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**CONFERENCE OF THE PARTIES SERVING AS THE  
MEETING OF THE PARTIES TO THE KYOTO PROTOCOL**

**Report of the Conference of the Parties serving as the  
meeting of the Parties to the Kyoto Protocol  
on its first session, held at Montreal  
from 28 November to 10 December 2005**

**Addendum**

**Part Two: Action taken by the Conference of the Parties serving as the  
meeting of the Parties to the Kyoto Protocol  
at its first session**

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## **Decision 9/CMP.1**

### **Guidelines for the implementation of Article 6 of the Kyoto Protocol**

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

*Aware of its decisions 2/CMP.1, 3/CMP.1, 11/CMP.1, 13/CMP.1, 15/CMP.1, 16/CMP.1, 19/CMP.1, 20/CMP.1 and 22/CMP.1, and decisions 3/CP.7 and 24/CP.7,*

1. *Decides* to confirm and give full effect to any actions taken pursuant to decision 16/CP.7 and to any other relevant decisions by the Conference of the Parties, as appropriate;
2. *Decides* to adopt the guidelines for the implementation of Article 6 of the Kyoto Protocol contained in the annex below;
3. *Decides* to establish the Article 6 Supervisory Committee, at its first session, to supervise, inter alia, the verification of emission reduction units generated by Article 6 projects;
4. *Decides* that projects under Article 6 aimed at enhancing anthropogenic removals by sinks shall conform to definitions, accounting rules, modalities and guidelines under Article 3, paragraphs 3 and 4, of the Kyoto Protocol;
5. *Decides* that projects starting as of the year 2000 may be eligible as Article 6 projects if they meet the requirements of the guidelines for the implementation of Article 6 of the Kyoto Protocol as set out in the annex below and that emission reduction units shall only be issued for a crediting period starting after the beginning of the year 2008;
6. *Urges* the Parties included in Annex II to facilitate the participation in Article 6 project of Parties included in Annex I with commitments inscribed in Annex B that are undergoing the process of transition to a market economy;
7. *Decides* that any administrative costs arising from procedures contained in the annex below relating to the functions of the Article 6 Supervisory Committee shall be borne by both the Parties included in Annex I and the project participants according to specifications set out in a decision by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session;
8. *Decides further* that any future revision of the guidelines for the implementation of Article 6 shall be decided in accordance with the rules of procedure of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, as applied. The first review shall be carried out no later than one year after the end of the first commitment period, based on recommendations by the Article 6 Supervisory Committee and by the Subsidiary Body for Implementation drawing on technical advice of the Subsidiary Body for Scientific and Technological Advice, as needed. Further reviews shall be carried out periodically thereafter. Any revision of the decision shall not affect ongoing Article 6 projects.

ANNEX

**Guidelines for the implementation of Article 6 of the Kyoto Protocol**

**A. Definitions**

1. For the purpose of the present annex the definitions contained in Article 1<sup>1</sup> and the provisions of Article 14 shall apply. Furthermore:

- (a) An “emission reduction unit” or “ERU” is a unit issued pursuant to the relevant provisions in the annex to decision 13/CMP.1 and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5;
- (b) A “certified emission reduction” or “CER” is a unit issued pursuant to Article 12 and requirements thereunder, as well as the relevant provisions in the annex to decision 3/CMP.1, and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5;
- (c) An “assigned amount unit” or “AAU” is a unit issued pursuant to the relevant provisions in the annex to decision 13/CMP.1 and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5;
- (d) A “removal unit” or “RMU” is a unit issued pursuant to the relevant provisions in the annex to decision 13/CMP.1 and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5;
- (e) “Stakeholders” means the public, including individuals, groups or communities affected, or likely to be affected, by the project.

**B. Role of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol**

2. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP) shall provide guidance regarding the implementation of Article 6 and exercise authority over the Article 6 Supervisory Committee.

**C. Article 6 Supervisory Committee**

3. The Article 6 Supervisory Committee shall supervise, inter alia, the verification of ERUs generated by Article 6 project activities, referred to in section E below, and be responsible for:

- (a) Reporting on its activities to each session of the COP/MOP;
- (b) The accreditation of independent entities in accordance with standards and procedures contained in appendix A below;
- (c) The review of standards and procedures for the accreditation of independent entities in appendix A below, giving consideration to relevant work of the Executive Board of the clean development mechanism (CDM) and, as appropriate, making recommendations to the COP/MOP on revisions to these standards and procedures;

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<sup>1</sup> In the context of this annex, “Article” refers to an Article of the Kyoto Protocol, unless otherwise specified.

- (d) The review and revision of reporting guidelines and criteria for baselines and monitoring in appendix B below, for consideration by the COP/MOP, giving consideration to relevant work of the Executive Board of the CDM, as appropriate;
  - (e) The elaboration of the Article 6 project design document, for consideration by the COP/MOP, taking into consideration appendix B of the annex on modalities and procedures for a clean development mechanism and giving consideration to relevant work of the Executive Board of the CDM, as appropriate;
  - (f) The review procedures set out in paragraphs 35 and 39 below;
  - (g) The elaboration of any rules of procedure additional to those contained in the present annex, for consideration by the COP/MOP.
4. The Article 6 Supervisory Committee shall comprise 10 members from Parties to the Kyoto Protocol, as follows:
- (a) Three members from Parties<sup>2</sup> included in Annex I that are undergoing the process of transition to a market economy
  - (b) Three members from Parties included in Annex I not referred to in subparagraph (a) above
  - (c) Three members from Parties not included in Annex I
  - (d) One member from the small island developing States.
5. Members, including alternate members, of the Article 6 Supervisory Committee shall be nominated by the relevant constituencies referred to in paragraph 4 above and be elected by the COP/MOP. The COP/MOP shall elect to the Article 6 Supervisory Committee five members and five alternate members for a term of two years and five members and five alternate members for a term of three years. Thereafter, the COP/MOP shall elect, every year, five new members and five alternate members for a term of two years. Appointment pursuant to paragraph 12 below shall count as one term. The members and alternate members shall remain in office until their successors are elected.
6. Members of the Article 6 Supervisory Committee may be eligible to serve a maximum of two consecutive terms. Terms as alternate members do not count.
7. The Article 6 Supervisory Committee shall elect annually a Chair and Vice-Chair from among its members, with one being from a Party included in Annex I and the other being from a Party not included in Annex I. The positions of Chair and Vice-Chair shall alternate annually between a member from a Party included in Annex I and a member from a Party not included in Annex I.
8. The COP/MOP shall elect an alternate member for each member of the Article 6 Supervisory Committee based on the criteria in paragraphs 4, 5 and 6 above. The nomination by a constituency of a candidate member shall be accompanied by a nomination of a candidate alternate member from the same constituency.
9. The Article 6 Supervisory Committee shall meet at least two times each year, whenever possible in conjunction with the meetings of the subsidiary bodies, unless decided otherwise. All documentation for the Article 6 Supervisory Committee meetings shall be made available to alternate members.
10. Members, including alternate members, of the Article 6 Supervisory Committee shall:

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<sup>2</sup> In the context of this annex, "Party" refers to a Party to the Kyoto Protocol, unless otherwise specified.

- (a) Serve in their personal capacities and shall have recognized competence relating to climate change issues and in relevant technical and policy fields. The cost of participation of members and of alternate members from developing country Parties and other Parties eligible under UNFCCC practice shall be covered by the budget for the Article 6 Supervisory Committee;
- (b) Have no pecuniary or financial interest in any aspect of an Article 6 project;
- (c) Subject to their responsibility to the Article 6 Supervisory Committee, not disclose any confidential or proprietary information coming to their knowledge by reason of their duties for the Article 6 Supervisory Committee. The duty of a member, including an alternate member, not to disclose confidential information constitutes an obligation in respect to that member, including an alternate member, and shall remain an obligation after the expiration or termination of that member's, including an alternate member's, function for the Article 6 Supervisory Committee;
- (d) Be bound by the rules of procedure of the Article 6 Supervisory Committee;
- (e) Take a written oath of service witnessed by the Executive Secretary of the UNFCCC or his/her authorized representative before assuming his or her duties.

11. The Article 6 Supervisory Committee may suspend and recommend to the COP/MOP the termination of the membership of a particular member, including an alternate member, for cause including, inter alia, breach of the conflict of interest provisions, breach of the confidentiality provisions, or failure to attend two consecutive meetings of the Article 6 Supervisory Committee without proper justification.

12. If a member, or an alternate member, of the Article 6 Supervisory Committee resigns or is otherwise unable to complete the assigned term of office or to perform the functions of that office, the Article 6 Supervisory Committee may decide, bearing in mind the proximity of the next session of the COP/MOP, to appoint another member, or an alternate member, from the same constituency to replace the said member for the remainder of that member's mandate. In such a case, the Article 6 Supervisory Committee shall take into account any views expressed by the group that had nominated the member.

13. The Article 6 Supervisory Committee shall draw on the expertise necessary to perform its functions, in particular taking into account national accreditation procedures.

14. At least two thirds of the members of the Article 6 Supervisory Committee, representing a majority of members from Parties included in Annex I and a majority of members from Parties not included in Annex I, must be present to constitute a quorum.

15. Decisions by the Article 6 Supervisory Committee shall be taken by consensus, whenever possible. If all efforts at reaching a consensus have been exhausted and no agreement has been reached, decisions shall as a last resort be adopted by a three-fourths majority vote of the members present and voting at the meeting. Members abstaining from voting shall be considered as not voting.

16. The full text of all decisions of the Article 6 Supervisory Committee shall be made publicly available. Decisions shall be made available in all six official languages of the United Nations.

17. The working language of the Article 6 Supervisory Committee shall be English.

18. Meetings of the Article 6 Supervisory Committee shall be open to attendance, as observers, by all Parties and by all UNFCCC accredited observers and stakeholders, except where otherwise decided by the Article 6 Supervisory Committee.

19. The secretariat shall service the Article 6 Supervisory Committee.

#### **D. Participation requirements**

20. A Party involved in an Article 6 project shall inform the secretariat of:

- (a) Its designated focal point for approving projects pursuant to Article 6, paragraph 1(a);
- (b) Its national guidelines and procedures for approving Article 6 projects, including the consideration of stakeholders' comments, as well as monitoring and verification.

21. Subject to the provisions of paragraph 22 below, a Party included in Annex I with a commitment inscribed in Annex B is eligible to transfer and/or acquire ERUs issued in accordance with the relevant provisions, if it is in compliance with the following eligibility requirements:

- (a) It is a Party to the Kyoto Protocol
- (b) Its assigned amount pursuant to Article 3, paragraphs 7 and 8, has been calculated and recorded in accordance with decision 13/CMP.1
- (c) It has in place a national system for the estimation of anthropogenic emissions by sources and anthropogenic removals by sinks of all greenhouse gases not controlled by the Montreal Protocol, in accordance with Article 5, paragraph 1, and the requirements in the guidelines decided thereunder
- (d) It has in place a national registry in accordance with Article 7, paragraph 4, and the requirements in the guidelines decided thereunder
- (e) It has submitted annually the most recent required inventory, in accordance with Article 5, paragraph 2, and Article 7, paragraph 1, and the requirements in the guidelines decided thereunder, including the national inventory report and the common reporting format. For the first commitment period, the quality assessment needed for the purpose of determining eligibility to use the mechanisms shall be limited to the parts of the inventory pertaining to emissions of greenhouse gases from sources/sector categories from Annex A to the Kyoto Protocol and the submission of the annual inventory on sinks
- (f) It submits the supplementary information on assigned amount in accordance with Article 7, paragraph 1, and the requirements in the guidelines decided thereunder and makes any additions to, and subtractions from, assigned amount pursuant to Article 3, paragraphs 7 and 8, including for the activities under Article 3, paragraphs 3 and 4, in accordance with Article 7, paragraph 4, and the requirements in the guidelines decided thereunder.

22. A Party included in Annex I with a commitment inscribed in Annex B shall be considered:

- (a) To meet the eligibility requirements referred to in paragraph 21 above after 16 months have elapsed since the submission of its report to facilitate the calculation of its assigned amount pursuant to Article 3, paragraphs 7 and 8, and to demonstrate its capacity to account for its emissions and assigned amount, in accordance with the modalities adopted for the accounting of assigned amount under Article 7, paragraph 4, unless the enforcement branch of the Compliance Committee finds in accordance with

decision 24/CP.7 that the Party does not meet these requirements, or, at an earlier date, if the enforcement branch of the Compliance Committee has decided that it is not proceeding with any questions of implementation relating to these requirements indicated in reports of the expert review teams under Article 8 of the Kyoto Protocol, and has transmitted this information to the secretariat;

- (b) To continue to meet the eligibility requirements referred to in paragraph 21 above unless and until the enforcement branch of the Compliance Committee decides that the Party does not meet one or more of the eligibility requirements, has suspended the Party's eligibility, and has transmitted this information to the secretariat.

23. Where it is considered to meet the eligibility requirements set out in paragraph 21 above, a host Party may verify reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks from an Article 6 project as being additional to any that would otherwise occur, in accordance with Article 6, paragraph 1 (b). Upon such verification, the host Party may issue the appropriate quantity of ERUs in accordance with the relevant provisions of decision 13/CMP.1.

24. Where a host Party does not meet the eligibility requirements set out in paragraph 21 above, the verification of reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks from an Article 6 project as being additional to any that would otherwise occur, in accordance with Article 6, paragraph 1 (b), shall occur through the verification procedure under the Article 6 Supervisory Committee, as set out in section E below. The host Party may, however, only issue and transfer ERUs upon meeting the requirements in paragraphs 21 (a), (b) and (d) above.

25. A host Party which meets the requirements in paragraph 21 above may at any time elect to use the verification procedure under the Article 6 Supervisory Committee.

26. The provisions in Article 6, paragraph 4, shall pertain, inter alia, to the requirements of paragraph 21 above.

27. The secretariat shall maintain a publicly accessible list of Parties that meet the eligibility requirements and that have been suspended in accordance with relevant provisions contained in decision 24/CP.7.

28. A Party hosting an Article 6 project shall make publicly available, directly or through the secretariat, information on the project in accordance with the reporting guidelines set out in appendix B below and the requirements contained in decision 13/CMP.1.

29. A Party that authorizes legal entities to participate in Article 6 projects shall remain responsible for the fulfilment of its obligations under the Kyoto Protocol and shall ensure that such participation is consistent with the present annex. Legal entities may only transfer or acquire ERUs if the authorizing Party is eligible to do so at that time.

#### **E. Verification procedure under the Article 6 Supervisory Committee**

30. The verification procedure under the Article 6 Supervisory Committee is the determination by an independent entity, accredited pursuant to appendix A below, of whether a project and the ensuing reductions of anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks meet the relevant requirements of Article 6 and these guidelines.

31. Project participants shall submit to an accredited independent entity a project design document that contains all information needed for the determination of whether the project:

- (a) Has been approved by the Parties involved;

- (b) Would result in a reduction of anthropogenic emissions by sources or an enhancement of anthropogenic removals by sinks that is additional to any that would otherwise occur;
  - (c) Has an appropriate baseline and monitoring plan in accordance with the criteria set out in appendix B below.
- 32. The accredited independent entity shall make the project design document publicly available through the secretariat, subject to confidentiality provisions set out in paragraph 40 below, and receive comments from Parties, stakeholders and UNFCCC accredited observers on the project design document and any supporting information for 30 days from the date the project design document is made publicly available.
- 33. The accredited independent entity shall determine whether:
  - (a) The project has been approved by the Parties involved;
  - (b) The project would result in a reduction of anthropogenic emissions by sources or an enhancement of anthropogenic removals by sinks that is additional to any that would otherwise occur;
  - (c) The project has an appropriate baseline and monitoring plan in accordance with the criteria set out in appendix B below;
  - (d) Project participants have submitted to the accredited independent entity documentation on the analysis of the environmental impacts of the project activity, including transboundary impacts, in accordance with procedures as determined by the host Party, and, if those impacts are considered significant by the project participants or the host Party, have undertaken an environmental impact assessment in accordance with procedures as required by the host Party.
- 34. The accredited independent entity shall make its determination publicly available through the secretariat, together with an explanation of its reasons, including a summary of comments received and a report of how due account was taken of these.
- 35. The determination regarding a project design document shall be deemed final 45 days after the date on which the determination is made public, unless a Party involved in the project or three of the members of the Article 6 Supervisory Committee request a review by the Article 6 Supervisory Committee. If such a review is requested, the Article 6 Supervisory Committee shall finalize the review as soon as possible, but no later than six months or at the second meeting following the request for review. The Article 6 Supervisory Committee shall communicate its decision on the determination and the reasons for it to the project participants and the public. Its decision shall be final.
- 36. Project participants shall submit to an accredited independent entity a report in accordance with the monitoring plan on reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks that have already occurred. The report shall be made publicly available.
- 37. The accredited independent entity shall, upon receipt of a report referred to under paragraph 36 above, make a determination of the reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks reported by project participants in accordance with appendix B below, provided that they were monitored and calculated in accordance with paragraph 33 above.
- 38. The accredited independent entity shall make its determination under paragraph 37 above publicly available through the secretariat, together with an explanation of its reasons.



