

26 February 1997

ENGLISH/RUSSIAN

AD HOC GROUP ON THE BERLIN MANDATE

Sixth session

Bonn, 3-7 March 1997

IMPLEMENTATION OF THE BERLIN MANDATE

Proposals from Parties

Note by the secretariat

In addition to the proposals already received, (see FCCC/AGBM/1997/MISC.1) further proposals have been received from New Zealand, Republic of Korea, Russian Federation, Saudi Arabia and Venezuela (on behalf of the Islamic Republic of Iran, Saudi Arabia and the United Arab Emirates).

In accordance with the procedure for miscellaneous documents, these submissions are attached and are reproduced in the language in which they were received and without formal editing.

FCCC/AGBM/1997/MISC.1/Add.1

BNJ.97-70123

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PAPER NO. 1: NEW ZEALAND

**PROPOSALS IN SUPPORT OF THE DEVELOPMENT OF A PROTOCOL TO
THE FRAMEWORK CONVENTION ON CLIMATE CHANGE (FCCC)**

February 1997

INTRODUCTION

At COP2 in July 1996 New Zealand endorsed the adoption of legally binding commitments, subject to their achievement at least cost. This paper develops proposals which we consider would improve the prospects of collective action to reduce greenhouse gas emissions at least cost. It builds on our submission of 15 January 1997 relating to mechanisms for flexibility.

SUMMARY

New Zealand proposes the following for inclusion in the Protocol to the FCCC:

- i. an emissions envelope be adopted, initially for Annex I Parties, which minimises overall abatement costs through time, consistent with the long-term goal of stabilising the atmospheric concentration of greenhouse gases
- ii. that beyond the initial Berlin Mandate commitments to be taken by Annex I Parties, future commitments should be conditional upon the extent of participation in action to restrain emissions
- iii. that an individual Party's commitments could be specified as proportional shares of any emissions envelope to facilitate future adjustment
- iv. Parties be allowed to trade and bank emissions reductions (New Zealand, in association with the United States and Canada, proposed this on January 15)
- v. that anyone be permitted to trade subject to clear accountability requirements (we support Article 6(2) tabled by the United States)
- vi. fossil fuel subsidies be removed by all Parties
- vii. absolute increases or decreases in the stock of carbon in land use and forestry be offset against an individual Party's gross emissions commitments (in contrast to the existing approach which offsets changes in the rate of change of biomass relative to 1990 levels against changes in gross emissions)
- viii. the allocation of commitments for the post-2000 period be based on a five year average of base emissions

In developing its proposals New Zealand considered the following key principles:

Coverage

- to achieve the goal of stabilising atmospheric concentrations of greenhouse gases emissions restraint must ultimately apply to the bulk of emissions globally
- sources and sinks of CO₂ and other greenhouse gases should be included where practical and cost effective

Global least cost

- the specification of commitments in a manner which minimises the overall costs of achieving over time any given atmospheric greenhouse gas concentration
- a mechanism for updating the overall concentration goal and emissions envelope which balances the need for certainty against the desirability of incorporating new information
- flexibility over when and where abatement occurs to lower overall costs without compromising the commitment to the emissions envelope

The first part of the paper is structured around key elements of a global least cost approach including:

- the emissions envelope or profile of emissions reductions sought over time (initially for Annex I)
- consideration of mechanisms to achieve the progressive inclusion of all Parties (essential to achieving the long term objective of the Convention)
- elements of flexibility which could lower the costs of emissions restraint including emissions trading, and the ability to bank any over-achievement of emissions commitments for future use
- the inclusion of all sources and sinks of greenhouse gases

Subsequent sections cover issues relating to the allocation of commitments, and methodological issues including the treatment of land use and forestry changes.

AN EMISSIONS ENVELOPE - A LEAST COST WAY TO ACHIEVE THE LONG TERM GOAL

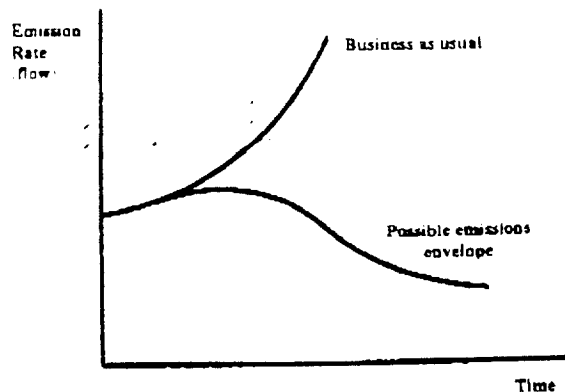
The key problem in terms of anthropogenic climate change is the atmospheric concentration of greenhouse gases. This is determined by the sum or accumulation of greenhouse gas emissions. This fact introduces scope to trade-off the timing of emissions reductions to lower the costs of achieving a given outcome - an opportunity that is not necessarily available in addressing other environmental problems. It makes sense to use this opportunity to lower overall costs. An emissions envelope is proposed which can provide flexibility, while ensuring that there is a commitment to emissions restraint.

In the short run, the capital stock and technology are relatively fixed, and emissions reductions must be achieved at relatively higher cost in terms of economic output. Over time, capital and technology can respond to a shift in relative price signals, thereby lowering the costs of achieving a given reduction in emissions. It makes good sense, therefore, to aim for increasing reductions in emissions over time relative to expected emissions growth. Setting shorter run targets that are relatively modest would also improve the prospects for acceptance of legally binding commitments by a wide group of Annex I Parties, and minimise relocation of emitting activities (which could undermine the achievement of atmospheric stabilisation of greenhouse gas concentrations).

An approach based solely around a longer term concentration target would in principle provide full flexibility over when abatement occurs (emissions entitlements equivalent to the concentration target could be issued now, with full flexibility over when they are used). However, an atmospheric concentration target could only be an "aim to" objective given that the Berlin Mandate does not propose emissions limitations for non-Annex I countries. In addition, providing full flexibility without any intermediate milestones of progress risks undermining the credibility of commitments. However, such milestones would need to be set carefully to ensure they did not unduly limit flexibility.

The proposed approach to addressing the tension between flexibility and commitment would be to have an emissions envelope which became progressively more stringent over time. The emissions envelope would provide annual markers of progress towards a cumulative emissions target. Initially the envelope concept would be applicable to Annex I, but over time the concept could be extended to any Parties accepting new commitments. Figure 1 illustrates a business as usual emissions trajectory, and a possible emissions envelope which would initially restrain and then progressively reduce emissions over time.

Figure 1: Illustrative emissions envelope relative to business as usual



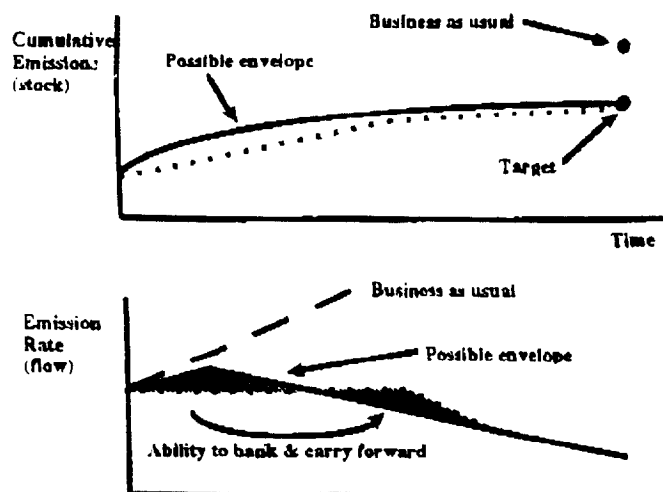
In the short run achieving sharp changes in the absolute level of emissions is not the key issue, rather it is important that emissions are restrained relative to business as usual and progressively reduced over time. Over time, the emissions trajectory can be turned around by steady 'pressure' from an increasing relative price for carbon in the case of CO₂ (analogous to turning around a supertanker).

