maintain CPR levels.
38. Transparency of emissions trading markets:

Options to encourage disclosure of information on transaction of Kyoto unit types.
39. Role of the secretariat:

Shift the function of the secretariat to support the international transaction log to another organization.

#### **C. Accessibility**

#### **D. Contribution to sustainable development, capacity to generate co-benefits and the transfer of technology**

### **IV. Cross-cutting issues**

40. Review of carry-over restrictions:
  - (a) Issues related to banking;
  - (b) Ensure consistency of carry-over rules for removal units;
  - (c) Change the limit on the retirement of temporary CERs (tCERs) and long-term CERs (lCERs);<sup>12</sup>

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<sup>12</sup> Non-permanence and other methodological issues are being considered by the AWG-KP under its work on LULUCF.

- (d) Introduce borrowing of assigned amounts from future commitment periods.
- 41. Reduce the number of unit types established under the Kyoto Protocol.
- 42. Extend the share of proceeds.<sup>13</sup>
- 43. Introduce a mid-commitment period “true-up” process.

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<sup>13</sup> This issue is being considered by the SBI under its work on the preparation for the second review of the Kyoto Protocol pursuant to its Article 9.

Annex III

[ENGLISH ONLY]

**Issues relating to emissions trading and the project-based mechanisms that may be considered for possible application within the current commitment period, compiled by the Chair of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol**

This annex is the compilation of views of Parties and does not prejudice any actions by the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol.

**I. Clean development mechanism**

**A. Scope**

**B. Effectiveness and efficiency**

1. Enhancements to the supervisory role of the Executive Board of the clean development mechanism (CDM):
  - (a) Delegate technical decision-making to the secretariat, on the basis of rules and relevant best practices, to allow the Executive Board to move away from case-by-case decision-making;
  - (b) Enhance the transparency of decision-making by the Executive Board by providing the rationale for decisions;
  - (c) Change the manner in which requests for the review of project activities are made;
  - (d) Introduce a process for appeals in relation to decisions by the Executive Board;
  - (e) Extend privileges and immunities to individuals serving as Executive Board members.<sup>1</sup>
2. Enhancements to the efficiency of the Executive Board:
  - (a) Enhance the consistency of decision-making by the Executive Board;
  - (b) Ensure that members of the Executive Board possess appropriate expertise as defined in paragraph 8 of the annex to decision 3/CMP.1.
3. Role of the secretariat:
  - (a) Enhance the role of the secretariat through delegation of technical decision-making;
  - (b) Ensure the neutrality of the secretariat;
  - (c) Introduce measures to improve the management of support to the Executive Board.
4. Designated operational entities (DOEs):

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<sup>1</sup> This issue is being considered by the Subsidiary Body for Implementation under its work on the preparation for the second review of the Kyoto Protocol pursuant to its Article 9.

- (a) Ensure that the Executive Board provides clear guidance to DOEs on their roles;
  - (b) Enhance the quality and consistency of assessments by DOEs, in particular in relation to environmental integrity;
  - (c) Introduce penalties for poor-quality performance of DOEs;
  - (d) Reduce barriers to the entry of new DOEs;
  - (e) Facilitate regional distribution of DOEs.
5. Alternative ways to ensure environmental integrity and assess the additionality of projects:
- (a) Develop benchmarks, based on conservative assumptions;
  - (b) Make baseline setting more objective and robust;
  - (c) Remove investment additionality from the additionality test;
  - (d) Introduce improved measures for testing environmental and social impacts;
  - (e) Remove perverse incentives created by CDM project eligibility that inhibit climate-friendly national policies;
  - (f) Develop a system to deal with unintended consequences of CDM projects.

### **C. Accessibility<sup>2,3</sup>**

- 6. Continuously identify and reduce barriers to the development of CDM projects in countries with few projects.
- 7. Simplify further the modalities and procedures for small-scale project activities.
- 8. Enhance capacity-building and enabling environments:
  - Establish a capacity-building role for the Executive Board.

