

## **WORK OF THE AWG-LCA CONTACT GROUP**

### **Agenda item 3.2.2**

#### **Nationally appropriate mitigation actions by developing country Parties**

**version of 18 November 2011 @ 18.00**

*Revised non-paper by the co-facilitators*

#### **Part I: Possible elements of a draft decision for adoption of modalities and procedures for international consultation and analysis**

*The Conference of the Parties,*

*Recalling*, in particular, Article 4, paragraphs 1, 3, and 7, Article 10, paragraph 2 (a), and Article 12, paragraphs 1, 5 and 7, of the Convention,

*Recalling* decisions 12/CP.4, 8/CP.5 and 32/CP.7 regarding the review of national communications, including the national greenhouse gas inventory submitted by developing country Parties,

*Recalling* also its decisions on communications from Parties not included in Annex I to the Convention (non-Annex I Parties) and, in particular, its decision 10/CP.2, 2/CP.4, 12/CP.4, 8/CP.5, 31/CP.7, 32/CP.7 and 17/CP.8,

*Recalling* further that, by its decision 1/CP.16 (part III.B), it had initiated a process of enhancing the reporting in national communications from non-Annex I Parties, on mitigation actions and their effects, and support received, with additional flexibility to be given to the least developed country Parties and small island developing States,

*Noting* its decision 1/CP.16 (paragraph 63 and 64) by which a process of international consultation and analysis (ICA) of biennial reports will be conducted under the Subsidiary Body for Implementation, aiming to increase transparency of mitigation actions and their effects,

*Noting* further that the biennial update reports by non-Annex I Parties and the summary reports resulting from the ICA process will be an important part of the first review of the adequacy of the long-term global goal (decision 1/CP.16, part V), starting in 2013 and to be concluded by 2015,

*Desiring* to implement the system of international consultations and analysis agreed by Parties in decision 1/CP.16,

*Recognizing* the importance of international consultations and analysis,

*Recognizing* that the system of international consultations and analysis should be designed to optimise opportunities for developing countries to build their capacity in respect of the implementation of nationally appropriate mitigation actions and in respect of the measurement, reporting and verification of these actions,

*Also recognizing* that greater transparency will generate confidence among Parties as to the extent and nature of mitigation action being undertaken by developing country Parties, and create conditions for the further growth of mitigation ambition among all Parties,

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*Further recognizing* the need to have an efficient, cost-effective and practical ICA process which does not impose an excessive burden on Parties and on the UNFCCC Secretariat,

*Further recognizing* that as the number of developing country Parties participating in biennial update reporting increases, the Secretariat may need to supplement or re-allocate resources for international consultations and analysis,

*Acknowledging* that a robust, flexible, adaptable and cost-effective system of international consultations and analysis will facilitate participation by developing country Parties and enhance the level of transparency of the nationally appropriate mitigation actions of developing country Parties,

*Reiterating* that international consultations and analysis will be conducted on the basis of biennial reports [taking into consideration the flexibility provided for in paragraph 60 of decision 1/CP.16].

1. *Adopts* the modalities and procedures for international consultation and analysis annexed to this decision;

2. *Decides*:

(a) That the first round of international consultation and analysis will be conducted in respect of each developing country Party, commencing on submission of the first round of biennial [update] reports by developing country Parties [and no later than 1 May 2014][or on the expiry of one year past the due date of the biennial update report];

(b) That Parties not included in Annex I to the Convention (non-Annex I Parties) that have submitted their first biennial report will undergo the ICA process according to the modalities and procedures referred to in paragraph 1 above;

(c) That participation in international consultations and analysis will be voluntary for least-developed countries and small island developing states;

(d) That all biennial update reports submitted in the first round of reporting should be put to international consultations and analysis;

(e) To review the modalities and procedures prescribed herein based on experiences gained in the first round of international consultations and analysis, no later than 2015;

(f) That the modalities and procedures referred to in paragraph 1 above will be enhanced further into guidelines, once the first round of the ICA process has been performed and on the basis of the experience gained from it;

(g) [That the frequency of the subsequent rounds of the ICA process [will be included in the guidelines referred to in paragraph 2(f) above][will be a biennial basis].] [In subsequent rounds of biennial [update] reporting, frequency of the ICA process could be differentiated based on the frequency of submission of biennial [update] reports, which could be based on a Party's [share of global GHG emissions][strong progress in implementation of mitigation actions or recently updated biennial report] and their capabilities. SIDS and LDCs may undergo ICA as a group of Parties at their discretion.]