Provided the emissions envelope is set with appropriate allowance for short run rigidities, Parties would not wish to delay action. Proposals to allow Parties to borrow against future commitments are then redundant. Any desire to borrow would necessarily imply that the overall constraint on emissions is too severe in the early years (provided the overall commitment is credible - borrowing could also reflect an expectation that future commitments would not be binding). Such concerns are best addressed, in our view, through the careful choice of the emissions envelope. The envelope would need to be supported by mechanisms which ensure that the cost of non-compliance exceeds the costs of compliance in order to be credible and durable. Domestic and international mechanisms to ensure compliance would be necessary.

In theory, any number of emissions tracks are consistent with a given cumulative emissions target. The important thing is not to over-constrain the emissions path early on. As long as the envelope does not lead to too much initial reduction then agents can choose the optimal abatement path. Therefore, for a given concentration target, the amount of early action consistent with least cost will be independent of the precise shape of the emissions envelope. The emissions envelope concept is not about delaying action, which ultimately depends on the overall emissions constraint over time. In setting the constraint, the time frame and degree of increase allowed should not preclude the attainment of a range of concentration targets. Provided banking is allowed, Parties may always bring action forward if by doing so they can lower overall abatement costs through time. It is the overall constraint that ensures early and appropriate price signals are generated to motivate change and innovation.

Figure 2 illustrates the operation of an overall cumulative emissions envelope. Consistent with the chosen cumulative target, emissions envelopes could be allocated to individual Parties. Continued emissions growth is shown in the short run, but below the expected business as usual rate, followed by a declining emissions envelope. If individual Parties, or those involved in emissions trading, considered that more substantive early action was a lower cost option, then action could be brought forward. The scope to bank and carry forward commitments is illustrated in the lower figure by the shaded areas.

Figure 2: Illustrative cumulative and emissions rate profiles showing a cumulative target, emissions envelope, and possible banking (lower figure)



It is proposed that an emissions envelope be adopted, initially for Annex I Parties, with the aim of minimising overall abatement costs through time, consistent with the long term goal of stabilising the atmospheric concentration of greenhouse gases. A simple specification of the envelope concept is proposed to facilitate negotiation. The interval over which emissions are increasing (but restrained below business as usual), and the emissions rate at the end point for which the envelope is specified are proposed as the only elements that would need to be agreed. Intermediate milestones of progress to which Parties would be committed could then be interpolated.

ACHIEVING GLOBAL COVERAGE

Action by a limited group of nations cannot achieve the ultimate objective of the Convention, which is to stabilise the atmospheric concentration of greenhouse gases. Yet current negotiations include emissions restraint commitments for a limited group of nations who alone cannot hope to stabilise atmospheric concentrations of greenhouse gases in the longer run. This fact does not remove the responsibility from Annex I Parties to agree to restrain and reduce emissions. However, it is crucial that the approach adopted is compatible with the longer term objectives of the Convention, and includes elements which provide for a transition to genuine collective action over time.

There are two key elements to achieving genuine collective action - overcoming the free rider problem within Annex I, and finding a longer term transition path to global action. The two issues are necessarily linked since, in the absence of a transition path to global action, the relocation of emitting activities will tend to offset efforts to address the underlying problem (efforts by Annex I alone to restrain emissions are also likely to be limited by the domestic acceptability of such action).

In order to move towards genuine global action, and over-come the free rider problem inherent to greenhouse gas abatement, the following three concepts are put forward for further consideration by all parties:

- i. ***Specifying individual commitments as shares of an overall emissions envelope or target level of emissions.*** This element would simplify future adjustment of the envelope. It also avoids the difficulty of trading off the time period over which flexibility is allowed in order to allow commitments to be periodically revised.
- ii. ***Flexibility over the allocated envelope for those accepting new commitments.*** Accommodating initial allocations could be provided for those accepting new commitments in recognition of their development aspirations and low per capita emissions, and as an incentive to accept commitments. However, there is necessarily a trade-off between the allocation for new Parties, Parties with existing commitments and the atmospheric concentration objective.
- iii. ***Making substantive additional action to reduce emissions conditional on wide participation.*** A limited goal in terms of greenhouse gas concentrations could be agreed by Annex I in the short term. A more ambitious goal for Annex I would be triggered once a certain share of global emissions were covered by commitments to restrain and reduce emissions. Those with initial commitments would be clearly signalling their willingness to act, and demonstrating the feasibility of elements of a least cost approach such as trading and banking, while those without commitments would face a clearer choice between action and inaction. A threshold in terms of coverage for more substantial action would also reduce concerns over the relocation of emitting activities.

ELEMENTS OF FLEXIBILITY

New Zealand, in association with the United States and Canada, tabled a simple and practical proposal which would allow Parties to trade and bank emissions reductions on 15 January 1997. These proposals would enable flexibility in meeting commitments without compromising such commitments.

Banking has been considered in the preceding section on the emissions envelope. The proposal to allow banking is consistent with the science of the issue, and can only result in additional early action relative to later action.

Benefits of trading

Trading would result in equalisation across Parties of the relative price of abatement, thereby minimising overall costs for those who participate. In addition, trading is a voluntary transaction from which all parties can benefit. For example, while trading necessarily drives up the price (and abatement costs) on the sellers side of the market, this is more than compensated by the income from selling surplus abatement.

An important implication of trading is that, by equalising marginal abatement costs (the 'price' of emitting CO₂), it allows a globally efficient outcome regardless of the initial allocation of commitments. The initial allocation does, however, have implications for national income.

Essential international building blocks for trading

The essential building block for trading is simple - credit for over-achievement of one Party's commitment need only be transferable to other Parties. While other institutional elements would be required, with careful design such elements need not be complex.

The Protocol need only agree a framework for trading which includes the key permissive building blocks. The key elements of the protocol are those that ensure accountability in terms of overall emissions, the allocation of legally-binding commitments between Parties, and recognition of any trading or transfer of such commitments.

Provided emissions reductions are verified there is no reason to restrict who can trade. Parties to the convention should be permitted to decentralise participation in trading within their national borders, for example, to domestic firms, individuals, non-government agencies etc. **New Zealand supports Article 6(2) of the draft Protocol framework tabled by the United States which would permit individual Parties to allow anyone to trade.**

Details of a trading system

Detailed elements of a trading system could be worked out subsequently by Parties who wish to trade and need not be the concern of COP or included in the Protocol to the FCCC. It is important that the decisions required at different levels are clearly delineated to clarify discussion over trading. Indeed, some aspects are purely of domestic concern. For example, whether individual Parties chose to grandparent or auction their individual allocations, and whether or not to have a domestic credit or permit based system.

The key point is that at the international level all that really matters in terms of trading is that Parties who exceed their commitments can sell their 'surplus' entitlements to other Parties. Whether or not such entitlements were initially grandparented or auctioned, or defined domestically as credits or permits, they are identical entitlements when traded internationally (with permits, emission reductions generate surplus permits which are identical in every respect to reduction credits).

Policies and measures

The key commitment is to limit emissions - individual Parties can then meet their commitments how they wish. Harmonised policies are unlikely to prove cost effective for all given differences in national circumstances. However, **New Zealand supports the removal of subsidies for the production and consumption of fossil fuels by all parties.** This would provide environmental and economic gains. Agreement to phase-out subsidies should be included in the Protocol.

Carbon sinks and other greenhouse gases

Carbon dioxide emissions are the predominant source of changes to the atmospheric concentration of greenhouse gases. However, it makes good sense to take action in relation to sinks and reservoirs of CO₂ and other greenhouse gases where this is practical and cost effective. Other greenhouse gases can be included on a global warming potential equivalent basis. The focus should be in areas where anthropogenic changes can readily influence emissions and where it is possible to adequately verify that reductions have occurred. The treatment of the different levels of uncertainty for different sources, sinks and greenhouse gases should be considered further and a mechanism established to agree on the approach to be adopted. One approach would be to estimate the statistical confidence of any measurement, and only accept changes up to some confidence level. Methodological issues regarding the treatment of sinks of CO₂ are considered in a later section.

