Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol
Eighth session
Doha, 26 November to 7 December 2012
Agenda item 4
Report of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol

Outcome of the work of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol

Draft decision proposed by the President

Draft decision -/CMP.8

Amendment to the Kyoto Protocol pursuant to its Article 3, paragraph 9

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling Article 3, paragraph 9, Article 20, paragraph 2, and Article 21, paragraph 7, of the Kyoto Protocol,

Recalling also decisions 1/CMP.1 and 1/CMP.7,

Recalling further decision 1/CP.17,

Emphasizing the role of the Kyoto Protocol in the mitigation efforts by Parties included in Annex I,

Welcoming the decision by a number of Parties included in Annex I to inscribe quantified emission limitation and reduction commitments for the second commitment period in the third column of Annex B,

Recognizing the urgent need for Parties to deposit their instruments of acceptance without delay in order to ensure the prompt entry into force of the amendment to the Kyoto Protocol contained in the annex to this decision,
Desiring to facilitate the broad participation of Parties included in Annex I in the second commitment period,

Recognizing also the need for continued smooth implementation of the Kyoto Protocol, including its mechanisms under Articles 6, 12 and 17, pending the entry into force of the amendment for the second commitment period,

Taking note of the declarations set out in annex II to this decision,

Taking note also of decision 1/CP.18,

Noting the importance of the work under the Ad Hoc Working Group on the Durban Platform for Enhanced Action to adopt a protocol, another legal instrument or an agreed outcome with legal force as soon as possible but no later than 2015 and to come into effect and be implemented from 2020 as well as the workplan on enhancing mitigation ambition with a view to ensuring the highest possible mitigation efforts by all Parties, pursuant to decision 1/CP.17,

I.

1. Adopts, in accordance with Articles 20 and 21 of the Kyoto Protocol, the amendment set out in annex I to this decision;

2. Requests the secretariat to communicate the adopted amendment to the Depositary for circulation to all Parties for acceptance, in accordance with Articles 20 and 21 of the Kyoto Protocol;

3. Calls on all Parties to deposit as soon as possible with the Depositary their instruments of acceptance in respect of the amendment pursuant to Article 20 of the Kyoto Protocol with a view to expedite its entry into force;

4. Reaffirms that the second commitment period will begin on 1 January 2013 and decides that it will end on 31 December 2020;

II.

5. Recognizes that Parties may provisionally apply the amendment pending its entry into force in accordance with Articles 20 and 21 of the Kyoto Protocol, and decides that Parties will provide notification of any such provisional application to the Depositary;

6. Decides also that Parties that do not provisionally apply the amendment under paragraph 5, will implement their commitments and other responsibilities in relation to the second commitment period, in a manner consistent with their national legislation or domestic processes, as of 1 January 2013 and pending the entry into force of the amendment in accordance with Articles 20 and 21 of the Kyoto Protocol;

III.

7. Decides that each Party included in Annex I will revisit its quantified emission limitation and reduction commitment for the second commitment period at the latest by 2014. In order to increase the ambition of its commitment, such Party may decrease the percentage inscribed in the third column of Annex B of its quantified emission limitation and reduction commitment, in line with an aggregate reduction of greenhouse gas emissions not controlled by the Montreal Protocol by Parties included in Annex I of at least 25 to 40 per cent below 1990 levels by 2020;
8. **Decides also** that in order to ensure that an increase in ambition referred to in Article 3, paragraphs 1 ter and 1 quarter, is effective, the Party concerned shall either adjust the calculation of its assigned amount or cancel, upon the establishment of its assigned amount, a number of assigned amount units equivalent to the decrease in its quantified emission limitation and reduction commitment inscribed in the third column in Annex B as contained in annex I to this decision through transferring these units to a cancellation account established in its national registry for this purpose, and communicating such adjustment of the calculation or transfer to the secretariat;

