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UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

## **Ad Hoc Working Group on Long-term Cooperative Action under the Convention**

**Fourteenth session**

**Bangkok, 5–8 April 2011, Bonn, 7–17 June 2011, and Panama City, 1–7 October 2011**

Agenda item 3

**Preparation of a comprehensive and balanced outcome to be presented to the Conference of the Parties for adoption at its seventeenth session to enable the full, effective and sustained implementation of the Convention through long-term cooperative action now, up to and beyond 2012, pursuant to the results of the thirteenth and sixteenth sessions of the Conference of the Parties and recognizing that the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention includes both implementation tasks and issues that are still to be concluded**

Agenda item 4

**Review: further definition of its scope and development of its modalities**

Agenda item 5

**Continued discussion of legal options with the aim of completing an agreed outcome based on decision 1/CP.13, the work done at the sixteenth session of the Conference of the Parties and proposals made by Parties under Article 17 of the Convention**

Agenda item 6

**Other matters**

## **Written inputs submitted by Parties during the second part of the fourteenth session of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention**

### **Submissions from Parties**

1. During the second part of the fourteenth session of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA), held in Bonn, Germany, from 7 to 17 June 2011, Parties submitted written inputs related to the work of the contact group on agenda items 3, 4, 5 and 6 established at that second part of the

FCCC/AWGLCA/2011/MISC.8

GE.11-62392



session. The AWG-LCA requested the secretariat to compile these written inputs into a miscellaneous document.\*\*

2. The secretariat has received 66 such written inputs, which have also been made available on the UNFCCC website.\*\*\* In accordance with the procedure for miscellaneous documents, these submissions are compiled and reproduced\*\*\*\* in the language in which they were received and without formal editing.

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\*\* FCCC/AWGLCA/2011/9 (to be issued).

\*\*\* <[http://unfccc.int/meetings/ad\\_hoc\\_working\\_groups/lca/items/6050.php](http://unfccc.int/meetings/ad_hoc_working_groups/lca/items/6050.php)>.

\*\*\*\* These submissions have been electronically imported in order to make them available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the texts as submitted.

# Contents

	<i>Page</i>
<b>I. A shared vision for long-term cooperative action</b> (agenda item 3.1)	
A. Antigua and Barbuda on behalf of the Alliance of Small Island States (Submission received 16 June 2011) .....	7
B. Australia, Canada, Japan, New Zealand, Norway, Russian Federation, Ukraine and United States of America (Submission received 15 June 2011) .....	8
C. Bolivia (Plurinational State of) (Submission received 16 June 2011) .....	9
D. Ecuador, Dominica, Nicaragua and Venezuela (Bolivarian Republic of) <sup>1</sup> (Submission received 16 June 2011) .....	10
E. European Union and its member States (Submission received 16 June 2011) .....	11
F. India on behalf of the African Group, Argentina, Brazil, China, Iran (Islamic Republic of), Lebanon, Malaysia, Philippines, Thailand and Uruguay <sup>2</sup> (Submission received 16 June 2011) .....	12
G. Iran (Islamic Republic of) (Submission received 15 June 2011) .....	13
H. Lebanon (Submission received 16 June 2011) .....	14
I. Philippines (Submission received 17 June 2011) .....	15
J. Saudi Arabia (Submission received 15 June 2011) .....	16
K. Singapore (Submission received 14 June 2011) .....	17
L. Singapore (Submission received 14 June 2011) .....	18
M. Singapore (Submission received 16 June 2011) .....	19
N. Singapore (Submission received 16 June 2011) .....	20
<b>II. Nationally appropriate mitigation commitments or actions by developed country Parties</b> (agenda item 3.2.1)	
A. African Group (Submission received 14 June 2011) .....	22

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<sup>1</sup> This submission is endorsed by Bolivia (Plurinational State of)

<sup>2</sup> The Group of 77 and China also resubmitted their views on shared vision which are already contained in document FCCC/AWGLCA/2010/MISC.8/Add.2.