39. The determination regarding reported reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks shall be deemed final 15 days after the date on which it is made public, unless a Party involved in the project or three of the members of the Article 6 Supervisory Committee request a review by the Article 6 Supervisory Committee. If such a review is requested, the Article 6 Supervisory Committee shall:

- (a) At its next meeting or no later than 30 days after the formal request for the review decide on its course of action. If it decides that the request has merit, it shall perform a review;
- (b) Complete its review within 30 days following its decision to perform the review;
- (c) Inform the project participants of the outcome of the review, and make public its decision and the reasons for it.

40. Information obtained from project participants marked as proprietary or confidential shall not be disclosed without the written consent of the provider of the information, except as required by applicable national law of the host Party. Information used to determine whether reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks are additional, to describe the baseline methodology and its application, and to support an environmental impact assessment referred to in paragraph 33 (d) above, shall not be considered as proprietary or confidential.

41. Any provisions relating to the commitment period reserve or other limitations to transfers under Article 17 shall not apply to transfers by a Party of ERUs issued into its national registry that were verified in accordance with the verification procedure under the Article 6 Supervisory Committee.

42. The Article 6 Supervisory Committee shall suspend or withdraw the accreditation of an independent entity if it has carried out a review and found that the entity no longer meets the accreditation standards laid down in appendix A. The Article 6 Supervisory Committee may suspend or withdraw accreditation only after the accredited independent entity has had the opportunity of a hearing and depending on the outcome of the hearing. The suspension or withdrawal is with immediate effect. The affected entity shall be notified, immediately and in writing, once the Article 6 Supervisory Committee has decided upon its suspension or withdrawal. The decision by the Article 6 Supervisory Committee on such a case shall be made public.

43. Verified projects shall not be affected by the suspension or withdrawal of the accreditation of an accredited independent entity unless significant deficiencies are identified in the determination referred to in paragraphs 33 or 37 above for which the entity was responsible. In this case, the Article 6 Supervisory Committee shall decide whether a different accredited independent entity shall be appointed to assess and, where appropriate, correct such deficiencies. If such an assessment reveals that excess ERUs have been transferred as a result of the deficiencies identified in the determination referred to in paragraphs 33 or 37 above, the independent entity whose accreditation has been withdrawn or suspended shall acquire an equivalent amount of AAUs and ERUs and place them in the holding account of the Party hosting the project within 30 days from the assessment mentioned above.

44. Any suspension or withdrawal of an accredited independent entity that adversely affects verified projects shall be decided on by the Article 6 Supervisory Committee only after the affected project participants have had the opportunity of a hearing.

45. Any costs relating to the assessment referred to in paragraph 44 above shall be borne by the accredited independent entity whose accreditation has been withdrawn or suspended.

## APPENDIX A

**Standards and procedures for the accreditation of independent entities**

1. An independent entity shall:
  - (a) Be a legal entity (either a domestic legal entity or an international organization) and provide documentation of this status;
  - (b) Employ a sufficient number of persons having the necessary competence to perform all necessary functions relevant to the verification of emission reduction units (ERUs) generated by Article 6 projects relating to the type, range and volume of work performed, under a responsible senior executive;
  - (c) Have the financial stability, insurance coverage and resources required for its activities;
  - (d) Have sufficient arrangements to cover legal and financial liabilities arising from its activities;
  - (e) Have documented internal procedures for carrying out its functions including, inter alia, procedures for the allocation of responsibilities within the organization and for handling complaints. These procedures shall be made publicly available;
  - (f) Have the necessary expertise to carry out the functions specified in this and relevant decisions by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP), and, in particular, have sufficient knowledge and understanding of:
    - (i) The guidelines for the implementation of Article 6 of the Kyoto Protocol, and relevant decisions of the COP/MOP and of the Article 6 Supervisory Committee;
    - (ii) Environmental issues relevant to the verification of Article 6 projects;
    - (iii) The technical aspects of Article 6 activities relevant to environmental issues, including expertise in the setting of baselines and monitoring of emissions and other environmental impacts;
    - (iv) Relevant environmental auditing requirements and methodologies;
    - (v) Methodologies for the accounting of anthropogenic emissions by sources and/or anthropogenic removals by sinks;
  - (g) Have a management structure that has overall responsibility for performance and implementation of the entity's functions, including quality assurance procedures, and all relevant decisions relating to verification. The applicant independent entity shall make available:
    - (i) The names, qualifications, experience and terms of reference of the senior executive, board members, senior officers and other relevant personnel;
    - (ii) An organization chart showing lines of authority, responsibility and allocation of functions stemming from the senior executive;
    - (iii) Its quality assurance policy and procedures;

- (iv) Administrative procedures, including document control;
  - (v) Its policy and procedures for the recruitment and training of independent entity personnel, for ensuring their competence for all necessary functions and for monitoring their performance;
  - (vi) Its procedures for handling complaints, appeals and disputes;
  - (h) Not have pending any judicial process for malpractice, fraud and/or other activity incompatible with its functions as an accredited independent entity.
2. An applicant independent entity shall meet the following operational requirements:
- (a) Work in a credible, independent, non-discriminatory and transparent manner, complying with applicable national law and meeting, in particular, the following requirements:
    - (i) An applicant independent entity shall have a documented structure, which safeguards impartiality, including provisions to ensure the impartiality of its operations
    - (ii) If it is part of a larger organization, and where parts of that organization are, or may become, involved in the identification, development or financing of any Article 6 project, the applicant independent entity shall:
      - Make a declaration of all the organization's actual and potential Article 6 activities;
      - Clearly define the links with other parts of the organization, demonstrating that no conflicts of interest exist;
      - Demonstrate that no actual or potential conflict of interest exists between its functions as an accredited independent entity and any other functions that it may have, and demonstrate how business is managed to minimize any identified risk to impartiality. The demonstration shall cover all potential sources of conflict of interest, whether they arise from within the applicant independent entity or from the activities of related bodies;
      - Demonstrate that it, together with its senior executive and staff, is not involved in any commercial, financial or other processes which might influence its judgement or endanger trust in its independence of judgement and integrity in relation to its activities, and that it complies with any rules applicable in this respect;
  - (b) Have adequate arrangements to safeguard confidentiality of the information obtained from Article 6 project participants in accordance with provisions contained in the present annex on guidelines for the implementation of Article 6.

## APPENDIX B

**Criteria for baseline setting and monitoring****I. Criteria for baseline setting**

1. The baseline for an Article 6 project is the scenario that reasonably represents the anthropogenic emissions by sources or anthropogenic removals by sinks of greenhouse gases that would occur in the absence of the proposed project. A baseline shall cover emissions from all gases, sectors and source categories listed in Annex A, and anthropogenic removals by sinks, within the project boundary.
2. A baseline shall be established:
  - (a) On a project-specific basis and/or using a multi-project emission factor;
  - (b) In a transparent manner with regard to the choice of approaches, assumptions, methodologies, parameters, data sources and key factors;
  - (c) Taking into account relevant national and/or sectoral policies and circumstances, such as sectoral reform initiatives, local fuel availability, power sector expansion plans, and the economic situation in the project sector;
  - (d) In such a way that emission reduction units (ERUs) cannot be earned for decreases in activity levels outside the project activity or due to force majeure;
  - (e) Taking account of uncertainties and using conservative assumptions.
3. Project participants shall justify their choice of baseline.

**II. Monitoring**

4. Project participants shall include, as part of the project design document, a monitoring plan that provides for:
  - (a) The collection and archiving of all relevant data necessary for estimating or measuring anthropogenic emissions by sources and/or anthropogenic removals by sinks of greenhouse gases occurring within the project boundary during the crediting period;
  - (b) The collection and archiving of all relevant data necessary for determining the baseline of anthropogenic emissions by sources and/or anthropogenic removals by sinks of greenhouse gases within the project boundary during the crediting period;
  - (c) The identification of all potential sources of, and the collection and archiving of data on increased anthropogenic emissions by sources and/or reduced anthropogenic removals by sinks of greenhouse gases outside the project boundary that are significant and reasonably attributable to the project during the crediting period. The project boundary shall encompass all anthropogenic emissions by sources and/or removals by sinks of greenhouse gases under the control of the project participants that are significant and reasonably attributable to the Article 6 project activity;
  - (d) The collection and archiving of information on environmental impacts, in accordance with procedures as required by the host Party, where applicable;
  - (e) Quality assurance and control procedures for the monitoring process;

- (f) Procedures for the periodic calculation of the reductions of anthropogenic emissions by sources and/or enhancements of anthropogenic removals by sinks by the proposed Article 6 project, and for leakage effects, if any. Leakage is defined as the net change of anthropogenic emissions by sources and/or removals by sinks of greenhouse gases which occurs outside the project boundary, and that is measurable and attributable to the Article 6 project;
- (g) Documentation of all steps involved in the calculations referred to in subparagraphs (b) and (f) above.

5. Revisions, if any, to the monitoring plan to improve its accuracy and/or completeness of information shall be justified by project participants and shall be submitted for the determination referred to in paragraph 37 of the present annex on guidelines for the implementation of Article 6 of the Kyoto Protocol by the accredited independent entity.

6. The implementation of the monitoring plan and its revisions, as applicable, shall be a condition for verification.

*2<sup>nd</sup> plenary meeting  
30 November 2005*

## Decision 10/CMP.1

### Implementation of Article 6 of the Kyoto Protocol

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

*Cognizant of decisions 2/CMP.1, 3/CMP.1, 9/CMP.1, 11/CMP.1, 13/CMP.1, 15/CMP.1, 16/CMP.1, 19/CMP.1, 20/CMP.1 and 22/CMP.1,*

*Taking note of preparatory work undertaken by the secretariat relating to the implementation of Article 6 of the Kyoto Protocol, hereinafter referred to as joint implementation,*

*Expressing its appreciation to Parties that have made contributions towards funding activities for preparatory work,*

*Aware of the work already undertaken by Parties to prepare joint implementation projects, including on reporting guidelines and criteria for baseline setting and monitoring and the project design document, as indicated, inter alia, in the report on the UNFCCC workshop referred to in the report of the Conference of the Parties on its tenth session,<sup>1</sup>*

*Aware of the need to ensure adequate levels of funding to undertake the full scope of activities planned for 2006–2007,*

1. *Decides to establish the Joint Implementation Supervisory Committee;*
2. *Requests the Joint Implementation Supervisory Committee to establish and execute a work programme including the following tasks:*
  - (a) *To develop, as soon as possible, rules of procedure taking into consideration, as appropriate, the rules of procedure of the Executive Board of the clean development mechanism, and to recommend them for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its second session, and to apply them provisionally until they are so adopted;*
  - (b) *To further elaborate, as a priority, standards and procedures for the accreditation of independent entities, consistent with appendix A of the guidelines for the implementation of Article 6 of the Kyoto Protocol attached to decision 9/CMP.1, taking into consideration, as appropriate, the procedures for accrediting operational entities developed by the Executive Board of the clean development mechanism;*
  - (c) *To accredit independent entities in accordance with the standards and procedures for the accreditation of independent entities as contained in appendix A of the guidelines for the implementation of Article 6 of the Kyoto Protocol;*
  - (d) *To elaborate and agree on a joint implementation project design document pursuant to paragraph 3 (e) of the guidelines for the implementation of Article 6 of the Kyoto Protocol, with the understanding that it shall be applied provisionally until the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol has adopted it in accordance with the guidelines for the implementation of Article 6 of the Kyoto Protocol;*

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<sup>1</sup> FCCC/CP/2004/10, paragraph 94.

- (e) To develop, as soon as possible, guidelines for users, inter alia, of the joint implementation project design document, drawing on guidelines developed by the Executive Board of the clean development mechanism, where appropriate;
  - (f) To develop, as soon as possible, guidance with regard to appendix B of the guidelines for the implementation of Article 6 of the Kyoto Protocol, including provisions for small-scale projects as defined in paragraph 6 (c) of decision 17/CP.7, as appropriate;
  - (g) To develop, as soon as possible, its management plan including a budget plan for the period 2006–2007, and keep it under review, bearing in mind the experience of the Executive Board of the clean development mechanism in this area, as appropriate;
  - (h) To develop provisions for the charging of fees to cover administrative costs relating to the activities of the Joint Implementation Supervisory Committee;
3. *Further decides that:*
- (a) Designated operational entities under the clean development mechanism may act provisionally as accredited independent entities under Article 6 until the Joint Implementation Supervisory Committee has approved its procedures for accreditation;
  - (b) Those designated operational entities that apply for accreditation under the approved procedures for accreditation may continue to act provisionally as accredited independent entities until a final accreditation decision is taken;
  - (c) The determinations and relevant activities undertaken under these provisions shall be valid only after the accreditation of the independent entity is finalized;
4. *Also decides that:*
- (a) Methodologies for baselines and monitoring, including methodologies for small-scale project activities, approved by the Executive Board of the clean development mechanism, may be applied by project participants under joint implementation, as appropriate;
  - (b) The relevant parts of the clean development mechanism project design document, and of the project design document for small-scale clean development mechanism project activities, may be applied by project participants under joint implementation, as appropriate;
5. *Encourages* the Joint Implementation Supervisory Committee to collaborate with:
- (a) The Executive Board of the clean development mechanism;
  - (b) The Compliance Committee under the Kyoto Protocol, in particular with regard to the list of Parties referred to in paragraph 27 of the guidelines for the implementation of Article 6 of the Kyoto Protocol;
  - (c) The designated focal points for Article 6 under the Kyoto Protocol;
  - (d) Observers to meetings of the Joint Implementation Supervisory Committee, referred to in paragraph 18 of the guidelines for the implementation of Article 6 of the Kyoto Protocol, through regular question-and-answer sessions held in this context;

6. *Urges* Parties included in Annex I to the Convention to make prompt voluntary contributions in 2006 to the Trust Fund for Supplementary Activities to fund administrative expenses for implementing Article 6 of the Kyoto Protocol in the biennium 2006–2007, which are in addition to provisions made in the UNFCCC programme budget for the biennium 2006–2007.

*9<sup>th</sup> plenary meeting  
9–10 December 2005*



## **Decision 11/CMP.1**

### **Modalities, rules and guidelines for emissions trading under Article 17 of the Kyoto Protocol**

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

*Aware of its decisions 2/CMP.1, 3/CMP.1, 9/CMP.1, 13/CMP.1, 15/CMP.1, 16/CMP.1, 19/CMP.1, 20/CMP.1, and 22/CMP.1 and decisions 3/CP.7 and 24/CP.7,*

1. *Decides* to confirm and give full effect to any actions taken pursuant to decision 18/CP.7 and to any other relevant decisions by the Conference of the Parties, as appropriate;
2. *Urges* the Parties included in Annex II to the Convention to facilitate the participation in emissions trading under Article 17 of the Kyoto Protocol of Parties included in Annex I to the Convention with commitments inscribed in Annex B to the Kyoto Protocol which are undergoing the process of transition to a market economy.

