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Workshop on the proposal of the Russian Federation to develop appropriate procedures for the approval of voluntary commitments

Report by the Chair of the Workshop

Summary

At the request of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its second session, a workshop was held on 11 May 2007 in Bonn, Germany, to discuss the proposal of the Russian Federation to develop appropriate procedures for the approval of voluntary commitments. At this workshop, the Russian Federation elaborated on its proposal, distinguishing between a procedural and a substantive component. This document contains a report on the proceedings and main points raised during the workshop.

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I. Introduction

1. At its second session, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) requested the President to convene a workshop during the sessional period in May 2007 “to clarify and explore the scope and implications of the proposal by the Russian Federation, and to prepare a report, on his own responsibility, on the proceedings and main points raised at this workshop”.¹ In addition, it invited the Russian Federation to elaborate its proposal further for presentation at the workshop and, if possible, to make it available to the Parties in advance through the secretariat.
2. The workshop was held in Bonn, Germany, on 11 May 2007 during the sessions of the subsidiary bodies. It was open to all participants of the sessions and was well attended. Mr. Michael Zammit Cutajar (Malta) chaired the workshop at the invitation of the President.
3. Responding to the invitation by the CMP, the delegation of the Russian Federation circulated a note in advance of the workshop, elaborating its proposal. The delegation further explained the scope of the proposal in an opening presentation at the workshop. The note and presentation are available on the UNFCCC website.² Following the opening presentation by the delegation of the Russian Federation, representatives of 17 Parties to the UNFCCC, two representatives of non-governmental organizations and a member of the Joint Implementation Supervisory Committee made interventions.
4. This report by the Chair of the workshop presents his account of the main points raised at the workshop. It has been made available to the President for him to take into consideration in the report that he has been requested to make to the CMP at its third session under its agenda item dealing with other matters. The report is being issued now in order to facilitate the submission by Parties of their views on this matter to the secretariat by 17 August 2007, as invited by the CMP at its second session.

II. Main points raised at the workshop

A. Elaboration of the proposal by the Russian Federation

5. In its presentation, the Russian Federation explained the scope of its proposal, distinguishing between two components, procedural and substantive:
 - (a) *The procedural component* of the proposal aims at simplifying the procedures governing the accession of a Party to Annex I to the Convention and the assumption by a Party of a quantitative emission limitation or reduction commitment through accession to Annex B to the Kyoto Protocol. Currently, such accession can only be effected through an amendment, which requires the agreement of at least three fourths of the Parties to the respective instrument present and voting. An amendment to Annex B to the Kyoto Protocol further requires the deposit of instruments of acceptance by at least three fourths of the Parties to the Protocol in order for it to enter into force. In the view of the Russian Federation, these procedures, especially the latter, constitute an unjustified obstacle to Parties that wish to take up legally binding commitments to limit or reduce their emissions of greenhouse gases (GHGs) as a contribution to the ultimate objective of the Convention;

¹ FCCC/KP/CMP/2006/10, paragraph 135. The proposal had originated at CMP 1: FCCC/KP/CMP/2005/8, page 20, paragraph 75.

² <http://unfccc.int/meetings/workshops/other_meetings/items/3971.php>.

- (b) *The substantive component* of the proposal aims to explore new forms of engagement for Parties not included in Annex I to the Convention (non-Annex I Parties) in the collective effort envisaged by the Convention to protect the global climate. It foresees the elaboration of new provisions under the Convention to convey formal political recognition of national actions to further the objective of the Convention undertaken by non-Annex I Parties on their own initiative. Such actions could be of different types, for example aiming at achieving emission targets, implementing policies and measures, or promoting technological deployment. They could be unconditional, derived from a Party's own national policy objectives and using its resources, or they could be conditional on access to a system of financial and/or technological incentives under the Convention. Such provisions would not impose penalties on a non-Annex I Party for not implementing fully the actions it had proposed.³ Issues flagged by the Russian Federation for further consideration in carrying this idea forward include the extent to which the provision of incentives for voluntary actions would require approval of such actions and review of performance through the Convention's procedures, as well as the possible generation by such actions of assets that could be traded in markets for emission allowances.

6. The Russian Federation emphasized that the general intent of both aspects of its proposal was to broaden opportunities for contributions by Parties towards achieving the ultimate objective of the Convention, contained in its Article 2. In concluding its presentation, it proposed:

- (a) That the Conference of the Parties (COP) at its thirteenth session and the CMP at its third session set in motion processes to simplify procedures for Parties to accede to Annex I to the Convention and Annex B to the Protocol;
- (b) That the COP at its thirteenth session adopt a political decision recognizing the importance of voluntary initiatives to limit or reduce emissions of GHGs and calling for the early development of the necessary procedures and incentives to encourage such initiatives.

7. Responding to questions regarding the substantive component of its proposal, the Russian Federation stressed that it did not seek to modify the principles laid down by the Convention. Nor did it intend to open the door for Parties included in Annex I to the Convention (Annex I Parties), including itself, to substitute legally-binding quantitative emission limitation or reduction commitments under the Kyoto Protocol with non-binding commitments under the Convention.