ALLOCATION OF ENTITLEMENTS

With emissions trading, the overall global supply and demand for emissions reductions will determine the increase in the relative price of carbon for parties who trade. In turn, this relative price increase will provide the incentive for reductions in emissions in individual sectors and regions. Alternative allocations of commitments between Parties therefore impact on national wealth, but not directly on factors such as the terms of trade, or sectoral adjustments. Differentiation, with trading, is an allocation question.

New Zealand has previously stated that the complexity of differentiated commitments, and the fact that they necessarily involve relative winners and losers, makes movement on this front difficult. However, some Parties are concerned that the choice of 1990 as a base year for the allocation of commitments could have widely differing impacts on national wealth (since relative emissions growth for individual Parties has diverged significantly since 1990 for reasons that in general have little to do with greenhouse gas stabilisation *per se*).

The following points are put forward in considering any alternative allocation to a 1990 emissions base:

- any alternative approach should be simple

- reducing the disparity in allocation between Parties is desirable and would contribute to Parties agreeing to legally binding commitments (the more recent the base, the smaller such disparities will be)
 - basing allocations on historical emissions avoids providing an incentive to increase emissions to achieve a higher proportion of the total emissions allocated.
- It is important to note that, of itself, the base for initial allocation says nothing about the overall reduction in emissions sought. The two questions, burden sharing and overall burden, can be addressed independently.

METHODOLOGICAL ISSUES

Base year variations in emissions

Any single base year for future allocations of emissions entitlements will be perceived as unfair by those whose emissions were atypically low due to factors such as economic fluctuations and/or annual variations in weather. An alternative, which could avoid the consideration of complex individual circumstances and any adjustments to base inventories for individual Parties, would be to use average emissions over a number of years to allocate commitments.

New Zealand proposes that the allocation of commitments for the post-2000 period be based on a 5 year average of each Party's base emissions.

Measuring the contribution of carbon sinks and reservoirs

New Zealand considers that the current approach to changes in land use and forestry creates an anomalous situation that can reward deforestation and penalise afforestation, while not recognising the underlying contribution of reservoirs to removing CO₂ from the atmosphere. An alternative is proposed whereby any changes in land use and forestry are effectively zero based ie absolute changes for land use and forestry, rather than changes relative to 1990, would be offset against gross emissions growth.

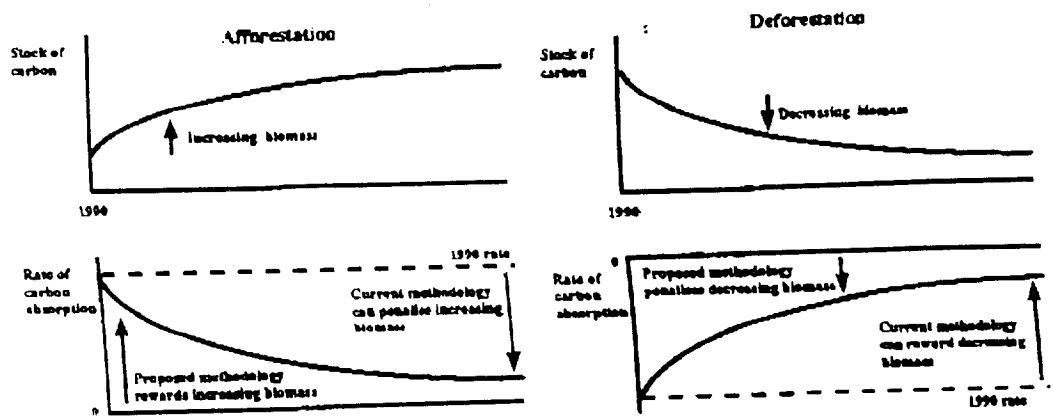
Under the current approach for counting changes in land use and forestry, the rate of change or flow of carbon is measured relative to the rate of change that was occurring in 1990. Such an approach is not, in our view, consistent with the intent of the Convention to 'protect and enhance sinks and reservoirs'. For example, a Party who was deforesting in 1990 is effectively entitled to continue to do so under the existing approach (since emissions from deforestation are 'grandparented' into their base emissions). Conversely, any afforestation in 1990 ultimately makes it more difficult for a Party to meet their commitments since the rate of afforestation must eventually decline due to land constraints.

Policy 'action' to reduce fossil fuel and industrial emissions are naturally referenced to some historical baseline. However, for land use and forestry changes, a more natural and intuitive baseline is the existing level of biomass - 'action', in terms of afforestation or

deforestation, is then captured by absolute changes to the reservoir of carbon stored in biomass and the corresponding flux of carbon.

Figure 3 illustrates the existing and proposed approaches for both afforestation and deforestation. The upper figures show changes in the stock of biomass, while the lower figures illustrate the rate of change in the stock relative to a 1990 baseline (the existing approach).

Figure 3: Illustration of alternative approaches for measuring carbon sequestration with afforestation (left) and deforestation (right)



New Zealand proposes that absolute increases or decreases in the stock of carbon in land use and forestry be offset against individual Parties' gross emissions commitments (in contrast to the existing approach which offsets changes in the rate of change of biomass relative to 1990 levels against changes in gross emissions).

PAPER NO. 2: REPUBLIC OF KOREA**A Proposal on the Elements in a Draft Protocol or
Amendment of the UNFCCC by the Government of the
Republic of Korea****General Comment**

1. The current level of greenhouse gases (GHGs) concentration in the atmosphere was mainly caused by two century-long human activities since the Industrial Revolution. Achieving the sound stabilization of GHGs concentration in the atmosphere necessitates a long-term adjustment process, in view of the magnitude of the task itself and the embedded equity problem among countries.
2. The main thrust of Berlin Mandate process is to provide a framework for long-term cooperative activities among the Annex I parties to address the issue of quantified emission limitation and reduction objectives for stabilizing the concentration of greenhouse gases in the atmosphere after the year 2000.
3. Among a number of ideas and approaches regarding the structure of the reduction target, the flat-rate reduction target approach inevitably entails equity problems. We believe that a much broader range of approach be encouraged at this stage.
4. Furthermore, to those countries whose economies are still in the take-off stage with high economic growth rates, it would be simply impossible to accept a reduction target based upon a quantified emission reduction schedule. Accepting such a target has been perceived by those economies as setting up additionally huge and unbearable obstacle on their way to sustained economic development.
5. Insofar as climate change is a global problem, it is important to secure participation of as many parties as possible on the basis of differentiated responsibility. In this context, Korea presents the following proposal which is designed to enhance participation from all the concerned parties, and to achieve equitable burden sharing in accordance with their economic circumstances.

Main Principles and Possible formats for QELROs
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1. Principles

- The basic principles of UNFCCC should be respected in the AGBM process. In particular, the following three principles set forth in the Convention should be reflected in setting QELROs in a balanced way.

- Burden sharing based on equity and common but differentiated responsibilities and respective capabilities (Article 3.1 and 3.2)
- Cost effectiveness (Article 3.3)
- Harmony with economic development and an open international economic system (Article 3.4 and 3.5)

2. Possible formats of QELROs

- For the embodiment of the principle of equity and common but differentiated responsibilities, we propose the concept of equal right solution.

- Each individual person has an equal right to the emission of GHGs. Consequently, this would lead to the fair distribution of rights amongst all the Annex I parties in terms of the cumulative emissions of GHGs since the industrial revolution to a certain target year. This notion could be further elaborated and applied in obtaining equity in burden sharing in the future.

