



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

**Report of the Ad Hoc Working Group on Further Commitments for  
Annex I Parties under the Kyoto Protocol on its resumed sixth session,  
held in Poznan from 1 to 10 December 2008**

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

(Agenda item 1)

1. The resumed sixth session of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) was held at the Poznan International Fair, Poznan, Poland, from 1 to 10 December 2008.
2. The Chair of the AWG-KP, Mr. Harald Dovland (Norway), opened the session and welcomed all Parties and observers. He also welcomed Mr. Mama Konate (Mali) as Vice-Chair of the AWG-KP and Mr. Chan-Woo Kim (Republic of Korea) as Rapporteur of the AWG-KP.
3. Mr. Dovland recalled that the AWG-KP had agreed<sup>1</sup> to forward the results of its work to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) at its fifth session, and noted that only one year was left for the group to meet such a deadline. He also stressed the need for focusing discussions on further commitments for Annex I Parties under the Kyoto Protocol. The Chair reminded Parties that the agenda for the sixth session had been adopted at the first part of the sixth session of the AWG-KP, which took place in Accra, Ghana, from 21 to 27 August 2008.<sup>2</sup>

## **II. Organizational matters**

(Agenda item 2)

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

(Agenda item 2 (b))

4. The AWG-KP considered this sub-item at its 1<sup>st</sup> meeting, on 1 December. The Chair drew the attention of delegates to the scenario note contained in document FCCC/KP/AWG/2008/7. He stressed the need to use the limited time available in an efficient manner given the number of issues to be addressed. He proposed that the AWG-KP consider together items 3, 4, 6 and 7 of its agenda, with a view to having a strategic discussion on the broader picture. The AWG-KP agreed to proceed according to this proposal.
5. At the same meeting, the Chair informed delegates about arrangements made for the resumed sixth session, including for the workshop on mitigation potentials and ranges of emission reduction objectives of Annex I Parties, to be held on 3 December.
6. Statements were made by representatives of six Parties, including one speaking on behalf of the Group of 77 and China, one on behalf of the Alliance of Small Island States, one on behalf of the European Community and its member States,<sup>3</sup> one on behalf of the Umbrella Group and one on behalf of the African Group.

### **B. Election of officers**

(Agenda item 2 (c))

7. The AWG-KP considered this sub-item at its 1<sup>st</sup> meeting, on 1 December. The Chair informed the AWG-KP that the election of the AWG-KP officers would take place at the closing plenary of the

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<sup>1</sup> FCCC/KP/AWG/2007/5, paragraph 22 (c).

<sup>2</sup> FCCC/KP/AWG/2008/5.

<sup>3</sup> The position reflected in this statement was supported by Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, and Serbia.

CMP on 12 December.<sup>4</sup> He encouraged regional groups to reach agreement on nominations for AWG-KP posts and invited Parties to recall decision 36/CP.7 and to give active consideration to the nomination of women for elective posts.

### **III. Analysis of means to reach emission reduction targets and identification of ways to enhance their effectiveness and contribution to sustainable development**

(Agenda item 3)

#### **A. Emissions trading and the project-based mechanisms**

(Agenda item 3 (a))

#### **B. Land use, land-use change and forestry**

(Agenda item 3 (b))

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

(Agenda item 3 (c))

#### **D. Possible approaches targeting sectoral emissions**

(Agenda item 3 (d))

##### **1. Proceedings**

8. The AWG-KP considered these items at its 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> meetings, on 1, 4 and 10 December, respectively. It had before it documents FCCC/KP/AWG/2008/INF.3 and FCCC/KP/AWG/2008/MISC.7 and Add.1.

9. At the 1<sup>st</sup> meeting the Chair noted the need to maintain the momentum that the group had gained on sub-items 3 (a) and 3 (b) during the first part of its sixth session. The AWG-KP agreed to launch informal consultations to consider these sub-items, to be co-chaired by Ms. Christiana Figueres (Costa Rica) and Mr. Nuno Lacasta (Portugal) for item 3 (a), and Mr. Brian Smith (New Zealand) and Mr. Marcelo Rocha (Brazil) for item 3 (b). The AWG-KP agreed that a report of these consultations would be delivered to the contact group referred to in paragraph 11 below.

10. At the 2<sup>nd</sup> meeting, Ms. Renate Christ, from the the Intergovernmental Panel on Climate Change (IPCC) secretariat, informed delegates about the plans by this group to undertake further technical assessment of alternative common metrics to calculate the carbon dioxide (CO<sub>2</sub>) equivalence of greenhouse gas (GHG) emissions.

11. At the same meeting, the Chair stressed the importance of focusing the work of the AWG-KP on reaching an adequate agreement on further commitments for Annex I Parties under the Kyoto Protocol. He noted that all items of the agenda are linked, and proposed that the group address items 3, 4, 6 and 7 in relation to the broader picture and in relation to one another. The AWG-KP agreed to further consider these items in a contact group, to be chaired by the Chair of the AWG-KP. At this meeting, statements

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<sup>4</sup> At the 1<sup>st</sup> meeting of the CMP, on 1 December, the President proposed that the CMP agree to elect the new Chair and Vice-Chair of the AWG-KP at its final plenary. At the 9<sup>th</sup> meeting of the CMP, on 12–13 December, the President informed the CMP that consultations on the elections of these officers had not been completed. In accordance with rule 22, paragraph 2, of the draft rules of procedure being applied, the current officers of the AWG-KP, Mr. Harald Dovland as Chair, Mr. Mama Konate as Vice-Chair and Mr. Chan-Woo Kim as Rapporteur, would remain in office until their successors are elected at the next ordinary session of the AWG-KP.

were made by representatives of 15 Parties, including one speaking on behalf of the European Community and its member States.<sup>5</sup>

12. At the 3<sup>rd</sup> meeting, the Chair reported on the work of the contact group referred to in paragraph 9 above. The AWG-KP considered and adopted conclusions<sup>6</sup> proposed by the Chair.