9. **Requests** each Party with a quantified emission limitation and reduction commitment inscribed in the third column of Annex B as contained in annex I to this decision to submit to the secretariat, by 30 April 2014, information relating to its intention to increase the ambition of its commitment, including progress made towards achieving its quantified emission limitation and reduction commitment, the most recently updated projections for greenhouse gas emissions until the end of the second commitment period, and the potential for increasing ambition;

10. **Decides further** that the information submitted by Parties included in Annex I in accordance with paragraph 9 above shall be considered by Parties at a high level ministerial round table to be held during the first sessional period in 2014, and requests the secretariat to prepare a report on the round table for consideration by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its tenth session;

11. **Takes note** of the estimated budgetary implications of the activities to be undertaken by the secretariat pursuant to the provisions contained in paragraph 10 above and requests that the actions of the secretariat called for in paragraph 10 above be undertaken subject to the availability of financial resources;

IV.

12. **Clarifies** that, for the second commitment period, starting from 1 January 2013, Parties not included in Annex I continue to be able to participate in ongoing project activities under Article 12 of the Kyoto Protocol and in any project activities to be registered after 31 December 2012 in accordance with the provisions of the annex to decision 3/CMP.1;

13. **Clarifies also** that for the purposes of the second commitment period, from 1 January 2013 onwards, a Party included in Annex I may continue to participate in ongoing project activities under Article 12 and in any project activities to be registered after 31 December 2012, but only a Party with a quantified emission limitation and reduction commitment inscribed in the third column of Annex B as contained in annex I to this decision shall be eligible to transfer and acquire certified emission reductions (CERs) in accordance with decision 3/CMP.1 and with paragraph 15 below;

14. **Decides** that a Party referred to in paragraphs 15 and 16 below shall be eligible to use CERs to contribute to compliance with part of its commitment under Article 3 of the Kyoto Protocol for the second commitment period upon the entry into force for that Party of the amendment contained in annex I to this decision and upon that Party meeting the requirements set out in paragraph 31 of the annex to decision 3/CMP.1;

15. **Decides**, with respect to joint implementation under Article 6 and emissions trading under Article 17 of the Kyoto Protocol, that:

   (a) As of 1 January 2013, only a Party with a commitment inscribed in the third column of Annex B as contained in annex I to this decision whose eligibility has been established in accordance with the provisions of paragraph 3 of the annex to decision
11/CMP.1 in the first commitment period, shall be eligible to transfer and acquire CERs and assigned amount units (AAUs), emission reduction units (ERUs) and removal units (RMUs) valid for the second commitment period under Article 17 of the Kyoto Protocol, subject to the provisions of paragraph 3(b) of the annex to decision 11/CMP.1;

(b) Paragraph 2(b) of the annex to decision 11/CMP.1 shall apply to such Party only upon calculation and recording of its assigned amount for the second commitment period;

16. Requests the Subsidiary Body for Implementation to consider modalities for expediting the continued issuance, transfer and acquisition of ERUs under Article 6 for the second commitment period with respect to Parties referred to in paragraph 15 above and modalities for expediting the establishment of eligibility of Parties referred to in paragraph 15 above whose eligibility has not been established in the first commitment period;

17. Decides that the provisions of the second sentence of paragraph 31(e) of the annex to decision 3/CMP.1, the second sentence of subparagraph 21(e) of the annex to decision 9/CMP.1 and the second sentence of paragraph 2(e) of the annex to decision 11/CMP.1 shall be extended to apply to the second commitment period;

18. Decides also with regard to paragraphs 6–10 of the annex to decision 11/CMP.1 that for the purposes of the second commitment period:

(a) They shall apply to each Party referred to in paragraphs 15 and 16 above only upon calculation and recording of its assigned amount for the second commitment period;

(b) Any references to Article 3, paragraphs 7 and 8, of the Kyoto Protocol shall be read as references to Article 3, paragraphs 7 bis, 8 and 8 bis, of the Kyoto Protocol;

(c) The reference to “five times its most recently reviewed inventory” in paragraph 6 of the annex to decision 11/CMP.1 shall be read as “eight times its most recently reviewed inventory”;

19. Decides further that paragraph 23 of the annex to decision 13/CMP.1 shall not apply for the purposes of the second commitment period;

V.