### **D. Contribution to sustainable development, capacity to generate co-benefits and the transfer of technology**

- 9. Enhance programmatic CDM.
- 10. Increase the co-benefits of CDM projects (e.g. energy efficiency):
  - Introduce ways to address barriers to projects with high environmental co-benefits (e.g. targeted capacity-building).

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<sup>2</sup> Equitable regional distribution is being considered by the SBI under its work on the preparation for the second review of the Kyoto Protocol pursuant to its Article 9.

<sup>3</sup> Non-permanence and other methodological issues are being considered by the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol under its work on land use, land-use change and forestry.

## **II. Joint implementation**

### **A. Scope**

### **B. Effectiveness and efficiency**

11. Enhancements to the supervisory role of the Joint Implementation Supervisory Committee (JISC):
  - (a) Delegate technical decision-making to the secretariat, on the basis of rules and relevant best practices, to allow the JISC to move away from case-by-case decision-making;
  - (b) Enhance the transparency of decision-making by the JISC by providing the rationale for decisions;
  - (c) Change the manner in which requests for the review of project activities are made;
  - (d) Introduce a process for appeals in relation to decisions by the JISC;
  - (e) Extend privileges and immunities to individuals serving as JISC members.<sup>4</sup>
12. Enhancements to the efficiency of the JISC:
  - (a) Enhance the consistency of decision-making by the JISC;
  - (b) Ensure that members of the JISC possess appropriate expertise as defined in paragraph 10 of the annex to decision 9/CMP.1.
13. Role of the secretariat:
  - (a) Enhance the role of the secretariat through delegation of technical decision-making;
  - (b) Ensure the neutrality of the secretariat;
  - (c) Introduce measures to improve the management of support to the JISC.
14. Accredited independent entities (AIEs):
  - (a) Ensure that the JISC provides clear guidance to the AIEs on their roles;
  - (b) Enhance the quality and consistency of assessments by AIEs, in particular in relation to environmental integrity;
  - (c) Introduce penalties for poor-quality performance of AIEs;
  - (d) Reduce barriers to the entry of new AIEs;
  - (e) Facilitate regional distribution of AIEs.
15. Alternative ways to ensure environmental integrity and assess the additionality of projects:
  - (a) Develop benchmarks, based on conservative assumptions;

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<sup>4</sup> This issue is being considered by the SBI under its work on the preparation for the second review of the Kyoto Protocol pursuant to its Article 9.



- (b) Make baseline setting more objective and robust;
- (c) Remove investment additionality from the additionality test;
- (d) Introduce improved measures for testing environmental and social impacts;
- (e) Remove perverse incentives created by joint implementation (JI) project eligibility that inhibit climate-friendly national policies;
- (f) Develop a system to deal with unintended consequences of JI projects.

#### **C. Accessibility<sup>5</sup>**

16. Continuously identify and reduce barriers to the development of JI projects in countries with few projects.

17. Enhance capacity-building and enabling environments:

Establish a capacity-building role for the JISC.

#### **D. Contribution to sustainable development, capacity to generate co-benefits and the transfer of technology**

18. Allow programmatic JI.

19. Increase the co-benefits of JI projects (e.g. energy efficiency):

Introduce ways to address barriers to projects with high environmental co-benefits (e.g. targeted capacity-building).

### **III. Emissions trading (Article 17)**

#### **A. Scope**

#### **B. Effectiveness and efficiency**

#### **C. Accessibility**

#### **D. Contribution to sustainable development, capacity to generate co-benefits and the transfer of technology**

### **IV. Cross-cutting issues**

20. Improve the procedure of inscribing commitments for Annex I Parties in Annex B to the Kyoto Protocol.<sup>6</sup>

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<sup>5</sup> Non-permanence and other methodological issues are being considered by the AWG-KP under its work on LULUCF.

<sup>6</sup> This issue is being considered by the SBI under its work on the preparation for the second review of the Kyoto Protocol pursuant to its Article 9.

