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UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

**Ad Hoc Working Group on Further Commitments
for Annex I Parties under the Kyoto Protocol**

Seventeenth session

Bonn, 15–24 May 2012

Item 3 of the provisional agenda

Consideration of further commitments for Annex I Parties under the Kyoto Protocol

**Information by Parties included in Annex I listed in annex 1
to decision 1/CMP.7 on their quantified emission limitation
or reduction objectives for the second commitment period
under the Kyoto Protocol**

Submissions from Parties

1. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its seventh session, invited Parties included in Annex I listed in annex 1 to decision 1/CMP.7 to submit to the secretariat, by 1 May 2012, information on their quantified emission limitation or reduction objectives (QELROs) for the second commitment period under the Kyoto Protocol.¹

2. The secretariat has received seven such submissions from Parties. In accordance with the procedure for miscellaneous documents, these submissions are attached and reproduced* in the language in which they were received and without formal editing. The secretariat will continue to post on the UNFCCC website² any submissions received after the issuance of this document.

¹ Decision 1/CMP.7, paragraph 5.

* These submissions have been electronically imported in order to make them available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the texts as submitted.

² <http://unfccc.int/kyoto_protocol/items/4752.php>.

FCCC/KP/AWG/2012/MISC.1

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Submission under the Kyoto Protocol | May 2012
Quantified Emissions Limitation or Reduction Objective | AWG-KP

I. Overview

Australia has pledged under the Copenhagen Accord and Cancun Agreements to reduce emissions by 5 to 15 or 25 per cent below 2000 levels by 2020. Australia will meet this pledge through a legislated carbon pricing mechanism that will cap greenhouse gas emissions in line with Australia's emission reduction undertakings, along with other policy measures.

As stated in Decision 1/CMP.7, Australia is prepared to consider submitting information on a Quantified Emission Limitation and Reduction Objective (QELRO) for the second commitment period of the Kyoto Protocol, following necessary domestic processes.

II. Australia's Clean Energy Future

Australia is committed to meeting its international mitigation commitments. Australia is on track to meet in full its first commitment period QELRO. Furthermore Australia's 2020 target range of 5 to 15 or 25 per cent below 2000 levels is unchanged. Australia's 5 per cent target is unconditional –and will be met regardless of the action of other countries or changes in international conditions.

Australia's 2020 mitigation pledge is supported by a broad package of national policies and legislation, including a Carbon Pricing Mechanism commencing on 1 July 2012. In considering whether to join a second commitment period and submit a QELRO, Australia is carefully examining the interaction between Australia's legislated policy settings and new international rules. This is with a view to ensuring that where Australia takes on international undertakings, effective implementation arrangements are in place.

III. Clarification of the second commitment period rules

Countries have yet to agree to several important rules that will apply to a second commitment period QELRO. These include the length of the commitment period, the rules for carrying over surplus units from the first commitment period, and the parameters for translating national targets into QELROs.

Australia will continue to participate constructively in Kyoto Protocol discussions to reach decisions on these rules at the Eighth Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol in Qatar in December 2012.

IV. A global response to climate change

Australia's has consistently maintained that a second commitment period of the Kyoto Protocol must be balanced by an agreement with legally binding mitigation commitments by all major economies.

In Durban Parties agreed to establish a mandate to negotiate a protocol, another legal instrument or an agreed outcome with legal force under the Convention applying to all countries, due to be adopted in 2015 and to come into force from 2020.

The establishment of a mandate to conclude a new agreement demonstrates the world's recognition that action on climate change by all major economies is essential. Australia is committed to this mitigation framework and looks forward to seeing strong progress under the Durban Platform for Enhanced Action this year.

SUBMISSION BY CROATIA

Zagreb, 26 April 2012

Subject: Information on the quantified emission limitation or reduction objectives (QELROs) for the second commitment period under the Kyoto Protocol

1) Introduction

Croatia aligns itself with the submission by Denmark and the European Commission on behalf of the European Union and its member states in respect of quantified emission limitation or reduction objectives (QELROs) for the second commitment period under the Kyoto Protocol.

In response to the invitation in paragraph 5 of Decision 1/CMP.7, this submission provides information on the quantified emission limitation or reduction objectives (QELROs) of the Croatia in preparation for the adoption of an Annex B with QELROs for a 2nd commitment period under the Kyoto Protocol (CP2), in combination with amendments to the Kyoto Protocol at the CMP8 in Doha in December this year.

A number of issues that may affect the CP2 QELROs remain to be resolved by Doha. The Croatia therefore underlines that the information on the QELROs of the Croatia contained in this submission is provisional. The final QELROs will need to be determined once all applicable rules addressing outstanding issues in the CP2 negotiations that may affect the QELRO have been resolved.

2) The length of a 2nd commitment period

The Croatia is of the view that the CP2 should start in 2013 and end in 2020, emphasizing that the new single global and comprehensive legally binding agreement should enter into effect no later than the beginning of 2020. This is why this submission contains information on QELROs for an 8-year commitment period.

