A joint contact group was set up to discuss the Subsidiary Body for Implementation (SBI) agenda item “Matters relating to Article 3, paragraph 14, of the Kyoto Protocol” and the Subsidiary Body for Scientific and Technological Advice (SBSTA) agenda item “Matters relating to Article 2, paragraph 3, of the Kyoto Protocol” during the thirty-first sessions of the SBI and the SBSTA. In the establishment of this joint contact group, the Chairs of the SBI and the SBSTA directed that equal time be allocated to the consideration of each item.

The SBI and the SBSTA agreed to continue their discussions on these matters in a joint contact group to be established by the SBI and the SBSTA at their thirty-second sessions. They agreed to resume the consideration of these matters at their thirty-second sessions, based on the draft text contained in the annex.
Annex

[ENGLISH ONLY]

Text for further consideration by the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation

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

1. [The Subsidiary Body for Implementation (SBI) [and the Subsidiary Body for Scientific and Technological Advice (SBSTA)] welcomed the constructive exchange of views on addressing issues relevant to Article 3, paragraph 14, [and Article 2, paragraph 3,] of the Kyoto Protocol and on the efforts being made under the SBSTA with regard to opportunities for action to enhance the implementation of Article 2, paragraph 3.

2. The SBI [and the SBSTA] emphasized that better understanding of these issues is essential in order

Option 1: [for developed country Parties, in the implementation of policies and measures, to strive to minimize the adverse effects, including the adverse effects of climate change, effects on international trade, and social, environmental and economic impacts on other Parties, especially developing country Parties, and in particular

Alternative 1 within Option 1: those identified in Article 4, paragraphs 8 and 9, of the Convention, taking into account Article 3.
Alternative 2 within Option 1: in particular for [the poorest and most vulnerable country Parties that are the least capable of addressing them].

Option 2: to strive to minimize the adverse effects, [of [the implementation of policies and measures] commitments under the Kyoto Protocol, in particular those] under Article 2, paragraph 3, [and Article 3, paragraph 14,] of the Kyoto Protocol, in particular for [the poorest and most vulnerable country Parties that are the least capable of addressing them] [those countries identified in Article 4, paragraphs 8, 9 and 10, of the Convention, taking into account Article 3 of the Convention].

2 bis [The SBI agreed that Parties shall not resort to any form of unilateral measures, including fiscal and non-fiscal border measures, against goods and services imported from other Parties, in particular from developing country Parties, on the grounds of stabilization and mitigation of climate change.]

3. [The SBI [and the SBSTA] acknowledged related discussions under other UNFCCC bodies such as the Ad Hoc Working Group on Long-term Cooperative Action under the Convention and the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol, and encouraged Parties to ensure coordination of activities and information across the bodies in order to ensure a coherent and consistent approach to better address the issues mentioned in paragraph 2 above.]

4. The SBI [and the SBSTA] noted the need [to continue] to share information on the nature of [adverse] impacts of [response measures experienced by [developing country] Parties and [the] [any]
steps Annex I Parties are taking, in the implementation of policies and measures under Article 2 of the Kyoto Protocol, to minimize [any negative impacts] [adverse effects,] especially on developing country Parties, in particular

Option 1: the poorest and most vulnerable Parties  
Option 2: those identified in Article 4, paragraphs 8 and 9, of the Convention.

5. The SBI [and the SBSTA] noted that national communications under Article 12, paragraph 1, of the Convention would be an appropriate means for sharing the information referred to in paragraph 3 above.

5 bis [Noting the [complexities] of assessing the attribution and causation of the [adverse] impacts of policies and measures]

6. The SBI [and the SBSTA] also noted [and welcomed] the work of the Intergovernmental Panel on Climate Change (IPCC) on international spillover effects as described in its Fourth Assessment Report  
Option 1: and [endorsed] its plans to continue the assessment of this issue in its Fifth Assessment Report. It invited the IPCC to elaborate possible ways and means to minimize the adverse effects of response measures.

Option 2: and its plans to further assess this issue in its fifth assessment report.

**Paragraphs 7–10:**

Option 1:

[7. The SBI invited Parties and relevant organizations to submit to the secretariat, by XX, further information and views on issues relevant to Article 2, paragraph 3, of the Kyoto Protocol. The SBSTA invited Parties, in their submissions, to include information on possible methodologies, tools and models, for the assessment of these impacts on the countries mentioned in paragraph 2 above.

8. The SBI requested the secretariat to compile the submissions referred to in paragraph 7 above into a miscellaneous document and to prepare a synthesis report on these submissions for its consideration.

9. The SBI requested the secretariat to organize, before the XX session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, a workshop to explore tools and methodologies, including modelling tools, to help analyse and assess the adverse impacts of policies and measures undertaken by Parties included in Annex I to the Convention, involving guidance by relevant experts.

10. The SBI agreed to continue its consideration of this issue at its XX session in a joint contact group.]

Option 2:

[7. The SBI and the SBSTA agreed to continue its consideration of these issues at its XX session in a joint contact group and invited Parties to submit to the secretariat, by XX, further information and views on how Parties can best strive to implement mitigation actions to minimize adverse impacts. The SBI and the SBSTA invited the secretariat to compile the submissions referred to in this paragraph into a miscellaneous document for their consideration.]
Option 3:

7. The SBI [and the SBSTA] noted that further discussion is needed on this matter, and invited Parties and relevant organizations to submit to the secretariat, by XX, further information and views on issues relevant to Article 2, paragraph 3, [and Article 3, paragraph 14,] of the Kyoto Protocol. [The SBI [and the SBSTA] invited Parties, in their submissions, to consider how Parties can best strive to minimize adverse impacts. This could include information on possible methodologies, tools and models for the assessment of these impacts on the countries mentioned in paragraph 2 above].

8. The SBI [and the SBSTA] requested the secretariat to compile the submissions referred to in paragraph 7 above into a miscellaneous document for [their] consideration.

9. [Noting the complexities of assessing the attribution and causation of the adverse impacts of policies and measures,] the SBI [and the SBSTA] agreed to continue its [their] consideration of these issues at its [their] XX session, including consideration of the need for a [joint] workshop to share further information among Parties and relevant experts and the information contained in the submissions referred to in paragraph 7 above.

10. The SBI requested the secretariat to organize, before the [sixth session] of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, a workshop to explore tools and methodologies, including modelling tools, to help analyse and assess the adverse impact of policies and measures undertaken by Parties included in Annex I to the Convention, involving guidance by relevant experts.]

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