## 2. Conclusions

13. In accordance with its work programme and the conclusions adopted at the first part of its sixth session, the AWG-KP continued its work on the analysis of the means that may be available to Annex I Parties to reach their emission reduction targets. It reverted to the tasks set out in paragraph 17 (a) (i)<sup>7</sup> and (ii)<sup>8</sup> of its work programme.<sup>9</sup>

14. The AWG-KP noted with appreciation: the information and views provided by some Parties in the submissions compiled in document FCCC/KP/AWG/2008/MISC.4 and Add.1; the information contained in document FCCC/TP/2008/10; and the technical information<sup>10</sup> compiled by the secretariat on the gases listed in document FCCC/KP/AWG/2008/5, paragraph 34, and on existing stocks and potential emissions of chlorofluorocarbons and hydrochlorofluorocarbons. It requested the secretariat to update the information on these gases, as appropriate.

15. The AWG-KP held an in-session workshop on 3 December 2008, on mitigation potentials and ranges of emission reduction objectives of Annex I Parties. The Vice-Chair of the AWG-KP chaired the workshop and provided a summary of discussions at its closing. The AWG-KP took note of the views and information presented at the workshop and the summary report by the Chair.<sup>11</sup>

16. The AWG-KP also took note of the elaboration by the Chair<sup>12</sup> of the possible improvements to emissions trading and the project-based mechanisms contained in document FCCC/KP/AWG/2008/5, annexes I and II.

17. The AWG-KP agreed that further commitments for Annex I Parties under the Kyoto Protocol should, for the next commitment period, principally take the form of quantified emission limitation and reduction objectives (QELROs).

18. The AWG-KP recalled that its work should be guided by a shared vision of the challenge set by the ultimate objective of the Convention based on the principles and other relevant provisions of the Convention and its Kyoto Protocol. It noted the usefulness of the ranges referred to in the contribution of Working Group III to the Fourth Assessment Report (AR4) of the IPCC and that this report indicates that

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<sup>5</sup> The position reflected in this statement was supported by Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, and Serbia.

<sup>6</sup> Adopted as document FCCC/KP/AWG/2008/L.18.

<sup>7</sup> Analysis of the mitigation potential, effectiveness, efficiency, costs and benefits of current and future policies, measures and technologies at the disposal of Annex I Parties, appropriate in different national circumstances, taking into account their environmental, economic and social consequences, their sectoral dimensions, and the international context in which they are deployed.

<sup>8</sup> Identification of possible ranges of emission reductions by Annex I Parties, through their domestic and international efforts, and analysis of their contribution to the ultimate objective of the Convention, ensuring due attention to the issues mentioned in the second sentence of Article 2 of the Convention.

<sup>9</sup> FCCC/KP/AWG/2006/4.

<sup>10</sup> Information available at: <[http://unfccc.int/national\\_reports/annex\\_i\\_ghg\\_inventories/items/4624.php](http://unfccc.int/national_reports/annex_i_ghg_inventories/items/4624.php)>.

<sup>11</sup> See annex I for the report of the workshop.

<sup>12</sup> FCCC/KP/AWG/2008/INF.3.

global emissions of GHGs need to peak in the next 10–15 years<sup>13</sup> and be reduced to very low levels, well below half of levels in 2000 by the middle of the twenty-first century in order to stabilize their concentrations in the atmosphere at the lowest levels assessed by the IPCC to date in its scenarios. Hence the urgency to address climate change. At the first part of its fourth session, the AWG-KP recognized that the contribution of Working Group III to the AR4 indicates that achieving the lowest levels assessed by the IPCC to date and its corresponding potential damage limitation would require Annex I Parties as a group to reduce emissions in a range of 25–40 per cent below 1990 levels by 2020, through means that may be available to these Parties to reach their emission reduction targets. The IPCC ranges do not take into account lifestyle changes which have the potential of increasing the reduction range. The ranges would be significantly higher for Annex I Parties if they were the result of an analysis which assumes that emission reductions were to be undertaken exclusively by Annex I Parties. The AWG-KP also recognized that achievement of these reduction objectives by Annex I Parties would make an important contribution to overall global efforts required to meet the ultimate objective of the Convention as set out in its Article 2.

19. The AWG-KP noted the concerns raised by small island developing States and some developing country Parties with regard to the lack of analysis of stabilization scenarios below 450 ppmv of CO<sub>2</sub> equivalent. In line with the iterative approach to the work programme, the information referred to in paragraph 18 above will be reviewed in the light of information<sup>14</sup> received by the AWG-KP, including from possible further scientific work on stabilization scenarios.

20. The AWG-KP initiated consideration of the scale of emission reductions to be achieved by Annex I Parties in aggregate as a contribution of these Parties to the overall efforts to meet the ultimate objective of the Convention. It noted that further consideration of this issue should be informed by recent scientific information, including the AR4.

