

**Decision 9/CP.7**

**Matters relating to Article 3, paragraph 14, of the Kyoto Protocol**

*The Conference of the Parties,*

*Having considered* matters relating to Article 3, paragraph 14, of the Kyoto Protocol,

*Recalling* its decision 8/CP.4, particularly as it refers to decision 5/CP.4,

*Recalling further* its decision 5/CP.6, containing the Bonn Agreements on the implementation of the Buenos Aires Plan of Action,

*Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session, adopt draft decision -/CMP.1 (*Matters relating to Article 3, paragraph 14, of the Kyoto Protocol*) below.

*8<sup>th</sup> plenary meeting  
10 November 2001*

**Draft decision -/CMP.1 (*Matters relating to Article 3, paragraph 14, of the Kyoto Protocol*)**

**Matters relating to Article 3, paragraph 14, of the Kyoto Protocol**

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

*Determined* to protect the climate system for present and future generations,

*Having considered* matters relating to Article 3, paragraph 14, of the Kyoto Protocol,

*Recalling* decisions 8/CP.4 and 5/CP.4,

*Recalling also* decisions 5/CP.4 and 12/CP.5,

*Reiterating* that the extent to which developing country Parties will effectively implement their commitments will depend on the effective implementation by the developed country Parties of their commitments related to financial resources and transfer of technology and will take fully into account that economic and social development and poverty eradication are the first and overriding priorities of the developing country Parties,

*Reiterating* that Parties should protect the climate system for the benefit of present and future generations of humankind, on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities and, accordingly, that the developed country Parties should take the lead in combating climate change and the adverse effects thereof,

*Recognizing* that developing country Parties that would have to bear a disproportionate or abnormal burden under the Convention should be given full consideration,

*Recognizing* that low-lying and other small island countries, countries with low-lying coastal, arid and semi-arid areas or areas liable to floods, drought and desertification, and developing countries with fragile mountainous ecosystems, are particularly vulnerable to the adverse effects of climate change,

*Recognizing* the special difficulties of those countries, especially developing countries, whose economies are particularly dependent on fossil fuel production, use and exportation, as a consequence of action taken to limit greenhouse gas emissions,

1. *Decides* to establish a process for the implementation of Article 3, paragraph 14, of the Kyoto Protocol, including exchange of information and the development of methodologies on the assessment of adverse social, environmental and economic impacts on developing country Parties, particularly those identified in Article 4, paragraphs 8 and 9, of the Convention, and of their minimization; among the issues to be considered shall be the establishment of funding, insurance and transfer of technology;
2. *Recognizes* that minimizing the impact of the implementation of Article 3, paragraph 1, of the Kyoto Protocol is a development concern affecting both the industrialized and developing countries. Each Party included in Annex I commits itself to take fully into account the consequences of these actions on developing countries, and to prevent or minimize their adverse effects on developing countries; these Parties consider such action as a cost-effectiveness measure;
3. *Requests* each Party included in Annex I to provide information, as part of the necessary supplementary information to its annual inventory report, in accordance with the guidelines under Article 7, paragraph 1, of the Kyoto Protocol, relating to how it is striving, under Article 3, paragraph 14, of the Kyoto Protocol, to implement the 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; and further requests those Parties to incorporate, in this respect, information on action identified in paragraph 8 below, based on methodologies identified at the workshop referred to in paragraph 11 below;
4. *Decides* that the information referred to in paragraph 3 above shall be considered by the facilitative branch of the compliance committee;
5. *Invites* Parties not included in Annex I to provide information on their specific needs and concerns related to the adverse social, environmental and economic impacts arising from the implementation of commitments under Article 3, paragraph 1, of the Kyoto Protocol, and requests Parties included in Annex II to the Convention to provide support for that purpose;

6. *Decides* to develop guidelines before the second session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to help determine if Parties included in Annex I are striving 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, based on methodologies identified at the workshop referred to in paragraph 11 below;

7. *Invites* the Intergovernmental Panel on Climate Change, in cooperation with other relevant organizations, to prepare a technical paper on geological carbon storage technologies, covering current information, and report on it for the consideration of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its second session;

8. *Agrees that* Parties included in Annex II to the Convention, and other Parties included in Annex I in a position to do so, should give priority, in implementing their commitments under Article 3, paragraph 14, of the Kyoto Protocol, to the following actions:

(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, in pursuit of the objective of the Convention;

(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 Parties not included in Annex I 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;

9. *Encourages* Parties included in Annex I to adopt policies and measures that will result in reductions in emissions of greenhouse gases, as an effective contribution to minimizing the adverse effects of climate change, and to provide information on these policies and measures in their national communications;

10. *Decides* to review the actions taken by Parties included in Annex I, in accordance with this decision, and to consider, at its third session, what further actions are necessary; among the issues to be considered shall be the establishment of funding, insurance and transfer of technology, pursuant to Article 3, paragraph 14;
11. *Requests* the secretariat to organize, before the second session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, a workshop on reporting methodologies on ways to minimize adverse social, environmental and economic impacts on developing country Parties of the implementation of policies and measures by Parties included in Annex I in achieving their quantified emission limitation and reduction commitments under Article 3, paragraph 1;
12. *Requests* the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation to consider the output of the workshop referred to in paragraph 11 above, and to make recommendations thereon to the second session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.