## ANNEX

**Modalities, rules and guidelines for emissions trading  
under Article 17 of the Kyoto Protocol<sup>1</sup>**

1. For the purpose of the present annex the definitions contained in Article 1<sup>2</sup> and the provisions of Article 14 shall apply. Furthermore:

- (a) An “emission reduction unit” or “ERU” is a unit issued pursuant to the relevant provisions in the annex to decision 13/CMP.1 and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5;
- (b) A “certified emission reduction” or “CER” is a unit issued pursuant to Article 12 and requirements thereunder, as well as the relevant provisions in the annex to decision 3/CMP.1, and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5;
- (c) An “assigned amount unit” or “AAU” is a unit issued pursuant to the relevant provisions in the annex to decision 13/CMP.1 and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5;
- (d) A “removal unit” or “RMU” is a unit issued pursuant to the relevant provisions in the annex to decision 13/CMP.1 and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5.

2. Subject to the provisions of paragraph 3 below, a Party<sup>3</sup> included in Annex I with a commitment inscribed in Annex B is eligible to transfer and/or acquire ERUs, CERs, AAUs, or RMUs issued in accordance with the relevant provisions, if it is in compliance with the following eligibility requirements:

- (a) It is a Party to the Kyoto Protocol
- (b) Its assigned amount pursuant to Article 3, paragraphs 7 and 8, has been calculated and recorded in accordance with decision 13/CMP.1
- (c) It has in place a national system for the estimation of anthropogenic emissions by sources and anthropogenic removals by sinks of all greenhouse gases not controlled by the Montreal Protocol, in accordance with Article 5, paragraph 1, and the requirements in the guidelines decided thereunder
- (d) It has in place a national registry in accordance with Article 7, paragraph 4, and the requirements in the guidelines decided thereunder
- (e) It has submitted annually the most recent required inventory, in accordance with Article 5, paragraph 2, and Article 7, paragraph 1, and the requirements in the guidelines decided thereunder, including the national inventory report and the common reporting format. For the first commitment period, the quality assessment needed for the purpose

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<sup>1</sup> The annex to decision 13/CMP.1 contains operational provisions and procedures relevant to this annex.

<sup>2</sup> In the context of this annex, “Article” refers to an Article of the Kyoto Protocol, unless otherwise specified.

<sup>3</sup> In the context of this annex, “Party” refers to a Party to the Kyoto Protocol, unless otherwise specified.

of determining eligibility to use the mechanisms shall be limited to the parts of the inventory pertaining to emissions of greenhouse gases from sources/sector categories from Annex A to the Kyoto Protocol and the submission of the annual inventory on sinks

- (f) It submits the supplementary information on assigned amount in accordance with Article 7, paragraph 1, and the requirements in the guidelines decided thereunder and makes any additions to, and subtractions from, assigned amount pursuant to Article 3, paragraphs 7 and 8, including for the activities under Article 3, paragraphs 3 and 4, in accordance with Article 7, paragraph 4, and the requirements in the guidelines decided thereunder.
3. A Party included in Annex I with a commitment inscribed in Annex B shall be considered:
- (a) To meet the eligibility requirements referred to in paragraph 2 above after 16 months have elapsed since the submission of its report to facilitate the calculation of its assigned amount pursuant to Article 3, paragraphs 7 and 8, and to demonstrate its capacity to account for its emissions and assigned amount, in accordance with the modalities adopted for the accounting of assigned amount under Article 7, paragraph 4, unless the enforcement branch of the Compliance Committee finds in accordance with decision 24/CP.7 that the Party does not meet these requirements, or, at an earlier date, if the enforcement branch of the Compliance Committee has decided that it is not proceeding with any questions of implementation relating to these requirements indicated in reports of the expert review teams under Article 8 of the Kyoto Protocol, and has transmitted this information to the secretariat;
- (b) To continue to meet the eligibility requirements referred to in paragraph 2 above unless and until the enforcement branch of the Compliance Committee decides that the Party does not meet one or more of the eligibility requirements, has suspended the Party's eligibility and has transmitted this information to the secretariat.
4. The secretariat shall maintain a publicly accessible list of Parties that meet the eligibility requirements and of Parties that have been suspended.
5. Transfers and acquisitions between national registries shall be made under the responsibility of the Parties concerned in accordance with the provisions in decision 13/CMP.1. A Party that authorizes legal entities to transfer and/or acquire under Article 17 shall remain responsible for the fulfilment of its obligations under the Kyoto Protocol and shall ensure that such participation is consistent with the present annex. The Party shall maintain an up-to-date list of such entities and make it available to the secretariat and the public through its national registry. Legal entities may not transfer and/or acquire under Article 17 during any period of time in which the authorizing Party does not meet the eligibility requirements or has been suspended.
6. Each Party included in Annex I shall maintain, in its national registry, a commitment period reserve which should not drop below 90 per cent of the Party's assigned amount calculated pursuant to Article 3, paragraphs 7 and 8, of the Kyoto Protocol, or 100 per cent of five times its most recently reviewed inventory, whichever is lowest.
7. The commitment period reserve shall consist of holdings of ERUs, CERs, AAUs and/or RMUs for the relevant commitment period which have not been cancelled in accordance with decision 13/CMP.1.

8. Upon establishment of its assigned amount pursuant to Article 3, paragraphs 7 and 8, and until expiration of the additional period for fulfilling commitments, a Party shall not make a transfer which would result in these holdings being below the required level of the commitment period reserve.
9. If calculations under paragraph 6 above, or cancellations of ERUs, CERs, AAUs and/or RMUs, raise the required level of the commitment period reserve above the Party's holdings of ERUs, CERs, AAUs and/or RMUs valid for the relevant commitment period, which have not been cancelled, the Party shall be notified by the secretariat and, within 30 days of this notification, shall bring its holdings to the required level.
10. Any provisions relating to the commitment period reserve or other limitations to transfers under Article 17 shall not apply to transfers by a Party of ERUs issued into its national registry which were verified in accordance with the verification procedure under the Article 6 Supervisory Committee.
11. The secretariat shall perform functions as requested.

*2<sup>nd</sup> plenary meeting  
30 November 2005*

## Decision 12/CMP.1

### Guidance relating to registry systems under Article 7, paragraph 4, of the Kyoto Protocol

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

*Recalling* decisions 15/CP.7, 16/CP.7, 17/CP.7, 18/CP.7, 19/CP.7, 24/CP.8, 19/CP.9 and 16/CP.10,

*Welcoming* the considerable progress that has been made by the secretariat, as the administrator of the international transaction log, with regard to the development of the international transaction log,

*Noting* that the international transaction log is essential to the implementation of the mechanisms under Articles 6, 12 and 17 of the Kyoto Protocol,

*Noting* that the planned date on which registry systems may begin initialization testing with the international transaction log, as indicated in the annual report of the administrator of the international transaction log (2005), is 31 October 2006,

1. *Takes note* of the annual report of the administrator of the international transaction log (2005) (FCCC/KP/CMP/2005/5);
2. *Adopts* the general design requirements for the technical standards for data exchange between registry systems under the Kyoto Protocol, as contained in the annex to decision 24/CP.8;
3. *Endorses* decision 16/CP.10 on issues relating to registry systems under Article 7, paragraph 4, of the Kyoto Protocol, including in relation to the role and functions of the administrator of the international transaction log;
4. *Requests* the administrator of the international transaction log to implement the international transaction log in 2006, with a view to allowing registry systems to successfully connect to the international transaction log by April 2007;
5. *Requests* the administrator of the international transaction log, in carrying out the tasks requested in decision 16/CP.10 and facilitating, in accordance with that decision, the cooperation among administrators of registry systems and the involvement of appropriate experts from Parties to the Kyoto Protocol not included in Annex I to the Convention, to plan the first meeting for March 2006;
6. *Requests* the administrator of the international transaction log to provide, at the meeting referred to in paragraph 5 above, sufficient information on the implementation and schedule of the international transaction log to ensure transparency and facilitate the planning of other registry systems, and the implementation of paragraphs 6 and 7 of decision 16/CP.10;
7. *Requests* the administrator of the international transaction log, once registry systems become available, to facilitate an interactive exercise, including with experts from Parties to the Kyoto Protocol not included in Annex I to the Convention, demonstrating the functioning of the international transaction log with other registry systems and the full conformity of the performance of the international transaction log with relevant decisions and specifications for the international transaction log, and to include information on this exercise in its annual report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
8. *Expresses* its appreciation to Parties that have contributed to the UNFCCC Trust Fund for Supplementary Activities in relation to this work;

9. *Requests* the secretariat, at the earliest stage possible prior to the twenty-fourth sessions of the subsidiary bodies (May 2006), to inform Parties included in Annex I to the Convention that are Parties to the Kyoto Protocol of any further contributions to the UNFCCC Trust Fund for Supplementary Activities which are required in relation to the development and operation of the international transaction log and to provide a detailed specification of such funding requirements;

10. *Requests* the secretariat to report to the Subsidiary Body for Implementation, at its twenty-fourth session (May 2006), on progress made towards the implementation of the international transaction log, in particular in relation to the content and timing of the testing and initialization of registry systems;

11. *Requests* the Subsidiary Body for Implementation to consider, at its future sessions, annual reports of the administrator of the international transaction log, with a view to requesting the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to provide guidance, as necessary, in relation to the operation of registry systems.

*9<sup>th</sup> plenary meeting  
9–10 December 2005*

## **Decision 13/CMP.1**

### **Modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol**

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

*Recalling* Article 7, paragraph 4, of the Kyoto Protocol,

*Recalling* decision 19/CP.7,

*Being aware* of its decisions 2/CMP.1, 3/CMP.1, 9/CMP.1, 11/CMP.1, 15/CMP.1, 16/CMP.1, 19/CMP.1, 20/CMP.1, and 22/CMP.1 and decision 24/CP.7,

1. *Adopts* the modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol, as contained in the annex to the present decision;
2. *Decides* that each Party included in Annex I with a commitment inscribed in Annex B shall submit to the secretariat, prior to 1 January 2007 or one year after the entry into force of the Kyoto Protocol for that Party, whichever is later, the report referred to in paragraph 6 of the annex to the present decision. After completion of the initial review under Article 8 and resolution of any question of implementation relating to adjustments under Article 5, paragraph 2, or its assigned amount pursuant to Article 3, paragraphs 7 and 8, the assigned amount pursuant to Article 3, paragraphs 7 and 8, of each Party shall be recorded in the database for the compilation and accounting of emissions and assigned amounts referred to in paragraph 50 of the annex to the present decision and shall remain fixed for the commitment period;
3. *Decides* that each Party included in Annex I with a commitment inscribed in Annex B shall submit to the secretariat, upon expiration of the additional period for fulfilling commitments, the report referred to in paragraph 49 of the annex to the present decision;
4. *Requests* the secretariat to begin publishing the annual compilation and accounting reports referred to in paragraph 61 of the annex to the present decision after completion of the initial review under Article 8 and resolution of any question of implementation relating to adjustments under Article 5, paragraph 2, or its assigned amount pursuant to Article 3, paragraphs 7 and 8, and to forward them to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, the Compliance Committee and each Party concerned;
5. *Requests* the secretariat to publish, after the additional period for fulfilling commitments, the final compilation and accounting reports referred to in paragraph 62 of the annex to the present decision and forward them to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, the Compliance Committee and each Party concerned.

## ANNEX

**Modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol<sup>1</sup>****I. Modalities****A. Definitions**

1. An “emission reduction unit” or “ERU” is a unit issued pursuant to the relevant provisions in these modalities for the accounting of assigned amounts and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5.
2. A “certified emission reduction” or “CER” is a unit issued pursuant to Article 12 and requirements thereunder, as well as the relevant provisions in the annex to decision 3/CMP.1, and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5.
3. An “assigned amount unit” or “AAU” is a unit issued pursuant to the relevant provisions in these modalities for the accounting of assigned amounts and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5.
4. A “removal unit” or “RMU” is a unit issued pursuant to the relevant provisions in these modalities for the accounting of assigned amounts and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5.

**B. Calculation of the assigned amounts pursuant to Article 3, paragraphs 7 and 8**

5. The assigned amount pursuant to Article 3, paragraphs 7 and 8, for the first commitment period, from 2008 to 2012, for each Party included in Annex I with a commitment inscribed in Annex B to the Kyoto Protocol<sup>2</sup> shall be equal to the percentage inscribed for it in Annex B of its aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases, and from the sources, listed in Annex A to the Kyoto Protocol in the base year, multiplied by five, taking into account the following:
  - (a) The base year shall be 1990 except for those Parties undergoing the process of transition to a market economy that have selected a historical base year or period other than 1990, in accordance with Article 3, paragraph 5, and for those Parties that have selected 1995 as the base year for total emissions of hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride, in accordance with Article 3, paragraph 8
  - (b) Those Parties for which land-use change and forestry (all emissions by sources and removals by sinks under category 5 of the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories*) constituted a net source of greenhouse gas emissions in the base year or period shall include in their emissions during that year or period the aggregate anthropogenic carbon dioxide equivalent emissions by sources minus removals by sinks in that year or period from land-use change (all emissions by sources minus removals by sinks reported in relation to the conversion of forests (deforestation))

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<sup>1</sup> “Article” in these modalities refers to an article of the Kyoto Protocol, unless otherwise specified.

<sup>2</sup> Hereinafter referred to as a “Party included in Annex I”.



- (c) Those Parties that have reached an agreement in accordance with Article 4 to fulfil their commitments under Article 3 jointly shall use the respective emission level allocated to each of the Parties in that agreement instead of the percentage inscribed for it in Annex B.
6. Each Party included in Annex I shall facilitate the calculation of its assigned amount pursuant to Article 3, paragraphs 7 and 8, for the commitment period and demonstrate its capacity to account for its emissions and assigned amount. To this end, each Party shall submit a report, in two parts, containing the information specified in paragraphs 7 and 8 below.
7. Part one of the report referred to in paragraph 6 above shall contain the following information, or references to such information where it has been previously submitted to the secretariat:
- (a) Complete inventories of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol for all years from 1990, or another approved base year or period under Article 3, paragraph 5, to the most recent year available, prepared in accordance with Article 5, paragraph 2, and relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP), taking into account any relevant decisions of the Conference of the Parties
  - (b) Identification of its selected base year for hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride in accordance with Article 3, paragraph 8
  - (c) The agreement under Article 4, where the Party has reached such an agreement to fulfil its commitments under Article 3 jointly with other Parties
  - (d) Calculation of its assigned amount pursuant to Article 3, paragraphs 7 and 8, on the basis of its inventory of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol.
8. Part two of the report referred to in paragraph 6 above shall contain the following information, or references to such information where it has been previously submitted to the secretariat:
- (a) Calculation of its commitment period reserve in accordance with decision 11/CMP.1
  - (b) Identification of its selection of single minimum values for tree crown cover, land area and tree height for use in accounting for its activities under Article 3, paragraphs 3 and 4, together with a justification of the consistency of those values with the information that has been historically reported to the Food and Agriculture Organization of the United Nations or other international bodies, and in the case of difference, an explanation of why and how such values were chosen, in accordance with decision 16/CMP.1
  - (c) Identification of its election of activities under Article 3, paragraph 4, for inclusion in its accounting for the first commitment period, together with information on how its national system under Article 5, paragraph 1, will identify land areas associated with the activities, in accordance with decision 16/CMP.1
  - (d) Identification of whether, for each activity under Article 3, paragraphs 3 and 4, it intends to account annually or for the entire commitment period
  - (e) A description of its national system in accordance with Article 5, paragraph 1, reported in accordance with the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol

- (f) A description of its national registry, reported in accordance with the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol.

**C. Recording of the assigned amounts pursuant to Article 3, paragraphs 7 and 8**

9. After initial review under Article 8 and resolution of any questions of implementation relating to adjustments or the calculation of its assigned amount pursuant to Article 3, paragraphs 7 and 8, the assigned amount pursuant to Article 3, paragraphs 7 and 8, of each Party shall be recorded in the database for the compilation and accounting of emissions and assigned amounts referred to in paragraph 50 below.

10. Once recorded in the compilation and accounting database referred to in paragraph 50 below, the assigned amount pursuant to Article 3, paragraphs 7 and 8, of each Party shall remain fixed for the commitment period.