B.	Alliance of Small Island States (Submission received 14 June 2011) .....	24
C.	Alliance of Small Island States (Submission received 14 June 2011) .....	26
D.	Brazil (Submission received 14 June 2011) .....	28
E.	European Union and its member States* (Submission received 14 June 2011) .....	30
F.	New Zealand (Submission received 17 June 2011) .....	32
G.	Norway and Australia (Submission received 14 June 2011) .....	57
H.	South Africa (Submission received 14 June 2011) .....	59
I.	Switzerland (Submission received 14 June 2011) .....	60
J.	Umbrella Group (Submission received 14 June 2011) .....	62
K.	Umbrella Group (Submission received 14 June 2011) .....	64
<b>III.</b>	<b>Nationally appropriate mitigation actions by developing country Parties (agenda item 3.2.2)</b>	
A.	Alliance of Small Island States (Submission received 17 June 2011) .....	67
B.	Alliance of Small Island States (Submission received 17 June 2011) .....	69
C.	Brazil (Submission received 14 June 2011) .....	71
D.	Costa Rica on behalf of Chile, Colombia and Mexico (Submission received 14 June 2011) .....	73
E.	Egypt (Submission received 14 June 2011) .....	74
F.	European Union and its member States (Submission received 16 June 2011) .....	75
G.	Republic of Korea (Submission received 14 June 2011) .....	76
H.	New Zealand (Submission received 14 June 2011) .....	77
I.	New Zealand (Submission received 14 June 2011) .....	79

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\* This submission is supported by Albania, Bosnia and Herzegovina, Croatia, Iceland, Montenegro, Serbia and the former Yugoslav Republic of Macedonia.

J.	New Zealand (Submission received 15 June 2011) .....	80
K.	New Zealand (Submission received 15 June 2011) .....	80
L.	Norway and Australia (Submission received 16 June 2011) .....	82
M.	Saudi Arabia (Submission received 15 June 2011) .....	85
N.	South Africa (Submission received 14 June 2011) .....	86
O.	South Africa (Submission received 15 June 2011) .....	87
P.	Umbrella Group (on behalf of: Australia, Canada, Japan, Kazakhstan, New Zealand, Norway, Russia, Ukraine and United States of America (Submission received 14 June 2011) .....	89
<b>IV.</b>	<b>Various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions, bearing in mind different circumstances of developed and developing countries (agenda item 3.2.5)</b>	
A.	Bolivia (Plurinational State of) (Submission received 16 June 2011) .....	92
B.	Ecuador (Submission received 17 June 2011) .....	94
C.	Saint Lucia on behalf of the Alliance of Small Island States (Submission received 17 June 2011) .....	96
<b>V.</b>	<b>Economic and social consequences of response measures (agenda item 3.2.6)</b>	
A.	India, Argentina, China, African Group, Organization of the Petroleum Exporting Countries, Arab Group, Thailand, Malaysia, Uruguay and Philippines (Submission received 16 June 2011) .....	99
B.	Iran (Islamic Republic of) (Submission received 15 June 2011) .....	100
C.	Singapore (Submission received 17 June 2011) .....	101
<b>VI.</b>	<b>Finance (agenda item 3.4)</b>	
A.	African Group (Submission received 16 June 2011) .....	103
B.	African Group (Submission received 16 June 2011) .....	105
C.	Alliance of Small Island States (Submission received 17 June 2011) .....	107
D.	Canada on behalf of Australia, Canada, Japan, New Zealand and United States of America (Submission received 14 June 2011) .....	108
E.	Group 77 and China (Submission received 15 June 2011) .....	109

F.	Hungary and the European Commission on behalf of the European Union and its member States (Submission received 14 June 2011) .....	112
G.	India (Submission received 16 June 2011) .....	114
H.	India (Submission received 16 June 2011) .....	115
I.	Turkey (Submission received 10 June 2011) .....	116
J.	Saudi Arabia (Submission received 16 June 2011) .....	117
<b>VII.</b>	<b>Technology development and transfer (agenda item 3.5)</b>	
A.	Group 77 and China (Submission received 16 June 2011) .....	118
<b>VIII.</b>	<b>Review: further definition of its scope and development of its modalities (agenda item 4)</b>	
A.	European Union and its member States (Submission received 9 June 2011) .....	123
B.	European Union and its member States (Submission received 16 June 2011) .....	124
C.	India on behalf of Brazil, China, Egypt, India, Malaysia, Philippines and Thailand (Submission received 17 June 2011) .....	126
D.	Lebanon (Submission received 16 June 2011) .....	127
E.	Switzerland (Submission received 9 June 2011) .....	128
F.	United States of America (Submission received 13 June 2011) .....	129
<b>IX.</b>	<b>Other matters (agenda item 6)</b>	
A.	Parties included in Annex I to the Convention undergoing the process of transition to a market economy (agenda item 6.a) (Submission received 16 June 2011) .....	130
B.	Parties included in Annex I to the Convention whose special circumstances are recognized by the Conference of the Parties (agenda item 6.b) (Submission received from Turkey on 16 June 2011) .....	132