3) Approach to determining the QELROs

The provisional information on QELROs of the Croatia, as a part of overall EU QELROs, has been determined on the basis of the EU's total greenhouse gas emissions allowed during the period 2013-2020 under its existing climate and energy package (CE package) legislation, thus reflecting the EU's and Croatian unilateral commitment to a 20% reduction by 2020. Reference is also made on the EU's and Croatian conditional offer to take on a 30% commitment.

With the aim to join the European Union on 1 July 2013 Croatia are transposing and applies climate and energy package. Croatia will join EU emission trading scheme already from 1 January 2013. Croatia will implement its share of obligations established according the criteria for distribution of the efforts by member states within the climate and energy package.

The formula that has been applied in calculating the provisional QELROs for EU, member states and Croatia, calculation of the QELROs, the scope of existing EU and Croatian legislation implementing its 20% commitment, base year applied, the explanation of the EU's conditional offer to take on a 30% commitment, have been provided in submission by Denmark and the European Commission on behalf of the European Union and its member states in respect of quantified emission limitation or reduction objectives (QELROs) for the second commitment period under the Kyoto Protocol

4) The application of Article 4 of the Kyoto Protocol

As reflected in the Annex B agreed in Durban, the Croatia intends to fulfil its commitment under Article 3 of the Kyoto Protocol jointly with the EU Member States, and Iceland. In accordance with Article 4 paragraph 1 of the Kyoto Protocol, the respective emission level allocated to each of the Parties to the agreement shall be set out in the agreement that will be notified to the secretariat of the UNFCCC in line with Article 4 paragraph 2. Noting that the present submission of information on QELROs of the Croatia for the second commitment period is made without prejudice to this subsequent notification by the Croatia the provisional QELRO values for the Croatia in the Annex to this submission is 80%.

To reflect this, the entries for Croatia in that same table also contain footnote.

ANNEX:

Provisional QELROs for the Croatia Annex B of the Kyoto Protocol

1	2	3	4	5	6
Party	Quantified emission limitation or reduction commitment (2008–2012) (percentage of base year or period)	Quantified emission limitation or reduction commitment (2013–2020) (percentage of base year or period)	Reference year ¹⁾	Quantified emission limitation or reduction commitment (2013–2020) (expressed as percentage of reference year ¹⁾	Pledges for the reduction of greenhouse gas emissions by the year 2020 (percentage of reference year) ²⁾
Croatia*	95	80 ^d	n/a	n/a	-20% /-30% ⁰

* Countries that are undergoing the process of transition to a market economy.

Notes:

d Croatia's QELRO for a second commitment period under the Kyoto Protocol is based on the understanding that it will fulfil this QELRO jointly with the European Union and its Member States, in accordance with Article 4 of the Kyoto Protocol. As a consequence, Croatia's accession to the European Union shall not affect its participation in such joint fulfilment agreement pursuant to Article 4 or its QELRO

h As part of a global and comprehensive agreement for the period beyond 2012, the European Union reiterates its conditional offer to move to a 30% reduction by 2020 compared to 1990 levels, provided that other developed countries commit themselves to comparable emission reductions and developing countries contribute adequately according to their responsibilities and respective capabilities.

¹ A reference year may be used by a Party on an optional basis for its own purposes to express its QELRO as a percentage of emissions of that year, that is not internationally binding under the Kyoto Protocol, in addition to the listing of its QELRO in relation to the base year in the second and third columns of this table, which are internationally legally binding.

² Further information on these pledges can be found in document FCCC/SB/2011/INF.1/Rev.1.

SUBMISSION BY DENMARK AND THE EUROPEAN COMMISSION ON BEHALF OF THE EUROPEAN UNION AND ITS MEMBER STATES

Copenhagen, 19 April 2012

Subject: Information on the quantified emission limitation or reduction objectives (QELROs) for the second commitment period under the Kyoto Protocol

1) Introduction

The EU welcomes the progress made at the Durban Conference towards the adoption of an amendment to the Kyoto Protocol at the Doha Climate Conference which ensures the continuity of an effective multilateral rules-based system including its flexible mechanisms and enables a second commitment period to start on 1 January 2013 as part of a transition to a wider single global and comprehensive legally-binding agreement. In response to the invitation in paragraph 5 of Decision 1/CMP.7, this submission provides information on the quantified emission limitation or reduction objectives (QELROs) of the EU and its Member States, in preparation for the adoption of an Annex B with QELROs for a 2nd commitment period under the Kyoto Protocol (CP2), in combination with amendments to the Kyoto Protocol at the CMP8 in Doha in December this year.

A number of issues that may affect the CP2 QELROs remain to be resolved by Doha. The EU therefore underlines that the information on the QELROs of the EU and its Member States contained in this submission is provisional. The final QELROs will need to be determined once all applicable rules addressing outstanding issues in the CP2 negotiations that may affect the QELRO have been resolved.