20. Decides that the share of proceeds to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation referred to in Article 12, paragraph 8, of the Kyoto Protocol and decision 17/CP.7, paragraph 15(a), shall be maintained at 2 per cent of the CERs issued for project activities;

21. Decides also that for the second commitment period, the Adaptation Fund shall be further augmented through a 2 per cent share of the proceeds levied on the first international transfers of AAUs and the issuance of ERUs for Article 6 projects immediately upon the conversion to ERUs of AAUs or RMUs previously held by Parties;

22. Reaffirms that in accordance with decision 17/CP.7, clean development mechanism project activities in least developed country Parties shall continue to be exempt from the share of proceeds to assist with the costs of adaptation;
VI.

23. **Decides** that each Party included in Annex I with a commitment inscribed in the third column of Annex B as contained in annex I to this decision shall establish a previous period surplus reserve in its national registry;

24. **Decides also** that where the emissions of a Party referred to in paragraph 23 above in a commitment period are less than its assigned amount under Article 3, the difference shall, on request of that Party, be carried over to the subsequent commitment period, as follows:

   (a) Any ERUs or CERs held in that Party’s national registry that have not been retired for that commitment period or cancelled may be carried over to the subsequent commitment period, up to a maximum for each unit type of 2.5 per cent of the assigned amount calculated pursuant to Article 3, paragraphs 7, and 8;

   (b) Any assigned amount units held in that Party’s national registry that have not been retired for that commitment period or cancelled shall be added to the assigned amount for that Party for the second commitment period. That part of a Party’s assigned amount consisting of AAUs held in that Party’s national registry that have not been retired for that commitment period or cancelled shall be transferred to its previous period surplus reserve account of the subsequent commitment period, to be established in its national registry;

25. **Decides further** that units in a Party’s previous period surplus reserve account may be used for retirement during the additional period for fulfilling commitments of the second commitment period up to the extent by which emissions during the second commitment period exceed the assigned amount for that commitment period, as defined in Article 3, paragraphs 7 bis, 8 and 8 bis, of the Kyoto Protocol;

26. **Decides** that units may be transferred and acquired between previous period surplus reserve accounts. A Party referred to in paragraph 23 above may acquire units from other Parties’ previous period surplus reserve accounts into its previous period surplus reserve account up to 2 per cent of its assigned amount for the first commitment period pursuant to Article 3, paragraph 7 and 8;

VII.

27. **Takes note** of decision -/CMP.8 on the implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 on the previous decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on methodological issues related to the Kyoto Protocol, including those relating to Articles 5, 7 and 8;\(^1\)

28. **Requests** the Subsidiary Body for Scientific and Technological Advice to take into account the provisions of this decision in its work pursuant to decision -/CMP.8;\(^2\)

29. **Requests also** the secretariat and the relevant bodies under the Kyoto Protocol to take all necessary measures to facilitate the implementation of this decision;

30. **Decides** that the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol has fulfilled the mandate set out in decision 1/CMP.1, and that its work is hereby concluded.

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\(^1\) Decision on implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 on the previous decisions on methodological issues related to the Kyoto Protocol, including those relating to Articles 5, 7 and 8 of the Kyoto Protocol (FCCC/KP/CMP/2012/L.4/Rev.1).