21. The AWG-KP noted that the contributions of Annex I Parties, individually or jointly consistent with Article 4 of the Kyoto Protocol, to the scale of emission reductions to be achieved by Annex I Parties in aggregate should be informed by consideration of, inter alia, the analysis of the mitigation potential, effectiveness, efficiency, costs and benefits of current and future policies, measures and technologies at the disposal of Annex I Parties, appropriate in different national circumstances. The AWG-KP recognized that consideration of this contribution should be made in a transparent and coherent manner and may lead to a spread of values for QELROs among individual Annex I Parties.

22. The AWG-KP noted that emissions trading and the project-based mechanisms, as well as measures to limit or reduce GHG emissions and to enhance removals from land use, land-use change and forestry (LULUCF) activities, should continue to be available to Annex I Parties as means to reach their emission reduction objectives. It noted that it is necessary to understand the contribution of these means to efforts of Annex I Parties in reaching their emission reduction objectives to inform further commitments for Annex I Parties under the Kyoto Protocol. The AWG-KP recalled that the use of emissions trading and the project-based mechanisms should be supplemental to the implementation of domestic actions at the disposal of Annex I Parties.

23. The AWG-KP took note with appreciation of the pledges for emission reduction targets made by some Parties in the submissions referred to in paragraph 14 above. It invited other Annex I Parties, in a position to do so, to submit information on their possible QELROs before the seventh session of the AWG-KP with a view to completing its work by the fifth session of the CMP.

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<sup>13</sup> This time period relates to 2007, the year of publication of the AR4.

<sup>14</sup> Contribution of Working Group III to the IPCC AR4, Technical Summary, pages 39 and 90.

#### **IV. Consideration of relevant methodological issues**

(Agenda item 4)

24. This item was considered together with items 3, 6 and 7 (see chapter III above).

#### **V. Consideration of information on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties**

(Agenda item 5)

##### 1. Proceedings

25. The AWG-KP considered this item at its 1<sup>st</sup> and 3<sup>rd</sup> meetings, on 1 and 10 December, respectively. It had before it document FCCC/KP/AWG/2008/MISC.5.

26. At the 1<sup>st</sup> meeting, statements were made by representatives of five Parties, including one speaking on behalf of the European Community and its member States.<sup>15</sup> Statements were also made by representatives of the International Trade Union Confederation and the International Indigenous Peoples Forum on Climate Change.

27. At the same meeting, the AWG-KP agreed to further consider this item in a contact group, to be chaired by Ms. Jennifer Kerr (Canada) and Mr. Kamel Djemouai (Algeria).

28. At the 3<sup>rd</sup> meeting, Ms. Kerr reported on the consultations of the contact group referred to in paragraph 27 above. The AWG-KP considered and adopted conclusions<sup>16</sup> proposed by the Chair.

##### 2. Conclusions

29. In accordance with its work programme and the conclusions adopted at the first part of its sixth session, the AWG-KP continued its work on consideration of information on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties (hereinafter referred to as potential consequences).

30. The AWG-KP welcomed the constructive exchange of views on potential consequences and took note of further information and views submitted by Parties<sup>17</sup> in response to its invitation at the first part of its sixth session.<sup>18</sup>

31. The AWG-KP noted that further work on this issue should build on the relevant decisions of the Conference of the Parties and of the CMP, and the work under way in other bodies and processes under the Convention and its Kyoto Protocol, with a view to maintaining a coherent approach with other work in the UNFCCC process.

32. The AWG-KP agreed that its work on potential consequences should be guided and informed by Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol, and by the best available scientific, social, environmental and economic information, and be based on evidence of actual impacts and consequences. In noting that there could be both negative and positive potential consequences, the AWG-KP also recognized the need to broaden its understanding of aspects related to them.

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<sup>15</sup> The position reflected in this statement was supported by Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, and Serbia.

<sup>16</sup> Adopted as document FCCC/KP/AWG/2008/L.17.

<sup>17</sup> FCCC/KP/AWG/2008/MISC.5.

<sup>18</sup> FCCC/KP/AWG/2008/5, paragraph 51.

33. The AWG-KP acknowledged that tools, policies, measures and methodologies available to Annex I Parties could have potential consequences for all Parties. It recognized that the level of impact of potential consequences will vary among Parties and that attention should be given to the negative consequences on developing countries.

34. The AWG-KP noted the complexity of this issue, including in the assessment of the consequences of tools, policies, measures and methodologies available to Annex I Parties. It agreed that any future work on the assessment of, and possible action to address, such consequences, in particular in developing countries, should focus on the causes and effects.

35. The AWG-KP acknowledged that the issue of potential consequences is multi-faceted and includes the consideration of both the scope of potential consequences and possible actions to address them. In this context, the AWG-KP noted that Parties have highlighted several potential consequences and possible actions that could be considered further. Some Parties also suggested possible approaches to grouping actions, taken by Annex I Parties, including actions leading to changes in technologies; switching from international to local sourcing; the adoption of standards; and tariffs, taxes and subsidies or other trade-distorting policies. Some Parties also noted that consideration of potential consequences would need to take into account national circumstances and capacities.

36. The AWG-KP also noted that consideration should be given to the potential role of relevant actors, including international organizations, outside the UNFCCC process.

37. Acknowledging that understanding of potential consequences should be enhanced, the AWG-KP noted that Parties will continue discussing the issues mentioned in paragraphs 32–36 above at the workshop referred to in its work programme for 2009 as mentioned in paragraph 55 (b). This workshop could be held back-to-back with the workshop on the consideration of economic and social consequences of response measures, under the Ad Hoc Working Group on Long-term Cooperative Action under the Convention.