**D. Additions to, and subtractions from, the assigned amounts pursuant to Article 3, paragraphs 7 and 8, for the accounting of the compliance assessment**

11. At the end of the additional period for fulfilling commitments, the following additions to the assigned amount pursuant to Article 3, paragraphs 7 and 8, of a Party shall be made in accordance with Article 3, paragraphs 3, 4, 10, 12 and 13, for the accounting of the compliance assessment for the commitment period:

- (a) Acquisitions by the Party of ERUs in accordance with Articles 6 and 17
- (b) Net acquisitions by the Party of CERs, where it acquires more CERs in accordance with Articles 12 and 17 than it transfers in accordance with Article 17
- (c) Acquisitions by the Party of AAUs in accordance with Article 17
- (d) Acquisitions by the Party of RMUs in accordance with Article 17
- (e) Issuance by the Party of RMUs on the basis of its activities under Article 3, paragraph 3, and its elected activities under Article 3, paragraph 4, where such activities result in a net removal of greenhouse gases, as reported in accordance with Article 7, reviewed in accordance with Article 8, taking into account any adjustments applied under Article 5, paragraph 2, accounted in accordance with decision 16/CMP.1 and subject to any question of implementation relating to those activities having been resolved
- (f) Carry-over by the Party of ERUs, CERs and/or AAUs from the previous commitment period, in accordance with paragraph 15 below.

12. At the end of the additional period for fulfilling commitments, the following subtractions from the assigned amount pursuant to Article 3, paragraphs 7 and 8, of a Party shall be made in accordance with Article 3, paragraphs 3, 4 and 11, for the accounting of the compliance assessment for the commitment period:

- (a) Transfers by the Party of ERUs in accordance with Articles 6 and 17
- (b) Transfers by the Party of AAUs in accordance with Article 17
- (c) Transfers by the Party of RMUs in accordance with Article 17
- (d) Cancellation by the Party of ERUs, CERs, AAUs and/or RMUs on the basis of its activities under Article 3, paragraph 3, and its elected activities under Article 3,

paragraph 4, where such activities result in a net source of greenhouse gas emissions, as reported in accordance with Article 7, reviewed in accordance with Article 8, taking into account any adjustments applied under Article 5, paragraph 2, and accounted in accordance with decision 16/CMP.1

- (e) Cancellation by the Party of ERUs, CERs, AAUs and/or RMUs following determination by the Compliance Committee that the Party was not in compliance with its commitment under Article 3, paragraph 1, for the previous commitment period, in accordance with decision 24/CP.7
- (f) Other cancellations by the Party of ERUs, CERs, AAUs and/or RMUs.

#### **E. Basis for the compliance assessment**

13. Each Party included in Annex I shall retire ERUs, CERs, AAUs and/or RMUs for the purpose of demonstrating its compliance with its commitment under Article 3, paragraph 1.

14. The assessment, after the expiration of the additional period for fulfilling commitments, of the compliance of a Party included in Annex I with its commitment under Article 3, paragraph 1, shall be based on the comparison of the quantity of ERUs, CERs, AAUs and/or RMUs, valid for the commitment period in question, retired by the Party in accordance with paragraph 13 above, with its aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases, and from the sources, listed in Annex A to the Kyoto Protocol during the commitment period as reported in accordance with Article 7 and reviewed in accordance with Article 8, taking into account any adjustments in accordance with Article 5, paragraph 2, as recorded in the compilation and accounting database referred to in paragraph 50 below.

#### **F. Carry-over**

15. After expiration of the additional period for fulfilling commitments and where the final compilation and accounting report referred to in paragraph 62 below indicates that the quantity of ERUs, CERs, AAUs and/or RMUs retired by the Party in accordance with paragraph 13 above is at least equivalent to its anthropogenic carbon dioxide equivalent emissions of the greenhouse gases, and from the sources, listed in Annex A to the Kyoto Protocol for that commitment period, the Party may carry over to the subsequent commitment period:

- (a) Any ERUs held in its national registry, which have not been converted from RMUs and have not been retired for that commitment period or cancelled, to a maximum of 2.5 per cent of the assigned amount pursuant to Article 3, paragraphs 7 and 8, of that Party
- (b) Any CERs held in its national registry, which have not been retired for that commitment period or cancelled, to a maximum of 2.5 per cent of the assigned amount pursuant to Article 3, paragraphs 7 and 8, of that Party
- (c) Any AAUs held in its national registry, which have not been retired for that commitment period or cancelled.

16. RMUs may not be carried over to the subsequent commitment period.

## **II. Registry requirements**

### **A. National registries**

17. Each Party included in Annex I shall establish and maintain a national registry to ensure the accurate accounting of the issuance, holding, transfer, acquisition, cancellation and retirement of ERUs, CERs, AAUs and RMUs and the carry-over of ERUs, CERs and AAUs.

18. Each Party shall designate an organization as its registry administrator to maintain the national registry of that Party. Any two or more Parties may voluntarily maintain their respective national registries in a consolidated system, provided that each national registry remains distinct.

19. A national registry shall be in the form of a standardized electronic database which contains, inter alia, common data elements relevant to the issuance, holding, transfer, acquisition, cancellation and retirement of ERUs, CERs, AAUs and RMUs and the carry-over of ERUs, CERs and AAUs. The structure and data formats of national registries shall conform to technical standards to be adopted by the COP/MOP for the purpose of ensuring the accurate, transparent and efficient exchange of data between national registries, the clean development mechanism (CDM) registry and the international transaction log.

20. Each ERU, CER, AAU and RMU shall be held in only one account in one registry at a given time.

21. Each national registry shall have the following accounts:

- (a) At least one holding account for the Party
- (b) At least one holding account for each legal entity authorized by the Party to hold ERUs, CERs, AAUs and/or RMUs under its responsibility
- (c) At least one cancellation account for each commitment period for the purposes of cancelling ERUs, CERs, AAUs and/or RMUs under paragraph 12 (d) above
- (d) One cancellation account for each commitment period for the purposes of cancelling ERUs, CERs, AAUs and/or RMUs under paragraph 12 (e) above
- (e) At least one cancellation account for each commitment period for the purposes of cancelling ERUs, CERs, AAUs and/or RMUs under paragraph 12 (f) above
- (f) One retirement account for each commitment period.

22. Each account within a national registry shall have a unique account number comprising the following elements:

- (a) Party identifier: the Party in whose national registry the account is maintained, identified by means of the two-letter country code defined by the International Organization for Standardization (ISO 3166)
- (b) A unique number: a number unique to that account for the Party in whose national registry the account is maintained.

### **B. Issuance of ERUs, AAUs and RMUs**

23. Each Party included in Annex I shall, prior to any transactions taking place for that commitment period, issue a quantity of AAUs equivalent to its assigned amount pursuant to Article 3, paragraphs 7 and 8, calculated and recorded in accordance with paragraphs 5 to 10 above, in its national registry.
24. Each AAU shall have a unique serial number comprising the following elements:
- (a) Commitment period: the commitment period for which the AAU is issued
  - (b) Party of origin: the Party issuing the AAU, identified by means of the two-letter country code defined by ISO 3166
  - (c) Type: an element identifying the unit as an AAU
  - (d) Unit: a number unique to the AAU for the identified commitment period and Party of origin.
25. Each Party included in Annex I shall issue in its national registry RMUs equivalent to the net removals of anthropogenic greenhouse gases resulting from its activities under Article 3, paragraph 3, and its elected activities under Article 3, paragraph 4, accounted in accordance with decision 16/CMP.1 as reported under Article 7, paragraph 1, following completion of the review in accordance with Article 8, taking into account any adjustments applied in accordance with Article 5, paragraph 2, and resolution of any questions of implementation relating to the reported net removals of anthropogenic greenhouse gases. Each Party shall elect for each activity, prior to the start of the commitment period, to issue such RMUs annually or for the entire commitment period. The decision of a Party shall remain fixed for the first commitment period.
26. Where a question of implementation is identified by an expert review team under Article 8 in relation to the calculation of the net removals of greenhouse gases from the activities of a Party under Article 3, paragraph 3 or 4, or where adjustments exceed thresholds to be decided according to paragraph 2 of decision 22/CP.7, the Party shall not issue the RMUs relating to the reported net removals of anthropogenic greenhouse gases for each activity under Article 3, paragraph 3, and for each elected activity under Article 3, paragraph 4, until the question of implementation is resolved.
27. Each RMU shall have a unique serial number comprising the following elements:
- (a) Commitment period: the commitment period for which the RMU is issued
  - (b) Party of origin: the Party included in Annex I issuing the RMU, identified by means of the two-letter country code defined by ISO 3166
  - (c) Type: an element identifying the unit as an RMU
  - (d) Activity: the type of activity for which the RMU was issued
  - (e) Unit: a number unique to the RMU for the identified commitment period and Party of origin.
28. Each Party included in Annex I shall ensure that the total quantity of RMUs issued into its registry pursuant to Article 3, paragraph 4, for the commitment period does not exceed the limits established for that Party as set out in decision 16/CMP.1.
29. Prior to their transfer, each Party shall issue ERUs into its national registry by converting AAUs or RMUs previously issued by that Party and held in its national registry. An AAU or RMU shall be

converted into an ERU by adding a project identifier to the serial number and changing the type indicator in the serial number to indicate an ERU. Other elements of the serial number of the AAU or RMU shall remain unchanged. The project identifier shall identify the specific Article 6 project for which the ERU is issued, using a number unique to the project for the Party of origin, including whether the relevant reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks were verified under the Article 6 Supervisory Committee.

### **C. Transfer, acquisition, cancellation, retirement and carry-over**

30. ERUs, CERs, AAUs and RMUs may be transferred between registries in accordance with decisions 3/CMP.1, 9/CMP.1, 11/CMP.1 and 16/CMP.1, and may be transferred within registries.

31. Each Party included in Annex I shall ensure that its net acquisitions of CERs from afforestation and reforestation activities under Article 12 for the first commitment period do not exceed the limits established for that Party as set out in decision 16/CMP.1.

32. Each Party included in Annex I shall cancel CERs, ERUs, AAUs and/or RMUs equivalent to the net emissions of anthropogenic greenhouse gases resulting from its activities under Article 3, paragraph 3, and its elected activities under Article 3, paragraph 4, accounted in accordance with decision 16/CMP.1 as reported under Article 7, paragraph 1, following completion of the review in accordance with Article 8, taking into account any adjustments applied in accordance with Article 5, paragraph 2, and resolution of any questions of implementation relating to the reported net emissions of anthropogenic greenhouse gases, in accordance with paragraph 12 (d) above, by transferring the ERUs, CERs, AAUs and/or RMUs to the appropriate cancellation account in its national registry. Each Party shall cancel ERUs, CERs, AAUs and/or RMUs for each activity for the same period for which it has elected to issue RMUs for that activity.

33. Each Party included in Annex I may cancel ERUs, CERs, AAUs and/or RMUs so they cannot be used in fulfilment of commitments under Article 3, paragraph 1, in accordance with paragraph 12 (f) above, by transferring ERUs, CERs, AAUs and/or RMUs to a cancellation account in its national registry. Legal entities, where authorized by the Party, may also transfer ERUs, CERs, AAUs and RMUs into a cancellation account.

34. Prior to the end of the additional period for fulfilling commitments, each Party included in Annex I shall retire ERUs, CERs, AAUs and/or RMUs valid for that commitment period for use towards meeting its commitments under Article 3, paragraph 1, in accordance with paragraph 13 above, by transferring ERUs, CERs, AAUs and/or RMUs to the retirement account for that commitment period in its national registry.

35. ERUs, CERs, AAUs and RMUs transferred to cancellation accounts or the retirement account for a commitment period may not be further transferred or carried over to the subsequent commitment period. ERUs, CERs, AAUs and RMUs transferred to cancellation accounts may not be used for the purpose of demonstrating the compliance of a Party with its commitment under Article 3, paragraph 1.

36. Each Party included in Annex I may carry over ERUs, CERs and/or AAUs held in its registry, that have not been cancelled or retired for a commitment period, to the subsequent commitment period in accordance with paragraph 15 above. Each ERU, CER and/or AAU carried over in this manner shall maintain its original serial number and shall be valid in the subsequent commitment period. ERUs, CERs, AAUs and RMUs of a previous commitment period held in the registry of a Party which have not been carried over in this manner shall be cancelled in accordance with paragraph 12 (f) above once the additional period for fulfilling commitments has ended.

37. Where the Compliance Committee determines that the Party is not in compliance with its commitment under Article 3, paragraph 1, for a commitment period, the Party shall transfer the quantity of ERUs, CERs, AAUs and/or RMUs calculated in accordance with decision 24/CP.7 into the relevant cancellation account, in accordance with paragraph 12 (e) above.

#### **D. Transaction procedures**

38. The secretariat shall establish and maintain an international transaction log to verify the validity of transactions, including issuance, transfer and acquisition between registries, cancellation and retirement of ERUs, CERs, AAUs and RMUs and the carry-over of ERUs, CERs and AAUs.

39. A Party included in Annex I shall initiate issuance of AAUs or RMUs by directing its national registry to issue AAUs or RMUs into a specific account within that registry. The Executive Board of the CDM shall initiate issuance of CERs by directing the CDM registry to issue CERs into its pending account in accordance with the requirements in Article 12 and requirements thereunder, as well as the relevant provisions in the annex to decision 3/CMP.1. A Party included in Annex I shall initiate issuance of ERUs by directing its national registry to convert specified AAUs or RMUs into ERUs within an account of that national registry. Subject to notification by the transaction log that there are no discrepancies pertaining to the issuance, the issuance shall be completed when specific ERUs, CERs, AAUs or RMUs are recorded in the specified account and, in the case of ERUs, the specified AAUs or RMUs are removed from the account.

40. A Party included in Annex I shall initiate any transfer of ERUs, CERs, AAUs or RMUs, including those to cancellation and retirement accounts, by directing its national registry to transfer specified ERUs, CERs, AAUs or RMUs to a specific account within that registry or another registry. The Executive Board of the CDM shall initiate any transfer of CERs held in the CDM registry by directing it to transfer specified CERs to a specific account within that registry or another registry. Subject to notification by the transaction log, where applicable, that there are no discrepancies pertaining to the transfer, the transfer shall be completed when the specified ERUs, CERs, AAUs or RMUs are removed from the transferring account and are recorded in the acquiring account.

41. Upon the initiation of any issuance, transfer between registries, cancellation or retirement of ERUs, CERs, AAUs or RMUs, and prior to the completion of those transactions:

- (a) The initiating registry shall create a unique transaction number comprising: the commitment period for which the transaction is proposed; the Party identifier for the Party initiating the transaction (using the two-letter country code defined by ISO 3166); and a number unique to that transaction for the commitment period and initiating Party;
- (b) The initiating registry shall send a record of the proposed transaction to the transaction log and, in the case of transfers to another registry, to the acquiring national registry. The record shall include: the transaction number; the transaction type (issuance, transfer, cancellation or retirement, further distinguished in accordance with the categories in paragraphs 11 and 12 above); the serial numbers of the relevant ERUs, CERs, AAUs or RMUs; and the relevant account numbers.

42. Upon receipt of the record, the transaction log shall conduct an automated check to verify that there is no discrepancy, with regard to:

- (a) In all transactions: units previously retired or cancelled; units existing in more than one registry; units for which a previously identified discrepancy has not been resolved; units improperly carried over; units improperly issued, including those which infringe upon

the limits contained in decision 16/CMP.1; and the authorization of legal entities involved to participate in the transaction;

- (b) In the case of transfers between registries: the eligibility of Parties involved in the transaction to participate in the mechanisms; and infringement upon the commitment period reserve of the transferring Party;
- (c) In the case of acquisitions of CERs from land use, land-use change and forestry projects under Article 12: infringement of the limits contained in decision 16/CMP.1;
- (d) In the case of a retirement of CERs: the eligibility of the Party involved to use CERs to contribute to its compliance under Article 3, paragraph 1.