3. Enhanced support for the ICA process will be ensured by developed country Parties by means of new and additional resources, under Article 4.5 of the Convention;

3 (alt) Facilitate the universal participation of developing country Parties in the ICA process, through the provision of support by developed country Parties, and taking into account specific national and sectoral circumstances, and with additional flexibility to be given to the least developed country Parties and small island developing states.

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## Part II: Draft modalities and procedures for international consultation and analysis

### I. Objectives

1. The overall objectives of [the] international consultation and analysis (ICA) [of the biennial [update] reports] are as follows:

(a) To increase the transparency of [domestically funded] [supported] nationally appropriate mitigation actions of developing country Parties [supported by developed countries] [and their effects] and the financial, technological and capacity-building support provided by developed country Parties;

(b) To [facilitate] [enhance] the capacity-building [efforts] in developing country Parties, in particular in relation to reporting of nationally appropriate mitigation actions;

(c) [To make information on national emissions available to Parties];

(d) [To assist developing country Parties in overcoming difficulties in developing, implementing, reporting and verifying nationally appropriate mitigation actions [through the sharing of best practices]];

(e) [To promote continuous learning and improvement in implementing mitigation actions], including through guidance on opportunities to undertake additional nationally appropriate mitigation actions;

(f) [To facilitate reporting of the information required by the Conference of the Parties to [assist it in assessing] [assess] [the implementation of the Convention][the aggregated effect of actions by Parties]];

(g) To assist Parties in [addressing][identifying] technical difficulties faced in preparation of [the] biennial [update] reports [and national communications][and to provide recommendations, upon request, on how Parties may improve subsequent biennial update reports];

(h) [To provide transparency regarding the extent to which a Party's domestically supported mitigation actions, including those [contained in document FCCC/AWGLCA/2011/ INF.1]] and those subsequently added by Parties have been implemented, and the effects of these actions;

(i) ICA will be conducted on supported actions to ensure the efficient and effective use of the support provided, unless it is volunteered by the developing country Party.

2. In addition to the overall objectives in paragraph 1, specific objectives of technical analysis are as follows:

(a) To [determine] [consider] [identify] whether the information required has been submitted;

(a bis) [To provide a thorough, objective and comprehensive technical assessment of the information reported by non-Annex I Parties.]

(a ter) [To promote consistency and transparency of information submitted by Parties not included in Annex I;]

(b) [To [analyse] whether a Party's actions are implemented [and effective] in achieving their objective(s);] [To analyse the extend to which a Party's actions have been implemented and their effectiveness in achieving their objective;]

(b bis) To take note of a Party's mitigation actions and check if these mitigation actions are effective in achieving their objective(s) based on information submitted in the biennial update reports;

(c) [To understand methodologies used and assumptions made;]

(d) [To identify difficulties faced by the Party concerned with respect to development, implementation, reporting and verification of nationally appropriate mitigation actions,] and [upon

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request] provide recommendations where possible] with a view to building the capacity of developing country Parties with respect to these matters;

(d bis) To identify difficulties faced by the Party concerned with respect to development of greenhouse gas inventories;

(e) [To identify support needs, including support required for preparation of biennial update reports].

3. [In addition to the overall objectives in paragraph 1, the specific objective of the international consultations under the Subsidiary Body for Implementation is to promote transparency of developing country mitigation actions [and GHG emissions] [and to provide an overview of a Party's progress in implementing its mitigation actions] [through a facilitative consultations [process]] [involving a facilitative sharing of views among Parties.] [and to build the capacity of developing country Parties through participation in a facilitative consultation process enabling a sharing of views and best practice.]]