The EU emphasizes the need for sufficiently ambitious targets in the second commitment period and underlines that, in order to stay below 2°C, all Parties need to take swift and effective action to bridge the global ambition gap in the period up to 2020. In this context, all Parties should be encouraged to take more ambitious mitigation commitments and actions and where possible over-perform on these. In addition, countries which have submitted ranges should consider their possibilities for moving to the top of their range¹.

2) The length of a 2nd commitment period

The EU is of the view that the CP2 should start in 2013 and end in 2020, emphasizing that the new single global and comprehensive legally binding agreement should enter into effect no later than the beginning of 2020. This is why this submission contains information on QELROs for an 8-year commitment period.

In Durban it was decided that CP2 "shall begin on 1 January 2013 and end on either 31 December 2017 or 31 December 2020". The length of CP2 is to be decided by the AWG KP at its 17th session, which is to start in May. The Durban conference also decided that the new agreement for all Parties ("protocol, another legal

¹ The ranges referred to by the IPCC AR4 report continue to constitute a valuable benchmark for the aggregate ambition of pledges of developed and developing countries according to which developed countries as a group should reduce their greenhouse gas emissions by 25 to 40% below 1990 levels by 2020 while developing countries as a group should achieve a substantial deviation below the currently predicted emissions growth rate, in the order of 15 to 30% by 2020.

instrument or an agreed outcome with legal force under the Convention applicable to all Parties") is to "come into effect and be implemented from 2020".

During the negotiations in Durban, the EU insisted that it is particularly important to ensure that the duration of a CP2 is "compatible with the timeline for the development and entry into force" of the new agreement for all Parties, enabling the "convergence with the Kyoto Protocol track after a second commitment period". In addition, this would also avoid a gap between the end of CP2 and the start of the new agreement in 2020. A number of Parties have raised the concern that an 8 year CP2 could "lock in" low ambition. To address this concern, the EU put forward a proposal for a mid-term review of Annex B QELROs and a possibility for a Party listed in Annex B to strengthen its QELRO through a simplified procedure.

The EU underlines the need to simplify the process for a Party wishing to increase the level of ambition of its QELRO in the course of the second commitment period. In addition, the EU calls for a review of the ambition level under the Kyoto Protocol coinciding with the 2013-2015 review under the Convention.

3) Approach to determining the QELROs

The provisional information on QELROs of the EU and its Member States has been determined on the basis of the EU's total greenhouse gas emissions allowed during the period 2013-2020 under its existing climate and energy package (CE package) legislation, thus reflecting the EU's unilateral commitment to a 20% reduction by 2020. Reference is also made to the below section on the EU's conditional offer to take on a 30% commitment.

The following formula has been applied in calculating the provisional QELROs in this submission:

$$\text{QELRO} = \text{Total allowed emissions} / (\text{base year emissions} \times \text{length commitment period})$$

The QELRO thus represents the average reduction over the period 2013-2020 compared to base year emissions. The QELRO calculation uses the sum of the individual base year emissions of Member States in accordance with the flexibilities to set individual base years provided under the Kyoto Protocol.

The scope of existing EU legislation implementing its 20% commitment is different from the scope of the CP2, which is why the total allowed emissions or "emissions budget" under the climate and energy package can not be used directly in the calculation of the corresponding QELRO. The main differences between the CE package and CP2 which have been taken into account in determining the provisional information on QELROs are the following:

- International aviation: Is included in the CE package and its overall 20% reduction target, while its emissions are not accounted for under the Kyoto Protocol.
- LULUCF: The LULUCF sector in the EU is not included in the 20% target under the CE package, but is accounted for under the Kyoto Protocol according to the relevant decisions made in Durban.
- Inclusion of NF3: Nitrogen Trifluoride (NF3) is not included in the CE package, whereas the scope of CP2 has been extended to include the additional gas. The impact of NF3 on aggregate EU emissions is insignificant.
- Global Warming Potentials (GWP): The CE package uses the GWP of the 2nd Assessment report of the Intergovernmental Panel on Climate Change to aggregate GHG emissions, whereas the GWP of CP2 have been updated to those included in the 4th Assessment Report. The expected impact of using the updated GWP values under CP2 is an additional reduction in EU emissions of up to 0.5% compared to using IPCC AR2 GWP.
- Base years: The EU 2020 target uses 1990 as the base year, while it was agreed in Durban to continue with the same flexibilities to set a different base year which applied to CP1.

The process of "translating" the emissions budget under the EU's climate and energy package has included a calculation of the allowed emissions for each of the years 2013-2020 for those sectors that are covered by CP2. The estimated emissions budget for those sectors is around -14% below 1990 levels in 2013, decreasing to around -21% by 2020 compared to 1990².

As base year emissions under the Kyoto Protocol are higher than the 1990 emission levels, the same emissions budget for the period results in a larger percentage reduction when compared to the base year than compared to 1990. As shown by the below table, the reduction relative to base year emissions is -17% in 2013, decreasing to a -24% reduction by 2020.