43. Upon completion of the automated check, the transaction log shall notify the initiating and, in the case of transfers to another registry, the acquiring registry of the results of the automated check. Depending on the outcome of the check, the following procedures shall apply:

- (a) If a discrepancy is notified by the transaction log, the initiating registry shall terminate the transaction, notify the transaction log and, in the case of transfers to another registry, the acquiring registry of the termination. The transaction log shall forward a record of the discrepancy to the secretariat for consideration as part of the review process for the relevant Party or Parties under Article 8
- (b) In the event of a failure by the initiating registry to terminate the transaction, the ERUs, CERs, AAUs or RMUs involved in the transaction shall not be valid for use towards compliance with commitments under Article 3, paragraph 1, until the problem has been corrected and any questions of implementation pertaining to the transaction have been resolved. Upon resolution of a question of implementation pertaining to a Party's transactions, that Party shall perform any necessary corrective action within 30 days
- (c) If no discrepancy is notified by the transaction log, the initiating registry and, in the case of transfers to another registry, the acquiring registry shall complete or terminate the transaction and send the record and a notification of completion or termination of the transaction to the transaction log. In the case of transfers to another registry, the initiating and acquiring registries shall also send their records and notifications to each other
- (d) The transaction log shall record, and make publicly available, all transaction records and the date and time of completion of each transaction, to facilitate its automated checks and the review under Article 8.

#### **E. Publicly accessible information**

44. Each national registry shall make non-confidential information publicly available and provide a publicly accessible user interface through the Internet that allows interested persons to query and view it.

45. The information referred to in paragraph 44 above shall include up-to-date information for each account number in that registry on the following:

- (a) Account name: the holder of the account
- (b) Account type: the type of account (holding, cancellation or retirement)
- (c) Commitment period: the commitment period with which a cancellation or retirement account is associated



- (d) Representative identifier: the representative of the account holder, using the Party identifier (the two-letter country code defined by ISO 3166) and a number unique to that representative within the Party's registry
- (e) Representative name and contact information: the full name, mailing address, telephone number, facsimile number and e-mail address of the representative of the account holder.

46. The information referred to in paragraph 44 above shall include the following Article 6 project information, for each project identifier against which the Party has issued ERUs:

- (a) Project name: a unique name for the project
- (b) Project location: the Party and town or region in which the project is located
- (c) Years of ERU issuance: the years in which ERUs have been issued as a result of the Article 6 project
- (d) Reports: downloadable electronic versions of all publicly available documentation relating to the project, including proposals, monitoring, verification and issuance of ERUs, where relevant, subject to the confidentiality provisions in decision 9/CMP.1.

47. The information referred to in paragraph 44 above shall include the following holding and transaction information relevant to the national registry, by serial number, for each calendar year (defined according to Greenwich Mean Time):

- (a) The total quantity of ERUs, CERs, AAUs and RMUs in each account at the beginning of the year
- (b) The total quantity of AAUs issued on the basis of the assigned amount pursuant to Article 3, paragraphs 7 and 8
- (c) The total quantity of ERUs issued on the basis of Article 6 projects
- (d) The total quantity of ERUs, CERs, AAUs and RMUs acquired from other registries and the identity of the transferring accounts and registries
- (e) The total quantity of RMUs issued on the basis of each activity under Article 3, paragraphs 3 and 4
- (f) The total quantity of ERUs, CERs, AAUs and RMUs transferred to other registries and the identity of the acquiring accounts and registries
- (g) The total quantity of ERUs, CERs, AAUs and RMUs cancelled on the basis of activities under Article 3, paragraphs 3 and 4
- (h) The total quantity of ERUs, CERs, AAUs and RMUs cancelled following determination by the Compliance Committee that the Party is not in compliance with its commitment under Article 3, paragraph 1
- (i) The total quantity of other ERUs, CERs, AAUs and RMUs cancelled
- (j) The total quantity of ERUs, CERs, AAUs and RMUs retired
- (k) The total quantity of ERUs, CERs, and AAUs carried over from the previous commitment period

- (l) Current holdings of ERUs, CERs, AAUs and RMUs in each account.

48. The information referred to in paragraph 44 above shall include a list of legal entities authorized by the Party to hold ERUs, CERs, AAUs and/or RMUs under its responsibility.

### **III. Compilation and accounting of emission inventories and assigned amounts**

#### **A. Report upon expiration of the additional period for fulfilling commitments**

49. Upon expiration of an additional period for fulfilling commitments, each Party included in Annex I shall report to the secretariat and make available to the public, in a standard electronic format, the following information. This information shall only include ERUs, CERs, AAUs and RMUs valid for the commitment period in question:

- (a) The total quantities of the categories of ERUs, CERs, AAUs and RMUs listed in paragraph 47 (a) to (j) above, for the current calendar year until the end of the additional period for fulfilling commitments (defined according to Greenwich Mean Time)
- (b) The total quantity and serial numbers of ERUs, CERs, AAUs and RMUs in its retirement account
- (c) The total quantity and serial numbers of ERUs, CERs and AAUs which the Party requests to be carried over to the subsequent commitment period.

#### **B. Compilation and accounting database**

50. The secretariat shall establish a database to compile and account for emissions and assigned amounts pursuant to Article 3, paragraphs 7 and 8, and additions to, and subtractions from, assigned amounts pursuant to Article 3, paragraphs 7 and 8, for the accounting of the compliance assessment, in accordance with paragraphs 11 and 12 above. The purpose of this database is to facilitate the assessment of the compliance of each Party included in Annex I with its commitment under Article 3, paragraph 1.

51. A separate record shall be maintained in the database for each Party included in Annex I for each commitment period. Information on ERUs, CERs, AAUs and RMUs shall only include units valid for the commitment period in question and shall be recorded separately for each type of unit.

52. The secretariat shall record in the database for each Party included in Annex I the following information:

- (a) The assigned amount pursuant to Article 3, paragraphs 7 and 8
- (b) For the first commitment period, the total allowable issuances of RMUs resulting from forest management activities under Article 3, paragraph 4, and limits on net acquisitions of CERs from afforestation and reforestation activities under Article 12 pursuant to decision 16/CMP.1.

53. The secretariat shall record in the database, for each Party included in Annex I, whether it is eligible to transfer and/or acquire ERUs, CERs, AAUs and RMUs pursuant to decisions 9/CMP.1 and 11/CMP.1 and to use CERs to contribute to its compliance under Article 3, paragraph 1, pursuant to decision 3/CMP.1.

54. The secretariat shall annually record the following information relating to emissions for each Party included in Annex I, following the annual review under Article 8, the application of any adjustment under Article 5, paragraph 2, and the resolution of any questions of implementation pertaining to emission estimates:

- (a) Aggregate annual anthropogenic carbon dioxide equivalent emissions of the greenhouse gases, and from the sources, listed in Annex A to the Kyoto Protocol for each year of the commitment period that has been reported in accordance with Article 7
- (b) Any adjustments under Article 5, paragraph 2, recorded as the difference, in carbon dioxide equivalent terms, between the adjusted estimate and the inventory estimate reported under Article 7
- (c) Aggregate anthropogenic carbon dioxide equivalent emissions in the commitment period, calculated as the sum of the amounts in subparagraphs (a) and (b) above for all years of the commitment period to date.

55. The secretariat shall annually record in the database the following information for each Party included in Annex I relating to accounting for net emissions and removals of greenhouse gases resulting from its activities under Article 3, paragraph 3, and its elected activities under Article 3, paragraph 4, following the annual review under Article 8, the application of any adjustment under Article 5, paragraph 2, and the resolution of any relevant questions of implementation:

- (a) The calculation of whether the activities under Article 3, paragraphs 3 and 4, that have been reported in accordance with Article 7 result in net anthropogenic emissions or net anthropogenic removals of greenhouse gases pursuant to decision 16/CMP.1
- (b) For those activities for which the Party has elected to account annually, the net anthropogenic emissions and removals of greenhouse gases pursuant to decision 16/CMP.1 for the calendar year
- (c) For those activities for which the Party has elected to account for the entire commitment period, the net anthropogenic emissions and removals of greenhouse gases pursuant to decision 16/CMP.1 for the calendar year
- (d) Any adjustments under Article 5, paragraph 2, recorded as the difference in carbon dioxide equivalent terms between the adjusted estimate and the estimate reported under Article 7
- (e) The total net anthropogenic emissions and removals of greenhouse gases pursuant to decision 16/CMP.1 for the commitment period, calculated as the sum for all years of the commitment period to date of the amounts referred to in subparagraphs (b), (c) and (d) above.

56. Where a Party submits recalculated estimates of emissions and removals of greenhouse gases for a year of the commitment period, subject to the review in accordance with Article 8, the secretariat shall make appropriate amendments to the information contained in the database including, where relevant, the removal of previously applied adjustments.

57. The secretariat shall record and update the required level of the commitment period reserve for each Party included in Annex I, in accordance with decision 11/CMP.1.

58. The secretariat shall annually record in the database for each Party included in Annex I the following information relating to transactions, for the previous calendar year and to date for the commitment period, following completion of the annual review under Article 8, including the application of any corrections, and resolution of any relevant questions of implementation:

- (a) Total transfers of ERUs, CERs, AAUs and RMUs

- (b) Total acquisitions of ERUs, CERs, AAUs and RMUs
- (c) Net acquisitions of CERs resulting from afforestation and reforestation activities under Article 12
- (d) Total issuances of RMUs relating to each activity under Article 3, paragraphs 3 and 4
- (e) Total issuances of ERUs on the basis of Article 6 projects
- (f) Total of ERUs, CERs and AAUs carried over from the previous commitment period
- (g) Total cancellations of ERUs, CERs, AAUs and RMUs relating to each activity under Article 3, paragraphs 3 and 4
- (h) Total cancellations of ERUs, CERs, AAUs and RMUs following determination by the Compliance Committee that the Party is not in compliance with its commitment under Article 3, paragraph 1
- (i) Total of any other cancellations of ERUs, CERs, AAUs and RMUs
- (j) Total retirements of ERUs, CERs, AAUs and RMUs.

59. Upon expiration of the additional period for the fulfilment of commitments, and following review under Article 8 of the report submitted by the Party under paragraph 49 above, including the application of any corrections, and the resolution of any relevant questions of implementation, the secretariat shall record in the database the following information for each Party included in Annex I:

- (a) The total additions to, or subtractions from, the assigned amount pursuant to Article 3, paragraphs 7 and 8, for the accounting of the compliance assessment, in accordance with paragraphs 11 and 12 above
- (b) The total quantity of ERUs, CERs, AAUs and RMUs in the retirement account of the Party for that commitment period.

60. Upon completion of the Article 8 review of the annual inventory for the last year of the commitment period, and the resolution of any related question of implementation, the secretariat shall record in the database the aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases, and from the sources, listed in Annex A to the Kyoto Protocol of the Party for the commitment period.

### **C. Compilation and accounting reports**

61. The secretariat shall publish an annual compilation and accounting report for each Party included in Annex I and forward it to the COP/MOP, the Compliance Committee and the Party concerned.

62. After the commitment period and the additional period for fulfilling commitments, the secretariat shall publish a final compilation and accounting report for each Party included in Annex I and forward it to the COP/MOP, the Compliance Committee and the Party concerned, indicating:

- (a) The aggregate anthropogenic carbon dioxide equivalent emissions of the Party for the commitment period as recorded under paragraph 60 above;
- (b) The total quantity of ERUs, CERs, AAUs and RMUs in the retirement account of the Party for the commitment period, as recorded under paragraph 59 (b) above;

- (c) Where applicable, the quantities of ERUs, CERs and AAUs in the registry available for carry-over to the subsequent commitment period;
- (d) Where applicable, the quantity in tonnes by which the aggregate anthropogenic carbon dioxide equivalent emissions exceed the total quantity of ERUs, CERs, AAUs and RMUs in the retirement account of the Party for the commitment period.

*2<sup>nd</sup> plenary meeting*  
*30 November 2005*

## Decision 14/CMP.1

### Standard electronic format for reporting Kyoto Protocol units<sup>1</sup>

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

*Recalling* the relevant provisions of the Kyoto Protocol to the United Nations Framework Convention on Climate Change, in particular its Article 7, and decisions 11/CP.7, 16/CP.7, 17/CP.7, 18/CP.7, 19/CP.7, 19/CP.9 and 13/CP.10,

*Being aware* of the time frames for submission of information under Article 7 of the Kyoto Protocol established under decision 15/CMP.1,

*Having considered* decision 17/CP.10,

1. *Adopts* the standard electronic format for reporting Kyoto Protocol units and the reporting instructions as contained in the annex to this decision, in accordance with paragraph 11 of section E of the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol (annex to decision 15/CMP.1);
2. *Decides* that Parties included in Annex I to the Convention may use the formats elaborated by the administrator of the international transaction log in accordance with paragraph 6 (j) of decision 16/CP.10 to report information required under paragraphs 12 to 16 of section E of the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol (annex to decision 15/CMP.1);
3. *Decides* that, where a Party included in Annex I to the Convention undertakes a corrective transaction to reflect a correction to the compilation and accounting database applied by the Compliance Committee, pursuant to chapter V, paragraph 5 (b), of the annex to decision 27/CMP.1, the information in the compilation and accounting database shall be appropriately amended to avoid double counting, following the review of the corrective transaction in accordance with Article 8 of the Kyoto Protocol and the resolution of any questions of implementation;
4. *Decides* to extend the code of practice for the treatment of confidential information for the reviews of inventories under Article 8 of the Kyoto Protocol<sup>2</sup> to the review of assigned amount information under Article 8 of the Kyoto Protocol.

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<sup>1</sup> Emission reduction units, certified emission reductions, including temporary certified emission reductions and long-term certified emission reductions, assigned amount units and removal units.

<sup>2</sup> Adopted by decisions 12/CP.9, 24/CMP.1 and 25/CMP.1.

ANNEX

**Standard electronic format for reporting of information on  
Kyoto Protocol units<sup>1</sup>**

**I. General reporting instructions**

1. The standard electronic format (SEF) is an essential part of submission under Article 7, paragraph 1, of the Kyoto Protocol. It is designed to facilitate reporting of Kyoto Protocol units by Parties included in Annex I to the Convention (Annex I Parties) and review of Kyoto Protocol units.
2. Each Annex I Party shall annually report the SEF to the secretariat electronically. Any related information of a non-quantitative character shall be submitted separately. Unless otherwise indicated, Parties shall submit information for the previous calendar year (based on Universal Time). This is referred to as the 'reported year' (for example, in the 2010 SEF submission, the 'reported year' will be the 2009 calendar year).
3. For each commitment period, each Annex I Party shall submit the SEF in the year following the calendar year in which the Party first transferred or acquired Kyoto Protocol units. The first calendar year for which a Party reports this information shall in addition include any CERs that were forwarded by the clean development mechanism (CDM) registry to the registry accounts of project participants and Parties involved, under the prompt start of the CDM. Each Annex I Party shall submit the SEF annually thereafter until the expiration of the additional period for fulfilment of commitments for that commitment period.<sup>2</sup>
4. If an Annex I Party is undertaking transactions for two or more commitment periods simultaneously, then the Party shall provide a separate, complete report for each commitment period. Each report shall contain information only on those Kyoto Protocol units valid for that commitment period.<sup>3</sup>
5. The SEF consists of six tables. All values shall be recorded in the tables as positive, whole units. Negative values shall not be entered.
6. In accordance with the relevant provisions of the Kyoto Protocol, not all unit types are relevant for each account or transaction type. Where a cell is shaded in a table, the information or transaction does not apply for that particular unit type.
7. All tables shall be filled in completely. If no units of a particular type occurred for a transaction in the previous year, the Party shall enter NO in the cell for 'not occurring'.
8. In the interest of readability, descriptive titles are used in the SEF to refer to specific account and transaction types. Explanations of these descriptive titles and references to the pertinent provisions under the Kyoto Protocol are provided under the relevant table below.

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<sup>1</sup> Assigned amount units (AAUs), emission reduction units (ERUs), removal units (RMUs), certified emission reductions (CERs), including temporary certified emission reductions (tCERs) and long-term certified emission reductions (lCERs).

<sup>2</sup> For the first commitment period, the reported years will probably be 2007–2015. These years are illustrative in the SEF, and should be changed as appropriate by the Annex I Party.

<sup>3</sup> With the exception of table 3, which requires information on tCERs and lCERs that were valid in previous commitment periods.