## **I. A shared vision for long-term cooperative action (agenda item 3.1)**

### **A. Antigua and Barbuda on behalf of the Alliance of Small Island States**

The AOSIS believes that a decision on a long term global goal for emission reductions must be one of the central elements in a shared vision and that this goal must be guided by the ultimate objective of the Convention. All Parties must be committed to reaching the target by addressing emissions from sources and removals by sinks. All Parties should also promote and cooperate in the development, application and diffusion of technologies, practices, processes and processes that control greenhouse gas emissions.

The long term global goal on emissions reductions must be sufficient to ensure the stabilization of GHG gas concentrations well below 350ppm CO<sub>2</sub>e and temperature increases limited to below 1.5oC above the pre-industrial level, in order to limit sea level rise to levels that that minimize adverse effects on SIDS and LDC's

We note that currently ICP 16 recognises a global term limitation goal however we note that a 2°C increase compared to pre-industrial levels would have devastating consequences on SIDS and LDC's due to resulting sea level rise, coral bleaching, coastal erosion, changing precipitation patterns, increased incidence and re-emergence of climate related diseases and the impacts of increasingly frequent and severe weather events.

There is a small window of opportunity for preventing runaway climate change. In order to reach the preferred stabilization global CO<sub>2</sub> emissions must peak by 2015 and decline thereafter. Stabilization level suggested requires global CO<sub>2</sub> emissions to reduce by more than 85% by 2050 from 1990 levels. The cost of such action is readily manageable. Additionally, the cost of adaptation had a direct relationship to the level mitigation actions.

To be consistent with this target and to avoid further serious climate change impacts, Annex I countries, as a group, would need to reduce their GHG emissions by at least 45% to 1990 levels by 2020, and more than 95% by 2050 from 1990 levels.

B. Australia, Canada, Japan, New Zealand, Norway, Russian Federation, Ukraine and the United States of America

**Elements of a decision on Shared Vision put forward on behalf of the following Umbrella Group countries: Australia, Canada, Japan, New Zealand, Norway, Russian Federation, Ukraine and the United States**

*Recalling* its decision 1/CP.16 elaborating a shared vision for long-term co-operative action;

*Also recalling* that under paragraphs 5 and 6 of decision 1/CP.16 Parties agreed to work towards identifying a global goal for substantially reducing global emissions by 2050 and identifying a time frame for global peaking;

1. *Resolves*, in the context of the long term goal and the ultimate objective of the Convention, that Parties share the goal of achieving a reduction of global emissions of at least 50 per cent by 2050.

2. *Affirms* that Parties should cooperate in achieving the peaking of global and national greenhouse gas emissions as soon as possible and their subsequent decline.



### C. Bolivia (Plurinational State of)

Thanking you for your hard work putting together the "summary of issues presented at the informal consultations", Bolivia hereby presents some elements that are actually missing to the bullets:

#### **Numbers for the global goal:**

- more the 100% by 2040 by annex I Parties
- Sustained by short term mitigation by Annex I Parties of more then 50% by 2017
- Ensuring stabilization of the global temperature at a maximum of a 1° increase

#### **Essential elements to be considered in GG:**

- Taking into account the historical climate debt
- Definition of the carbon budget, as the amount of GHG emissions the world can to emit in order not to exceed a given temperature goal and the consequent definition on how to share it equitably

#### **Peaking:**

- Peaking for Annex I Parties should have been in the decade of the nineties, according to art 4.2.a of the convention, hence they should now peak immediately

#### **Rights of mother earth**

- Recognize and defend the rights of Mother Earth to ensure harmony between humanity and nature, and that there will be no commodification of the functions of nature, therefore no carbon market will be developed with that purpose
- Ensure respect for the intrinsic laws of nature

#### **International Court of Climate Justice**

- Establishment and development of the International Court of Climate Justice

## D. Ecuador, Dominica, Nicaragua and Venezuela (Bolivarian Republic of)

June 16, 2011

Regarding Agenda item 3.1 “A shared vision for long-term cooperative action”, the Delegations of Dominica, Ecuador, Nicaragua and Venezuela, would like to submit the following comments that could help to enhance the document.