Annex IV

[ENGLISH ONLY]

**Options and issues for consideration relating to land use, land-use change and forestry, compiled by the Chair of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol**

This annex is the compilation of views of Parties and does not prejudice any actions by the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol.

Cross-cutting issues to be considered when exploring the options and issues identified by Parties in the paragraphs below: consistency; continuity from the current rules; factoring out, including age structure and indirect climate change effects; inter-annual variability; natural disturbances; symmetry in the accounting of emissions and removals; sustainable forest management; and co-benefits, including biodiversity.

1. The range of options and issues identified by Parties for consideration:
  - (a) Activity-based approach based on Article 3, paragraphs 3 and 4, of the Kyoto Protocol:
    - (i) Few changes:
      - a. Legally required;<sup>1</sup>
      - b. Definitions, modalities, rules and guidelines that apply in the first commitment period that could carry over to the second commitment period;
    - (ii) More changes:
      - a. Legally required; and
      - b. Article 3, paragraph 4, forest management:
        - i. Moving to net-net and including emissions and removals from forest management in the base year;
        - ii. Moving to net-net and estimating base year emissions and removals using a base period;
        - iii. Moving to net-net and applying forward-looking baselines;
        - iv. Remaining gross-net and applying discount factors;
        - v. Other;
    - (iii) Many changes:
      - a. Legally required; and
      - b. Article 3, paragraph 4, forest management (options as above); and
      - c. Other activities under Article 3, paragraph 4:
        - i. Estimating base year emissions and removals using a base period;
        - ii. Applying forward-looking baselines;

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<sup>1</sup> When only legally required changes are considered, the current treatment of the activities will be retained.

- d. Merging Article 3, paragraph 3, and Article 3, paragraph 4;
  - (b) Land-based approach based on the reporting under the Convention;
    - Current rules and modalities are changed, aiming at full geographical coverage and inclusion of all greenhouse gas emissions and removals, and include emissions and removals from all land use and land-use changes in the base year;
  - (c) Harvested wood products.
2. The following elements could apply to the options listed in paragraph 3 above:
- (a) Additional and all activities to be mandatory;
  - (b) Land-use flexibility;
  - (c) Temporary removal from the accounting of areas subjected to natural disturbances;
  - (d) Treatment of harvested wood products as part of the consideration of forest management and Article 3, paragraph 3, activities;
  - (e) Potential activities:
    - (i) Wetland management, restoration and degradation;
    - (ii) Devegetation;
    - (iii) Forest degradation;
    - (iv) Others;
  - (f) Discounting factors;
  - (g) Limiting the magnitude of land use, land-use change and forestry for Annex I compliance;
  - (h) National circumstances.
3. Issues that may need some consideration as a consequence of different options:
- (a) Definitions;
  - (b) Reporting and reviewing;
  - (c) Others.
4. Project-based mechanisms:
- (a) Few changes:
    - Legally required;
  - (b) More changes:
    - (i) Legally required; and
    - (ii) Non-permanence, leakage, measurements, definitions and others as necessary.

Annex V

[ENGLISH ONLY]

**Views of Parties on possible approaches targeting sectoral emissions and on greenhouse gases, sectors and source categories to be covered, compiled by the Chair of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol**

This annex is the compilation of views of Parties and does not prejudice any actions by the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP).

**Possible approaches targeting sectoral emissions**

1. Approaches targeting sectoral emissions in Annex I Parties could assist Annex I Parties in reaching their national emission reduction targets and could cover both producing and consuming sectors. These approaches should lead to a real benefit for the climate.
2. Approaches targeting sectoral emissions, within the mandate of the AWG-KP and according to its work programme, should not:
  - Replace national targets of Annex I Parties;
  - Lead to commitments for non-Annex I Parties;
  - Constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade.
3. Types of approaches targeting sectoral emissions, within the mandate of the AWG-KP and according to its work programme, include:
  - Bottom-up sectoral analysis to inform the discussion on mitigation potentials of Annex I Parties;<sup>1</sup>
  - Cooperative sectoral approaches supported and enabled by finance and technology;
  - Sectoral crediting in non-Annex I Parties;<sup>2</sup>
  - Complementary sector-specific goals for Annex I Parties.