38. The AWG-KP requested the secretariat to prepare an information note to facilitate deliberations at this workshop, taking into account the submissions referred to in paragraph 30 above, additional views submitted by Parties in accordance with its work programme for 2009 and other relevant documents and reports from relevant organizations. The AWG-KP agreed to continue consideration of this issue at its seventh session.

## **VI. Analysis of mitigation potentials and identification of ranges of emission reduction objectives of Annex I Parties**

(Agenda item 6)

39. This item was considered together with items 3, 4 and 7 (see chapter III above).

## **VII. Consideration of further commitments by Annex I Parties**

(Agenda item 7)

40. This item was considered together with items 3, 4 and 6 (see chapter III above).

## VIII. Work programme for 2009

(Agenda item 8)

### 1. Proceedings

41. The AWG-KP considered this item at its 2<sup>nd</sup> and 3<sup>rd</sup> meetings, on 4 and 10 December, respectively. It had before it document FCCC/KP/AWG/2008/MISC.6 and Add.1 and 2.
42. At the 1<sup>st</sup> meeting, statements were made by representatives of six Parties.
43. At the same meeting, the AWG-KP agreed that a work programme for 2009 should be developed through consultations with Parties, to be undertaken by its Vice-Chair.
44. At the 3<sup>rd</sup> meeting, the Vice-Chair of the AWG-KP reported on the consultations referred to in paragraph 43 above. The Chair of the AWG-KP informed delegates that upon completion of these consultations, work under agenda item 8 continued as part of the consultations on agenda items 3, 4, 6 and 7. The AWG-KP considered and adopted conclusions<sup>19</sup> proposed by the Chair.

### 2. Conclusions

45. The AWG-KP recalled that, at its resumed fourth session, it agreed that one of its tasks for 2009 will be to forward to the CMP for consideration at its fifth session the results of the work of the AWG-KP on the consideration of commitments for subsequent periods for Annex I Parties under Article 3, paragraph 9, of the Kyoto Protocol, with a view to their adoption.<sup>20</sup>
46. The AWG-KP confirmed that four sessional periods are currently envisaged for 2009:
- (a) Seventh session: 29 March to 8 April in Bonn, Germany;
  - (b) Eighth session: 1–12 June, in conjunction with the thirtieth sessions of the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation in Bonn;
  - (c) Ninth session: August/September at a venue to be determined;<sup>21</sup>
  - (d) Tenth session: 7–18 December, in conjunction with the fifth session of the CMP in Copenhagen, Denmark.<sup>22</sup>
47. The AWG-KP decided that, if required, it will hold an additional session in 2009 in line with its work programme. It requested the secretariat to schedule all meetings and activities under the AWG-KP, to the greatest extent possible, in conjunction with meetings and activities of other relevant processes under the Convention and its Kyoto Protocol, with a view to ensuring the efficient use of resources.<sup>23</sup>
48. The AWG-KP reaffirmed that the completion of its work programme will be advanced primarily through the work of Parties, and that it will coordinate its work with, and draw upon relevant results achieved and work under way in, other bodies and processes under the Convention, especially its

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<sup>19</sup> Adopted as document FCCC/KP/AWG/2008/L.19.

<sup>20</sup> FCCC/KP/AWG/2007/5, paragraph 22 (c).

<sup>21</sup> FCCC/SBI/2008/8, paragraph 136.

<sup>22</sup> The Dates included in document FCCC/KP/AWG/2008/L.19 have been superseded by the dates in decision 9/CP.14.

<sup>23</sup> In the event that this additional session is held, the sessions may need to be renumbered accordingly.

Kyoto Protocol, with a view to avoiding duplication. The AWG-KP agreed to maintain a coherent approach between the Convention and the Kyoto Protocol in relation to the commitments of Annex I Parties.

49. The AWG-KP concluded, noting the iterative nature of its work programme, that in 2009 it will focus on agreeing on further commitments for Annex I Parties under the Kyoto Protocol. In this context, it recognized the need for work to be conducted on the following issues:

- (a) Consideration of the scale of emission reductions to be achieved by Annex I Parties in aggregate;
- (b) Consideration of the contribution of Annex I Parties, individually or jointly, consistent with Article 4 of the Kyoto Protocol, to the scale of emission reductions to be achieved by Annex I Parties in aggregate;
- (c) Other issues arising from the implementation of the work programme, with due attention to improving the environmental integrity of the Kyoto Protocol, including:
  - (i) The duration of the commitment period(s);
  - (ii) How quantified emission limitation and reduction objectives could be expressed, which includes how the base year is expressed;
  - (iii) Mitigation potential of Annex I Parties, including factors and indicators underpinning it;
  - (iv) Improvements to emissions trading and the project-based mechanisms;
  - (v) The definitions, modalities, rules and guidelines for the treatment of LULUCF in the second commitment period;
  - (vi) The coverage of GHGs, sectors and source categories;
  - (vii) Common metrics to calculate the CO<sub>2</sub> equivalence of anthropogenic emissions by sources and removals by sinks (hereinafter referred to as common metrics);
  - (viii) Legal matters arising from its mandate pursuant to Article 3, paragraph 9, of the Kyoto Protocol;
  - (ix) Consideration of information on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties (hereinafter referred to as potential consequences);
  - (x) Possible approaches targeting sectoral emissions;
  - (xi) 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;
  - (xii) Analysis of efforts and achievements to date, including during the first commitment period.