- For the embodiment of the principle of respective capabilities, we propose the concept of equal capability solution.

- Each party in Annex I shares the burden for emission reduction according to their capability. The parties with the same capability share the equal burden of emission reduction. An indicator of capability, we can use, inter alia, the per capita GDP.

- For the embodiment of the principle of harmony with economic development, we propose the differentiation of QELROs based on the elasticity of emissions of GHGs in terms of GDP.

- Each Annex I party shares the burden according to the inverse elasticity of GHGs emissions. The country with higher elasticity of GHGs emission shares lower burden in limiting emission of GHGs.
- We suggest that the above three considerations be taken into account in the formulation of QELROs.

Necessity of Qualitative Approach
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6. The aforementioned approaches would allow us the more flexible differentiation in burden sharing. However, it may not provide the parties with incentives to make an effort to improve the elasticity of GHGs in terms of GDP. Therefore, in addition to the above approaches for QELROs, we must find a set of qualitative QELROs (Q-QELROs) to enhance the sustainability of economic growth in terms of the emission of GHGs.

7. Each Annex I party may set a target to improve the elasticity of emissions of GHGs in terms of GDP and implement a variety of policies and measures including the improvement of energy use efficiency, etc.

PAPER NO. 3: RUSSIAN FEDERATION

Рамочная Конвенция ООН об изменении климата

**Специальная группа по Берлинскому Мандату (СГБМ)
Шестая сессия СГБМ (Бонн, 3-7 марта 1997 г.)**

**Возможные элементы протокола
(предложения Российской Федерации)**

Прембула

Настоящий протокол регулирует дальнейшие действия и выполнение обязательств Сторон рамочной Конвенции ООН об изменении климата (далее - Конвенции), содействуя достижению ее конечной цели, закрепленной в Статье 2.

Настоящий протокол содержит реально достижимые его Сторонами показатели по ограничению и сокращению эмиссий парниковых газов, основывающиеся на принципах общей, но дифференцированной ответственности государств и экологически обоснованного устойчивого развития.

Настоящий протокол, не заменяя и не изменяя положений и принципов Конвенции, включает в сферу своего регулирования конвенционные механизмы, а в случае необходимости - дополнительные собственные механизмы, использование которых не противоречит Конвенции и содействует реализации задач протокола.

Настоящий протокол в максимальной степени учитывает реальный вклад каждой из Сторон в выполнение обязательств по Конвенции по ограничению и снижению эмиссий парниковых газов в атмосферу и увеличению их поглощения.

Статья 1

Определения

Для целей настоящего протокола:

- "Конвенция" означает рамочную Конвенцию ООН об изменении климата.
- "Сторона" означает Сторону протокола.
- "Парниковый газ" означает любой газ с парниковым эффектом, не регулируемый Монреальским протоколом, который включен в Приложение С к настоящему протоколу и для которого определен потенциал глобального потепления.
- "Антропогенная эмиссия" означает суммарную эмиссию парниковых газов в атмосферу на территории Стороны протокола за конкретный период времени, обусловленную человеческой деятельностью.
- "Антропогенный сток" означает суммарное поглощение парниковых газов из атмосферы на территории Стороны протокола за конкретный период времени, обусловленное человеческой деятельностью.

- “Потенциал глобального потепления” означает численный параметр, используемый для пересчета эмиссии (или стока) одной тонны того или иного парникового газа в эмиссию (или сток) двуокиси углерода, вызывающий такой же парниковый эффект, как одна тонна данного газа.
- “Антропогенные нетто-эмиссии парниковых газов” означают разность между антропогенной эмиссией и антропогенным стоком парниковых газов за конкретный период времени.
- “Тонна углеродного эквивалента” означает количество двуокиси углерода (или иного парникового газа, пересчитанного через потенциал глобального потепления), выраженное в тоннах углерода ($44/12$ тонны двуокиси углерода = 1 тонне углерода).
- “Квота на антропогенные нетто-эмиссии парниковых газов” означает допускаемую настоящим протоколом для данной Стороны суммарную величину ежегодных антропогенных нетто-эмиссий парниковых газов, приведенных к единицам углеродного эквивалента, за данный период обязательств.

Статья 2

Цель протокола

Целью настоящего протокола является осуществление в период после 2000 года в соответствии с положениями Конвенции и самого протокола дальнейших шагов по достижению конечной цели Конвенции, закрепленной в Статье 2.

Статья 3

Принципы

Стороны протокола в своей деятельности руководствуются принципами, закрепленными в Статье 3 Конвенции.

Статья 4

Обязательства

4.1. Обязательства Сторон Приложения А и Приложения В

4.1.1. Целевые показатели по ограничению и сокращению антропогенных нетто-эмиссий парниковых газов

Стороны, являющиеся развитыми странами и другие Стороны, включенные в Приложение А к протоколу, берут на себя обязательство индивидуально или совместно сохранить на период с 2000 по 2010 годы свои средние за этот период ежегодные уровни антропогенных нетто-эмиссий парниковых газов на уровне базового 1990 или иного года, принятого этими Сторонами в качестве точки отсчета.

Целевые показатели по ограничению и сокращению антропогенных нетто-эмиссий парниковых газов для Сторон Приложения А на период после 2010 года регулируются дополнительно. Целевые показатели на

первый период, следующий за периодом с 2000 по 2010 годы, принимаются не позднее 2007 года.

Стороны, являющиеся развитыми странами, и другие стороны, относящиеся к числу развитых, включенные в Приложение В, в целях укрепления своих обязательств и с учетом своих реальных возможностей, принимают также следующие дифференцированные дополнительные обязательства по снижению своих антропогенных нетто-эмиссий парниковых газов ниже уровня 1990 года.

.....

[разрабатываются на основе предложений Сторон Приложения II в процентах от уровня антропогенных нетто-эмиссий парниковых газов 1990 или иного года, выбранного в качестве точки отсчета].

4.1.2. Гибкость

С целью предоставления каждой из Сторон Приложений А и В необходимой гибкости при выполнении своих обязательств, закрепленных в статье 4.1.1 настоящего протокола, любая Сторона Приложений А и В имеет право, в пределах конкретного периода, на который установлены и действуют целевые показатели, использовать квоты на свои антропогенные нетто-эмиссии парниковых газов. В случае, если конкретная Сторона Приложения А или Приложения В обеспечивает реальное сокращение своих антропогенных нетто-эмиссий парниковых газов ниже принятого в соответствии с ее обязательствами уровня, это сокращение (сумма ежегодных сокращений в тоннах углеродного эквивалента) засчитывается этой Стороне в последующем периоде.

С целью предоставления необходимой гибкости каждой из Сторон Приложений А и В, любой из этих Сторон, которая в предшествующие годы достигла реального сокращения антропогенных нетто-эмиссий парниковых газов ниже принятого в соответствии с ее обязательствами уровня, это сокращение, определяемое как сумма ежегодных сокращений в тоннах углеродного эквивалента, засчитывается конкретной Стороне в последующие годы в ее квотах на антропогенные нетто-эмиссии парниковых газов.

В соответствии с принципом предоставления определенной гибкости при выполнении конвенционных обязательств Сторонам Приложения I к Конвенции, которые осуществляют процесс перехода к рыночной экономике, с учетом реального сокращения ими в 1990-2000 годах антропогенных эмиссий парниковых газов и необходимости укрепления способности этих Сторон заниматься проблемами, связанными с

изменением климата, этим Сторонам предоставляется право сохранить на период после 2010 года свои средние ежегодные уровни антропогенных нетто-эмиссий парниковых газов на уровне базового 1990 или иного года, принятого этими Сторонами в качестве точки отсчета, до того срока, когда эти Стороны достигнут средних показателей для Сторон Приложения В по валовому внутреннему продукту на душу населения.