**Greenhouse gases, sectors and source categories to be covered**

1. Ensure a comprehensive coverage of greenhouse gases (GHGs), sectors and source categories based on the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (AR4).
2. Ensure the environmental integrity of the Kyoto Protocol.

**A. Greenhouse gases**

1. Consider possible implications of adding new gases for:
  - Mitigation potentials of Annex I Parties;

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<sup>1</sup> Relevant for discussions on mitigation potential.

<sup>2</sup> Relevant for discussions on emissions trading and the project-based mechanisms under agenda item 3 (a).

- The carbon market, in particular the supply and demand for tradable units under the Kyoto Protocol;
  - National action in Annex I Parties.
2. Based on the above implications, consider adding to Annex A to the Kyoto Protocol, taking into account the availability of methodologies for estimating anthropogenic emissions and global warming potentials or any other metric:
- The new GHGs in the group of hydrofluorocarbons and perfluorocarbons referred to in the AR4;
  - The new GHGs or groups of GHGs including fluorinated ethers and perfluoropolyethers referred to in the AR4.

### **B. Sectors and source categories**

1. Consider the possible implications of broadening the coverage of sectors and source categories, taking into account:
- The results of consideration of adding new GHGs or groups of GHGs;
  - The results of consideration of the application of the *2006 IPCC Guidelines for National Greenhouse Gas Inventories*;
  - The results of the consideration of the definitions, modalities, rules and guidelines for the treatment of land use, land-use change and forestry in the second commitment period.
2. Based on the above implications, make any necessary changes to the coverage of sectors and source categories under Annex A to the Kyoto Protocol.

### **[Emissions from aviation and maritime bunker fuels**

1. Limiting or reducing emissions from aviation and marine bunker fuels as a means for Annex I Parties to reach their emission reduction targets in accordance with Article 2, paragraph 2, of the Kyoto Protocol.
2. Scope of limiting or reducing emissions from aviation and marine bunker fuels as a means for Annex I Parties to reach their emission reduction targets in accordance with Article 2, paragraph 2, of the Kyoto Protocol:
- The International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO) to take the lead; emissions to continue to be reported separately from national totals in accordance with the UNFCCC and Kyoto Protocol reporting guidelines;
  - UNFCCC to agree on mitigation objectives; ICAO and IMO to implement these objectives;
  - UNFCCC to take the lead by allocating emissions to national totals; ICAO and IMO to provide technical expertise.
3. Need for progress on discussions on Article 2, paragraph 3, of the Kyoto Protocol.
4. Apply economic instruments to emissions from aviation and marine bunker fuels as a source of revenue to finance, inter alia, adaptation and reduction of emissions from deforestation and forest degradation in developing countries.]

Annex VI

[ENGLISH ONLY]