Introduction:

Three informal sessions have taken place and some new issues have been incorporated to the discussions on Shared Vision:

- Historical responsibility
- Equity
- Access to sustainable development
- Equitable access to global atmospheric space
- Social and economic conditions and other relevant factors
- Commercial issues like non unilateral commercial measures
- Migrants
- Rights of Mother Earth
- International Court of Climate Justice

In the document produced by the AWG-LCA Contact Group on Agenda item 3.1 of June 13<sup>th</sup>, which includes some of the issues described above, we would like to put in your consideration the following aspects for its incorporation in the document:

1. The stabilization of the global temperature goes in hand with concentration of greenhouse gas emissions – developed countries shall commit to global emission reductions of at least 50% by 2020 and at least 90% by 2050 from 1990
2. Global peaking can be decided when commitments in the second commitment period in KP are defined in a time frame
3. The long-term objective should not be limited to emission reductions; it should be comprehensive and include global common and quantifiable goals on adaptation, mitigation, technology development and transfer, financing and capacity building.
4. We support the issues that have been already mentioned, particularly the rights of Nature or Mother Earth considering Mother Earth has the right to be respected integrally in its existence and in the maintenance and regeneration of its life cycles, structure, functions and evolutionary processes.

## E. European Union and its member States

### **Draft language decision<sup>1</sup> on elements on global goal for substantially reducing global emissions by 2050 and a timeframe for global peaking of greenhouse gas emissions**

#### **The Conference of the Parties**

##### **[ Possible pre-ambular language]:**

*Recalling* decision 1/CP.16, and in particular the mandate contained in § 5 and §6 with regard to the consideration of a global goal for substantially reducing global emissions by 2050 and a timeframe for global peaking of greenhouse gas emissions,

1. *Reaffirms* that Parties shall take urgent action with a view to reducing global emissions so as to hold the increase in global mean temperature below 2 degrees Celsius above pre-industrial levels, consistent with science and on the basis of equity.
2. *Decides that* to this end, Parties should collectively reduce global emissions by at least 50% from 1990 levels by 2050 and should ensure that global emissions continue to decline thereafter. *Also decides* that Parties should collectively achieve the peaking of global emissions as soon as possible but no later than 2020, recognizing that the time frame for peaking will be longer in developing countries and bearing in mind that social and economic development and poverty eradication are the first and overriding priorities of developing countries and that a low-carbon development strategy is indispensable to sustainable development.

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<sup>1</sup> [The EU distributes this text as a suggestion in order to move forward the discussion. It does not necessarily reflect the full EU position].

F. India on behalf of the African Group, Argentina, Brazil, China, India, Iran (Islamic Republic of), Lebanon, Malaysia, Philippines, Thailand and Uruguay

**Joint Submission by African Group, Argentina, Brazil, China, India, Iran, Lebanon, Malaysia, Philippines, Thailand and Uruguay on SHARED VISION**

1. Parties recall and reiterate the submission made by G-77 & China on Shared Vision in during COP-16 December 2010 as contained in FCCC/AWGLCA/2010/Misc 8/Add.2, and further wish to make the following submission:

2. In the context of the ultimate objective of the Convention under Article 2 and of the Bali Action Plan, parties share the vision for the achievement of a global goal to reduce global anthropogenic emissions of greenhouse gases based on equity, common but differentiated responsibilities and respective capabilities and historical responsibility preceded by a paradigm on equitable access to sustainable development which will ensure adequate time for social and economic development for all developing countries. Consistent with Article 4.2(a) of the Convention, developed country Parties shall take the lead, taking into account their historical responsibilities pursuant to such a paradigm on equitable access to sustainable development, including through adoption at COP-17 and rapid and time-bound implementation thereafter of ambitious, robust, comparable short, mid and long term Annex-I QELROs, including at least 40-50% below 1990 levels by 2020 under the Kyoto Protocol.