Year	2013	2014	2015	2016	2017	2018	2019	2020
Mio ton CO ₂ -eq	4811	4752	4693	4634	4575	4516	4457	4398
Reduction vs 1990	-14%	-15%	-16%	-17%	-18%	-19%	-20%	-21%
Reductions vs base year	-17%	-18%	-19%	-20%	-21%	-22%	-23%	-24%

Over an 8-year period (2013-2020), this is equivalent to an average reduction of 20% compared to base year emissions.

The process of translating the 2013-2020 emissions budget under EU legislation to the Kyoto rules for an 8 year CP2 thus results in an overall QELRO value of 80%³.

4) The EU's conditional offer to take on a 30% commitment

In addition to its unilateral 20% reduction commitment, the EU stands by its conditional offer as reiterated by the European Council in December 2009 to move to a 30% reduction by 2020 compared to 1990 levels, as part of a global and comprehensive agreement for the period beyond 2012, provided that other developed countries commit themselves to comparable emission reductions and developing countries contribute adequately according to their responsibilities and respective capabilities.

Following the same overall approach to the calculation of EU QELROs for a 30% target as described above for the unconditional 20% commitment raises similar issues with regard to translation from EU regulation to the Kyoto accounting rules for CP2.

Additional issues relate to the specific modalities of an increase in ambition. The base year emissions and the length of the commitment period are the same for the unconditional 20% and the conditional 30% commitment. However, while emissions in 1990 within the scope of the Climate and Energy package are known⁴, the calculation of an emissions budget corresponding to a 30% reduction target depends on decisions regarding i.a. starting points and reduction trajectories for the main parts of the EU climate and energy package (the EU Emissions Trading Scheme excluding aviation; aviation; other sectors), as well as decisions on the approach to LULUCF in the context of a 30% target.

² In order to meet the overall target of 20% GHG emission reductions relative to 1990 of the CE package, other sectors than international aviation have a reduction target which is in aggregate slightly more ambitious than -20% to compensate for the fact that the emissions target of international aviation is less stringent than the overall 20% target. The target for aviation is a 5% reduction compared to the average of 2004-2006 emissions.

³ This number should be interpreted in light of the below section 5 on the application of Article 4 of the Kyoto Protocol.

⁴ Total 1990 emissions were 5,657 Mt CO₂e excluding emission/removals from LULUCF, including civil aviation, and excluding Croatia and other possible new EU Member States.

5) The application of Article 4 of the Kyoto Protocol

Article 4 of the Kyoto Protocol allows Parties to fulfil their commitments under Article 3 jointly. During this first commitment period, the 15 EU Member States that were part of the EU when the Kyoto Protocol was signed took on a joint commitment to reduce their emissions by 8% below base year emissions. The EU and its Member States notified the terms of their agreement to fulfil their commitments under Article 3 jointly upon their joint ratification of the Kyoto Protocol on 31 May 2002.

The proposed amendments to Annex B of the Kyoto Protocol in Annex 1 of Decision 1/CMP.7 agreed in Durban include a footnote (b) with the space for entering CP2 QELROs for the EU and each of its Member States. This footnote states that “The QELROs for the European Union and its Member States for a second commitment period under the Kyoto Protocol are based on the understanding that these will be fulfilled jointly with the European Union and its Member States, in accordance with Article 4 of the Kyoto Protocol”.

As reflected in the Annex B agreed in Durban, the EU intends to fulfil its commitment under Article 3 of the Kyoto Protocol jointly with the EU Member States, as well with Croatia and Iceland. In accordance with Article 4 paragraph 1 of the Kyoto Protocol, the respective emission level allocated to each of the Parties to the agreement shall be set out in the agreement that will be notified to the secretariat of the UNFCCC in line with Article 4 paragraph 2. Noting that the present submission of information on QELROs of the EU and its Member States for the second commitment period is made without prejudice to this subsequent notification by the EU and its Member States, the provisional QELRO values for the EU and its Member States in the Annex to this submission are 80%.

It should be further noted that Croatia is likely to join the European Union on 1 July 2013 and that Iceland is a candidate country for EU Membership which already applies part of EU legislation in the area of climate change under the European Economic Area. Both countries have indicated that they intend to fulfil their CP2 commitments jointly with the EU and its Member States. To reflect this, the entries for Croatia and Iceland in that same table also contain footnotes.

6) Next steps for the QELRO discussion

The EU urges other Annex B Parties to also provide detailed information on their proposed QELROs. In addition, the EU urges all Annex B Parties that have not included an emission reduction target in the Durban decisions to reconsider their stance in light of the progress made towards reaching a wider single global and comprehensive legally-binding agreement, while emphasizing the need to ensure a high level of ambition of their QELRO during the second commitment period and also underlining the need to simplify the process for a Party wishing to increase the level of ambition of its QELRO in the course of the second commitment period. The EU looks forward to discussing proposed QELROs at the 17th session of the AWG KP, starting in May, with a view to adopting Annex B, with QELROs, at CMP 8 in Doha.