**Workshop on methodological issues****Summary by the chair****I. Introduction**

1. The Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP), at its resumed fourth session, requested the secretariat to organize, under the guidance of the Chair of the AWG-KP, an in-session workshop on consideration of relevant methodological issues, including the methodologies to be applied for estimating anthropogenic emissions and the global warming potentials (GWPs) of greenhouse gases (GHGs).<sup>1</sup>
2. The workshop was held in Bonn, Germany, on 7 June 2008, during the resumed fifth session of the AWG-KP, and was chaired by Mr. Mama Konate, Vice-Chair of the AWG-KP.
3. The aim of the workshop was to provide an opportunity for informal discussions on the relevant methodological issues, including the methodologies to be applied for estimating anthropogenic emissions and GWPs as identified by the AWG-KP at its second session,<sup>2</sup> and in particular to identify the issues that the AWG-KP may need to consider, and to start to identify options to address these issues.
4. The workshop involved input from leading international experts from the Intergovernmental Panel on Climate Change (IPCC) and provided an opportunity for Parties to present their views on the relevant issues to be addressed by the AWG-KP. The workshop was open to all Parties and observers. It was held in an informal setting to promote interaction and in-depth consideration of the issues.
5. The workshop was organized as one session, where participants considered the following issues:
  - (a) Experiences with the use of the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories*, the *IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories* and the *IPCC Good Practice Guidance for Land Use, Land-use Change and Forestry* by Annex I Parties reporting under the Kyoto Protocol;
  - (b) Possible use of the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* (hereinafter referred to as the 2006 IPCC Guidelines) and the implications of this for estimating GHG emissions and removals;
  - (c) GWP values contained in recent reports by the IPCC, including the third and fourth Assessment Reports, and possible implications of using these GWP values to estimate GHG emissions and removals;
  - (d) Possible alternatives to using GWPs to estimate aggregated GHG emissions and removals<sup>3</sup> and the impacts of these on the assessment by Parties of the effectiveness of mitigation options by Parties.

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<sup>1</sup> FCCC/KP/AWG/2007/5, paragraph 19 (d) (iv).

<sup>2</sup> FCCC/KP/AWG/2006/4, paragraph 17 (b) (ii).

<sup>3</sup> The estimation of aggregated GHG emissions and removals is also known as the “basket approach”.

6. In order to provide input for the discussion, the Vice-Chair of the AWG-KP had invited the secretariat and experts to give presentations on the methodological issues, including GWPs. Experts invited were Mr. Simon Eggleston and Mr. Venkatachalam Ramaswamy from the IPCC.
7. Presentations by the experts were followed by a question and answer session. The chair of the workshop then opened the floor for an exchange of views and experiences.
8. At the closing of the workshop, the chair provided a summary of the main points discussed during the workshop.

## **II. Summary of discussions**

### **A. Methodologies for estimating anthropogenic emissions and removals of greenhouse gases**

9. Participants acknowledged that the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories*, the *IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories* and the *IPCC Good Practice Guidance for Land Use, Land-use Change and Forestry*, currently used by Annex I Parties for reporting GHG inventories, provide a useful framework for the estimation of GHG emissions and removals in a consistent way across Parties. They also provide useful concepts and approaches, such as key category analysis and decision trees, to guide the choice of methodologies at different levels of complexity.
10. Drawing attention to the requirement in Article 4, paragraph 2(c), of the Convention that calculations of emissions by sources and removals by sinks of GHGs should take into account the best available scientific knowledge, participants in general supported the use of the 2006 IPCC Guidelines for the preparation of Annex I Parties' GHG inventories in the second commitment period. Some participants noted that they already have some experience with the 2006 IPCC Guidelines, including for estimation of emissions of perfluorocarbons from aluminium production and for the use of methodologies not covered in the guidelines currently being used, such as methodologies to estimate emissions from carbon capture and storage.
11. Participants emphasized that any change in methodology should be made in such a way as to ensure consistency in assessing GHG emissions and removals between the first and subsequent commitment periods as well as between the Convention and its Kyoto Protocol.
12. Participants identified several points to be addressed regarding the possible use of the 2006 IPCC Guidelines for the second commitment period:
  - (a) The implications of using the 2006 IPCC Guidelines on the relationship between the base year and the commitment period, on mitigation options and on future targets;
  - (b) The implications of using the 2006 IPCC Guidelines with regard to recalculations of emissions and removals with a view to ensuring time-series consistency, as well as the availability of historical data and emission factors for new categories included in these guidelines, such as abandoned mines;
  - (c) The need to make it possible for the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) to develop further methodological guidance, if needed, in particular to provide additional guidance on methodological issues relating to the land use, land-use change and forestry sector that may not be sufficiently covered in the 2006 IPCC Guidelines. This may include further advanced scientific understanding on managed and unmanaged land in the context of the 2006 IPCC Guidelines. It was suggested that the IPCC could be invited by the CMP to develop such methodological guidance;

- (d) The possibility of updating emission factors without revising the entire 2006 IPCC Guidelines. One way to achieve this could be to recognize the IPCC Emission Factor Database<sup>4</sup> as a source of emission factors.