## II. Principles

4. The principles that provide the basis for the ICA are as follows:

(a) The ICA process is to be non-intrusive, non-punitive, non-confrontational, respectful of national sovereignty, facilitative and cooperative process based on interactive dialogue;

(b) [[Be voluntary] and fully involve the Party concerned;] [Take place in consultation with the Party concerned;]

(c) The process is to take into account [the wider economic and development needs of ] [a] [the] Party[’s] [concerned, as well as its] national circumstances and development priorities;

(d) [Not be overly burdensome on the Party concerned in terms of time, human and financial resources;]

(e) [Discussions regarding the appropriateness of domestic policies and measures do not form part of the ICA process];

(f) [ICA will not be more onerous than international assessment and review process for developed country Parties;]

(g) [ICA will not [impose][make recommendations for] new commitments or obligations on developing country Parties] [ICA will provide an opportunity to assess the progress in implementation of mitigation actions of each developing country party and identify possible policy of options to improve their outcomes if necessary;]

(h) [ICA and submission of biennial update reports are dependent on [fulfillment of developed country commitment on] provision of support in accordance with Articles 4,3 and 12.1 of the Convention and effective delivery channels ;]

(i) [[Promote] [universal][voluntary] participation with flexibilities for Small Island Developing States and Least Developed Countries.] [Allow for] flexibilities for Small Island Developing States and Least Developed Countries.]

## III. Process and scope

*[Option 1]*

### 1. [Process]

5. The ICA process will consist of the following two steps and will be completed within a fixed timeframe:

(a) A technical analysis of biennial [update] reports and, where applicable, other information, by a team of technical experts in consultation with the Party concerned;

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*[(a) alt.* A technical analysis of biennial [update] reports through written questions and answers between the Party concerned and other Parties, facilitated by the secretariat. The technical analysis process will consist of questions posed in writing, by other Parties, on the biennial [update] reports to which the Party concerned will reply in writing. Subsequently, the secretariat will compile a synthesis of this exchange between Parties. This synthesis report would become a part of the SBI agenda, enabling international consultations.]

(b) International consultations on biennial [update] reports and expert analysis reports under the Subsidiary Body for Implementation.

## 2. [Scope]

6. *[Option 1:* ICA will be [conducted biennially for each Party other than LDCs and SIDs] based on the biennial [update] reports of developing country Parties, [both biennial reports] that [coincide with] [are submitted as sub-sets of the] national communications of Parties not included in Annex I to the Convention submitted every four years and of biennial update reports submitted in intervening years [between national communications and relevant sections of national communications.]

*Option 2.* ICA will be based on the biennial update reports submitted in intervening years between national communications and relevant sections of national communications.

*6bis:* The information considered should include the national greenhouse gas inventory report, information on mitigation actions, including a description, analysis of the impacts and associated methodologies and assumptions, progress in implementation and information on domestic measurement, reporting and verification, and support received.

## A. Technical analysis

### 1. Inputs

7. The technical analysis of biennial [update] reports will focus on:

(a) Greenhouse gas inventories and [national] inventory reports;

(b) Information on [unsupported] [supported] mitigation actions, [their effects when possible] including a description, analysis of the impacts and associated methodologies and assumptions[, including actions listed in FCCC/AWGLCA/2011/INF.1 for those Parties that have communicated them to the Secretariat];

(c) [[Status of][Progress [towards]][in]] implementation of mitigation actions;]

(d) [[Any new] information on the Party's] domestic measurement reporting and verification system, [including support received for it].]

(e) [Information on support received].

7bis. Where a Party has not submitted a biennial update report within one year of the date that it was originally due, or the information in the biennial update report does not provide a sufficient basis for technical analysis of mitigation actions under ICA, technical analysis under ICA will commence on the basis of that Party's most recent national greenhouse gas inventory, the mitigation information contained in that Party's most recent national communication, and relevant information from other sources that is peer reviewed and publicly available.

### 2. Process

8. [At the commencement of an ICA cycle for each developing country Party, the secretariat will assemble a technical experts team of five to eight members, drawing from [secretariat professional staff and] [a pool of [50]] Party-nominated experts [constituted for completing both the technical analysis part of the ICA process and the review part of the IAR process and hosted by the [UNFCCC secretariat]], balanced as to expertise, including inventory expertise, and participation by developing and developed countries. The members of the expert team [would][will] serve in their personal capacity.]