4.1.3. Политика и меры

Подробный перечень возможных направлений политики и мер, осуществляемых Сторонами Приложений А и В, содержится в Приложении D к протоколу.

Из этого перечня каждая Сторона Приложений А и В протокола, в соответствии с перечнем Приложения С, определяет для себя направления политики и мер, которые объявляются в ее национальных сообщениях. По выполнении указанной процедуры такие политика и меры приобретают для Сторон обязательную силу.

На основании определенных Сторонами Приложений А и В в национальных сообщениях политики и мер, любая группа Сторон протокола может также выразить согласие на общие для данной группы Сторон направления политики и меры, которые, таким образом, приобретают для данной группы Сторон обязательную силу.

4.2. Обязательства всех Сторон

Подлежат дальнейшей разработке в части продолжения и расширения действий, осуществляемых всеми Сторонами в направлении продвижения к достижению конечной цели Конвенции, а также в части обеспечения устойчивого прогресса по Статье 4.1 Конвенции.

Статья 5

Предоставление информации, касающейся осуществления протокола, и ее обзор

Каждая Сторона, включенная в Приложение А, представляет свое первоначальное сообщение по протоколу в течение одного года с момента его вступления в силу для данной Стороны. Периодичность представлений последующих сообщений должна быть определена на более позднем этапе.

Руководящие документы по предоставлению информации, касающейся осуществления протокола, и ее обзору должны быть разработаны.

Статья 6

Механизмы совместного осуществления обязательств Сторонами протокола

Любые две или группа Сторон Протокола в целях выполнения своих обязательств по протоколу могут совместно, на территории одной или нескольких Сторон осуществить конкретные проекты, направленные на ограничение антропогенных нетто-эмиссий парниковых газов в любых экономических секторах (проекты совместного осуществления).

Участвующие в проектах совместного осуществления Стороны имеют право по взаимному согласованию и на основе своих вкладов в проекты распределить между ними результаты сокращения эмиссий и/или увеличения стока парниковых газов (в тоннах углеродного эквивалента), которые были достигнуты в результате осуществления проектов и которые учитываются в выполнении этими Сторонами обязательств по протоколу.

Проекты совместного осуществления могут выполняться как Сторонами Приложений А и В, так и Сторонами Приложения А или Приложения В и другими Сторонами протокола.

Руководящие документы по вопросам совместного осуществления и критерии совместного осуществления принимаются на третьей сессии Конференции Сторон Конвенции (Киото, декабрь 1997 года).

Статья 7

Просвещение, подготовка кадров и информирование общественности

Используются положения Статьи 6 Конвенции.

Статья 8

Органы протокола

Подлежит разработке с учетом того, что протокол должен в максимальной степени использовать и базироваться на существующих органах Конвенции.

Статья 9

Финансовый механизм

Используются положения Статьи 11 Конвенции.

Статья 10

Урегулирование споров

Используются положения Статьи 14 Конвенции.

Статья 11

Поправки

Используются положения Статьи 15 Конвенции.

Статья 12

Право голоса

Используются положения Статьи 18 Конвенции.

Статья 13

Депозитарий

Используются положения Статьи 19 Конвенции.

Статья 14

Подписание

Разрабатывается для целей протокола.

Статья 15

Ратификация, принятие, одобрение или присоединение

Используются положения Статьи 22 Конвенции.

Статья 16

Вступление в силу

Используются положения Статьи 23 Конвенции.

Статья 17

Оговорки

Используются положения Статьи 24 Конвенции.

Статья 18

Выход

Используются положения Статьи 25 Конвенции.

Статья 19

Аутентичные тексты

Используются положения Статьи 26 Конвенции.

Inofficial translation

United Nations Framework Convention on Climate Change**Ad Hoc Group on Berlin Mandate (AGBM)
Sixth AGBM session (Bonn, 3-7 March, 1997)****POSSIBLE ELEMENTS OF PROTOCOL
(Proposals of the Russian Federation)****Preamble**

This protocol regulates future actions and implementation of the commitments of the Parties to the UN Framework Convention on Climate Change (hereafter - Convention) facilitating achievement of its ultimate objective determined in Article 2.

This protocol contents really feasible for the Parties indicators on limiting and reducing of greenhouse gas emissions, developed on the principles of common but differentiated responsibility of the States and ecologically validated sustainable development.

This protocol involves mechanisms provided by the Convention without any change or replacement of the statements and principles of the Convention. In necessary cases the protocol permits also use of its additional mechanisms, which do not contradict to the Convention and facilitate implementation of the objectives of the protocol.

This protocol in a maximum degree takes into account real contribution of each Party in implementation of the commitments under the Convention on limiting and reducing greenhouse gas emissions to the atmosphere and enhance their removals.

Article 1**Definitions**

For the purposes of this protocol the following definitions are used, which are additional to definitions of Article 1 of the Convention.

- "The Convention" means the United Nations Framework Convention on Climate Change
- "Party" means Party to this Protocol
- "Greenhouse gas" means any gas with greenhouse effect not controlled by the Montreal Protocol for which a global warming potential is set forth in Annex C of this Protocol

- "Anthropogenic emission" means total emission of greenhouse gases into the atmosphere on the territory of a Party in during concrete period, caused by human activity
- "Anthropogenic sink" means total remove of greenhouse gases from the atmosphere on the territory of a Party in during concrete period, caused by human activity
- "Global warming potential" means numerical parameter used for recalculation of emission (sink) of one metric tonne of one or more other greenhouse gas in such amount of carbon dioxide emission (sink), which causes the same greenhouse effect as one metric tonne of this gas
- "Anthropogenic net emission of greenhouse gas" means difference between anthropogenic emission and anthropogenic sink in during concrete period
- "Tonne of carbon equivalent" means amount of carbon dioxide (or other greenhouse gas recalculated by global warming potential) in term of tonne of carbon (44/12 of one tonne of carbon dioxide is equal to one tonne of carbon)
- "Quota of anthropogenic net emission of greenhouse gases" means total sum of annual anthropogenic net emissions of greenhouse gases (recalculated in term of carbon equivalent), permitted by this Protocol for a Party for this period of commitments.

Article 2

Objective of the Protocol

Objective of this Protocol is, in accordance with statements of the Convention and this Protocol, to undertake in the period after 2000 future steps to achieve the ultimate objective of the Convention fixed in its Article 2.

Article 3

Principles

The Parties to the Protocol in their activities are guided by principles of Article 3 of the Convention.

Article 4

Commitments

4.1 Commitments of Annex A and Annex B Parties

4.1.1 Quantitative Objectives to Control and Reduce Greenhouse Gas Anthropogenic Net Emission

The developed country Parties and other Parties included in Annex A of the Protocol commit themselves to conserve, particularly or jointly, their average annual levels of greenhouse gas anthropogenic net emission in the

period from 2000 to 2010 on the level of 1990 or on the level of any other year taken by these Party as a base year.

Quantitative objectives to limiting and reducing of greenhouse gas anthropogenic net emission for Annex A Parties of the Protocol for the periods after 2010 are regulated additionally. Quantitative objectives for the first period followed 2000-2010 should be adopted no later than in 2007.

The developed country Parties and other developed Parties included in Annex B of the Protocol, aimed to enhance their commitments and accounting their real possibilities, adopt also the following additional differentiated obligations to reduce their anthropogenic net emissions of greenhouse gases below the level of 1990:

.....

[to be developed on the basis of proposals of Annex II Parties in term of per cent of greenhouse gas anthropogenic net emission level of 1990 or other year taken as a benchmark]

4.1.2 Flexibility

With a purpose to provide each Annex A and B Party with necessary flexibility in implementation of their commitments fixed in Article 4.1.1 of this Protocol, each Annex A and B Party has rights to use quotas of its anthropogenic net greenhouse gas emission in the frame of concrete period, for which quantitative objectives are determined and valid. If concrete Party of Annex A or Annex B provides real reducing of its anthropogenic greenhouse gas net emission which is more than what determined by its commitments, this difference (in term of sum of annual reduce of tonnes of carbon equivalent) is registered as contribution of a Party for the next period.

