



## AUSTRALIA

### Submission under 2/CMP.8 paragraph 8 | March 2012

**Implications of the implementation of decisions 2/CMP.7 to 4/CMP.7 as well as those of decision 1/CMP.8 on the relevant decisions adopted for the first commitment period and consideration of any supplementary reporting tables required for the reporting of land use, land-use change and forestry activities under Article 3, paragraphs 3 and 4 | SBSTA**

#### I. Overview

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This submission contains the views of the Australian Government on the implications of the implementation of decisions 2/CMP.7 to 4/CMP.7, as well as those of decision 1/CMP.8 on the relevant decisions adopted for the first commitment period and on supplementary reporting tables required for the reporting of land use, land-use change and forestry (LULUCF) activities required under Article 3, paragraphs 3 and 4 of the Kyoto Protocol for the second commitment period. Australia welcomes the progress made at the eighth Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) in Doha on this agenda item.

Australia emphasises that there are a number of outstanding and new issues under this agenda item which require resolution for the continued smooth operations of Kyoto Protocol mechanisms and rules in the second commitment period.

Australia encourages Parties to focus on:

- identifying and implementing updates to relevant decisions adopted for the first commitment period, including new updates arising from decision 1/CMP.8;
- developing, in parallel with, and informed by, the work of the Intergovernmental Panel on Climate Change (IPCC), supplementary reporting tables for LULUCF; and
- agreeing to the form that updates to decisions will take.

#### II. Updating rules for a second commitment period in accordance with 2/CMP.8, paragraph 6

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Australia's key priority is ensuring that the Protocol rules and mechanisms operate smoothly for the second commitment period.

Decision 1/CMP.8 gives considerable certainty to the obligations of Parties with commitments under a second commitment period. Parties must now consider what consequential changes are required



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to implement this decision, including ensuring the continuance of functions that will assist Parties that did not have a first commitment period obligation.

Australia considers that a number of issues should be given particular attention under this item, including the clarification of the operation of the previous period surplus reserve account to ensure consistent operation of this account for second commitment period Parties.

In addition to issues arising directly from 1/CMP.8, there are outstanding issues relating to decisions 2/CMP.7 to 4/CMP.7 to be addressed. In particular, Australia draws Parties' attention to issues raised in the Secretariat's technical paper provided in advance of the October 2012 workshop.<sup>1</sup> These include updates to decisions relating to reporting, review and adjustment.

In making changes, Parties should draw upon experience from the first commitment period to improve, to the extent possible, the efficiency and operability of the rules and mechanisms of the Protocol.

One area that will require an update, due to the IPCC updates to Supplementary Methodologies,<sup>2</sup> are the conservativeness factors as contained in Appendix III to decision 20/CMP.1. Based on experience from the first commitment period, Australia encourages Parties to implement a compliance regime which treats all sectors consistently. One approach to achieve this may be to remove the differentiation based upon uncertainty ranges and sectors, and apply a single conservativeness factor for all adjustments. This approach would remove the perverse situation whereby Parties are penalised disproportionately for errors in calculations that are recognised as less certain compared with those where the calculation is more certain (and where an error therefore would be more difficult to make).

### **III. Supplementary Reporting Table for LULUCF in accordance with paragraph 8 of 2/CMP.8**

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Parties have now agreed to updated rules for land sector accounting for the second commitment period of the Protocol.<sup>3</sup> These rules must be reflected in updates to supplementary reporting tables for LULUCF activities under Article 3, paragraphs 3 and 4 of the Protocol for the second commitment period. The supplementary reporting tables should be informed by the IPCC revision and updates to Supplementary Methodologies, which is currently underway and scheduled for completion in 2013.

The IPCC revision and updates to Supplementary Methodologies are an essential input to the supplementary reporting tables. However, as Parties recognised in previous SBSTA sessions, in order to ensure the timely adoption of tables at CMP9, the development of reporting tables must occur in parallel to the IPCC consideration of Supplementary Methodologies.

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<sup>1</sup> FCCC/TP/2012/6

<sup>2</sup> 2/CMP.7

<sup>3</sup> 2/CMP.7



Australia considers that progress on this work item may be facilitated through requesting the Secretariat to develop draft supplementary tables for consideration by Parties at the workshop referred to in paragraph 10(c) of decision 2/CMP.8.

In considering supplementary reporting tables, Australia urges Parties to consider formats which accurately capture the information required by decision 2/CMP.8. Tables for the second commitment period should maintain, to the extent possible, continuity with reporting formats used for the first commitment period, and seek a balance between transparency and cost-effectiveness.

#### **IV. Approach**

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In Doha, Parties began the process of updating relevant rules adopted for the first commitment period for application in the second commitment period. These updates were made through the adoption of a new decision which annexed updated excerpts of text from first commitment period decisions.<sup>4</sup>

Australia considers it a matter of priority to agree to remaining changes arising from decisions 2/CMP.7 to 4/CMP.7, and new changes arising from 1/CMP.8. The required changes comprise two basic categories: mechanistic – for example, update references to ‘first commitment period’ with ‘second commitment period’ – and technical – for example, reflect the operation of the forest management reference level.

For mechanistic changes, Australia considers that an overarching paragraph will provide the most administratively simple format for updating first commitment period decisions. In other cases, where more complex or technical updates are required, changes are best made through annexing updated text from first commitment period decisions. Australia considers that the adoption of a new decision, which contains overarching updates combined with annexes containing updated text, is the most administratively simple approach to ensuring the smooth transition of all rules for the second commitment period.

#### **V. Conclusion**

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Australia welcomes the progress made in Doha on this critical agenda item.

Australia notes the limited time available to resolve the outstanding issues, and the imperative to have rules in place in time for Parties to meet their reporting obligations and certainty regarding their obligations under the second commitment period.

Australia looks forward to working constructively with Parties throughout this year on the development of a comprehensive package of updated decisions to be agreed at CMP9.

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<sup>4</sup> Decision 2/CMP.8 Implications of the implementation of decisions 2/CMP.7 to 5/CMP.7 on the previous decisions on methodological issues related to the Kyoto Protocol, including those relating to Articles 5, 7 and 8 of the Kyoto Protocol