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8bis. One member of the technical expert team will be a member of the secretariat professional staff; the Party concerned may request additional team members from the secretariat professional staff, up to a maximum of three; the Secretariat may consider such requests in light of its available resources.

9. The team will be supported by the secretariat staff.

10. The team will be led by two experts, one from a developing country Party and the other from a developed country Party.

11. [Two to three experts, of which at least one will be from a [non-Annex I][developing] country and one from [an Annex I][developed] country Party, will focus on the analysis of national GHG inventories.]

12. The technical analysis [of the biennial [update] reports] by technical experts will [be conducted on the basis of the reporting guidelines for biennial reports, including the underlying reporting principles for GHG inventories and] take place in consultation with the Party concerned, in a manner that contributes to capacity building.

13. Where necessary, [experts [will be authorized] [may request] to meet directly with Party representatives, request additional documentation or information from the Party and, where consent is given, conduct in-country visits, [as necessary][at the request of the Party concerned]]. This will be coordinated and facilitated by the secretariat.

13bis. The technical expert team may make suggestions to the Party, and may offer guidance on measures, commensurate with the national circumstances of the Party, to improve the measurement, reporting and verification of mitigation actions; the Party concerned [may][could][should] respond to the questions or suggestions of the expert team[, as well as propose and share any additional information or views].

14. [The expert team may also solicit information from other Parties or stakeholders if [incomplete information] or no national reporting was submitted].

### 3. Output

15. The output of the technical analysis by the technical experts team will be an expert analysis report on the Party's full suite of mitigation actions and the emissions benefits gained, the methodologies and assumptions used in the biennial report and, where applicable, the national communication, the Party's system of domestic measurement, reporting and verification, and support received. [The report should include:

(a) A description of any potential problems in, and factors influencing the fulfilment of reporting requirements, identified during the review;

(b) Any recommendations provided by the expert review team to solve the potential problems;

(c) An assessment of any efforts by the Party not included in Annex I to address any potential problems identified by the expert review team.]

15bis. Prior to finalizing the report, the draft analysis report prepared by the technical expert team will be shared with the Party concerned for review and comment with the aim of resolving any difference of opinion between the expert teams and the Party on the report. The final expert analysis report, [incorporating][taking into account] comments from the Party, should be made available at least two, and preferably four, weeks before the next session of the [COP][SBI].

15ter. The experts should complete their draft analysis report six months after the experts are assembled by the Secretariat. They should then share their draft with the Party concerned for review and comment over the following month, in order to respond to or incorporate Party comments. The final analysis report should then be made available on the Secretariat website.

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## **B. [International consultations [in synergy and collaboration with local teams]**

### **1. Inputs**

16. The inputs for the international consultations process are the following for each Party concerned:

(a) Its biennial [update] reports [as part of national communications from Parties not included in Annex I to the Convention] [including the greenhouse gas inventory and inventory report].

(b) The expert analysis reports referred to in paragraph 15 above [synthesis report]

16bis. ICA shall be undertaken biennially, ensuring that the progress in implementing mitigation actions for individual Annex I Parties is undertaken every 4 years.

### **2. Process**

17. [The Subsidiary Body for Implementation will, at regular intervals, convene a consultation working group session, open to all Parties, for international consultations in respect of all Parties for which there is a final expert analysis report, and will set a timetable for consultations within each such session.] [Following completion of the expert analysis report, [a working group established by the SBI, open to all Parties [and observers] will be convened to conduct] international consultations.] [Following completion of the expert analysis report, international consultations will be conducted under the SBI.] Parties will be allowed to submit written questions in advance. The [ICA] [international consultations] process will consist of the following:

(a) [One to three hours session of] consultations [one to three hours in length], [which] will be conducted for each Party or group of Parties, consist[ing] of a brief presentation by the Party or Parties concerned [on its progress in implementing its mitigation actions and of any challenges faced], followed by an oral question and answer session between [regional group representatives] [observer organizations] [Parties] and the Party or Parties concerned. [Other Parties [and organizations] [could][may] participate as observers];

