Annex VI

[ENGLISH ONLY]

Text on potential consequences for further consideration by the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol at its eighth session

1. [The Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) noted that further work on this issue should build on the relevant decisions of the Conference of the Parties and of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), and work underway in other bodies and processes under the Convention and its Kyoto Protocol, with the view to maintain a coherent [and consistent] approach[, avoiding duplication,] with other work in the UNFCCC process, including through the possible use of joint groups.]

2. [Parties noted that work on this issue should be consolidated into a single stream with a view to avoiding duplication and maintaining a coherent approach with other work in the UNFCCC process].

3. The AWG-KP reiterated that its work on potential consequences should be guided and informed by [Article 4, paragraphs 8, 9 and 10, of the Convention,] Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol, and by the best available scientific, social, environmental and economic information, [and be based on evidence of actual impacts and consequences] [and be based on negative consequences that developing country Parties are facing and/or will face].

[In noting that there could be both negative and positive potential consequences, the AWG-KP also recognized the need to broaden its understanding of aspects related to them.]

4. [The AWG-KP noted the complexity of this issue, including in the assessment of the consequences of tools, policies, measures and methodologies available to Annex I Parties. It further noted that there are difficulties in anticipating, attributing and quantifying potential consequences owing to the many economic and social factors and diverse policy objectives involved. It also noted that the potential consequences depend on the institutional capacity and regulatory framework in non-Annex I countries].

5. The AWG-KP [noted that there are both positive and negative consequences and] agreed that its work on this issue should focus on [minimizing negative potential consequences.] [deepening Parties understanding of potential consequences.]

It recognized that although potential negative consequences present challenges for all Parties, they will be most severe for:
Option 1: The most vulnerable and poorest developing country Parties[, that are least capable to address them].
Option 2: Developing countries, in particular the most vulnerable.
Option 3: Developing country Parties, particularly least developed countries (LDC's), Alliance of Small Island States (AOSIS) and African countries.

Option 4: The most vulnerable and poorest developing country Parties, also taking into account the potential benefits of response measures.
Option 5: All developing country Parties and, in particular, for the most vulnerable and poorest developing country Parties.
Option 6: Developing country Parties, in particular for the poorest and most vulnerable developing country Parties.
Option 7: All Parties, especially developing country Parties, they will be most severe for the poorest and most vulnerable developing country Parties, who are the least capable to address them.
Option 8: Use what is in Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol 'impact on developing country Parties', in particular those identified in Article 4, paragraphs 8 and 9 of the Convention.
Option 9: The AWG-KP recognized that the level of impact of potential consequences will vary among Parties and that attention should be given to the negative consequences on developing countries.

6.
First sentence
Option 1: The AWG-KP underlined the need for Annex I Parties to design policies and measures carefully, in order to minimize the negative potential consequences of mitigation actions as well as to [maximize][consider] positive potential consequences, taking into account possible interactions between different policies and measures.
Option 2: The AWG-KP underlined that there are both positive and negative consequences and that these should be carefully taken into account in the design of policies and measures.
Option 3: The AWG-KP underlined that Annex I Parties should [strive to] design policies and measures carefully, in order to [strive to] minimize negative potential consequences of mitigation actions as well as to maximize positive potential consequences, taking into account possible interactions between different policies and measures.
Option 4: The AWG-KP underlined the need for Annex I Parties to design policies and measures carefully, in order to minimize the negative potential consequences of mitigation actions. The AWG-KP also emphasized that these policies and measures should also maximize positive potential consequences.
Option 5: The AWG-KP underlined that there are both positive and negative consequences, and that Annex I Parties should strive to minimize negative consequences of design of policies and measures.