With a purpose to provide each Annex A and B Party with necessary flexibility, if real reducing of anthropogenic greenhouse gas net emission achieved by any such Party in previous years was more than appropriate level of commitments, this difference (determined in term of sum of annual reduce of tonnes of carbon equivalent) is accounted for this Party for the next period in its quota of anthropogenic greenhouse gas net emission.

In accordance with the principle of a certain degree of flexibility of conventional commitments for the Parties included in Annex I of the Convention undergoing the process of transition to a market economy, taking into account their real reduce of anthropogenic greenhouse gas net emission in 1990-2000 and necessity to enforce ability of these Parties to

solve climate change problems: such Party has right to keep after 2010 its average annual levels of anthropogenic greenhouse gas net emission on the level of 1990 (or on the level other year taken by such Party as a benchmark), until this Party achieves average values of Gross Domestic Product per capita for Annex B Parties.

4.1.3 Policies and Measures

Detailed list of possible policies and measures implemented by Annex A and B Parties contains in Annex D of the Protocol.

Each Annex A and B Party determines its policy directions and measures from this list, in accordance with list of Annex C, which are declared in its national communications. Under this procedure such policy and measures become mandatory for the Parties.

On the basis of policies and measures determined by Annex A and B Parties in the national communications, any group of the Parties to the Protocol can express their agree to common for this group of the Parties directions of policies and measures which in this way become obligatory to this group of the Parties.

4.2 Commitments of All Parties

Commitments of all Parties are subject of future development related to continuation and extension of activity implemented by all Parties in promotion to achieve ultimate objective of the Convention relevant to provision of sustainable progress under Article 4.1 of the Convention.

Article 5

Communication of Information on Implementation of the Protocol and Its Review

Each Annex A Party shall submit first communication related to the Protocol in one year after its entry into force for this Party. Time frames of the next communications should be determined later.

Guidance documents for communication of information related to the Protocol and its review should be developed.

Article 6

Mechanisms of Joint Implementation of Commitments by Parties to the Protocol

With a purpose to fulfil their commitments under the Protocol, any two or group of the Parties to the Protocol can jointly, on the territory of one or several Parties, undertake concrete projects aimed at limiting of anthropogenic greenhouse gas net emission in any sectors of economy (joint implementation projects).

The Parties participated in joint implementation projects, on the basis of joint agreement and in accordance with their contributions in the projects, have the right to share among them results of greenhouse gas emission reduction or/and sink enhance (in term of tonne of carbon equivalent) achieved by projects, which are taken into account in implementation of their commitments under the Protocol.

Joint implementation projects can be implemented by the Parties of Annex A and ~~B~~, as well as by the Parties of Annex A or Annex B and other Parties to the Protocol.

Guidance documents related to joint implementation and criteria of joint implementation are adopted on the Third Conference of the Parties to the Convention (Kyoto, December, 1997).

Article 7

Education, Training and Public Awareness

Statements of Article 6 of the Convention are used.

Article 8

Bodies of the Protocol

To be developed taking into account necessity to use and base in a maximum degree on the existing Bodies of the Convention.

Article 9

Financial Mechanism

Statements of Article 11 of the Convention are used.

Article 10

Settlement of Disputes

Statements of Article 14 of the Convention are used.

Article 11

Amendments

Statements of Article 15 of the Convention are used.

Article 12

Right to Vote

Statements of Article 18 of the Convention are used.

Article 13

Depositary

Statements of Article 19 of the Convention are used.

Article 14

Signature

To be developed for purposes of the Protocol.

Article 15

Ratification, Acceptance, Approval or Accession

Statements of Article 22 of the Convention are used.

Article 16

Entry into Force

Statements of Article 23 of the Convention are used.

Article 17

Reservations

Statements of Article 24 of the Convention are used.

Article 18

Withdrawal

Statements of Article 25 of the Convention are used.

Article 19

Authentic Texts

Statements of Article 26 of the Convention are used.

PAPER NO. 4: KINGDOM OF SAUDI ARABIA

PROPOSAL FOR INCLUSION IN PREAMBLE

1. Reaffirming the need for a comprehensive approach in addressing Climate Change, to include all relevant greenhouse gases (GHGs) in all economic sectors (supply and demand) by sources and removals by sinks, mitigation as well as adaptation to Climate Change.
2. Acknowledging the great potential in reducing emissions of policies intended to remove subsidies, tax incentives and other market imperfections from GHGs emitting sectors in Annex I country parties, and therefore highest priority should be given to those in implementing their commitments.

**PROPOSAL FOR INCLUSION OF AN ARTICLE UNDER
ARTICLES ON POLICIES AND MEASURES**

ARTICLE

1. Each Annex I party should give the first priority to policies and measures intended to eliminate subsidies, tax incentives, and other market imperfections exist in greenhouse gas emitting sectors.
2. Annex I country parties should maintain balance between those policies and measures intended to reduce domestic production and those intended to reduce the consumption of products of greenhouse gas emitting sectors.
3. New GHG taxes can not be introduced by Annex I country parties until they restructure their existing tax system to truly reflect the relative contribution of greenhouse gases of each unit of emitting in all economic sectors.

PAPER NO. 5: VENEZUELA

(ON BEHALF OF IRAN, SAUDI ARABIA AND THE UNITED ARAB EMIRATES)

MAIN ELEMENTS FOR INCLUSION IN A PROTOCOL
OR ANOTHER LEGAL INSTRUMENTS

Proposal for inclusion in Preamble:

- Noting that the largest share of historical and current global emissions of GHGs has originated in developed countries, and the per capital emissions in developing countries are still relatively low and that the share of global emissions originated in developing countries will grow to meet their social and development needs.
 - Recognizing the special difficulties of those countries, especially developing countries, whose economies are particularly dependent on fossil fuel production, use and exportation, as a consequence of action taken on limiting GHG emissions.
 - Affirming that response to climate change should be coordinated with social and economic development in an integrated manner with a view to avoiding adverse impacts on the latter, taking into full account the legitimate economic growth and the eradication of poverty.
 - Recognizing that all countries, especially developing countries need access to resources required to achieve sustainable social and economic development and that, in order for developing countries to progress towards that goal, their energy consumption will need to grow taking into account the possibilities for achieving greater energy efficiency and for controlling GHG emissions in general, including through the application of new technologies on terms which make such an application economically and socially beneficial.
- Reaffirming the need for a comprehensive approach in addressing climate change, to include all relevant greenhouse gases (GHGs) in all economic sectors by sources and removals by sinks, mitigation as well as adaptation to climate change.
- Acknowledging the potential contribution of elimination of subsidies and other economic incentives, including tax incentives to reduction of GHGs emissions in Annex I countries.

Proposal for Inclusion in Article on Definitions

[Note: The following proposal assumes adoption of a protocol. If the Conference of the Parties adopts a legal instrument other than a protocol, the provisions of the proposal may have to be modified.]

Article 1
Definitions

For the purpose of this Protocol:

1. "Convention" means the United Nations Framework Convention on Climate Change, adopted at New York on 9 May 1992.
2. "Protocol" means this [insert full name of Protocol].
3. "Parties" means those States or regional economic integration organizations (as defined in Article 1, Paragraph 6 of the Convention) as to which this Protocol has entered into force in accordance with its terms.
4. "Parties to the Convention" means those States or regional economic integration organizations (as defined in Article 1, Paragraph 6 of the Convention) as to which the Convention has entered into force in accordance with its terms, whether or not they are Parties to this Protocol.
5. "Conference of the Parties" means the Conference of the Parties to the Convention established by Article 7 of the Convention.
6. "Annex I Parties" means parties included in Annex I [insert identification of the Annexes listing developed country parties making commitments for quantified emissions limitations and reduction objectives and policies and measures].
7. **"Annex III Parties" means developing country parties whose economies are highly dependent on exploitation, production, processing and exportation of fossil fuels.**
8. **Compensation Mechanism means the mechanism which shall establish by this protocol to compensate social and economic losses arising from implementation of the present instrument sustained by Annex-3 parties.**
9. "Secretariat" means the permanent secretariat designated by the Conference of the Parties in accordance with Article 8, Paragraph 3 of the Convention.
10. "Depositary" means the Depositary designated in Article 19 of the Convention.