13. Participants were concerned about the impacts on estimates of total national GHG emissions that may result from using the 2006 IPCC Guidelines instead of the methodologies currently applied under the Kyoto Protocol.

14. Participants noted that the consideration of methodological issues under the AWG-KP is a cross-cutting issue and is linked to the review of Article 9 of the Kyoto Protocol. They further noted the link between methodological issues and issues considered by the Ad Hoc Working Group on Long-term Cooperative Action under the Convention, such as measurable, reportable and verifiable nationally appropriate mitigation commitments or actions.

#### **B. Use of global warming potentials**

15. Most participants acknowledged that the new GWP values, provided by the Fourth Assessment Report (AR4) of the IPCC, reflect the most recent scientific knowledge of the impact of GHGs on global warming. They also acknowledged that the concept of GWPs should continue to be used. This concept is deemed essential given the large number of gases covered by the Kyoto Protocol, in particular the wide variety of fluorinated gases.

16. Participants noted that the choice of time horizons for GWP values has a policy relevance and that due consideration should be given to this choice. Some participants expressed the view that the current approach to the choice of time horizon should be maintained.

17. As with the application of the 2006 IPCC Guidelines, participants noted that any use of new GWP values will require recalculations of emissions and removals with a view to ensuring time-series consistency, including the base year.

18. Participants noted that possible changes in the GWPs could modify the emission profiles of countries and the relative shares of gases in the national aggregated GHG emissions. This could have implications for all Parties, in particular for Parties with a high share of non-carbon dioxide (CO<sub>2</sub>) emissions. In addition, this could have implications for the assessment of the effects of various mitigation options and relevant policy choices.

19. Participants highlighted that the GWP values currently used do not distinguish the effect of methane of fossil or biogenic origin, which could have an impact on the emission profiles, and possibly targets, of countries.

20. Some concern was expressed by participants that using GWPs in the reporting of total national GHG inventories may lead to overestimation of the effect of non-CO<sub>2</sub> gases on global warming, and overestimation of the effect of mitigation options and projects under the clean development mechanism that address emissions of non-CO<sub>2</sub> gases. They referred to the alternatives to GWPs provided in the AR4, including global temperature potential, which is directly related to the temperature of the surface of the Earth. Some of these alternatives may provide different estimates of the effect on global warming of different GHGs compared with the estimates derived using GWPs. However, according to the IPCC such alternatives are available for only a few gases and confidence in these alternatives is still not high.

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<sup>4</sup> <<http://www.ipcc-nggip.iges.or.jp/EFDB/main.php>>.



Annex VII

[ENGLISH ONLY]

**Views of Parties on relevant methodological issues, compiled by the Chair of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol**

This annex is the compilation of views of Parties and does not prejudice any actions by the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol.

**General**

1. Ensure consistency and comparability of reporting between the first and subsequent commitment periods of the Kyoto Protocol and between reporting under the Convention and its Kyoto Protocol.
2. Use the best available scientific knowledge and proven methodologies.

**Methodologies for estimation of greenhouse gas emissions**

1. Consider the implications of applying the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* (hereinafter referred to as the 2006 IPCC Guidelines) for, inter alia:
  - The estimation of emissions and removals of new source categories;
  - Time-series consistency;
  - Recalculations;
  - Accounting, in particular in relation to the base year.
2. Based on the above implications, consider the application of the 2006 IPCC Guidelines.<sup>1</sup>
3. Reflect the results of considering the application of the 2006 IPCC Guidelines in the UNFCCC reporting guidelines for national greenhouse gas (GHG) inventories.<sup>2</sup>
4. Consider the need for additional methodological guidance, inter alia, relating to the consideration of the definitions, modalities, rules and guidelines for land use, land-use change and forestry in the second commitment period.