\(^2\) Decision on implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 on the previous decisions on methodological issues related to the Kyoto Protocol, including those relating to Articles 5, 7 and 8 of the Kyoto Protocol (FCCC/KP/CMP/2012/L.4/Rev.1).
Annex I

Article 1: Amendment

A. Annex B to the Kyoto Protocol

The following table shall replace the table in Annex B to the Protocol:

<table>
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<tr>
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<td>1990</td>
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<td>NA</td>
</tr>
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<td>Party</td>
<td>Quantified emission limitation or reduction commitment (2008–2012) (percentage of base year or period)</td>
<td>Reference year</td>
<td>Quantified emission limitation or reduction commitment (2013–2020) (percentage of base year or period)</td>
<td>Pledges for the reduction of greenhouse gas emissions by 2020 (percentage of reference year)</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------</td>
<td>----------------</td>
<td>---------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
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<td>–30%</td>
</tr>
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<td>–30%</td>
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<td>–30% to –40%</td>
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<td>1990</td>
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<td>–40%</td>
</tr>
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<td>–20%</td>
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<td>80</td>
<td>–30%</td>
</tr>
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<td>Spain</td>
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<td>NA</td>
<td>80</td>
<td>–20%</td>
</tr>
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<td>–20%</td>
</tr>
<tr>
<td>Switzerland</td>
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<td>1990</td>
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<td>United Kingdom of Great Britain and Northern Ireland</td>
<td>92</td>
<td>NA</td>
<td>80</td>
<td>–20%</td>
</tr>
</tbody>
</table>

Abbreviation: NA = not applicable.
* Countries that are undergoing the process of transition to a market economy.

All footnotes below, except for footnotes 1, 2 and 5, have been provided through communications from the respective Parties.

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

Further information on these pledges can be found in documents FCCC/SB/2011/INF.1/Rev.1 and FCCC/KP/AWG/2012/MISC.1, Add.1 and Add.2.

Australia’s QELRC under the second commitment period of the Kyoto Protocol is consistent with the achievement of Australia’s unconditional 2020 target of 5 per cent below 2000 levels. Australia retains the option later to move up within its 2020 target of 5 to 15, or 25 per cent below 2000 levels, subject to certain conditions being met. This reference retains the status of these pledges as made under the Cancun Agreements and does not amount to a new legally binding commitment under this Protocol or its associated rules and modalities.

The QELRCs 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 QELRCs are without prejudice to the subsequent notification by the European Union and its member States of an agreement to fulfil their commitments jointly in accordance with the provisions of the Kyoto Protocol.

Added to Annex B by an amendment adopted pursuant to decision 10/CMP.2. This amendment has not yet entered into force.

Croatia’s QELRC for a second commitment period under the Kyoto Protocol is based on the understanding that it will fulfil this QELRC 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 QELRC.

As part of a global and comprehensive agreement for the period beyond 2012, the European Union reiterates its conditional offer to move up to a 30 per cent 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.

The QELRC for Iceland for a second commitment period under the Kyoto Protocol is based on the understanding that it will be fulfilled jointly with the European Union and its member States, in accordance with Article 4 of the Kyoto Protocol.

The QELRC presented in column three refers to a reduction target of 20 per cent by 2020 compared to 1990 levels. Liechtenstein would consider a higher reduction target of up to 30 per cent by 2020 compared to 1990 levels under the condition that other developed countries commit themselves to comparable emission reductions and that economically more advanced developing countries contribute adequately according to their responsibilities and respective capabilities.

Norway’s QELRC of 84 is consistent with its target of 30 per cent reduction of emissions by 2020, compared to 1990. If it can contribute to a global and comprehensive agreement where major emitting Parties agree on emission reductions in line with the 2° C target, Norway will move to a level of 40 per cent reduction for 2020 based on 1990 levels. This reference retains the status of the pledge made under the Cancun Agreements and does not amount to a new legally binding commitment under this Protocol.

The QELRC presented in the third column of this table refers to a reduction target of 20 per cent by 2020 compared to 1990 levels. Switzerland would consider a higher reduction target up to 30 per cent by 2020 compared to 1990 levels subject to comparable emission reduction commitments from other developed countries and adequate contribution from developing countries according to their responsibilities and capabilities in line with the 2° C target. This reference retains the status of the pledge made under the Cancun Agreements and does not amount to a new legally binding commitment under this Protocol or its associated rules and modalities.