50. Regarding the issues identified in paragraph 49 (a) and (b) above, and relevant elements of paragraph 49 (c) above, the AWG-KP:
- (a) Invited Parties to submit to the secretariat, by 15 February 2009, their views on these matters, for compilation by the secretariat into a miscellaneous document for consideration by the AWG-KP at its seventh session;
  - (b) Requested the secretariat to organize, under the guidance of the Chair of the AWG-KP, a workshop on these matters before or during the seventh session of the AWG-KP and to invite Parties and international organizations to present the results of relevant technical analyses at this workshop;
  - (c) Encouraged Parties to exchange relevant information on elements of the work of the AWG-KP in 2009, including through voluntary submissions to the secretariat and the use of workshops hosted by Parties.
51. Regarding the issue identified in paragraph 49 (c) (iv) above, the AWG-KP:
- (a) Agreed to continue, including through in-depth consultations at its seventh session, its deliberations on the possible improvements to emissions trading and the project-based mechanisms identified in annexes I and II to the report on the first part of its sixth session,<sup>24</sup> with the focus on those in annex I and avoiding duplication of work in its consideration of those in annex II;
  - (b) Requested its Chair, in order to facilitate the consultations referred to in paragraph 51 (a) above, to further elaborate the possible improvements to emissions trading and the project-based mechanisms on the basis of document FCCC/KP/AWG/2008/INF.3 and the submissions referred to in paragraph 51 (c) below, and make the results of this work available to Parties prior to its seventh session;
  - (c) Invited Parties to submit to the secretariat, by 6 February 2009, further input on how the possible improvements to emissions trading and the project-based mechanisms, as contained in annexes I and II to document FCCC/KP/AWG/2008/5 and annexes I and II to document FCCC/KP/AWG/2008/INF.3, would function. The AWG-KP requested the secretariat to compile these submissions into a miscellaneous document for consideration by the AWG-KP at its seventh session.
52. Regarding the issue identified in paragraph 49 (c) (v) above, the AWG-KP:
- (a) Agreed to continue, including through in-depth consultations at its seventh session, its deliberations on how to address, where applicable, the definitions, modalities, rules and guidelines for the treatment of LULUCF;
  - (b) Invited Parties to submit, by 15 February 2009, their views and proposals for further elaboration of the options, elements and issues contained in annex III to the report of the AWG-KP at its sixth session<sup>25</sup> and annex IV to the report of the AWG-KP at its resumed fifth session,<sup>26</sup> including views on how and which proposals could address cross-cutting issues, for compilation by the secretariat into a miscellaneous document;

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<sup>24</sup> FCCC/KP/AWG/2008/5.

<sup>25</sup> FCCC/KP/AWG/2008/5.

<sup>26</sup> FCCC/KP/AWG/2008/3.

- (c) In order to facilitate the consultations referred in paragraph 52 (a) above, requested its Chair to elaborate, taking into account decision 16/CMP.1, the options, elements and issues contained in annex III to the report of the AWG-KP at its sixth session, annex IV to the report of the AWG-KP at its resumed fifth session, the information submitted on a voluntary and informal basis to the secretariat,<sup>27</sup> and any further information submitted by Parties in accordance with paragraph 52(b) above, for consideration by the AWG-KP at its seventh session.

53. The AWG-KP agreed to further consider the issues identified in paragraphs 49 (c) (vi) and (vii) above at its seventh session. This will include consideration of technical information on the gases listed in document FCCC/KP/AWG/2008/5, paragraph 34, taking into account the aspects referred to in paragraph 35 of that document.

54. Regarding the issue identified in paragraph 49 (c) (viii) above, the AWG-KP recalled its request for views from Parties by 15 February 2009 on the legal implications arising from the work of the AWG-KP pursuant to Article 3, paragraph 9, of the Kyoto Protocol<sup>28</sup> for consideration at its seventh session.

55. Regarding the issue identified in paragraph 49 (c) (ix) above, the AWG-KP:

- (a) Invited Parties to submit to the secretariat, by 15 February 2009, their views on potential consequences;
- (b) Requested the secretariat to organize, at the seventh session of the AWG-KP and under the guidance of its Chair, an in-session workshop on potential consequences.

56. The AWG-KP invited Parties to submit to the secretariat, by 15 February 2009, their views on all other issues identified in paragraph 49 (c) above, for compilation into a miscellaneous document.

57. The AWG-KP requested its Chair to prepare a note on possible elements for amendments, pursuant to Article 3, paragraph 9, of the Kyoto Protocol, for consideration at its seventh session, with a view to ensuring that the text for any proposed amendments is communicated by the secretariat to Parties no later than six months prior to the proposed adoption of the amendments, with a view to the adoption of these amendments by the CMP at its fifth session.

58. The AWG-KP requested its Chair to prepare a note on possible elements of a text relating to issues outlined in paragraph 49 above, taking into account the notes prepared pursuant to paragraphs 51 and 52 above for consideration at its seventh session, with a view to developing a text on these issues by June 2009 for adoption by the CMP at its fifth session.

59. The AWG-KP agreed that consideration of the texts developed pursuant to paragraphs 57 and 58 above should be undertaken in line with the iterative nature of its work programme.