ANNEX:

Provisional QELROs for the EU and its Member States in Annex B of the Kyoto Protocol

1	2	3	4	5	6
Party	Quantified emission limitation or reduction commitment (2008–2012) (percentage of base year or period)	Quantified emission limitation or reduction commitment (2013–2020) (percentage of base year or period)	Reference year ¹⁾	Quantified emission limitation or reduction commitment (2013–2020) (expressed as percentage of reference year ⁵⁾)	Pledges for the reduction of greenhouse gas emissions by the year 2020 (percentage of reference year) ⁶
Austria	92	80 ^b	n/a	n/a	
Belgium	92	80 ^b	n/a	n/a	
Bulgaria*	92	80 ^b	n/a	n/a	
Cyprus ^e		80 ^b	n/a	n/a	
Czech Republic*	92	80 ^b	n/a	n/a	
Denmark	92	80 ^b	n/a	n/a	
Estonia*	92	80 ^b	n/a	n/a	
European Union ^{f, g}	92	80 ^b	n/a	n/a	-20% /-30% ^h
Finland	92	80 ^b	n/a	n/a	
France	92	80 ^b	n/a	n/a	
Germany	92	80 ^b	n/a	n/a	
Greece	92	80 ^b	n/a	n/a	
Hungary*	94	80 ^b	n/a	n/a	
Ireland	92	80 ^b	n/a	n/a	
Italy	92	80 ^b	n/a	n/a	
Latvia*	92	80 ^b	n/a	n/a	
Lithuania*	92	80 ^b	n/a	n/a	
Luxembourg	92	80 ^b	n/a	n/a	
Malta ^k		80 ^b	n/a	n/a	
Netherlands	92	80 ^b	n/a	n/a	
Poland*	94	80 ^b	n/a	n/a	
Portugal	92	80 ^b	n/a	n/a	
Romania*	92	80 ^b	n/a	n/a	
Slovakia*	92	80 ^b	n/a	n/a	
Slovenia*	92	80 ^b	n/a	n/a	
Spain	92	80 ^b	n/a	n/a	

⁵ A reference year may be used by a Party on an optional basis for its own purposes to express its QELRO as a percentage of emissions of that year, that is not internationally binding under the Kyoto Protocol, in addition to the listing of its QELRO in relation to the base year in the second and third columns of this table, which are internationally legally binding.

⁶ Further information on these pledges can be found in document FCCC/SB/2011/INF.1/Rev.1.

1	2	3	4	5	6
Party	Quantified emission limitation or reduction commitment (2008–2012) (percentage of base year or period)	Quantified emission limitation or reduction commitment (2013–2020) (percentage of base year or period)	Reference year ¹⁾	Quantified emission limitation or reduction commitment (2013–2020) (expressed as percentage of reference year ⁵⁾)	Pledges for the reduction of greenhouse gas emissions by the year 2020 (percentage of reference year) ⁶
Sweden	92	80 ^b	n/a	n/a	
United Kingdom of Great Britain and Northern Ireland	92	80 ^b	n/a	n/a	

* Countries that are undergoing the process of transition to a market economy.

Notes:

b The QELROs for the European Union and its Member States for a second commitment period under the Kyoto Protocol are based on the understanding that these will be fulfilled jointly with the European Union and its Member States, in accordance with Article 4 of the Kyoto Protocol. The QELROs are without prejudice to the subsequent notification by the EU and its Member States of an agreement to fulfill their commitments jointly in accordance with the provisions of the Kyoto Protocol.

e At its seventeenth session, the Conference of the Parties decided to amend Annex I to the Convention by including the name of Cyprus (decision 10/CP.17). The amendment will enter into force on 1 January 2013 or a later date.

f Upon deposit of its instrument of approval to the Kyoto Protocol on 31 May 2002, the European Community had 15 Member States.

g Upon deposit of its instrument of acceptance of the amendment to Annex B to the Kyoto Protocol on [date], the European Union had [number] Member States.

h As part of a global and comprehensive agreement for the period beyond 2012, the European Union reiterates its conditional offer to move to a 30% reduction by 2020 compared to 1990 levels, provided that other developed countries commit themselves to comparable emission reductions and developing countries contribute adequately according to their responsibilities and respective capabilities.

k At its fifteenth session, the Conference of the Parties decided to amend Annex I to the Convention by including the name of Malta (decision 3/CP.15). The amendment entered into force on 26 October 2010.

Paper no. 4: New Zealand

Information regarding a QELRO for the second commitment period under the Kyoto Protocol in relation to the work of the Ad Hoc Working Group on Further Commitments for Annex 1 parties under the Kyoto Protocol.

27 April 2012

This submission responds to the invitation contained in Decision 1/CMP.7 for Annex I Parties to submit information on their QELROs¹ by 1 May 2012 for consideration by the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-LCA) at its seventeenth session. This decision also notes the intention of Parties listed in Annex I to convert their stated emission reduction targets to QELROs for the second commitment period under the Kyoto Protocol. New Zealand did not table an emissions reduction target in Annex I of Decision 1/CMP.7, but noted that it would be prepared to submit information on a QELRO following the necessary domestic processes and taking into account various decisions reached in Durban. New Zealand is still considering whether to take its target under a second commitment period of the Kyoto Protocol or under the Convention. This submission is, therefore, made without prejudice to where New Zealand's post-2012 target will be made.