Should be full carry-over and there is no acceptance of any cancellation or any limitation on use of this legitimately acquired sovereign property.

On 15 December 2011, the Depositary received written notification of Canada’s withdrawal from the Kyoto Protocol. This action will become effective for Canada on 15 December 2012.

In a communication dated 10 December 2010, Japan indicated that it does not have any intention to be under obligation of the second commitment period of the Kyoto Protocol after 2012.

New Zealand remains a Party to the Kyoto Protocol. It will be taking a quantified economy-wide emission reduction target under the United Nations Framework Convention on Climate Change in the period 2013 to 2020.

In a communication dated 8 December 2010 that was received by the secretariat on 9 December 2010, the Russian Federation indicated that it does not intend to assume a quantitative emission limitation or reduction commitment for the second commitment period.
B. Annex A to the Kyoto Protocol

The following list shall replace the list under the heading “Greenhouse gases” in Annex A to the Protocol:

**Greenhouse gases**
Carbon dioxide (CO$_2$)
Methane (CH$_4$)
Nitrous oxide (N$_2$O)
Hydrofluorocarbons (HFCs)
Perfluorocarbons (PFCs)
Sulphur hexafluoride (SF$_6$)
Nitrogen trifluoride (NF$_3$)\(^1\)

C. Article 3, paragraph 1 bis

The following paragraph shall be inserted after paragraph 1 of Article 3 of the Protocol:

1 bis. Parties included in Annex I shall, individually or jointly, ensure that their aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases listed in Annex A do not exceed their assigned amounts, calculated pursuant to their quantified emission limitation and reduction commitments inscribed in the third column of the table contained in Annex B and in accordance with the provisions of this Article, with a view to reducing their overall emissions of such gases by at least 18 per cent below 1990 levels in the commitment period 2013 to 2020.

D. Article 3, paragraph 1 ter

The following paragraph shall be inserted after paragraph 1 bis of Article 3 of the Protocol:

1 ter. A Party included in Annex B may propose an adjustment to decrease the percentage inscribed in the third column of Annex B of its quantified emission limitation and reduction commitment inscribed in the third column of the table contained in Annex B. A proposal for such an adjustment shall be communicated to the Parties by the secretariat at least three months before the meeting of the Conference of the Parties serving as the meeting of the Parties to this Protocol at which it is proposed for adoption.

E. Article 3, paragraph 1 quater

The following paragraph shall be inserted after paragraph 1 ter of Article 3 of the Protocol:

1 quater. An adjustment proposed by a Party included in Annex I to increase the ambition of its quantified emission limitation and reduction commitment in accordance with Article 3, paragraph 1 ter, above shall be considered adopted by the Conference of the Parties serving as the meeting of the Parties to this Protocol unless more than three-quarters of the Parties present and voting object to its adoption. The adopted adjustment shall be communicated by the secretariat to the Depositary, who shall circulate it to all Parties, and

\(^1\) Applies only from the beginning of the second commitment period.
shall enter into force on 1 January of the year following the communication by the Depositary. Such adjustments shall be binding upon Parties.

F. **Article 3, paragraph 7 bis**

The following paragraphs shall be inserted after paragraph 7 of Article 3 of the Protocol:

7 bis. In the second quantified emission limitation and reduction commitment period, from 2013 to 2020, the assigned amount for each Party included in Annex I shall be equal to the percentage inscribed for it in the third column of the table contained in Annex B of its aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases listed in Annex A in 1990, or the base year or period determined in accordance with paragraph 5 above, multiplied by eight. Those Parties included in Annex I for whom land-use change and forestry constituted a net source of greenhouse gas emissions in 1990 shall include in their 1990 emissions base year or period the aggregate anthropogenic carbon dioxide equivalent emissions by sources minus removals by sinks in 1990 from land-use change for the purposes of calculating their assigned amount.