## II. Instructions on individual tables

### A. Table 1. Total quantities of Kyoto Protocol units by account type at beginning of reported year

9. In table 1, Annex I Parties shall provide information on the total quantities of Kyoto Protocol units in each account type, by unit type, in the national registry as of 1 January of the reported year.
10. Each Annex I Party shall report on the total quantities of Kyoto Protocol units, by unit type, held in each of the account types specified in the following paragraphs of the annex to decision 13/CMP.1 as described below:
- (a) 'Party holding accounts' (paragraph 21 (a))
  - (b) 'Entity holding accounts' (paragraph 21 (b))
  - (c) 'Article 3.3/3.4 net source cancellation accounts' for cancellation of Kyoto Protocol units as a result of emissions from activities under Article 3.3 and 3.4 of the Kyoto Protocol (paragraph 21 (c))
  - (d) 'Non-compliance cancellation account' for cancellation of Kyoto Protocol units following a determination by the Compliance Committee that the Party is not in compliance with its commitment under Article 3.1 (paragraph 21 (d))
  - (e) 'Other cancellation accounts' for other cancellations (paragraph 21 (e)). Parties shall not include the quantities of any Kyoto Protocol units in the registry's mandatory cancellation accounts as defined in the data exchange standards
  - (f) 'Retirement account' (paragraph 21 (f)).
11. In addition, each Annex I Party shall report on the total quantities of Kyoto Protocol units, by type, held in each of the account types specified in the following paragraphs of the annex to decision 5/CMP.1:
- (a) 'tCER replacement account for expiry' to cancel AAUs, CERs, ERUs, RMUs and/or tCERs for the purpose of replacing tCERs before expiry (paragraph 43)
  - (b) 'lCER replacement account for expiry' to cancel AAUs, CERs, ERUs and/or RMUs for the purpose of replacing lCERs before expiry (paragraph 47 (a))<sup>4</sup>
  - (c) 'lCER replacement account for reversal in storage' to cancel AAUs, CERs, ERUs, RMUs and/or lCERs from the same project activity for the purpose of replacing lCERs where there has been a reversal of removals by sinks (paragraph 47 (b))
  - (d) 'lCER replacement account for non-submission of certification report', to cancel AAUs, CERs, ERUs, RMUs and/or lCERs from the same project activity for the purpose of replacing lCERs where a certification report has not been provided (paragraph 47 (c)).

### B. Table 2 (a). Annual internal transactions

12. In table 2 (a), Annex I Parties shall report information on the total quantities of Kyoto Protocol units involved in internal transactions (those that did not involve another registry) that occurred between

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<sup>4</sup> The technical standards for data exchange between registries use separate account types to distinguish between different causes for replacement and to facilitate tracking of lCERs.



1 January and 31 December of the reported year, as described below, including any corrective transactions (see paragraph 42 below).

13. Under the Article 6 section, Annex I Parties shall report information relating to joint implementation projects under the Kyoto Protocol in accordance with the following paragraphs of the annex to decision 9/CMP.1:

- (a) For 'Party-verified projects' (also referred to as 'track one' projects) Annex I Parties shall report information pertaining to projects where emission reductions or enhancement of removals have been verified by the host Party in accordance with paragraph 23 of the annex to decision 9/CMP.1:
  - (i) Each Annex I Party shall report under 'Additions' the total quantity of ERUs issued pursuant to paragraph 29 of the annex to decision 13/CMP.1
  - (ii) The Party shall report under 'Subtractions' the corresponding quantity of AAUs converted, or, in the case of land use, land-use change and forestry (LULUCF) projects, the corresponding quantity of RMUs converted, pursuant to paragraph 29 of the annex to decision 13/CMP.1.
- (b) For 'independently verified projects' (also referred to as 'track two' projects), Annex I Parties shall report information pertaining to projects where emission reductions or enhancement of removals have been verified through the procedure under the Article 6 Supervisory Committee in accordance with paragraphs 30–45 of the annex to decision 9/CMP.1:
  - (i) Each Annex I Party shall report under 'Additions' the total quantity of ERUs issued pursuant to paragraph 29 of the annex to decision 13/CMP.1
  - (ii) The Party shall report under 'Subtractions' the corresponding quantity of AAUs converted, or, in the case of LULUCF projects, the corresponding quantity of RMUs converted, pursuant to paragraph 29 of the annex to decision 13/CMP.1.

14. Under the section 'Article 3.3 and 3.4 issuance or cancellation', each Annex I Party shall report information on its LULUCF activities, by individual activity, in accordance with the annex to decision 16/CMP.1, and with its election of activities pursuant to paragraph 8 (c) and (d) of the annex to decision 13/CMP.1:

- (a) For any activity that resulted in a net removal, each Annex I Party shall report under 'Additions' the total quantity of RMUs issued pursuant to paragraph 25 of the annex to decision 13/CMP.1
- (b) For any activity resulting in net emissions, each Party shall report under 'Subtractions' the total quantities of AAUs, ERUs, RMUs and/or CERs cancelled pursuant to paragraph 32 of the annex to decision 13/CMP.1. For any single activity, Parties shall **not** report a value under both 'Additions' and 'Subtractions'.

15. Under the section 'Article 12 afforestation and reforestation', each Annex I Party shall report information relating to afforestation and reforestation project activities under the CDM specified in the following paragraphs of the annex to decision 5/CMP.1:<sup>5</sup>

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<sup>5</sup> Additional information relating to afforestation and reforestation project activities is reported in table 3.

- (a) 'Replacement of expired tCERs' – the total quantities of AAUs, CERs, ERUs, RMUs and/or tCERs that were transferred to the tCER replacement account (paragraph 44)
- (b) 'Replacement of expired ICERs' – the total quantities of AAUs, CERs, ERUs and/or RMUs that were transferred to the ICER replacement account for expiry (paragraph 47 (a))
- (c) 'Replacement for reversal of storage' – the total quantities of AAUs, CERs, ERUs, RMUs and/or ICERs that were transferred to the ICER replacement account for reversal of storage (paragraph 47 (b))
- (d) 'Replacement for non-submission of certification report' – the total quantities of AAUs, CERs, ERUs, RMUs and/or ICERs that were transferred to the ICER replacement account for non-submission of certification report (paragraph 47 (c)).

16. Under 'Other cancellation', each Annex I Party shall report the total quantities of Kyoto Protocol units, by type, that were cancelled for other reasons. Parties shall not include the quantities of any Kyoto Protocol units in the registry's mandatory cancellation accounts as defined in the data exchange standards.

17. Each Annex I Party shall sum the quantities of Kyoto Protocol units in each column and report these under 'Sub-total'.

18. In the box 'Retirement', each Annex I Party shall report under 'Retirement' the total quantities of Kyoto Protocol units, by type, that were transferred to the retirement account. These values shall not be included in the main body of table 2 (a).

### **C. Table 2 (b). Annual external transactions**

19. In table 2 (b), Annex I Parties shall report information on the total quantities of Kyoto Protocol units involved in external transactions (those that involved another registry) that occurred between 1 January and 31 December of the reported year, including any corrective transactions (see paragraph 42 below).

20. Each Annex I Party shall include a separate row for each registry (Party or CDM registry) to which it transferred, from which it acquired or from which it was forwarded, Kyoto Protocol units during the previous year:

- (a) Each Party shall report the quantities of all Kyoto Protocol units acquired from a registry, or forwarded from the CDM registry, by type, under 'Additions'
- (b) Each Party shall report the total quantities of Kyoto Protocol units transferred to that registry, by type, under 'Subtractions' on the same line.

21. Each Annex I Party shall sum the quantities of Kyoto Protocol units in each column and report these under 'Sub-total'.

22. If an Annex I Party has transferred for the first time ERUs that were independently verified by the Article 6 supervisory committee, the Party shall indicate the total quantity of these ERUs in the 'Additional information' box. (Note that this quantity shall also be included in the main body of table 2 (b).)

**D. Table 2 (c). Total annual transactions**

23. Each Annex I Party shall add the sub-totals of table 2 (a) and table 2 (b) and report the corresponding quantities under 'Total' in table 2 (c).

**E. Table 3. Expiry, cancellation and replacement**

24. In table 3, Annex I Parties shall report information on the expiry, cancellation and replacement of tCERs and ICERs in accordance with the modalities and procedures for afforestation and reforestation project activities under the CDM specified in the annex to decision 5/CMP.1. Parties shall include all transactions that occurred between 1 January and 31 December of the reported year, including any corrective transactions (see paragraph 42 below).

25. Each Annex I Party shall report the following information under the section 'Temporary CERs (tCERs)':

- (a) 'Expired in retirement and replacement accounts' – the quantity of tCERs that expired in the reported year in the retirement and tCER replacement account for the previous commitment period. (Note that these tCERs will have been valid for the previous commitment period and will expire in the final year of the commitment period)
- (b) 'Replacement of expired tCERs' – the quantities of AAUs, CERs, ERUs, RMUs and/or tCERs that were transferred to the tCER replacement account pursuant to paragraph 43 of the annex to decision 5/CMP.1
- (c) 'Expired in holding accounts' – the quantity of tCERs that expired in all Party and entity holding accounts. (Note that these tCERs will have been valid for the previous commitment period and will expire in the final year of the commitment period)
- (d) 'Cancellation of tCERs expired in holding accounts' – the quantity of tCERs that expired in all Party and entity holding accounts and that were subsequently moved to the mandatory cancellation account, pursuant to paragraph 53 of the annex to decision 5/CMP.1.

26. Each Annex I Party shall report the following information under the section 'Long-term CERs (ICERs)':

- (a) 'Expired in retirement and replacement accounts' – the quantity of ICERs that expired in the reported year in the retirement and ICER replacement accounts for previous commitment periods. (Note that these ICERs will have been valid for a previous commitment period)
- (b) 'Replacement of expired ICERs' – the quantities of AAUs, CERs, ERUs and/or RMUs that were transferred to the 'ICER Replacement account for expiry' pursuant to paragraph 48 of the annex to decision 5/CMP.1. Parties shall report quantities of Kyoto Protocol units transferred to replace ICERs due to expire in the current or future commitment periods
- (c) 'Expired in holding accounts' – the quantity of ICERs that expired in all Party and entity holding accounts. (Note that these ICERs will have been valid for a previous commitment period)
- (d) 'Cancellation of ICERs expired in holding accounts' – the quantity of ICERs that expired in all Party and entity holding accounts and that were subsequently moved to the

mandatory cancellation account, pursuant to paragraph 53 of the annex to decision 5/CMP.1

- (e) 'Subject to replacement for reversal of storage' – in the event that the Party has received notification(s) of a reversal of removals from a project activity from the Executive Board of the CDM, the quantity of ICERs that the Party is required to replace pursuant to that notification
- (f) 'Replacement for reversal of storage' – the quantities of AAUs, CERs, ERUs, RMUs and/or ICERs from the same project activity that were transferred to the 'ICER Replacement account for reversal of storage' pursuant to paragraph 49 of the annex to decision 5/CMP.1
- (g) 'Subject to replacement for non-submission of certification report' – in the event that the Party has received a notification(s) of non-submission of certification report from the Executive Board of the CDM, the quantity of ICERs that the Party is required to replace pursuant to that notification
- (h) 'Replacement for non-submission of certification report' – in the event that the Party has received a notification of non-submission of a certification report for a project, the quantities of AAUs, CERs, ERUs, RMUs and/or ICERs from the same project activity that were transferred to the 'ICER Replacement account for non-submission of certification' pursuant to paragraph 50 of the annex to decision 5/CMP.1.

27. Annex I Parties shall sum the quantities of Kyoto Protocol units in each column and report these under 'Total'.

**F. Table 4. Total quantities of Kyoto Protocol units by account type at end of reported year**

28. In table 4, Annex I Parties shall include information on the total quantities of Kyoto Protocol units in each account type, by unit type, in the national registry as of 31 December of the reported year.

29. Parties should refer to account type references for table 1.

**G. Table 5 (a). Summary information on additions and subtractions**

30. In table 5 (a), Annex I Parties shall report cumulative information for the reported year and previously reported years to facilitate the recording of information for the commitment period in the compilation and accounting database in accordance with the annex to decision 13/CMP.1.

31. Under 'Starting values' each Annex I Party shall report:

- (a) 'Issuance pursuant to Article 3.7 and 3.8' – the total quantity of AAUs issued on the basis of their assigned amount under Article 3, paragraphs 7 and 8, pursuant to paragraph 23 of the annex to decision 13/CMP.1
- (b) 'Non-compliance cancellation' – if applicable, the quantities of Kyoto Protocol units, by type, that the Party cancelled pursuant to a determination by the Compliance Committee that the Party is not in compliance with its commitment under Article 3.1 for the previous commitment period pursuant to paragraph 37 of the annex to decision 13/CMP.1<sup>6</sup>

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<sup>6</sup> This information will not be available until completion of the compliance assessment for the previous commitment period, following the expiration of the additional period for fulfilment of commitments.

- (c) 'Carry-over' – if applicable, the total quantities of AAUs, ERUs and/or CERs that were carried over from the previous commitment period pursuant to paragraph 15 of the annex to decision 13/CMP.1.<sup>7</sup>

32. Under the 'Annual transactions' section, each Annex I Party shall provide summary information on the transactions for the reported year and previously reported years for the commitment period:

- (a) For the reported year, each Party shall report the total quantities of Kyoto Protocol units, by type, from table 2 (c)
- (b) For all other years, the Party shall report the total quantities of Kyoto Protocol units, as reported in table 5 (a) in the previous SEF
- (c) Under 'Total', each Party shall report the sum to date of all transactions.

#### **H. Table 5 (b). Summary information on replacement**

33. In table 5 (b), Annex I Parties shall provide summary information relating to the replacement of tCERs and ICERs for each reported year for the commitment period.

34. Under 'Previous CPs', each Annex I Party shall report the total quantities of Kyoto Protocol units, by type, that were transferred to the 'tCER replacement account for expiry' and/or the 'ICER replacement account for expiry' in previous commitment periods to replace tCERs or ICERs due to expire in the current commitment period. For the first commitment period, Parties shall record NO in all cells in this row.

35. For the reported year, each Annex I Party shall report:

- (a) Under 'Requirement for replacement', the total quantities of tCERs and ICERs that expired in the reported year in retirement and replacement accounts for previous commitment periods or that are otherwise subject to replacement in that year
- (b) Under 'Replacement', the total quantities of Kyoto Protocol units, by type, cancelled to replace tCERs or ICERs. (Note that these quantities should match those reported under 'Total' in table 3.)

36. For all years prior to the reported year, the Annex I Party shall repeat the information under 'Requirement for replacement' and under 'Replacement' as reported in the previous SEF.

37. Under 'Total', each Annex I Party shall report the sum of each column. (Note that at the end of the commitment period, the total quantities of tCERs and ICERs under 'Requirement for replacement' should match the total quantities of Kyoto Protocol units under 'Replacement'.)

#### **I. Table 5 (c). Summary information on retirement**

38. In table 5 (c), Annex I Parties shall provide summary information on retirement to facilitate the compliance assessment at the end of the additional period for fulfilling commitments.

39. For the reported year, each Annex I Party shall report under 'Retirement', the total quantities of Kyoto Protocol units, by type, retired in that year for the purpose of demonstrating its compliance with its commitment under Article 3, paragraph 1, of the Kyoto Protocol. (Note that these quantities should match those reported under 'Retirement' in table 2 (a).)

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<sup>7</sup> This information will not be available until completion of the compliance assessment for the previous commitment period, following the expiration of the additional period for fulfilment of commitments.

40. For all years prior to the reported year, the Annex I Party shall repeat the information as reported in the previous SEF.

41. Under 'Total', each Annex I Party shall report the sum of each column.

**J. Table 6. Memo item: Corrective transactions undertaken in the reported year**

42. In tables 6 (a) to (c), Annex I Parties shall report any corrective transactions undertaken in the reported year relating to previously reported years, including transactions to address a correction to the compilation and accounting database applied by the compliance committee, pursuant to paragraph 5 (b) in chapter V of the annex to decision 27/CMP.1. Note that quantities of Kyoto Protocol units reported here are included in the annual transactions reported in tables 2 and 3 and are reported in tables 6 (a) to (c) as a memo item for the purpose of transparency. Parties shall provide explanations for these transactions in accompanying text, as required by paragraph 8 of section E of the guidelines for reporting under Article 7 of the Kyoto Protocol.