We have stated previously that New Zealand is prepared to take on a responsibility target for greenhouse gas emissions reductions of between 10 and 20 per cent below 1990 levels, subject to the following minimum conditions being met:

- a) *That the global agreement sets the world on a pathway to limit temperature rise no more than 2 °C;*
- b) *That developed countries make comparable efforts to those of New Zealand;*
- c) *That advanced and major-emitting developing countries take action fully commensurate with their respective capabilities;*
- d) *That there is an effective set of rules for LULUCF;*
- e) *That there is full recourse to a broad and efficient international carbon market.*

Good progress was made towards meeting some of these conditions in Durban, but full clarity around these and other important matters affecting the decision on New Zealand's target has not yet emerged. New Zealand's expectation pre-Durban was that there should be a comparable "balancing agreement" covering advanced and major-emitting developing countries as well as those Annex I Parties that will not be part of the second commitment period. New Zealand welcomes the agreement to negotiate the Durban Platform, but notes that this is well short of achieving such a balancing agreement. Additionally, New Zealand is still assessing the domestic implications of the agreed forestry rules, and we await certainty on the issue of carry-over of surplus AAUs, which could have a significant impact on the decision on New Zealand's target.

Domestically, New Zealand is in the process of adjusting its Emissions Trading Scheme (ETS) following the outcome of a scheduled review in 2011. The changes the government is proposing to the current ETS settings require a period of public consultation and a legislative process in order to be accepted. The consultation process was initiated in April and we expect legislative amendments to be finalised later in 2012. The final amendments to ETS settings will be an important part of New Zealand's consideration of a firm target.

¹ Quantified emission limitation or reduction objective

New Zealand also recognises the interest in, and expectations of, a ratifiable second commitment period being secured at Doha. We look forward to a clearer picture emerging from the outcomes of the UNFCCC sessions leading up to Doha in relation to our own conclusion on where we take our post-2012 commitments.

New Zealand remains committed to contributing our fair share of effort towards global climate change mitigation, and our mitigation actions are on-going through our ETS and the other domestic and international initiatives in which we are closely and actively involved.

Paper no. 5: Norway

Submission to the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol of information on the quantified emission limitation or reduction objective (QELRO) for Norway

1. INTRODUCTION

Norway welcomes the decision in Durban stating that the second commitment period under the Kyoto Protocol shall begin on 1 January 2013, and the invitation to Parties to submit information on their quantified emission limitation or reduction objective (QELRO) for that period. This submission contains information on possible QELROs for Norway, on the basis of decisions made in Durban. Following decision 1/CMP.7, we expect further negotiations on the QELROs to be concluded in Doha. The information contained in this submission is therefore provisional. Norway looks forward to discussing QELROs for Parties that want to take commitments in the second period at the 17th session of the AWG-KP.

2. NORWAY'S EMISSION TARGET FOR 2020

In 2007, Norway put forward a target of 30% reduction of emissions by 2020, compared to 1990. Furthermore, as stated in our letter of association with the Copenhagen Accord, Norway will move to a level of 40% reduction for 2020 as part of a global and comprehensive agreement for the period beyond 2012 where major emitting Parties agree on emission reductions in line with the 2 degree Celsius target. In the Kyoto context, these conditions are not fulfilled. In this submission, information is therefore given relative to an emission reduction of 30% by 2020, compared to 1990.

3. DETERMINING THE QELRO

3.1 Relevant changes to applicable rules and relevant assumptions

3.1.1 Changed GWP-values

Compared to previous projections, the use of GWP values from IPCCs Fourth Assessment Report is estimated to give an emission trajectory for Norway from 1990 to 2020 that ends 0.7 per cent lower than previous estimates.

3.1.2 Inclusion of NF₃

Norway does not have any emissions of NF₃ today, and there is no indication that Norway will have such emissions in 2020.

3.1.3 New reporting guidelines

Norway has not undertaken a full review of the consequences of applying the IPCC 2006 Guidelines for our inventory estimates, but they are expected to be limited. This is because the changes from previous guidelines related to emission factors and activity data apply to the simplest calculation methods (tier 1), while Norway already applies more advanced calculation methods (tier 2 and 3) for many of the emission sources. Norway is also already reporting some of the new emission sources. The effect of including new emission sources will depend on how the emissions from these sources have changed since the base year 1990.