Second sentence
[*Option* 1: The AWG-KP noted that there is a need to develop guidelines to assist Annex I Parties in their assessment of potential consequences and agreed to further examine the possible development of such guidelines at its eighth session.
Option 2: The AWG-KP agreed to develop guidelines to assist Annex I Parties in their assessment of potential consequences and agreed to further examine possible elements of these guidelines at its eighth session.]
The AWG-KP further noted that [for the work mentioned in paragraph 5 above]
[Parties could take into consideration that actions to address][Parties' consideration of information on] potential consequences would need:

(a) To complement and support efforts to mitigate climate change;

(b) To benefit from experiences of Parties and lessons learned;

(c) To [be based on] [flow from] national policies and measures; {needs elaboration}

(d) To [balance the consideration of] [consider both] negative and positive potential consequences;

{needs elaboration}

(e) To [focus on] [take into account]

Option 1: The special circumstances of the poorest and most vulnerable developing country Parties [that are least capable to address potential consequences.]
Option 2: The special circumstances of developing countries, in particular the most vulnerable developing country Parties
Option 3: The national circumstances of developing country Parties, particularly LDCs, AOSIS and African countries.

7. [The AWG-KP noted that one way [for Parties] to facilitate the design and selection of mitigation actions [by Annex I Parties] is to identify potential consequences associated with specific tools, policies and measures
Option 1: That are considered or implemented by Annex I Parties and then to develop ways and means, including impact assessments, to minimize these consequences [on non Annex I Parties] [on all Parties]
Option 2: Including by the use of impact assessments]

8.
Option 1: The AWG-KP noted that there are difficulties in quantifying potential consequences owing to the many economic and social factors involved. In this regard it noted the need to deepen the understanding of potential consequences, giving priority to negative consequences on [the poorest] developing countries. [This could be achieved through various mechanisms, including regional assessments; a global assessment to be carried out by an international organization (such as the Intergovernmental Panel on Climate Change); and the regular and systematic provision by all Parties of information that is as complete as possible (including in national communications).]
Option 2: The AWG-KP noted that there is a need to improve the availability of evidence of actual impacts. This could be achieved through various [mechanisms] [means], including the regular and systematic provision by all Parties of information that is as complete as possible, [in particular] [including] through national communications and the regular review of this information.
Option 3: The AWG-KP noted that there is a need to deepen the understanding of potential consequences, giving priority to negative consequences on developing countries. This could be achieved through various mechanisms, including regional assessments; a global assessment to be carried out by a relevant international organization; and the regular and systematic provision by all Parties of information that is as complete as possible (including in national communications of Annex I Parties). The AWG-KP noted the need for [a channel] [an expeditious mechanism] through

which non-Annex I Parties could report impacts and consequences from the policies and measures of Annex I Parties on non-Annex I Parties [and the need to establish a common space where this exchange of views can take place continuously].

(This sentence provides alternative text regarding provision of information by Parties and could be part of the options above): [Parties agreed on the need for impacted Parties to provide more information on potential consequences, to be supplied through national communications and other relevant documents.]

9. [The AWG-KP noted that according to Article 2, paragraph 3, of the Kyoto Protocol the CMP may take further action to promote the implementation of the commitments of Annex I Parties to minimize adverse social, environmental and economic impacts on other Parties of policies and measures implemented in accordance with Article 3.

10. The AWG-KP also noted that according to decision 27/CMP.1 the Compliance Committee shall receive questions of implementation submitted by any Party with respect to itself or any Party with respect to other Parties (decision 27/CMP.1, section VI of the annex, para. 1 (a) and (b)).

11. The AWG-KP further noted that the Facilitative Branch shall be responsible for promoting compliance by Parties with their commitments under the Protocol, taking into account their common but differentiated responsibilities, and respective capacities (decision 27/CMP.1, section IV of the annex, para. 4).

12. The AWG-KP noted that one way to facilitate compliance of Annex I Parties with commitments under Article 2, paragraph 3, is through the submission by affected Parties to the Facilitative Branch of the Compliance Committee of possible questions of implementation of response measures.]

13. [The AWG-KP recognized that cooperation among Parties on the further development [and application] of technologies could assist [in minimizing negative] [with regard to] potential consequences. [It also noted the need for technology [cooperation] [and transfer to developing countries] and enhancement of capacities of, developing countries [as well as finance and risk management tools] to assist them to assess and deal with potential consequences]].