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

Twelfth session

Bonn, 1–11 June 2010

Item 3 of the provisional agenda

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

Documentation to facilitate negotiations among Parties

Note by the Chair*

Addendum

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

This addendum is a draft decision text on the consideration of information on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties, for consideration by the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol at its twelfth session. It has been prepared pursuant to paragraph 27 (a) of document FCCC/KP/AWG/2010/3.

* This document was submitted after the due date owing to the short interval between the eleventh and twelfth sessions of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol.

Draft decision -/CMP.5

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

Recalling that the work of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol on the consideration of information on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties (hereinafter referred to as potential consequences) should be guided and informed by Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol, the relevant provisions and principles of the Convention and the best available relevant scientific, social, environmental and economic information,

Emphasizing that the work of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol should be guided by the ultimate objective of the Convention, as set out in its Article 2,

Noting that a framework for consideration of potential consequences has been established through decisions 15/CMP.1, 27/CMP.1 and 31/CMP.1,

Also noting that additional work on this issue should, in accordance with the provisions, principles and relevant Articles of the Convention and its Kyoto Protocol, build on relevant decisions of the Conference of the Parties and of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, and work being carried out by other bodies and in other processes under the Convention and its Kyoto Protocol, with the aim of maintaining an approach that is coherent with other work under the UNFCCC process,

Further noting that striving to minimize the adverse impacts of mitigation policies and measures is a common concern of both developing and developed countries,

Noting that there could be both positive and negative consequences of mitigation policies and measures,

Also noting that the work on the consideration of potential consequences should focus on minimizing negative potential consequences for Parties, especially developing country Parties,

Noting the challenges in anticipating, attributing and quantifying potential consequences,

Underlining the importance of Article 3 of the Convention in the implementation of Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol,

Noting that the work on potential consequences should benefit from the experiences of Parties and lessons learned, should take into consideration the role of national policies and measures and should consider both negative and positive potential consequences,

Also noting that the impacts of potential consequences may be influenced by the institutional capacity and regulatory framework in Parties not included in Annex I to the Convention,

1. *Urges* Parties included in Annex I to the Convention (Annex I Parties) to support the efforts of Parties not included in Annex I to the Convention (non-Annex I Parties) in strengthening such capacities and frameworks in this regard;

2. *Recognizes* that there is a need to deepen the understanding of potential consequences and any observed impacts and that this can be achieved through various means, including:

(a) The regular and systematic provision by all Parties of information that is as complete as possible on potential and observed impacts of policies and measures, in particular through national communications, and the regular review of this information;

(b) Assessment of potential consequences and observed impacts carried out by, inter alia, relevant national institutions and international organizations;

(c) Information from work being carried out by other UNFCCC bodies that may be relevant in considering potential consequences;

3. *Encourages* Annex I Parties to design their policies and measures under Article 2 of the Kyoto Protocol in order to assist them in striving to implement such policies and measures in accordance with Article 2, paragraph 3, of the Kyoto Protocol.

4.

Option 1:

Decides to establish a permanent forum as a means for Parties to report impacts and consequences of policies and measures; this would offer a common space where Parties may provide information on their specific needs and concerns relating to such consequences, and identify ways to minimize negative consequences of the policies and measures adopted by Annex I Parties on non-Annex I Parties;

Option 2:

Decides that Parties should use existing channels, including national communications, and report on observed impacts and specific needs and concerns relating to social, environmental and economic consequences of mitigation actions taken by Parties.
