



SUBSIDIARY BODY FOR IMPLEMENTATION

Twenty-eighth session

Bonn, 4–13 June 2008

Agenda item 12

Preparation for the second review of the Kyoto Protocol pursuant to its Article 9

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Draft conclusions proposed by the Chair

1. The Subsidiary Body for Implementation (SBI) recalled that the second review of the Kyoto Protocol pursuant to its Article 9 shall aim to further enhance implementation of the Kyoto Protocol and further elaborate upon a number of its elements, in particular adaptation.
2. The SBI further recalled that, in accordance with decision 4/CMP.3, paragraph 3, the second review shall not prejudge action that may be decided upon by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), and that it shall not lead to new commitments for any Party.
3. The SBI further recalled that, in accordance with decision 4/CMP.3, paragraph 5, the CMP shall take appropriate action based on the review.
4. The SBI took note of the views submitted by Parties and relevant organizations,¹ in accordance with decision 4/CMP.3, paragraph 6, and of the synthesis report of some of those views.²
5. The SBI also took note of the report on the workshop on preparations for the second review.³
6. The SBI noted that the CMP, in accordance with its decision 4/CMP.3, paragraph 12, will consider, at its fourth session (December 2008), the information paper prepared by the secretariat on the work of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) on the issues specified in paragraph 10 of that decision, as well as the report of the pre-sessional workshop referred to in paragraph 11 of that decision (hereinafter referred to as the pre-sessional workshop).

¹ FCCC/SBI/2008/MISC.2 and Add.1–3.

² FCCC/SBI/2008/INF.1.

³ FCCC/SBI/2008/INF.5.

7. The SBI recalled that, in accordance with decision 4/CMP.3, paragraph 4, the preparations for the second review should be streamlined with relevant activities being undertaken under the Kyoto Protocol and the Convention with a view to avoiding duplication of work. In this regard, the SBI recommended that the CMP, in undertaking the second review, should:

- (a) Address issues, among those identified in preparing for the second review, on which appropriate decisions could be adopted by the CMP at its fourth session for implementation starting as soon as possible;
- (b) Identify issues that require further consideration and refer them to the appropriate body.

8. The SBI recommended that the CMP give attention, in particular, to the issues listed in decision 4/CMP.3, paragraph 6, and further recommended that the CMP take appropriate action at its fourth session:

- (a) On the issue of extending the share of proceeds to assist in meeting the costs of adaptation to joint implementation and emissions trading, the SBI noted that further information would facilitate the consideration of this issue. To this end, the SBI invited Parties to submit to the secretariat, by 19 September 2008, their views on this matter, for compilation into a miscellaneous document;
- (b) On the issue of relevant procedural elements for inscribing commitments for Annex I Parties in Annex B to the Kyoto Protocol, the CMP may wish to take into account the views of Parties and relevant organizations referred to in paragraph 4 above, the report on the workshop referred to in paragraph 5 above, and any further views submitted by Parties, in order to determine the necessity of simplifying existing procedures and take appropriate action;
- (c) The issue of privileges and immunities for individuals serving on constituted bodies established under the Kyoto Protocol requires appropriate treaty arrangements, consistent with international law. Additional short-term arrangements should be given further consideration by the SBI at its twenty-ninth session, including experience gained through the implementation of decision 9/CMP.2. A long-term solution in the form of appropriate treaty arrangements should be considered by the CMP at its fourth session with a view to concluding such arrangements by CMP 5. The SBI invited Parties to submit to the secretariat, by 20 March 2009, for compilation into a miscellaneous document, views on appropriate treaty arrangements for consideration by the SBI at its thirtieth session;
- (d) On the issue of the scope, effectiveness and functioning of the flexibility mechanisms, including ways and means to enhance an equitable regional distribution of clean development mechanism (CDM) projects:
 - (i) The SBI noted that some of these elements have been considered by the AWG-KP and were referred by it to the CMP;⁴
 - (ii) In order to inform the consideration by the CMP of this issue, the SBI requested the secretariat to prepare an information note, compiling and analysing available information on ways and means to enhance equitable regional and sub-regional distribution of CDM projects and the scope, effectiveness and

⁴ FCCC/KP/AWG/2008/L.8.

functioning of the flexibility mechanisms, and to make the note available to Parties prior to the pre-sessional workshop;

- (iii) The SBI further invited Parties to submit to the secretariat, by 19 September 2008, for compilation and synthesis, their views on: (1) ways and means to enhance equitable regional and sub-regional distribution of CDM projects; and (2) how the current institutional arrangements, governance, rules and procedures of the CDM and joint implementation may be improved in the first commitment period in order to enhance their functioning and effectiveness;
- (e) The issue of the minimization of adverse effects, including the adverse effects of climate change, effects on international trade, and social, environmental and economic impacts on other Parties, especially developing country Parties and in particular those identified in Article 4, paragraphs 8 and 9, of the Convention, taking into account Article 3 of the Convention, is a subject of consideration by the subsidiary bodies, and the CMP may wish to take action in view of that work.

9. The SBI requested the secretariat to prepare a technical paper, taking into account decision 4/CMP.3, paragraph 6 (a), Articles 6 and 17 of the Kyoto Protocol, and paragraph 2 above, as well as the views of Parties contained in the submissions referred to in paragraph 8 (a) above, on (1) extending the share of proceeds to assist in meeting the costs of adaptation to joint implementation and emissions trading; and (2) options related to assigned amount units of Parties included in Annex I of the Convention, for funding of adaptation in developing countries, and to make the note available to Parties prior to the pre-sessional workshop. The paper should explore the implications of (1) and (2) and the potential impacts on the carbon market, including on supply and demand, in particular for countries with economies in transition; the potential scale of the resources generated; the options for operationalization; and transfer to the Adaptation Fund.

10. The SBI encouraged Annex I Parties that have not done so to submit, prior to CMP 4, information pursuant to decision 4/CMP.3, paragraph 7.

11. The SBI recommended that the CMP at its fourth session may give attention to other issues raised by Parties, including funding, insurance and transfer of technology in relation to adaptation to the adverse effects of climate change and the impacts of response measures; commitments (nature and modalities, base year and burden sharing); the compliance mechanism; entry-into-force requirements; land use, land use-change and forestry; and emissions from international aviation and maritime transport. The SBI recognized that the issues relating to reporting by Annex I Parties, such as the enhanced comparability of the information provided by Annex I Parties in their national communications as well as the issues related to the review process, should be further considered by the CMP, detailing the anticipated resources needs (e.g. funding, experts) for the review process during the first commitment period, and the problems with the compilation and presentation of the information contained in the national communications.

12. The SBI requested the secretariat, subject to the availability of supplementary funding, to organize the pre-sessional workshop at least one month before CMP 4.