Party  
Submission year  
Reported year  
Commitment Period

**Table 1. Total quantities of Kyoto Protocol units by account type at beginning of reported year**

Account type	Unit type					
	AAUs	ERUs	RMUs	CERs	tCERs	ICERs
Party holding accounts						
Entity holding accounts						
Article 3.3/3.4 net source cancellation accounts						
Non-compliance cancellation accounts						
Other cancellation accounts						
Retirement account						
tCER replacement account for expiry						
ICER replacement account for expiry						
ICER replacement account for reversal in storage						
ICER replacement account for non-submission of certification report						
<b>Total</b>						

Party  
 Submission year  
 Reported year  
 Commitment Period

Table 2 (a). Annual internal transactions

Transaction type	Additions							Subtractions						
	Unit type							Unit type						
	AAUs	ERUs	RMUs	CERs	tCERs	ICERs	ICERs	AAUs	ERUs	RMUs	CERs	tCERs	ICERs	
<b>Article 6 issuance and conversion</b>														
Party-verified projects														
Independently verified projects														
<b>Article 3.3 and 3.4 issuance or cancellation</b>														
3.3 Afforestation and reforestation														
3.3 Deforestation														
3.4 Forest management														
3.4 Cropland management														
3.4 Grazing land management														
3.4 Revegetation														
<b>Article 12 afforestation and reforestation</b>														
Replacement of expired tCERs														
Replacement of expired ICERs														
Replacement for reversal of storage														
Replacement for non-submission of certification report														
<b>Other cancellation</b>														
<b>Sub-total</b>														

Transaction type	Retirement			
	Unit type			
	AAUs	ERUs	RMUs	ICERs
Retirement				







Party  
Submission year  
Reported year  
Commitment Period

**Table 4. Total quantities of Kyoto Protocol units by account type at end of reported year**

Account type	Unit type					
	AAUs	ERUs	RMUs	CERs	tCERs	ICERs
Party holding accounts						
Entity holding accounts						
Article 3.3/3.4 net source cancellation accounts						
Non-compliance cancellation accounts						
Other cancellation accounts						
Retirement account						
tCER replacement account for expiry						
ICER replacement account for expiry						
ICER replacement account for reversal in storage						
ICER replacement account for non-submission of certification report						
<b>Total</b>						



Party  
Submission year  
Reported year  
Commitment Period

Table 6 (a). Memo item: Corrective transactions relating to additions and subtractions

Transactions	Additions						Subtractions					
	Unit type						Unit type					
	AAUs	ERUs	RMUs	CERs	tCERs	ICERs	AAUs	ERUs	RMUs	CERs	tCERs	ICERs

Table 6 (b). Memo item: Corrective transactions relating to replacement

Transactions	Requirement for replacement			Replacement		
	Unit type			Unit type		
	tCERs	ICERs	AAUs	ERUs	RMUs	ICERs

Table 6 (c). Memo item: Corrective transactions relating to retirement

Transactions	Retirement					
	Unit type					
	AAUs	ERUs	RMUs	CERs	tCERs	ICERs

## Decision 15/CMP.1

### **Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol**

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

*Recalling* Article 7 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change,

*Recalling* that Parties have affirmed that the principles in decision 16/CMP.1 govern the treatment of land use, land-use change and forestry activities in the annex to that decision,

*Having considered* decision 22/CP.7,

*Recognizing* the importance of transparent reporting for facilitating the review process under Article 8 of the Kyoto Protocol,

1. *Adopts* the guidelines for the preparation of information under Article 7 of the Kyoto Protocol as contained in the annex to the present decision;
2. *Decides* that each Party included in Annex I, bearing in mind Article 7, paragraph 3, of the Kyoto Protocol and the needs of the review under Article 8 of the Kyoto Protocol, shall start reporting the information under Article 7, paragraph 1, of the Kyoto Protocol with the inventory submission due under the Convention for the first year of the commitment period after the Protocol has entered into force for that Party, but may start reporting this information from the year following the submission of the information referred to in paragraph 6 of the annex to decision 13/CMP.1 on a voluntary basis;
3. *Decides* that a Party included in Annex I shall fail to meet the methodological and reporting requirements under Article 7, paragraph 1, for the purpose of the eligibility requirements under paragraph 21 of the guidelines adopted under decision 16/CP.7, paragraph 31 of the guidelines adopted under decision 17/CP.7, and paragraph 2 of the guidelines adopted under decision 18/CP.7 if:
  - (a) The Party concerned has failed to submit an annual inventory of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol, including the national inventory report and the common reporting format, within six weeks of the submission date established by the Conference of the Parties;
  - (b) The Party concerned has failed to include an estimate for an Annex A source category (as defined in chapter 7 of the Intergovernmental Panel on Climate Change *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories*, hereinafter referred to as the IPCC good practice guidance) that individually accounted for 7 per cent or more of the Party's aggregate emissions, defined as aggregate submitted emissions of the gases and from the sources listed in Annex A to the Kyoto Protocol, in the most recent of the Party's reviewed inventories in which the source was estimated;
  - (c) For any single year during the commitment period, the aggregate adjusted greenhouse gas emissions for the Party concerned exceed the aggregate submitted emissions, defined as aggregate submitted emissions of the gases and from the sources listed in Annex A to the Kyoto Protocol, by more than 7 per cent;

- (d) At any time during the commitment period the sum of the numerical values of the percentages calculated according to subparagraph (c) above for all years of the commitment period for which the review has been conducted exceeds 20;
- (e) An adjustment for any key source category (as defined in chapter 7 of the IPCC good practice guidance) of the Party concerned that accounted for 2 per cent or more of the Party's aggregate emissions of the gases from the sources listed in Annex A was calculated during the inventory review in three subsequent years, unless the Party has requested assistance from the facilitative branch of the Compliance Committee in addressing this problem, prior to the beginning of the first commitment period, and the assistance is being provided;

4. *Requests* the secretariat to prepare a report relating to paragraph 4 of section VI.1 of the annex to decision 5/CP.6, based on information contained in national communications from Parties and other relevant sources, for consideration by the Subsidiary Body for Scientific and Technological Advice. This report shall be prepared each time that the review process under Article 8 of the Kyoto Protocol relating to national communications and supplementary information from Parties included in Annex I is completed.

## ANNEX

**Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol<sup>1</sup>****I. Reporting of supplementary information under Article 7, paragraph 1<sup>2</sup>****A. Applicability**

1. The provisions of these guidelines shall apply for each Party included in Annex I which is also a Party to the Kyoto Protocol.

**B. General approach**

2. Each Party included in Annex I shall include the necessary supplementary information required by these guidelines, for the purpose of ensuring compliance with Article 3, in its annual inventory of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol, prepared in accordance with Article 5, paragraph 2, and submitted in accordance with decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP), taking into account any relevant decisions of the Conference of the Parties (COP). A Party included in Annex I need not separately submit an inventory under Article 12, paragraph 1 (a), of the Convention.

**C. Objectives**

3. The objectives of these guidelines are:
- (a) To enable Parties included in Annex I to meet their commitments for reporting information in accordance with Article 7, paragraph 1;
  - (b) To promote the reporting of consistent, transparent, comparable, accurate and complete information by Parties included in Annex I;
  - (c) To facilitate the preparation of the information to be submitted to the COP/MOP by Parties included in Annex I;
  - (d) To facilitate the review under Article 8 of inventories and supplementary information under Article 7, paragraph 1, from Parties included in Annex I.

**D. Greenhouse gas inventory information**

4. Each Party included in Annex I shall describe in its annual inventory any steps taken to improve estimates in areas that were previously adjusted.

5. Each Party included in Annex I shall include in its annual<sup>3</sup> greenhouse gas inventory information on anthropogenic greenhouse gas emissions by sources and removals by sinks from land use, land-use change and forestry activities under Article 3, paragraph 3, and, if any, elected activities under Article 3, paragraph 4, in accordance with Article 5, paragraph 2, as elaborated by any good practice guidance in

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<sup>1</sup> Note that additional reporting requirements are included in the annex to decision 13/CMP.1.

<sup>2</sup> "Article" in these guidelines refers to an Article of the Kyoto Protocol, unless otherwise specified.

<sup>3</sup> It is recognized in the Intergovernmental Panel on Climate Change (IPCC) *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* that the current practice on land use, land-use change and forestry does not in every situation request annual data collection for the purpose of preparing annual inventories based on a sound scientific basis.



accordance with relevant decisions of the COP/MOP on land use, land-use change and forestry. Estimates for Article 3, paragraphs 3 and 4, shall be clearly distinguished from anthropogenic emissions from the sources listed in Annex A to the Kyoto Protocol. In reporting the information requested above, each Party included in Annex I shall include the reporting requirements specified in paragraphs 6 to 9 below, taking into consideration the selected values in accordance with paragraph 16 of the annex to decision 16/CMP.1.

6. General information to be reported for activities under Article 3, paragraph 3, and any elected activities<sup>4</sup> under Article 3, paragraph 4, shall include:

- (a) Information on how inventory methodologies have been applied taking into account any IPCC good practice guidance on land use, land-use change and forestry agreed by the COP and recognizing the principles as laid out in decision 16/CMP.1
- (b) The geographical location of the boundaries of the areas that encompass:
  - (i) Units of land subject to activities under Article 3, paragraph 3
  - (ii) Units of land subject to activities under Article 3, paragraph 3, which would otherwise be included in land subject to elected activities under Article 3, paragraph 4, under the provisions of paragraph 8 of the annex to decision 16/CMP.1
  - (iii) Land subject to elected activities under Article 3, paragraph 4  

The information aims to ensure that units of land and areas of land are identifiable. Parties are encouraged to elaborate on this information on the basis of any relevant decisions of the COP/MOP on good practice guidance associated with land use, land-use change and forestry under Article 8
- (c) The spatial assessment unit used for determining the area of accounting for afforestation, reforestation and deforestation
- (d) Information on anthropogenic greenhouse gas emissions by sources and removals by sinks<sup>5</sup> resulting from activities under Article 3, paragraphs 3 and 4, for all geographical locations reported in the current and previous years, under paragraph 6 (b), above, since the beginning of the commitment period or the onset of the activity, whichever comes later. In the latter case the year of the onset of the activity shall also be included. Once land is accounted for under Article 3, paragraph 3, or Article 3, paragraph 4, reporting shall continue throughout subsequent and contiguous commitment periods
- (e) Information on which, if any, of the following pools – above-ground biomass, below-ground biomass, litter, dead wood and/or soil organic carbon – were not accounted for, together with verifiable information that demonstrates that these unaccounted pools were not a net source of anthropogenic greenhouse gas emissions.

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<sup>4</sup> The elected activities shall be the same as those identified in the Party's report referred to in paragraph 8 of the annex to decision 13/CMP.1.

<sup>5</sup> Such information shall be within levels of confidence as elaborated by any IPCC good practice guidance adopted by the COP/MOP and in accordance with relevant decisions of the COP/MOP on land use, land-use change and forestry.

7. Information<sup>6</sup> should also be provided which indicates whether anthropogenic greenhouse gas emissions by sources and removals by sinks from land use, land-use change and forestry activities under Article 3, paragraph 3, and elected activities under Article 3, paragraph 4, factor out removals from:
- (a) Elevated carbon dioxide concentrations above pre-industrial levels;
  - (b) Indirect nitrogen deposition
  - (c) The dynamic effects of age structure resulting from activities prior to 1 January 1990.
8. Specific information to be reported for activities under Article 3, paragraph 3, shall include:
- (a) Information that demonstrates that activities under Article 3, paragraph 3, began on or after 1 January 1990 and before 31 December of the last year of the commitment period, and are directly human-induced
  - (b) Information on how harvesting or forest disturbance that is followed by the re-establishment of a forest is distinguished from deforestation
  - (c) Information on emissions and removals of greenhouse gases from lands harvested during the first commitment period following afforestation and reforestation on these units of land since 1990 consistent with the requirements under paragraph 4 of the annex to decision 16/CMP.1.
9. Specific information to be reported for any elected activities<sup>7</sup> under Article 3, paragraph 4, shall include:
- (a) A demonstration that activities under Article 3, paragraph 4, have occurred since 1 January 1990 and are human induced
  - (b) For Parties included in Annex I that elect cropland management and/or grazing land management and/or revegetation, anthropogenic greenhouse gas emissions by sources and removals by sinks for each year of the commitment period and for the base year for each of the elected activities on the geographical locations reported under paragraph 6 (b) above
  - (c) Information that demonstrates that emissions by sources and removals by sinks resulting from elected Article 3, paragraph 4, activities are not accounted for under activities under Article 3, paragraph 3
  - (d) For Parties included in Annex I that elect to account for forest management, under Article 3, paragraph 4, information that indicates to what extent the anthropogenic greenhouse gas removal by sinks offsets the debit incurred under Article 3, paragraph 3, if any, consistent with the requirements under paragraph 10 of the annex to decision 16/CMP.1.

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<sup>6</sup> This recognizes that the intent of the appendix to the annex to decision 16/CMP.1 is to factor out the effects described in paragraph 7 (a)–(c) of these guidelines for the first commitment period.

<sup>7</sup> See footnote 5.

**E. Information on emission reduction units, certified emission reductions, temporary certified emission reductions, long-term certified emission reductions, assigned amount units and removal units<sup>8</sup>**

10. Each Party included in Annex I that is considered to have met the requirements to participate in the mechanisms shall report the supplementary information in this section of the guidelines beginning with information for the first calendar year in which it transferred or acquired emission reduction units (ERUs), certified emission reductions (CERs), temporary certified emission reductions (tCERs), long-term certified emission reductions (lCERs), assigned amount units (AAUs) and removal units (RMUs) in accordance with decision 13/CMP.1<sup>9</sup> and decision 5/CMP.1. This information shall be reported in conjunction with the inventory submission due under the Convention in the following year and until the first inventory submission due under the Protocol.

11. Each Party included in Annex I shall report, in a standard electronic format, the following information on ERUs, CERs, tCERs, lCERs, AAUs and RMUs from its national registry for the previous calendar year (based on Universal Time), distinguishing between units valid for different commitment periods:

- (a) The quantities of ERUs, CERs, tCERs, lCERs, AAUs and RMUs in each account type specified in paragraph 21 (a), (e) and (f) of the annex to decision 13/CMP.1, the quantities of ERUs, CERs, AAUs and RMUs in each account type specified in paragraph 21 (c) and (d) of the annex to decision 13/CMP.1, the quantities of ERUs, CERs, tCERs, AAUs and RMUs in the replacement account specified in paragraph 43 of the annex to decision 5/CMP.1, the quantities of ERUs, CERs, lCERs, AAUs and RMUs in the replacement account specified in paragraph 47 of the annex to decision 5/CMP.1, and the quantities of ERUs, CERs, tCERs, lCERs, AAUs and RMUs in all accounts of the type referred to in paragraph 21 (b) of the annex to decision 13/CMP.1, at the beginning of the year
- (b) The quantity of AAUs issued on the basis of the assigned amount pursuant to Article 3, paragraphs 7 and 8
- (c) The quantity of ERUs issued on the basis of Article 6 projects and the corresponding quantities of AAUs and RMUs that were converted to ERUs
- (d) The quantity of ERUs issued in accordance with paragraph 24 of the annex to decision 9/CMP.1 on the basis of Article 6 projects, verified under the supervision of the Article 6 supervisory committee, and the corresponding quantities of AAUs and RMUs that were converted to ERUs
- (e) The quantities of ERUs, CERs, tCERs, lCERs, AAUs and RMUs acquired from each transferring registry
- (f) The quantity of RMUs issued on the basis of each activity under Article 3, paragraphs 3 and 4
- (g) The quantities of ERUs, CERs, tCERs, lCERs, AAUs and RMUs transferred to each acquiring registry

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<sup>8</sup> These terms are defined in paragraphs 1–4 of the annex to decision 13/CMP.1 and paragraph 1 of the annex to decision 5/CMP.1.

<sup>9</sup> In accordance with paragraph 40 of the annex to decision 5/CMP.1, unless otherwise stated in that annex, all other provisions that pertain to CERs in the guidelines under Articles 7 and 8, as well as the modalities for the accounting of assigned amounts under Article 7, paragraph 4, shall also apply to tCERs and lCERs.