Article 2: objective

The objective of this protocol and any related legal instruments is the same as the Article 2 of the Convention and paragraph 2 of the Berlin Mandate.

Article 3: Principles

- The developed country parties should take the lead in combatting climate change and the adverse effects thereof.
- The specific needs and special circumstances of developing country parties, especially those that are particularly vulnerable to the adverse effects of climate change and of those parties, that would have to bear a disproportionate or abnormal burden under the protocol should be given full consideration.
- The parties should cooperate to promote a supportive and open international economic system that would lead to sustainable economic growth and development in all parties, particularly developing country parties, thus enabling them to better address the problems of climate change. Measures taken to combat climate change including unilateral ones should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade.
- Nothing in this instrument shall be interpreted in any manner that would prejudice the obligations and commitments of Annex-1 parties under the convention.
- In the implementation of the commitments in this instrument, the parties shall give full consideration to what actions are necessary under the instrument including actions related to funding, insurance and the transfer of technology, to meet the specific needs and concerns of developing country parties arising from the adverse effects of climate change and/or the impacts of the implementation of response measures, especially on: a) small island countries b) countries with low -lying coastal areas c) countries with arid and semi arid areas, forested areas and areas liable to forest decay d) countries with areas prone to natural disasters e) countries with areas liable to drought and decertification f) countries with areas of high urban atmospheric pollution g) countries with areas with fragile ecosystem, including mountainous ecosystems h) countries whose economies are highly dependent on income generated from the production, processing and export, of oil and i) land locked and transit countries.
- The parties shall take into consideration in the implementation of the commitments of the instrument, the situation of parties particularly developing country parties, with economies

that are vulnerable to the adverse effects of the implementation of measures to respond to climate change. This applies notably to parties with economies that are highly dependent on the production, processing and export of oil for which such parties have serious difficulties in switching to alternatives.

- Nothing in this instrument shall be interpreted as introducing any new commitment for non Annex-1 parties of the Convention.

Article 4: Scope of the Instrument

The instrument shall cover equally all GHGs, their emissions by sources and removals by sinks and all relevant sectors.

Article 5: Policies and Measures

Policies and measures to address climate change under this instrument shall not be harmful to development of the developing country parties, particularly oil exporting developing countries. To this effect, restructuring of current taxes on fossil fuels in Annex I countries are necessary.

A certain balance shall be maintained between policies and measures aimed at reducing emissions of GHGs emitting sectors and those aimed at reducing consumption of their products. Introduction of new or increase in oil tax shall be ruled out. Instead, energy prices will be allowed to reach its reasonable market level.

Commitments shall be fulfilled individually and not through coordinated actions, including joint implementation and trade in emission permits. Equally, policies and measures shall also include enhancement of sinks through reforestation, combatting desertification and establishing regulations for sustainable forest use.

Each Annex I Party shall give the first priority to policies and measures eliminating subsidies, tax incentives, as well as other market imperfections in greenhouse gas emitting sectors.

In implementation of these commitments, the principle of common but differentiated responsibility shall be fully observed. The criteria for differentiation could be as follows: economic growth (GDP), historical share, dependency on incomes from fossil fuels, access to sources of renewable energy, defence industry, population growth, special circumstances and share in international trade.

Transfer of material, equipment and technology for renewable sources of energy including solar, nuclear and biomass to developing countries, on concessional and preferential terms, shall be ensured. In this context, developed countries parties shall remove all restrictions on such transfers.

Article 6:

Proposal for Inclusion of an Article Following
the Article or Articles containing Commitments for
Quantified Emissions Limitation and Reduction Objectives

Article 7

Socio-Economic Injuries Sustained by Developing Countries

1. Any developing country Party to the Convention shall have a claim against all Annex I Parties, jointly and severally, for loss of income from export of fossil fuels, fossil fuel products, raw materials other than fossil fuels, or finished or semi-finished goods in any given year after adoption of this Protocol by the inclusion in this Protocol of commitments by any or all of such Annex Parties for quantified emissions limitation and reduction objectives or for policies and measures, or performance or attempted performance by any or all of such Annex - Parties or any such commitments. For purposes of this Paragraph I, "loss of income" shall be liberally interpreted. Not in limitation of the foregoing, "loss of income" may be estimated by taking into account estimates of gross revenue from the aforesaid exports, which reasonably could be expected to have been received by the claimant in the absence of the inclusion of the aforesaid commitments in this Protocol, less reasonably estimated costs of production and export that likely would have been incurred by the claimant in connection with lost exports.
2. A party to the Convention asserting a claim pursuant to this Article shall submit its claim in writing to any Annex - Party against whom it makes such claim within six years following the year for which the claim is made.
3. Any Annex I Party liable on a claim made pursuant to this Article shall have a claim for contribution against another Annex I Party for the portion of the liability that is attributable to the performance or attempted performance by such other Annex I Party of its commitments referred to in Paragraph 1.

Article 8
Compensation Mechanism

4. A compensation mechanism shall be established to compensate social and economic losses arising from implementation of the present instrument sustained by Annex III parties. The functions of the compensation mechanism are as follows:

- analyses and assessments of socio-economic impacts of any proposed response measures on developing countries, particularly oil exporting developing countries;
- provision of material, equipment and technologies, on concessional terms, to Annex III countries;
- establishment of a compensation fund;
- Contributions made to this fund by Annex-I parties, shall be replenished biannually. These contributions, being compulsory upon Annex-I parties, shall be paid directly to the affected claimant developing country party/parties.

Other details of this mechanism should be decided by the Conference of the Parties.

Article 9
Implementation of Commitments

1. Each Annex I Party:

(a) within six months of the entry into force of this Protocol for that Party shall communicate to the Conference of the Parties, through the secretariat, the following information:

- [1] A detailed description of the policies and measures that it plans to adopt to implement its commitments under Articles - and - [i.e. the Articles setting forth commitments for quantified emissions limitation and reduction objectives and for policies and measures]; and
- [11] Detailed specific estimates, accompanied by detailed explanation as to the basis of such estimates, of the anticipated effects of each of the policies and measures identified in the communication referred to in subparagraph [I] and of the aggregate anticipated effects of all such policies and measures on the Party's anthropogenic emissions by its sources and removals by its sinks of greenhouse gases during each of the periods referred to in Paragraphs - of Article - [i.e. the paragraphs establishing time frames for achieving quantified emissions

limitation and reduction objectives].