60. The AWG-KP, noting the iterative nature of its work programme and taking into account paragraphs 57, 58 and 59 above, will also seek:

- (a) At its seventh session: to adopt conclusions on the matter referred to in paragraph 49 (a) above and reach conclusion on a draft amendment text taking into consideration the documents referred to in paragraph 58 above;

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<sup>27</sup> Such information is posted at <[http://unfccc.int/kyoto\\_protocol/items/3878.php](http://unfccc.int/kyoto_protocol/items/3878.php)>.

<sup>28</sup> FCCC/KP/AWG/2007/5, paragraph 23 (a).

- (b) At its eighth session: to adopt conclusions on the matter referred to in paragraph 49 (b) above and consider issues relating to means, potential consequences and common metrics, as well as any draft decisions or draft amendments;
- (c) At its ninth session: to consider issues relating to rules and modalities of possible improvements relating to items 3, 4 and 5 of its agenda for the sixth session, as well as any draft decisions or draft amendments;
- (d) At its tenth session: to consider issues relating to rules and modalities of possible improvements relating to items 3, 4 and 5 of its agenda for the sixth session, as well as further consideration of a draft text on agenda item 7 and any draft decisions or draft amendments.

## **IX. Other matters**

(Agenda item 9)

61. No other matters were raised or considered.

## **X. Report on the session**

(Agenda item 10)

62. At its 3<sup>rd</sup> meeting, on 10 December, the AWG-KP considered the draft report on the resumed sixth session.<sup>29</sup> At the same meeting, on a proposal by the Chair, the AWG-KP authorized the Rapporteur to complete the report on the session, with the assistance of the secretariat and under the guidance of the Chair.

## **XI. Closure of the session**

63. At the 3<sup>rd</sup> meeting, on 10 December, the Chair thanked the delegates for their contributions and thanked the secretariat for its support. Statements were made by representatives of three Parties, including one on behalf of the Group of 77 and China and one on behalf of the European Community and its member States.<sup>30</sup> Statements were also made by representatives of the International Trade Union Confederation and Climate Action Network.

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<sup>29</sup> FCCC/KP/AWG/2008/L.16.

<sup>30</sup> The position reflected in this statement was supported by Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, and Serbia.

Annex I**Workshop on mitigation potentials and ranges of emissions reductions by Annex I Parties****Report by the chair of the workshop****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<sup>1</sup> the secretariat to organize, under the guidance of the Chair of the AWG-KP, an in-session workshop on the consideration of relevant methodological issues, including the analysis of mitigation potentials and identification of possible ranges of emission reductions by Annex I Parties.
2. The approach and objectives of the workshop are clarified in the scenario note on the resumed sixth session of the AWG-KP.<sup>2</sup>
3. The workshop was held in Poznan, Poland, on 3 December 2008, during the resumed sixth session of the AWG-KP, and was chaired by Mr. Mama Konate, Vice-Chair of the AWG-KP. It provided an opportunity for Parties and international organizations to share information on national and international studies on mitigation potentials and on criteria and approaches for the allocation of emission reduction efforts among developed countries. The workshop was open to all Parties and observers.
4. The AWG-KP also requested the secretariat to update the technical paper “Synthesis of information relevant to the determination of the mitigation potential and to the identification of possible ranges of emission reduction objectives of Annex I Parties: an update”.<sup>3</sup>
5. In the scenario note referred to in paragraph 2 above, the Chair of the AWG-KP invited interested Parties to make presentations at the workshop. The following Parties or groups of Parties made presentations: the European Community, Japan, the Russian Federation, Tuvalu on behalf of the Alliance of Small Island States, Canada and New Zealand. The workshop also involved input from leading international experts, one the former Co-Chair of Working Group III of the Intergovernmental Panel on Climate Change (IPCC) and one from the International Energy Agency. In order to provide input for the discussion, the Vice-Chair of the AWG-KP invited the secretariat to make a presentation on the updated technical paper referred to in paragraph 4 above.
6. A question and answer session was held after every third presentation by experts and Parties. After the presentations the chair of the workshop opened the floor for statements by Parties and for further exchange of views. This included statements made and questions asked by Algeria, Belarus, Benin, Brazil, Egypt, China, India, Saudi Arabia and South Africa.
7. At the closing of the workshop, the chair provided a summary of the main points that were presented and discussed.

**II. Summary of discussions**

8. The presentations and discussion during the workshop covered a number of issues related to mitigation potentials and ranges of emission reductions by Annex I Parties that could be summarized

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<sup>1</sup> FCCC/KP/AWG/2007/5.

<sup>2</sup> FCCC/KP/AWG/2008/7, paragraphs 9 (a) and 19–23.

<sup>3</sup> FCCC/KP/AWG/2007/5, paragraph 21 (d) (iii).

under two main themes:

- Mitigation potentials, emission scenarios and ranges of emission reduction objectives of Annex I Parties;
- Principles and approaches for defining the mitigation potentials, efforts and further commitments of Annex I Parties.

**A. Mitigation potentials, emission scenarios and ranges of emission reduction objectives of Annex I Parties**

9. There was a recognition that estimates of emission reduction potentials should be based on sound science, including information on the stabilization scenarios from the Fourth Assessment Report (AR4) of the IPCC and taking into account the inherent uncertainties. Most Parties referred to the IPCC stabilization scenarios, with most frequent references to the scenario that would limit greenhouse gas (GHG) concentrations in the atmosphere at 450 ppm. Some Parties also referred to the requirement for Annex I Parties as a group to reduce emission levels within a range of 25–40 per cent below 1990 levels by 2020 in accordance with this scenario. Consensus on the overall level of ambition and related ranges of emission reduction was deemed important given the need to further the discussion by the AWG-KP in 2009 on commitments by individual Annex I Parties.