G. **Article 3, paragraph 7 ter**

The following paragraph shall be inserted after paragraph 7 bis of Article 3 of the Protocol:

7 ter. Any positive difference between the assigned amount of the second commitment period for a Party included in the Annex I and average annual emissions for the first three years of the preceding commitment period multiplied by eight shall be transferred to the cancellation account of that Party.

H. **Article 3, paragraph 8**

In paragraph 8 of Article 3 of the Protocol, the words:

   calculation referred to in paragraph 7 above

shall be substituted by:

   calculations referred to in paragraphs 7 and 7 bis above

I. **Article 3, paragraph 8 bis**

The following paragraph shall be inserted after paragraph 8 of Article 3 of the Protocol:

8 bis. Any Party included in Annex I may use 1995 or 2000 as its base year for nitrogen trifluoride for the purposes of the calculation referred to in paragraph 7 bis above.

J. **Article 3, paragraphs 12 bis and ter**

The following paragraphs shall be inserted after paragraph 12 of Article 3 of the Protocol:

12 bis. Any units generated from market-based mechanisms to be established under the Convention or its instruments may be used by Parties included in Annex I to assist them in achieving compliance with their quantified emission limitation and reduction commitments under Article 3. Any such units which a Party acquires from another Party to the
Convention shall be added to the assigned amount for the acquiring Party and subtracted from the quantity of units held by the transferring Party.

12 ter. The Conference of the Parties serving as the meeting of the Parties to this Protocol shall ensure that, where units from approved activities under market-based mechanisms referred to in paragraph 12 bis above are used by Parties included in Annex I to assist them in achieving compliance with their quantified emission limitation and reduction commitments under Article 3, a share of these units is used to cover administrative expenses, as well as to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation if these units are acquired under Article 17.

K. Article 4, paragraph 2

The following words shall be added to the end of the first sentence of paragraph 2 of Article 4 of the Protocol:

, or on the date of deposit of their instruments of acceptance of any amendment to Annex B pursuant to Article 3, paragraph 9

L. Article 4, paragraph 3

In paragraph 3 of Article 4 of the Protocol, the words:

, paragraph 7

shall be substituted by:

to which it relates

Article 2: Entry into force

This amendment shall enter into force in accordance with Articles 20 and 21 of the Kyoto Protocol.
Annex II

Political declarations relating to assigned amount units carried over from the first commitment period of the Kyoto Protocol

Australia
1. Australia will not purchase AAUs carried over from the first commitment period. Australia will adhere to arrangements in other countries relating to the transfer of AAUs under any arrangement that Australia may have linking our emissions trading scheme with any other scheme including the European Union emissions trading scheme. Imported AAUs will continue to be ineligible for surrender for compliance by liable entities in Australia’s emissions trading scheme.

European Union and its 27 member States
2. European Union legislation on Climate-Energy Package for the implementation of its emission reduction objectives for the period 2013-2020 does not allow the use of surplus AAUs carried over from the first commitment period to meet these objectives.

Japan
3. The Government of Japan will not purchase AAUs carried over from the first commitment period.

Liechtenstein
4. Liechtenstein will not acquire and use surplus assigned amount units carried over from the first commitment period to comply with its commitments in the second commitment period except for any units that are associated with carry over in the European Emissions Trading Scheme.

Monaco
5. Monaco will not purchase carried over AAUs from the first commitment period under the Kyoto Protocol.

Norway
6. Norway will not purchase carried over AAUs from the first commitment period under the Kyoto Protocol.

Switzerland
7. Under the Swiss domestic legislation applicable during the second commitment period, Switzerland will not use carried-over AAUs transferred from other Parties for compliance under Article 3 of the Kyoto Protocol for the second commitment period. Switzerland will adhere to arrangements in other countries relating to the transfer of AAUs under any arrangement that Switzerland may have linking our emissions trading scheme with any other scheme including the European Union emissions trading system.