3. Bearing in mind that social and economic development and poverty eradication are the first and overriding priorities of developing country Parties, the extent of developing country parties' contributions to global emissions reductions shall be consistent with the principles and provisions of the Convention, as appropriate to their specific needs and circumstances and dependent to the extent to which finance, technology and capacity building support by developed country parties. The extent of adaptation support to developing countries is contingent on developed country mitigation ambition and provision of support for mitigation in developing countries as required under the Convention and reaffirmed in the Bali Action Plan, to enable developing countries to achieve sustainable development.

4. Parties should cooperate in achieving the peaking of global emissions as soon as possible taking into account implementation of commitments under Articles 4.1, 4.2, 4.3, 4.5 and 4.7 of the Convention and keeping in mind that the share of global emissions originating in developing countries will grow to meet their social and development needs. Developed country Parties should peak without any delay no later than 2012, recognizing that they should have peaked before 2000 according to the Convention. The time frame for peaking will be much longer in developing countries in order to ensure sufficient time for and equitable access to sustainable development, and bearing in mind that social and economic development and poverty eradication are the first and overriding priorities of developing countries.

5. Recalling the principles and provisions of the Convention, in particular Article 3, paragraphs 1, 4 and 5, Article 4, paragraphs 3, 5 and 7, and taking into account the principles of equity, common but differentiated responsibilities and the obligation of the developed country Parties to provide financial resources, transfer technology and provide capacity building support to the developing country Parties, the developed country Parties shall not resort to any form of unilateral trade and other trade-related measures against goods and services from developing country Parties on any grounds related to climate change, including protection and stabilization of climate, emissions leakage and/or cost of environment compliance.

6. Consistent with the principles of the Convention and to enable meaningful mitigation and adaptation actions in developing countries, the flexibilities of the international regime of intellectual property as articulated by the TRIPS Agreement may be used to the fullest by the developing countries to address adaptation or mitigation of climate change, in order to enable them to create a sound and viable technological base. Accordingly, consistent with the TRIPS agreement, each Party retains its right to grant compulsory licenses and the freedom to determine the grounds upon which such licenses are granted. Specific and urgent measures shall be taken by developed country parties to enhance the development and transfer of technologies at different stages of the technology cycle covered by intellectual property rights to developing country parties.

## G. Iran (Islamic Republic of)

### **Submission on Economic and Social consequences of response measures:**

#### ***Parties***

***Reaffirming*** the importance of the objective of the convention, and the relevant principles and provisions of the convention related to economic and social consequences of response measures, in particular its Articles 2, 3 and 4.

***Recognizing*** that the implementation of response measures to mitigate climate change taken by a Party may result in negative economic and social consequences for other Parties, and the need to take into consideration in the implementation of the commitments of the convention the situation of Parties, particularly developing country Parties, with economies that are vulnerable to the adverse impact of implementation of measures to respond to climate change, referred to in Article 4, paragraphs 8, 9 and 10, of the Convention

***Reaffirming*** that responses to climate change should be coordinated with social and economic development in an integrated manner, with a view to avoiding adverse impacts on the latter, taking fully into account the legitimate priority needs of developing country Parties for the achievement of sustained economic growth and the eradication of poverty, and the consequences for vulnerable groups, in particular women and children.

***Recognizing*** the importance of avoiding or minimizing negative impacts of response measures on social and economic sectors, promoting a just transition of the workforce, the creation of decent work and quality jobs in accordance with nationality defined development priorities and strategies, and contributing to building new capacity for both production and service-related jobs in all sectors, promoting economic growth and sustainable development.

***Further agrees*** that economic development is essential for developing country Parties to deal with climate change and that policies and measures taken by developed countries to combat climate change at global, national and regional levels shall not undermine the development, nor constitute a means of transferring the burden of climate change mitigation to developing country Parties.