[b] within twelve months of the entry into force of this Protocol for that Party and on or before the 15th day of April of each year thereafter, shall submit to the Conference of the Parties, through the secretariat, a certificate signed by a duly authorized official of that Party, which contains the following information:

[i] Detailed and specific information identifying all changes to the information communicated pursuant to Paragraph I(a) that would make such information more current, informative, or reliable;

[ii] A list of all laws and other acts of government having the effect of law that, since entry into force of this Protocol for that Party, the Party has adopted in accordance with its internal lawmaking procedures to implement its commitments under Articles - and

[i.e. the Articles setting forth commitments for quantified emissions limitation and reduction objectives and for policies and measures];

[iii] Specific estimates, accompanied by detailed explanation as to the basis of such estimates of [A] annual reports [measured in physical units and in monetary value] by the Party from the developing country Parties to the Convention of fossil fuels, and finished or semi-finished goods following entry into force of this Protocol for that Party and [B] any changes in the future amounts of such imports [measured in physical units and in monetary value] which the Party believes could occur following entry into force of this Protocol for that Party and during each of the periods referred to in Paragraphs - or Article - [i.e. the paragraphs establishing time frames for achieving quantified emissions limitation and reduction objectives] and in Paragraphs - of Article [i.e. the paragraphs establishing time frames for compliance with commitments to adopt or implement policies or measures]; and

[iv] Specific estimates, accompanied by detailed explanation as to the basis of such estimates, of changes [measured in physical units and in monetary value] in the imports identified pursuant to subparagraph [iii] that the Party believes may be directly or indirectly

attributable to the Party's actual or prospective fulfillment of its commitments under Articles - and - [i.e. the Articles containing commitments for quantified emissions limitation and reduction objectives and for policies and measures].

2. Information communicated by Parties pursuant to Paragraph I shall be transmitted by the secretariat as soon as possible to each of the Parties to the Convention.

3. Upon the initiative of the secretariat, or promptly following delivery to the secretariat of a written request by any Party to the Convention, the secretariat shall undertake an in-depth review of the information contained in a communication or certification submitted by a Party pursuant to paragraph I for the purpose of clarifying or supplementing, and making assessments with regard to the completeness and apparent accuracy of, all or part of such information. Each Party that has submitted information which is the subject of such in-depth review shall cooperate reasonably with the secretariat in all matters concerning such review. In conducting in-depth reviews, the secretariat shall enlist the assistance of individuals who are qualified to make the assessments referred to above concerning the information that is the subject of such review. Any team or group of individuals providing such assistance to the secretariat shall consist of **at least one individual from a developing country for every individual from developed countries** and, insofar as feasible, also shall reflect reasonable balance taking into account the diverse nature of the economics of the Parties to the Convention. Insofar as possible, the secretariat shall complete each in-depth review that has been requested by a Party to the Convention within six months following receipt of the request and shall transmit a written report of the in-depth review to each Party to the Convention as soon as possible, but no later than four months, following completion of the in-depth review.

4. Notwithstanding any other provision of this Protocol, the provisions of Articles - and - [i.e. the Articles containing commitments for quantified emissions limitation and reduction objectives and for policies and measures] shall expire and shall cease to have further force or effect if any one or more Annex - Parties that, according to the most recent national inventories that have been communicated pursuant to Article 12, Paragraph I of the Convention, represent individually or in the aggregate ten per cent or more of the total gross emissions of greenhouse gases [without regard to comparative radiative forcing or consideration of sinks] of all Annex I Parties.

[a] shall fail to submit in any one year a communication or a certification as required by Paragraph I; or

[b] shall fail, at any time after the first anniversary of entry into force of this Protocol, to have adopted, implemented and kept in force policies and measures [including, but not limited to, laws and other acts of government having the effect of law] that, in light of such national inventories, the communications or certifications submitted by such Party or Parties pursuant to Paragraph 3 with respect to such communication or certification, reasonably appear to be necessary to enable such Party or Parties to fulfil its or their commitments set forth in Article - [i.e. the Article containing commitments for quantified emissions limitation and reduction objectives].

Article

Settlement of Disputes

When ratifying, accepting, approving or acceding to the Protocol, a Party which is not a regional economic integration organization may declare in a written instrument submitted to the Depository that, in respect of any dispute concerning the interpretation or application of paragraph 4 of the Article concerning the implementation of commitments [or of any other provision of this Protocol necessary to the interpretation or application of the said paragraph 4] any claim made pursuant to the Article concerning the economic injuries sustained by developing countries and Article on compensation mechanism, it recognizes as compulsory ipso facto and without special agreement, in relation to any Party to the Convention accepting the same obligation: Arbitration in accordance with procedures to be adopted by the Conference of the Parties.

A Party which is a regional economic integration organization may make a declaration with like effect in relation to arbitration in accordance with the procedures referred to in subparagraph [b] above.

Proposal for Article Concerning Amendments to Protocol and Adoption and Amendment of Annexes to Protocol

[Note: The following proposal assumes adoption of a protocol. If the Conference of the Parties adopts a legal instrument other than a protocol, the provisions of the proposal may have to be modified.]

Article

Amendments to Protocol and

Adoption and Amendment of Annexes to Protocol

1. Any Party to the Convention may propose amendments to

this Protocol, annexes to this Protocol, and amendments to annexes to this Protocol. For purposes of Article 17.5 of the Convention, the phrase "Decisions under any protocol" shall not be interpreted or applied to include adoption of and amendment or annex to this Protocol nor amendment to any such annex. The authority to adopt any of the foregoing is vested in the Conference of the Parties.

2. Amendments to this Protocol may be adopted only at an ordinary session of the Conference of the Parties by consensus. The text of any proposed amendment shall be prepared in one of the following languages - Arabic, Chinese, English, French, Russian and Spanish - and shall be translated into each of such other languages, and the Secretariat shall communicate the text of the proposed amendment to each of the Parties to the Convention in one of those languages reasonably believed by the secretariat to be preferred by the Party to the Convention at least six months before the meeting of the Conference of the Parties at which it is proposed amendments to the signatories to the Convention and, for information, to the Depository.

3. An adopted amendment shall be communicated by the secretariat to the Depository, who shall circulate it to each of the Parties for ratification or acceptance in one of the languages identified in Paragraph 2 that is reasonably believed by the Depository to be preferred by the Party. Instruments of ratification or acceptance in respect of an amendment shall be deposited with the Depository. An amendment adopted in accordance with Paragraph 2 shall enter into force for those Parties having ratified or accepted it on the ninetieth day after the date of receipt by the Depository of an instrument of ratification or acceptance by at least three fourths of the Parties.

4. An adopted amendment shall enter into force for any other Party on the ninetieth after the date on which that Party deposits with the Depository its instrument of ratification, acceptance, or accession with respect to the amendment.

5. Annexes to this Protocol shall form an integral part thereof and, unless otherwise expressly provided, a reference to this Protocol constitutes at the same time a reference to any annexes thereto. Such annexes shall be restricted to lists, forms, and any other material of a descriptive nature that is of a legal, scientific, technical, procedural, or administrative character.

6. Annexes to this Protocol and amendments to such annexes shall be adopted in accordance with the procedures set forth in Paragraphs 1 and 2. Entry into force of annexes to this Protocol and of amendments to such annexes shall be subject to the same procedure and requirements for entry into force, of amendments to this Protocol that are set forth in Paragraphs 3 and 4, provided that if the adoption of an annex or an amendment to an annex involves an amendment to this protocol, that annex or amendment to

an annex shall not enter into force until such time as the amendment to this Protocol enters into force.

Proposal for Article Concerning Withdrawal

[Note: The following proposal assumes adoption of a protocol. If the Conference of the Parties adopts a legal instrument other than a protocol, the provision of the proposal may have to be modified.]

Article Withdrawal

1. At any time after this Protocol has entered into force with respect to a Party, that Party may withdraw from this Protocol by giving written notification to the Depository. Any such withdrawal shall take effect on the ninetieth day after the date of its receipt by the Depository. The Depository shall communicate to all Parties to the Convention a copy of each such notification of withdrawal.

2. Notwithstanding Paragraph 1, the withdrawal by an Annex - Party from this Protocol shall not operate to limit its liability for any claim that may have accrued against it pursuant to Article [i.e. the Article concerning Economic Injuries Sustained by Developing Countries] prior to the effective date of such withdrawal.

Article Entry into Force

This instrument will enter into force on the 90th day after ratification, acceptance or accession of all - Annex - 1 Parties and 90th day after implementation of the all Annex - 1 Parties commitments under the convention.

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