B. Proposal to simplify procedures for accession to Annex I to the Convention and to Annex B to the Kyoto Protocol

8. The representatives of Belarus and Kazakhstan recounted their experiences in seeking to accede to Annex B to the Kyoto Protocol using existing procedures. They opined, with great regret, that the entry into force of an amendment to Annex B to the Kyoto Protocol had become virtually unattainable for them in time for the first commitment period of the Protocol, on account of the condition that such an amendment be accepted by three fourths of the Parties to the Protocol.

9. None of the representatives of Parties who intervened in the workshop objected in principle to the proposal by the Russian Federation to simplify the existing procedures under the Convention and the Kyoto Protocol governing accession by Parties to Annex I of the former and Annex B of the latter. Several expressed support for further consideration of this proposal, reflecting the view that Parties willing to strengthen their commitments to limit or reduce their emissions should be welcomed and

³ In this context, the concept of a 'voluntary commitment' by a non-Annex I Party is similar to the concepts of 'no lose commitment' and 'voluntary action' being discussed in the debate about the post-2012 regime.

encouraged, not deterred. It was observed that legal options available for simplifying these procedures would need to be analysed. It was suggested, in this context, that the Russian Federation might consider proposing specific amendments to the Convention and the Kyoto Protocol, for consideration by the COP and the CMP.

10. Options mentioned for further consideration of this proposal included its being taken up in:
 - (a) The second review of the Kyoto Protocol under its Article 9, the scope and content of which will be considered by the CMP at its third session;
 - (b) A process to be initiated under Article 13, paragraph 4(b) of the Protocol;
 - (c) The Subsidiary Body for Implementation.

11. One participant commended to the consideration of Parties the precedent of the Gothenburg Protocol to the Convention on Long-range Transboundary Air Pollution,⁴ which – like the Kyoto Protocol – contains an annex listing Parties and their emission ceilings but includes a simple procedure for adding new Parties to this list. In effect, Article 13 of the Gothenburg Protocol provides that, when a Party proposes adding its name and an emission ceiling to the annex, the change takes effect through an “adjustment” to this annex, adopted by consensus of the Conference of the Parties to that Protocol, which enters into force after a prescribed interval, without requiring further action by Parties.

C. Proposal to explore new forms of engagement for Parties not included in Annex I to the Convention

12. The discussion in the workshop of the proposal to explore new forms of engagement for non-Annex I Parties revealed divergent views on its merits and on the desirability of affording it further consideration.

13. One point of view, expressed by participants from some non-Annex I Parties, was that the full implementation by Parties included in Annex II of the Convention of the existing provisions regarding financial and technological cooperation and assistance would offer sufficient incentives to developing country Parties to implement actions in fulfilment of their existing commitments under the Convention. These participants considered, moreover, that attaching new conditions to such cooperation and assistance would substantially change the political balance of the principles and provisions of the Convention. They believed that continued discussion of the proposal by the Russian Federation concerning new forms of engagement by non-Annex I Parties would distract attention from the important task of negotiating further commitments by Annex I Parties under the Kyoto Protocol.

14. Another point of view, generally shared by the participants from Annex I Parties that intervened in the discussion, as well as by a few from non-Annex I Parties, was that there is merit in the effort by the Russian Federation to open up consideration of no-lose commitments or actions by non-Annex I Parties and of incentives to motivate such initiatives. These representatives supported further consideration of this approach, with preference being expressed for including this in a broader forward-looking process, rather than establishing a new process or agenda item for this specific purpose. Given the similarity between the content of the proposal and the concept of incentives for voluntary action by developing countries being considered in the dialogue on long-term cooperative action to address climate change by enhancing implementation of the Convention (the Dialogue), the incorporation of the proposal in any follow-up to the Dialogue that might be determined by the COP at its thirteenth session was mentioned as one option for carrying forward this discussion. So was its inclusion in any new process that might be launched by COP 13 related to the post-2012 regime.

⁴ The 1999 Gothenburg Protocol to Abate Acidification, Eutrophication and Ground-level Ozone.

D. Concluding remarks

15. Recalling the regret expressed by the CMP at its second session that it had not been able to consider this important proposal by the Russian Federation in substance, the Chair of the workshop welcomed the opportunity provided by the workshop for a first substantive interaction on the proposal. He noted that the proposal, originally advanced by the Russian Federation at CMP 1 in the context of initiating consideration of further commitments by Annex I Parties under the Kyoto Protocol, had evolved to envisage new forms of voluntary action by non-Annex I Parties under the Convention. He concluded that the workshop had indeed helped to clarify the intent and the possible ramifications of the proposal and had stimulated a lively and informal exchange of views in which convergence and divergence could be discerned. It had also allowed for an initial identification of processes through which the different aspects of the proposal might be considered further.