10. Calling for concentrations of GHG emissions to be stabilized below even 450 ppm, some Parties underlined that, in accordance with studies made available since the publication of the IPCC AR4, the impacts from climate change could be even greater than the impacts identified by the IPCC under the 450 ppm stabilization scenarios. This includes impacts on small island nations, including those with atoll populations and exposure to severe weather and sea level rise, on nations with coastal populations that are also exposed to severe weather and sea level rise, and on nations with populations exposed to sea level rise and flooding.

11. The findings of the IPCC AR4 relating to scenarios, emission reduction ranges and mitigation potentials are confirmed by the most recent studies on these topics referred to by the Parties and the other participants in the workshop. These recent studies demonstrate that a major transition in the energy system is needed to achieve stabilization of GHGs in the atmosphere at 550 ppm. Such a transition would require using the full potential of the existing low-carbon energy technologies and energy efficiency. To achieve greater emission reductions that bring the emission concentration level down to 450 ppm, rapid deployment of low-carbon technologies and development of new technologies is deemed necessary. Some Parties drew attention to the uncertainties associated with these scenarios, including the uncertainties associated with the underlying assumptions, and stated that the results from these scenarios should be interpreted cautiously.

12. Most Parties stressed the need for developed countries to show leadership by taking on ambitious emission reduction targets. Many Parties referred to the historical responsibility of developed countries in this context. One Party noted that it has experienced sustained economic growth while reducing emissions at the same time.

13. Some Parties emphasized the need to maintain a clear focus on commitments of Annex I Parties and avoid linking possible action and commitments by Annex I Parties with possible action by other Parties in the discussions under the AWG-KP, a notion that was raised during the workshop. One Party noted that the successful outcome of the work of the AWG-KP is deemed important for the overall success of the Bali Action Plan (decision 1/CP.13).

14. There was strong emphasis on the need for urgent action on climate change mitigation, given the information from the IPCC AR4 and more recent studies on the current and projected emission levels and

associated climate change impacts. In addition, a number of Parties noted that not only should the cost associated with such action be taken into account, but also the cost of not taking any action.

15. Most Parties and other participants in the workshop stressed the significant mitigation potential that is available to reduce emissions and ensure a transition to stabilization scenarios within the lower range of concentration of GHG emissions in the atmosphere as included in the IPCC AR4. This is confirmed by a number of studies that considered the mitigation potential at an international and national level and the potential by sector. In particular, a number of Parties emphasized the mitigation potential from energy saving. One Party noted that the potential for energy saving amounts to 35–40 per cent of its current energy consumption levels.

16. A broad portfolio of options is needed to translate fully the estimated mitigation potential into actual emission reductions. For example, fully realizing the mitigation potential in the energy sector will require a wide range of technology options such as energy efficiency in buildings and motor systems, heat pumps, fuel cell vehicles and renewable energy. Estimates, including those provided in document FCCC/TP/2008/10, suggest that options with a cost of up to USD 100 per tonne of carbon dioxide (t CO<sub>2</sub>) need to be implemented for Annex I Parties as a group to reduce their emissions 25–40 per cent. The cost could be reduced to USD 50 per t CO<sub>2</sub> with the use of Kyoto Protocol mechanisms.

17. Co-benefits of climate mitigation, such as health benefits from reduced air pollution, energy security, improved balance of trade, provision of modern energy services to rural areas, sustainable agriculture and positive impacts on employment, could offset a large share of mitigation costs. Finally, it was mentioned that in the effort to realize the estimated mitigation potential, technology options that could lock economies into further fossil fuel dependence should be discouraged.

#### **B. Principles and approaches for defining the mitigation potentials, efforts and further commitments of Annex I Parties**

18. Most of the Parties elaborated on their approaches to how to define mitigation potentials at the national and international levels. At the national level, such potential could be defined taking into consideration:

- (a) Key drivers for GHG emissions, such as population, gross domestic product (GDP) growth, energy intensity of the economy and the share of fossil fuels in primary energy supply;
- (b) Mitigation potential by sector, for example the power, iron and steel, cement, aluminium and transportation sectors;
- (c) Costs of emission reductions, such as economic cost, marginal abatement cost and cost of emission reduction as a percentage of GDP and of welfare loss;
- (d) National circumstances, including economic structure, natural resource endowment, climate and population distribution, including heating degree days and the distance between major cities, availability of clean electricity production, and the import and export balance of fuels.

19. Other considerations noted by some Parties include analysis of mitigation potential by sector in Annex I Parties, including sectors for which this potential could be addressed mainly through domestic effort (e.g. in the residential and commercial sectors), through international cooperative effort (e.g. in the iron and steel, cement and aluminium sectors) and through a combination thereof (e.g. in power generation and road transportation).

20. Many of these considerations could be formulated as indicators that are already used or could be used by Parties to define mitigation efforts in a comparable way. These include indicators at the national level, such as carbon intensity of the economy, marginal abatement costs and total costs of emission mitigation as a percentage of GDP, and bottom-up sectoral indicators. A common understanding and transparency in how the Party is taking into consideration the indicators and factors listed above in defining its mitigation potentials was deemed essential.