(b) [During the two-week period following the consultation process, any Party [and organizations] may submit, through the secretariat, in writing follow-up questions to the Party concerned [[within a specified time period, for example two weeks,] to be answered by the Party concerned shortly thereafter, through the secretariat for example within a period of time (for example within two months)][the Party concerned will endeavour to provide written answers through the Secretariat within two months];]

(c) [Parties with commonalities and anticipating limited questions in connection to their reports[, may request to combine into a single session in a joint consultation process [open to all Parties and observer organizations]] [or which emit less than 0.5 per cent of global emissions up to a combined total of 2.5 per cent, may request to undergo international consultations together in the same session];]

(d) A transcript of the questions and their answers will be published by the secretariat after that period, in the UNFCCC website.

17bis. [The questions to be asked by Parties in written or oral form shall be related to the biennial reports, the expert analysis report and the presentation made by the Party, as applicable.]

### **3. Outputs**

18. [For each Party concerned, a summary report, prepared by the secretariat, would be [issued][compiled by the secretariat and made available at the UNFCCC website] to include] [By the session following the international consultations, the secretariat will prepare a record including] the following:

(a) [[A][The] [technical] expert analysis report referred to in paragraph 15 [and 16 (a)];]

(b) [An objective record of the [oral consultations in consultation with the Party concerned][discussions under the SBI]];

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(c) [The questions submitted by Parties and their answers, and any observations that the Party concerned wishes to include, which are submitted within two months of the consultations].

**[Option 2 (Option to paragraphs 5 - 18)]**

[The ICA process will consist of the following two steps:

- (a) Consultation on the biennial [update] reports between the team of technical experts and the Party concerned to facilitate provision of capacity-building support; and
- (b) Technical analysis of the biennial [update] reports by the team of technical experts..

This process will result in a technical summary report.

**[Option 2 alt]**. The ICA process will consist of the following two steps:

- (a) The SBI will appoint a team of experts. These experts will consult with the Party concerned on the basis of its biennial [update] report.
- (b) The experts will prepare a summary report to be presented to the SBI for technical analysis and for possible conclusions. The summary report will also provide information on support received for implementation of mitigation actions. ]

**Option 3 (Option to paragraphs 5 - 18):**

The ICA process will consist of the following two steps:

- (a) Consultation on the biennial update reports between Parties through a process of written questions and answers, to be compiled by the Secretariat, under the SBI;
- (b) Technical analysis of the biennial update reports and the written exchange by a team of technical experts. The Party involved, in providing answers for the questions, may provide additional technical information. Expert teams will analyse the answers to the questions raised in conjunction with the interested Party. This process will result in a summary report to be presented to the SBI.

**Option 4 (Option to paragraphs 5 - 18)**

**Input**

The input for international consultation and analysis are biennial update reports submitted by Parties not included in Annex I to the Convention

**Process**

SBI will appoint a team of technical experts to conduct international consultation and analysis with Parties concerned. The selection of technical experts will reflect regional balance.

The experts will consult with Parties concerned with the objective of improving the process of preparation of biennial update reports from non-Annex I Parties by providing technical advice and support to non-Annex I Parties.

The experts will conduct centralized technical analysis on biennial update report submitted by Parties not included in Annex I to the Convention.

The experts will prepare a technical summary report to SBI based on consultation and analysis.

**Output**

The output of ICA will be the summary report prepared by technical experts authorized by SBI. The report will be noted by SBI.

*18bis.* [ICA will provide a report on the support needs, including for enabling environment, required for preparation of biennial update reports from developing country Parties;]



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## C. Outcome of international consultations and analysis

19. [The summary report would be presented to the Subsidiary Body for Implementation which [would in turn][may] provide advice and [recommendations][suggestions] to the Party concerned. In response to the [recommendations][suggestions] of the Subsidiary Body for Implementation, [the Party concerned [should][may] [submit][provide] follow-up reports [or information.] [within a certain period of time].]

*[Option 1 to paragraph 19 above:*

The summary reports of the ICA cycle will be noted by the SBI in its conclusions.]

*[Option 2 to paragraph 19 above:*

The reports resulting from the ICA process shall be made publicly available at the UNFCCC website and shall be communicated to the relevant bodies under the Convention, as appropriate.]

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