#### **Decide that, in order to implement paragraph 90 of 1.CP/16**

“Recalling the principles and provisions of the Convention, in particular Article 3, paragraphs 1, 4 and 5, Article 4, paragraphs 3, 5 and 7, and taking into account the principles of equity, common but differentiated responsibilities and the obligations of the developed country Parties to provide financial resource, transfer technology and provide capacity building support to the developing country Parties, the developed country Parties shall not resort to any form of unilateral measures, including tariff, non-tariff, and other fiscal and non-fiscal border trade measures, against goods and services from developing country Parties on any grounds related to climate change, including protection and stabilization of climate, emissions leakage and/or cost of environment compliance”.

SUBMISSION BY LEBANON ON SHARED VISION

Global goal for substantially reducing global greenhouse gas emissions by 2050

- Reduce global greenhouse gas emissions by **at least [50][85]** per cent from 1990 levels by 2050, **to be updated based on the 2013-2015 review of the global goal.**
- Developed countries as a group should reduce their GHGs by **at least [40][45]** per cent from 1990 levels by 2020 and by **at least [80][95]** per cent from 1990 levels by 2050, **to be updated based on the 2013-2015 review of the global goal.**
- Aspects that may be considered in this context include:
  - o Greenhouse gas concentrations in the atmosphere should stabilize below **[300][350][450]** ppm **CO<sub>2</sub>e** (there is a scientific relationship among temperature, concentrations and emissions)

Low-carbon and climate-resilient society

- **In a manner that is non-intrusive, non-punitive, and respectful of national sovereignty, Parties should establish adequate national institutional arrangement that would create a formal process to formulate a shift to a low-carbon and climate resilient economy, involving all sectors of society.**

## I. Philippines

The Philippines wishes to submit the following text as written input to the facilitator in relation to shared vision:

The Philippines joined the submission from the African Group, Argentina, Brazil, China, India, Iran, Lebanon, Malaysia, Thailand, Philippines, and Uruguay on Shared Vision, and in addition to that, the Philippines recognizes the need for further clarification of the idea of equitable access to sustainable development, with the view of elucidating the concept of a fair sharing or equitable allocation framework of the remaining carbon budget consistent with the principles of the Convention.

There are items in the facilitator's summary of issues presented at the informal consultations on Shared Vision during the June 2011 Bonn session of the AWG-LCA on equity, the need to define further equitable access to sustainable development, carbon budget, historical climate debt.

In this light, we need to have a focused discussion on defining the appropriate equitable allocation framework of the remaining carbon budget taking into account and fully reflecting equity, CBDR, historical responsibility, future responsibility in the context of a carbon budget -based approach.

The Philippines proposes that the possibility be explored of holding an in-session workshop or some other means of focused discussion at the next session of the AWG-LCA on approaches and possible frameworks for the equitable allocation and determination of fair shares on the remaining carbon budget, and we ask that Parties be invited to make submissions on this topic in order to inform such workshop. We also invite the Secretariat to develop a technical paper summarizing the submitted proposals.

## On Trade:

“Recalling the principles and provisions of the Convention, in particular Article 3, paragraphs 1,2, 4 and 5, Article 4, paragraphs 3, 5 and 7, and taking into account the principles of equity, common but differentiated responsibilities and the obligations of the developed country Parties to provide financial resource, transfer technology and provide capacity building support to the developing country Parties, the developed country Parties shall not resort to any form of unilateral measures, including tariff, non-tariff, and other fiscal and non-fiscal border trade measures, against goods and services from developing country Parties on any grounds related to climate change, including protection and stabilization of climate, emissions leakage and/or cost of environment compliance”.

## On Impact of Response Measures:

*Recognizing* that the implementation of response measures to mitigate climate change taken by a Party may result in negative economic and social consequences for other Parties, and the need to take into consideration in the implementation of the commitments of the convention the situation of Parties, particularly developing country Parties, with economies that are vulnerable to the adverse impact of implementation of measures to respond to climate change, referred to in Article 4, paragraphs 8, 9 and 10, of the Convention.

**Developed country Parties** shall implement their commitments 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.



## K. Singapore

### Submission from Singapore for Shared Vision Spin-off Group, June 2011

In identifying the time frame for global peaking of greenhouse gas emissions, Parties should recognize that the timeframe for peaking will be longer in developing countries, and take into account the relevant provisions and principles of the Convention, including the mitigation potential of “alternative energy disadvantaged” parties which have serious difficulties in switching to alternatives to the use of fossil fuels.