21. In discussing further commitments for Annex I Parties under the Kyoto Protocol, all Parties that spoke referred to commitments in the form of quantified emission limitation and reduction objectives (QELROs). Several Parties reiterated their domestic targets, actions, goals and objectives. The European Community has committed to reducing GHG emissions by 20 per cent in 2020 compared with 1990 levels, and to reducing the emissions by an additional 10 per cent under a possible international agreement through the use of Kyoto Protocol mechanisms. Estimates of the impacts on the GDP of these emission reductions are within the range of -0.09 to -0.19 per cent annually. Progress towards the emission reduction target for the first commitment period of the Kyoto Protocol underlined the confidence expressed by the European Community that the new 20 per cent reduction target is achievable.

22. Belarus is considering an emission reduction target of 5–10 per cent in the post-2012 period, subject to ratification of the amendment to Annex B of the Kyoto Protocol, which contains QELROs for Belarus for the first commitment period. Japan provided information on its ongoing work to set, in 2009, a quantified domestic target, based on scientific and theoretical analysis, and taking into consideration the timing of the ongoing international negotiations. Canada provided information on its estimate of a cost of 75 Canadian dollars per t CO<sub>2</sub> to achieve a domestic emission reduction target of 20 per cent by 2020 compared with 2005 levels.

23. Mitigation potentials, capabilities, including willingness to cover the cost of mitigation effort, and responsibilities should be given due consideration, according to a number of Parties, when defining the QELRO by individual Annex I Parties. For example, countries with higher GDP per capita could take on more ambitious commitments than other countries with lower GDP. This should be done in a transparent, fair and comparable manner. Given the historical responsibility of Annex I Parties, their political willingness is deemed crucial by some Parties for transforming the mitigation potential into sizeable emission reductions.

24. Some Parties noted the need to refine and enhance the understanding of the rules that guide the treatment of the land use, land-use change and forestry sector and the Kyoto Protocol mechanisms in the process of setting ambitious QELROs. On the Kyoto Protocol mechanisms, possible strengthening of the rules relating to the treatment of additionality under the clean development mechanism was mentioned. The need to maintain the focus on domestic emission reductions in Annex I Parties in accordance with the principle of supplementarity of the use of the Kyoto Protocol mechanisms to domestic action was also noted.

### **C. Other issues**

25. One Party suggested that the base year should be the same for all Annex I Parties and the length of the second commitment period should be the same as that of the first commitment period. Another Party suggested that the second commitment period should be extended to 2020, in line with the IPCC AR4 scenarios.

26. Some Parties indicated the need for further work by the AWG-KP to advance Parties' understanding of issues relating to mitigation potentials, such as possible criteria to estimate these potentials and associated costs, and QELROs.

Annex II

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

**Documents prepared for the session**

FCCC/KP/AWG/2008/4	Provisional agenda and annotations. Note by the Executive Secretary
FCCC/KP/AWG/2008/6	Agenda and annotations. Note by the Executive Secretary
FCCC/KP/AWG/2008/7	Scenario note on the resumed sixth session. Note by the Chair
FCCC/KP/AWG/2008/INF.3	Elaboration of possible improvements to emissions trading and the project-based mechanisms under the Kyoto Protocol. Note by the Chair
FCCC/KP/AWG/2008/MISC.4 and Add.1	Information and data related to paragraph 17 (a) (i) and (ii) of document FCCC/KP/AWG/2006/4 and to the scale of emission reductions by Annex I Parties, and views on the organization of an in-session workshop on these issues. Submissions from Parties
FCCC/KP/AWG/2008/MISC.5	Further information on the potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties. Submissions from Parties
FCCC/KP/AWG/2008/MISC.6 and Add.1 and 2	Views on further activities to be undertaken during 2009, in accordance with the work programme of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol. Submissions from Parties
FCCC/KP/AWG/2008/MISC.7 and Add.1	Further input in relation to possible improvements to emissions trading and the project-based mechanisms under the Kyoto Protocol. Submissions by Parties
FCCC/KP/AWG/2008/MISC.8	Analysis of means to reach emission reduction targets, including information on greenhouse gases, and consideration of relevant methodological issues. Submission from a Party
FCCC/TP/2008/10	Synthesis of information relevant to the determination of the mitigation potential and to the identification of possible ranges of emission reduction objectives of Annex I Parties: an update. Technical paper.
FCCC/KP/AWG/2008/L.16	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 sixth session
FCCC/KP/AWG/2008/L.17	Consideration of information on potential environmental, economic

and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties. Draft conclusions proposed by the Chair

- FCCC/KP/AWG/2008/L.18 Means, methodological issues, mitigation potential and ranges of emission reduction objectives, and consideration of further commitments. Draft conclusions proposed by the Chair
- FCCC/KP/AWG/2008/L.19 Work programme for 2009. Draft conclusions proposed by the Chair
- FCCC/KP/AWG/2008/CRP.2 Workshop on mitigation potentials and ranges of emissions reductions by Annex I Parties. Report by the chair of the workshop

**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
- FCCC/KP/AWG/2008/3 Report of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol on its resumed fifth session, held in Bonn from 2 to 12 June 2008
- FCCC/KP/AWG/2008/5 Report of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol on the first part of its sixth session, held in Accra from 21 to 27 August 2008
- FCCC/SBI//2008/8 Report of the Subsidiary Body for Implementation on its twenty-eighth session, held in Bonn from 4 to 13 June 2008

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