- (h) The quantity of ERUs transferred in accordance with paragraph 10 of the annex to decision 18/CP.7
- (i) The quantities of ERUs, CERs, AAUs and RMUs cancelled under paragraph 32 of the annex to decision 13/CMP.1 on the basis of each activity under Article 3, paragraphs 3 and 4
- (j) The quantities of ERUs, CERs, AAUs and RMUs cancelled under paragraph 37 of the annex to decision 13/CMP.1 following determination by the Compliance Committee that the Party is not in compliance with its commitment under Article 3, paragraph 1
- (k) The quantities of other ERUs, CERs, tCERs, ICERs, AAUs and RMUs cancelled under paragraph 33 of the annex to decision 13/CMP.1
- (l) The quantities of ERUs, CERs, tCERs, ICERs, AAUs and RMUs retired
- (m) The quantity of tCERs that expired in its retirement account and tCER replacement account
- (n) The quantity of ICERs that expired in its retirement account and ICER replacement account
- (o) The quantity of tCERs and ICERs that expired in its holding accounts
- (p) The quantities of ERUs, CERs, tCERs, AAUs and RMUs transferred to the tCER replacement account in accordance with paragraph 44 of the annex to decision 5/CMP.1
- (q) The quantities of ERUs, CERs, AAUs and RMUs transferred to the ICER replacement account in accordance with paragraph 48 of the annex to decision 5/CMP.1
- (r) The quantities of ERUs, CERs, ICERs, AAUs and RMUs transferred to the ICER replacement account in accordance with paragraph 49 of the annex to decision 5/CMP.1
- (s) The quantities of ERUs, CERs, ICERs, AAUs and RMUs transferred to the ICER replacement account in accordance with paragraph 50 of the annex to decision 5/CMP.1
- (t) The quantities of expired tCERs and ICERS transferred to a cancellation account in accordance with paragraph 53 of the annex to decision 5/CMP.1
- (u) The quantities of ERUs, CERs and AAUs carried over from the previous commitment period
- (v) The quantities of ERUs, CERs, tCERS, ICERS, AAUs and RMUs in each account type specified in paragraph 21 (a), (e) and (f) of the annex to decision 13/CMP.1, the quantities of ERUs, CERs, AAUs and RMUs in each account type specified in paragraph 21 (c) and (d) of the annex to decision 5/CMP.1, the quantities of ERUs, CERs, tCERS, AAUs and RMUs in the replacement account specified in paragraph 43 of the annex to decision 5/CMP.1, the quantities of ERUs, CERs, ICERS, AAUs and RMUs in the replacement account specified in paragraph 47 of the annex to decision 5/CMP.1, and the quantities of ERUs, CERs, tCERS, ICERS, AAUs and RMUs in all accounts of the type referred to in paragraph 21 (b) of the annex to decision 13/CMP.1, at the end of the year.

12. Each Party included in Annex I shall report on any discrepancies<sup>10</sup> identified by the transaction log pursuant to paragraph 43 of the annex to decision 13/CMP.1 and paragraph 54 of the annex to decision 5/CMP.1, specifying whether the relevant transactions were completed or terminated and, in the case where transactions were not terminated, the transaction number(s) and serial numbers and quantities of ERUs, CERs, tCERs, ICERs, AAUs and RMUs concerned. The Party may also provide its explanation for not terminating the transaction.

13. Each Party included in Annex I shall report on any notification it has received from the Executive Board of the clean development mechanism (CDM) directing the Party to replace ICERs in accordance with paragraph 49 of the annex to decision 5/CMP.1.

14. Each Party included in Annex I shall report on any notification it has received from the Executive Board of the CDM directing the Party to replace ICERs in accordance with paragraph 50 of the annex to decision 5/CMP.1.

15. Each Party included in Annex I shall report on any record of non-replacement identified by the transaction log in accordance with paragraph 56 of the annex to decision 5/CMP.1, specifying whether the replacement was subsequently undertaken and, in the case where replacement was not undertaken, the serial numbers and quantities of the tCERs and ICERs concerned. The Party should provide its explanation for not undertaking the replacement.

16. Each Party included in Annex I shall report the serial numbers and quantities of ERUs, CERs, tCERs, ICERs, AAUs and RMUs held in the national registry at the end of that year that are not valid for use towards compliance with commitments under Article 3, paragraph 1, pursuant to paragraph 43 (b) of the annex to decision 13/CMP.1.

17. Each Party included in Annex I shall report on any actions and the date of such actions taken to correct any problem that caused a discrepancy to occur, any changes to the national registry to prevent a discrepancy from reoccurring, and the resolution of any previously identified questions of implementation pertaining to transactions.

18. Each Party included in Annex I shall report the calculation of its commitment period reserve in accordance with the annex to decision 18/CP.7.

19. Each Party included in Annex I shall provide access, upon request of expert review teams, to information held in the national registry relating to holding accounts referred to in paragraph 21 (b) of the annex to decision 13/CMP.1, and other types of accounts and transactions for the previous calendar year, that substantiates the supplementary information reported under paragraphs 11 and 12 above.

20. Each Party included in Annex I shall, for the year of submission of the annual inventory for the last year of the commitment period, report the supplementary information described in this section of the guidelines that relates to the accounting of assigned amounts for that commitment period, in conjunction with the report upon expiration of the additional period for fulfilling commitments referred to in paragraph 49 of the annex to decision 13/CMP.1.

#### **F. Changes in national systems in accordance with Article 5, paragraph 1**

21. Each Party included in Annex I shall include in its national inventory report information on any changes that have occurred in its national system compared with information reported in its last submission, including information submitted in accordance with paragraphs 30 to 31 of these guidelines.

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<sup>10</sup> Not including any record of non-replacement, which is to be reported separately under paragraph 15 below.

### **G. Changes in national registries**

22. Each Party included in Annex I with a commitment inscribed in Annex B shall include in its national inventory report information on any changes that have occurred in its national registry, compared with information reported in its last submission, including information submitted in accordance with paragraph 32 of these guidelines.

### **H. Minimization of adverse impacts in accordance with Article 3, paragraph 14**

23. Each Party included in Annex I shall provide information relating to how it is striving, under Article 3, paragraph 14, of the Kyoto Protocol, to implement its commitments mentioned in Article 3, paragraph 1, of the Kyoto Protocol in such a way as to minimize adverse social, environmental and economic impacts on developing country Parties, particularly those identified in Article 4, paragraphs 8 and 9, of the Convention.

24. Parties included in Annex II, and other Parties included in Annex I that are in a position to do so, shall incorporate information on how they give priority, in implementing their commitments under Article 3, paragraph 14, to the following actions, based on relevant methodologies referred to in paragraph 11 of decision 31/CMP.1:

- (a) The progressive reduction or phasing out of market imperfections, fiscal incentives, tax and duty exemptions and subsidies in all greenhouse-gas-emitting sectors, taking into account the need for energy price reforms to reflect market prices and externalities
- (b) Removing subsidies associated with the use of environmentally unsound and unsafe technologies
- (c) Cooperating in the technological development of non-energy uses of fossil fuels, and supporting developing country Parties to this end
- (d) Cooperating in the development, diffusion, and transfer of less-greenhouse-gas-emitting advanced fossil-fuel technologies, and/or technologies, relating to fossil fuels, that capture and store greenhouse gases, and encouraging their wider use; and facilitating the participation of the least developed countries and other non-Annex I Parties in this effort
- (e) Strengthening the capacity of developing country Parties identified in Article 4, paragraphs 8 and 9, of the Convention for improving efficiency in upstream and downstream activities relating to fossil fuels, taking into consideration the need to improve the environmental efficiency of these activities
- (f) Assisting developing country Parties which are highly dependent on the export and consumption of fossil fuels in diversifying their economies.

25. Where the information referred to in paragraphs 23 and 24 above has been provided in earlier submissions, the Party included in Annex I shall include information in its national inventory report on any changes that have occurred, compared with the information reported in its last submission.

26. The secretariat shall annually compile the supplementary information mentioned in paragraphs 23 to 25 above.

## **II. Reporting of supplementary information under Article 7, paragraph 2**

### **A. Applicability**

27. The provisions of these guidelines shall apply for each Party included in Annex I which is also a Party to the Kyoto Protocol.

### **B. General approach**

28. Each Party included in Annex I shall include the necessary supplementary information required under these guidelines to demonstrate compliance with its commitments under the Protocol in its national communication submitted under Article 12 of the Convention, with the time frames for the obligations established by the Kyoto Protocol, and with the relevant decisions of the COP and the COP/MOP.

### **C. Objectives**

29. The objectives of these guidelines are:

- (a) To enable Parties included in Annex I to meet their commitments for reporting information in accordance with Article 7, paragraph 2;
- (b) To promote the reporting of consistent, transparent, comparable, accurate and complete information by Parties included in Annex I;
- (c) To facilitate the preparation of the information to be submitted to the COP/MOP by Parties included in Annex I;
- (d) To facilitate the review under Article 8 of national communications and of the supplementary information under Article 7, paragraph 2, from Parties included in Annex I.

### **D. National systems in accordance with Article 5, paragraph 1**

30. Each Party included in Annex I shall provide a description of how it is performing the general and specific functions defined in the guidelines for national systems under Article 5, paragraph 1. The description shall contain the following elements:

- (a) The name and contact information for the national entity and its designated representative with overall responsibility for the national inventory of the Party
- (b) The roles and responsibilities of various agencies and entities in relation to the inventory development process, as well as the institutional, legal and procedural arrangements made to prepare the inventory
- (c) A description of the process for collecting activity data, for selecting emission factors and methods, and for the development of emission estimates
- (d) A description of the process and the results of key source identification and, where relevant, archiving of test data
- (e) A description of the process for the recalculation of previously submitted inventory data
- (f) A description of the quality assurance and quality control plan, its implementation and the quality objectives established, and information on internal and external evaluation and review processes and their results in accordance with the guidelines for national systems

- (g) A description of the procedures for the official consideration and approval of the inventory.

31. Where the Party included in Annex I has not performed all functions, the Party shall provide an explanation of which functions were not performed or were only partially performed and information on the action planned or taken to perform these functions in the future.

#### **E. National registries**

32. Each Party included in Annex I shall provide a description of how its national registry performs the functions defined in the annex to decision 13/CMP.1 and the annex to decision 5/CMP.1,<sup>11</sup> and complies with the requirements of the technical standards for data exchange between registry systems as adopted by the COP/MOP. The description shall include the following information:

- (a) The name and contact information of the registry administrator designated by the Party to maintain the national registry
- (b) The names of the other Parties with which the Party cooperates by maintaining their national registries in a consolidated system
- (c) A description of the database structure and capacity of the national registry
- (d) A description of how the national registry conforms to the technical standards for data exchange between registry systems for the purpose of ensuring the accurate, transparent and efficient exchange of data between national registries, the clean development mechanism registry and the transaction log (decision 19/CP.7, paragraph 1)<sup>12</sup>
- (e) A description of the procedures employed in the national registry to minimize discrepancies in the issuance, transfer, acquisition, cancellation and retirement of ERUs, CERs, tCERs, ICERs, AAUs and/or RMUs, and replacement of tCERS and ICERS, and of the steps taken to terminate transactions where a discrepancy is notified and to correct problems in the event of a failure to terminate the transactions
- (f) An overview of security measures employed in the national registry to prevent unauthorized manipulations and to prevent operator error and of how these measures are kept up to date
- (g) A list of the information publicly accessible by means of the user interface to the national registry
- (h) The Internet address of the interface to its national registry
- (i) A description of measures taken to safeguard, maintain and recover data in order to ensure the integrity of data storage and the recovery of registry services in the event of a disaster
- (j) The results of any test procedures that might be available or developed with the aim of testing the performance, procedures and security measures of the national registry undertaken pursuant to the provisions of decision 19/CP.7 relating to the technical standards for data exchange between registry systems.

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<sup>11</sup> In accordance with paragraph 40 of the annex to decision 5/CMP.1, unless otherwise stated in that annex, all other provisions that pertain to CERs in the guidelines under Articles 7 and 8, as well as the modalities for the accounting of assigned amount under Article 7, paragraph 4, also apply to tCERs and ICERs.

<sup>12</sup> See decision 24/CP.8.



## **F. Supplementary relating to the mechanisms pursuant to Articles 6, 12 and 17**

33. Each Party included in Annex I shall provide information on how its use of the mechanisms is supplemental to domestic action, and how its domestic action thus constitutes a significant element of the effort made to meet its quantified limitation and reduction commitments under Article 3, paragraph 1, in accordance with the provisions of decision 5/CP.6.

## **G. Policies and measures in accordance with Article 2**

34. In providing information under part II, section V, of the guidelines for the preparation of national communications by Parties included in Annex I to the Convention (FCCC/CP/1999/7), each Party included in Annex I shall specifically address policies and measures implemented and/or further elaborated as well as cooperation with other such Parties in achieving its quantified emission limitation and reduction commitment under Article 3, in order to promote sustainable development. Such reporting shall take into account any relevant decision by the COP and the COP/MOP resulting from the process for further consideration of the issue of policies and measures (decision 13/CP.7).

35. With respect to aviation and marine bunker fuels, each Party included in Annex I shall, in pursuit of Article 2, paragraph 2, of the Kyoto Protocol, identify the steps it has taken to promote and/or implement any decisions by the International Civil Aviation Organization and the International Maritime Organization in order to limit or reduce emissions of greenhouse gases not controlled by the Montreal Protocol from aviation and marine bunker fuels.

36. Each Party included in Annex I shall also provide information not reported elsewhere under these guidelines on how it strives to implement policies and measures under Article 2 of the Kyoto Protocol in such a way as to minimize 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.

## **H. Domestic and regional programmes and/or legislative arrangements and enforcement and administrative procedures**

37. Each Party included in Annex I shall report any relevant information on its domestic and regional legislative arrangements and enforcement and administrative procedures, established pursuant to the implementation of the Kyoto Protocol, according to its national circumstances. This information shall include:

- (a) A description of any domestic and regional legislative arrangements and enforcement and administrative procedures the Party has in place to meet its commitments under the Kyoto Protocol, including the legal authority for such programmes, how they are implemented, and procedures for addressing cases of non-compliance under domestic law
- (b) A description of any provisions to make information on these legislative arrangements and enforcement and administrative procedures (e.g. rules on enforcement and administrative procedures, action taken) publicly accessible
- (c) A description of any institutional arrangements and decision-making procedures that it has in place to coordinate activities relating to participation in the mechanisms under Articles 6, 12 and 17, including the participation of legal entities.

38. Each Party included in Annex I shall provide a description of any national legislative arrangements and administrative procedures that seek to ensure that the implementation of activities

under Article 3, paragraph 3, and any elected activities under Article 3, paragraph 4, also contribute to the conservation of biodiversity and sustainable use of natural resources.

#### **I. Information under Article 10**

39. Each Party included in Annex I shall report its activities, actions and programmes undertaken in fulfilment of its commitments under Article 10.

40. Each Party included in Annex I shall report on the steps it has taken to promote, facilitate and finance the transfer of technology to developing countries and to build their capacity, taking into account Article 4, paragraphs 3, 5 and 7, of the Convention, in order to facilitate the implementation of Article 10 of the Kyoto Protocol.

#### **J. Financial resources**

41. Each Party included in Annex II shall provide information on the implementation of Article 11 of the Kyoto Protocol, in particular information on what new and additional financial resources have been provided, in what way these resources are new and additional, and how that Party has taken into account the need for adequacy and predictability in the flow of these resources.

42. Each Party included in Annex II shall provide information on its contribution to the entity or entities entrusted with the operation of the financial mechanism.

43. Any Party included in Annex I that has provided funding for the adaptation fund established in accordance with decision 10/CP.7 shall report on its financial contributions to this fund. In doing so, the Party shall take into account the information reported in accordance with paragraph 6 of decision 10/CP.7.

### **III. Language**

44. The information reported in accordance with these guidelines shall be submitted in one of the official languages of the United Nations. Parties included in Annex I are encouraged to submit a translation of the information under Article 7, paragraph 1, in English, in order to facilitate the annual review of the inventory information under Article 8.

### **IV. Updating**

45. These guidelines shall be reviewed and revised, as appropriate, by consensus, in accordance with decisions of the COP/MOP, taking into account any relevant decisions of the COP.

*2<sup>nd</sup> plenary meeting  
30 November 2005*

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