**Global warming potentials**

1. Continue to allow flexible mitigation strategies applicable to different GHGs (e.g. so-called “basket approach”) using appropriate common metrics.

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<sup>1</sup> This may need to reflect the results of the consideration of the definitions, modalities, rules and guidelines for the treatment of land use, land-use change and forestry in the second commitment period.

<sup>2</sup> The application of the 2006 IPCC Guidelines would need to be in accordance with any decisions of the Conference of the Parties and Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol resulting from the consideration of these guidelines by the Subsidiary Body for Scientific and Technological Advice at its thirtieth session.

2. Consider the implications of updating global warming potential (GWP) values with the most recent information from the Intergovernmental Panel on Climate Change and of using different time horizons (20, 100 and 500 years) on:

- Total GHG emissions in terms of carbon dioxide (CO<sub>2</sub>) equivalents of Annex I Parties;
- The shares of different GHGs in total national emissions in terms of CO<sub>2</sub> equivalents;
- Mitigation potentials of Annex I Parties;
- The project-based mechanisms.

3. Consider the implications of applying global temperature potentials (GTPs) as a new metric, taking into consideration the availability of robust methodologies that could be used in a timely manner, on:

- Total GHG emissions in terms of CO<sub>2</sub> equivalents of Annex I Parties;
- The shares of different GHGs in total national emissions in terms of CO<sub>2</sub> equivalents;
- Mitigation potentials of Annex I Parties;
- The project-based mechanisms.

4. Based on the above implications, consider the application of appropriate common metrics including GWPs and GTPs.

Annex VIII

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

**Documents prepared for the session**

FCCC/KP/AWG/2008/1	Provisional agenda and annotations. Note by the Executive Secretary
FCCC/KP/AWG/2008/2	Report of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol on the first part of its fifth session, held in Bangkok from 31 March to 4 April 2008
FCCC/KP/AWG/2008/MISC.1 and Add.1–4	Views and information on the means to achieve mitigation objectives of Annex I Parties
FCCC/KP/AWG/2008/MISC.2 and Add.1	Views on the organization of the round table on means to reach emission reduction targets of Annex I Parties. Submissions from Parties
FCCC/KP/AWG/2008/MISC.3	Views and information on relevant methodological issues relating to the analysis of means to achieve mitigation objectives. Submissions from Parties
FCCC/KP/AWG/2008/INF.1	Provisions of the Kyoto Protocol and decisions by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol relating to the means to reach emission reduction targets of Annex I Parties. Note by the secretariat
FCCC/KP/AWG/2008/L.2	Analysis of means to reach emission reduction targets and identification of ways to enhance their effectiveness and contribution to sustainable development. Draft conclusions proposed by the Chair
FCCC/KP/AWG/2008/L.3	Draft report of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol on the second part of its fifth session
FCCC/KP/AWG/2008/L.4/Rev.1	Analysis of the means to reach emission reduction targets and identification of ways to enhance their effectiveness and contribution to sustainable development. Revised draft conclusions proposed by the Chair
FCCC/KP/AWG/2008/L.5	Land use, land-use change and forestry. Draft conclusions proposed by the Chair
FCCC/KP/AWG/2008/L.6	Greenhouse gases, sectors and source categories to be covered, and possible approaches targeting sectoral emissions. Draft conclusions proposed by the Chair
FCCC/KP/AWG/2008/L.7	Consideration of relevant methodological issues. Draft conclusions proposed by the Chair

FCCC/KP/AWG/2008/L.8

Emissions trading and the project-based mechanisms. Draft conclusions proposed by the Chair

FCCC/KP/AWG/2008/CRP.1

Round table on the means to reach emission reduction targets. Summary by the Chair

**Other documents before the session**

FCCC/KP/AWG/2007/5

Report of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol on its resumed fourth session, held in Bali from 3 to 15 December 2007

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