3.1.4 LULUCF

As previously communicated Norway's contribution from LULUCF was assumed to be about 3 Mt CO₂ in 2020, equivalent to six percent of Norway's greenhouse gas emissions in 1990, in accordance with the rules for Article 3

paragraphs 3 and 4, of the Kyoto Protocol.¹ Taking the most recent projections and the net effect of changes in rules into account, the total expected contribution from LULUCF is reduced to about 2 Mt CO₂ as an annual average in the period 2013-2020

Article 3.3

In Norway's pledge under The Copenhagen Accord, the contribution from Land Use Changes under Article 3.3 was estimated to be a net removal of about 1.5 million tonne CO₂ in 2020. Based on updated projections for afforestation, reforestation and deforestation the present estimate is now a removal of about 0.2 million tonne CO₂ in 2015 and 0.6 million tonne CO₂ in 2020.

Article 3.4

In Durban it was decided that the additions to the assigned amount of a Party resulting from Forest Management (and project activities under article 6) shall not exceed 3.5 % of the base year greenhouse gas emissions of that Party. Norway has chosen 1990 as its historic reference level for Forest Management under article 3.4. As shown in the submission from Norway on our Forest Management reference level, the projected removal from Forest Management in 2020 was estimated to be 23.2 million tonnes of CO₂.

For Norway, the 3,5 % cap means that only a small part of the yearly increase in removals from Forest Management will be accounted for in the second commitment period. With the Durban decision, Norway is expected to account for 1.75 million tonne of CO₂ per year in the next commitment period from Forest Management, compared to 1.47 million tonne in the first period. This difference is equivalent to 0.55 percent of Norway's 1990 emissions in the second commitment period.

For Norway, the inclusion of new accounting rules on Harvested Wood Products in the Durban Decision is expected to result in higher estimates for removals in both the reference year 1990 and in the second commitment period after 2012. The difference between the average removal in the second commitment period and the 1990 removal is, however, still expected to far exceed the Durban cap on Forest Management. The inclusion of new accounting rules for Harvested Wood Products is therefore not expected to influence the accounting for Forest Management under Article 3.4 in the second commitment period.

The possibility for Parties to exclude emissions from natural disturbances from afforestation and reforestation under Article 3.3 is expected to have impacts on the amount of credits Norway can issue from land use changes, but the effects are expected to be limited since the relevant areas are limited and the biomass intensity is low. With respect to forest management under Article 3.4, natural disturbances are not expected to affect the level of removals that can be credited.

3.2 The length of a 2nd commitment period

According to Decision 1/CMP.7 the second commitment period under the Kyoto Protocol shall begin 1 January 2013 and end either on 31 December 2017 or 31 December 2020, to be decided by the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol at its seventeenth session.

Norway's view is that an eight year commitment period is preferable, in order to secure that there is no gap between the second commitment period under the Kyoto Protocol and the new comprehensive agreement under the Ad Hoc Working Group on the Durban Platform for Enhanced Action, that shall come into effect and be implemented from 2020.

¹ FCCC/KP/AWG/2010/INF.2/Rev.1: "Compilation of pledges for emission reductions and related assumptions provided by Parties to date and the associated emission reductions: update July 2010."

3.3 Provisional information on the QELRO for the second commitment period

The Norwegian base year is 1990. Thus, the Norwegian quantified emission limitation objective (QELRO) will be presented as the average emissions in the period 2013-2020 that result in a 30 % reduction in emissions in 2020 compared to 1990.

A linear emission trajectory approach to the estimation of a QELRO for Norway could be based on the data from the following alternatives:

- i. The QELRO in the first commitment period. The starting point could be the mid-term (2010) of the first commitment period or the end-point of the first commitment period (2012).
- ii. Current level of emissions for 2009² and 2010³.

On this basis, we have estimated that a range of QELRO's from 81-84 is consistent with the Norwegian target of 30% reduction of emissions by 2020, compared to 1990, including the effect of changes in rules decided in Durban, and changes in relevant assumptions.

² The review under the UNFCCC of the National Inventory Report for Norway for the years 1990-2009 submitted in 2011 has not yet been finalized, but is expected to be finalized during 2012.

³ The National Inventory Report for Norway for the years 1990-2010 was submitted in April 2012, and the review is expected to commence in 2012.

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Dear Ms. Christiana Figueres,

The Ministry of Environment Protection of the Republic of Kazakhstan is pleased to provide information on the country's further commitments in accordance with the item 21 of the list contained in the note ODES/COP 17/11 of 20 January 2012, "Consideration of further commitments for Annex 1 Parties under the Kyoto protocol".

We would like to kindly ask you to update the reference year from 1992 to 1990 in the Annex 1 of the Draft decision -/CMP.7.

NFP
Minister's Advisor



K. Baigarin

Information by Parties listed in Annex I to the decision on their QELROs for the second commitment period under the Kyoto Protocol

Decision 1/CMP.7 paragraph 5

Introduction

1. Switzerland supports the adoption at the eighth session of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP 8) of relevant decisions to allow the entry into force of the second commitment period under the Kyoto Protocol, namely the length of the second commitment period, the Quantified Emission Limitation or Reduction Objectives (QELROs) and the carry-over of assigned amount units to the second commitment period.
2. This submission provides useful information for the determination of the value of Switzerland's QELRO. This information may be subject to later modification depending on the applicable rules for the second commitment period that still have to be decided. The final value of our QELRO will then be adopted at CMP 8.

National climate legislation

3. On 26 August 2009, Switzerland's Federal Council adopted a draft legal text on national climate policy for the period between 2013 and 2020, the Federal Act on the Reduction of CO₂ Emissions (the CO₂ Act)¹, and passed on this draft to Parliament for consideration and final adoption.
4. With some amendments, the Parliament adopted this legal text in December 2011. According to the Swiss Constitution, this law was subject to an optional referendum which allows the people to decide on laws adopted by the Parliament in a popular vote. As no referendum was launched against this law, it will enter into force on the 1st January 2013.
5. The CO₂ Act is the basis for the Swiss position in the UNFCCC and Kyoto Protocol negotiations.

Clarification of the QELRO: LULUCF and use of market mechanisms

6. In the first commitment period of the Kyoto Protocol, Switzerland accounts for the mandatory activities Afforestation and Deforestation under Article 3.3 of the Kyoto Protocol and elected to account for Forest Management under Article 3.4 of the Kyoto Protocol. Whereas accounting for forest management is mandatory in the second commitment period, Switzerland has not yet decided whether it will account for additional activities under Article 3.4 of the Kyoto Protocol in the second commitment period. Applying the accounting approach of the forest management reference level, the estimated emissions or removals from the Article 3.4 activity forest management in Switzerland will be zero in the second commitment period. Estimations of emissions and removals

¹ <http://www.bafu.admin.ch/klima/00493/06577/11879/index.html?lang=en>

from all other Article 3.4 activities, which should be accounted for on a net-net basis, are not available yet.

7. In the second commitment period, Switzerland will use carbon credits (CERs, ERUs) generated from the mechanisms of the Kyoto Protocol and from the new market-based mechanism under the Convention to achieve its QELRO. The exact amount of these carbon credits is not estimated yet. The Swiss CO₂ Act for the 2013-20 period defines Switzerland's -20% reduction objective as domestic. However, carbon credits for emission reductions achieved abroad will play a role in the case of: fossil fuel power plants; the Emissions Trading Scheme (ETS); companies exempted from the CO₂ levy that are not involved in the ETS; and in the sanction mechanism. Furthermore, Switzerland may use additional carbon credits generated under the Kyoto Protocol in the assumed case of a starting point by QELRO 2010 (cf. below paragraph 11).

Length of the commitment period

8. Switzerland prefers a commitment period of eight years (2013-2020).

9. The reasons are:

- This length of the commitment period is consistent with the Swiss CO₂ Act that provides for a reduction objective in the period between 2013 and 2020.
- It takes into account the necessary time for measures to yield greenhouse gas emissions reductions.

QELROs

10. For the second commitment period under the Kyoto Protocol, Switzerland has pledged a reduction of its greenhouse gas emissions by at least 20% between the years 2013 and 2020 compared to 1990 levels.

11. To transform pledges of Parties into QELROs, Switzerland advocates environmental integrity when choosing the starting point of the emission trajectory for the second commitment period for Parties. In our case, this means using the QELRO for the first commitment period (QELRO 2010) as starting point of the trajectory of the second commitment period. This corresponds to Option (a) in paragraph 20 of the Technical Paper FCCC/TP/2010/3/Rev.1, *Issues relating to the transformation of pledges for emission reductions into quantified emission limitation and reduction objectives: methodology and examples*.

12. Switzerland will actively participate in the discussions under the Kyoto Protocol and other UNFCCC processes on raising the level of mitigation ambition (chapter V of decision 1/CP.16, preamble of decision 1/CMP.7, paragraphs 6 and 7 of decision 1/CP.17), that may have consequences on the level of the QELRO. Taking into account the progress made in this context, Switzerland would consider a higher reduction target up to 30% by 2020 compared to 1990 levels under the condition that other developed countries commit themselves to comparable emissions reductions and that economically more advanced developing countries contribute adequately according to their responsibilities and respective capabilities.

13. With a reduction pledge higher than 20% by 2020, Switzerland would use carbon credits (CERs, ERUs) generated from the mechanisms of the Kyoto Protocol and from the new market-

based mechanism under the Convention to achieve its QELRO. The exact amount of these carbon credits is not estimated yet. In addition to the carbon credits that will be used for achieving the -20% target and in the assumed case of a starting point by QELRO 2010, carbon credits would also be used by Switzerland for maximum three fourth of the additional emission reductions beyond the -20% target by 2020 compared to 1990, as planned in the Swiss CO₂ Act for the 2013-20 period.

14. For Switzerland, under the above-mentioned assumptions, the provisional QELRO for the pledged reduction target ranging from 20% to 30% by 2020 compared to 1990 would correspond to a QELRO between 84.2% and 77.7%.

Carry-over

15. Switzerland considers that the issue of carry-over of assigned amount units has to be addressed in the context of environmental integrity. Therefore, Switzerland supports a limitation of the carry-over of assigned amount units and of its use. We are ready to discuss with other Parties the modalities and the quantitative aspects of this limitation.