L. Singapore

**Non-Paper from Singapore  
(Bonn, June 2011)**

1 A key factor determining Parties' ability to reduce their greenhouse emissions is their access to renewable and other non-fossil alternatives. The recent IPCC Special Report on Renewable Energy Sources and Climate Change Mitigation highlighted that renewable energy constituted 12.9% of total global primary energy supply in 2008. The report further stated that '[m]ore than half of the scenarios show a contribution from RE [renewable energy] in excess of a 17% share of primary energy supply in 2030 rising to more than 27% in 2050. The scenarios with the highest RE shares reach approximated 43% in 2030 and 77% in 2050'<sup>1</sup>.

2 While renewable energy has great potential to contribute to mitigation actions, there is, however, a particular group of developing countries that confront serious limitations in using renewable sources of energy because of their size and physical attributes. Such countries are "alternative-energy disadvantaged". They do not have the options available to large developed countries to significantly reduce their emissions by switching to renewable sources of energy.

3 Article 4.10 of UNFCCC recognises the special situation of Parties which have serious difficulties in switching to alternatives to the use of fossil fuels. Singapore is one such Party, making it an "alternative-energy disadvantaged" country. We lack the natural endowments necessary to make use of non-fossil alternatives. Our greatest limitation in switching from fossil fuels to alternative sources of energy is our small physical size. Singapore has a land area of only 700 km<sup>2</sup>.

4 Solar is the only renewable that has some potential in Singapore. However, there is limited space to deploy solar panels because of our small land mass and high urban density. The IPCC special report had also indicated that direct solar energy only constitutes a very small portion (0.1%) of renewable energy sources.

5 Notwithstanding our limitations, our fuel mix used in electricity generation is already one of the cleanest. More than 80% of our electricity is already generated from natural gas.

6 Any agreed outcome of AWG-LCA must give full consideration to the "alternative-energy disadvantaged" status of Parties.

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<sup>1</sup> Edenhofer *et al.* (2011) IPCC Special Report on Renewable Energy Sources and Climate Change Mitigation: Summary for Policy Makers, p18.

## M. Singapore

### Submission by Singapore on Shared Vision, AWG-LCA, June 2011

1 Singapore attaches great importance to 1/CP.13, i.e. the Bali Action Plan. We attach equal importance to what was agreed to in Cancun, in decision 1/CP.16. Decision 1/CP.16 makes a distinction on the two key issues that need to be concluded at COP17 and these are in paragraphs 5 and 6 of that decision. These two paragraphs specifically require us to consider the issue of global goal and global peaking at COP 17. We believe that this should be the focus of our work in the Shared Vision group.

2 With regard to the issue of equity, Singapore believes that this has to be seen in the context of Article 3 of the Convention. In our view, Article 3 is an integrated article that covers different aspects of development including sustainable development. For example, Article 3.1 refers to the principle of equity while Article 3.4 talks about the rights of parties to promote sustainable development. It is our position that the issues related to sustainable development have been adequately dealt with in the Convention. Further, in carrying out our work in the Shared Vision group, we do not think there is a mandate to rewrite, review or re-interpret the Convention, especially with regard to Article 3.

3 The question of sustainable development comprises many pillars, notably the three main pillars of economic development, social development and environmental protection. Thus, the concept of equitable access to sustainable development cannot be regarded in isolation from the wide array of issues that come under the sustainable development framework in the UN. We do not think there is a mandate for the Shared Vision group nor the capacity in this group to define or redefine these complex issues, as proposed by some parties.

4 On the question regarding Para 6 of 1/CP.16 which talks about global peaking, some Parties have raised the relationship between equitable access to sustainable development and global peaking. Singapore's views is that this relationship is contained in Para 6 itself which states that the *"timeframe for peaking will be longer in developing countries, and bearing in mind that social and economic development and poverty eradication are the first and overriding priorities of developing countries and that a low-carbon development strategy is indispensable to sustainable development"*. Thus, the notion of equity is already given meaning in the context of Para 6 of 1/CP.16 and we do not see the need to have further discussion to define the concept of equitable access to sustainable development.

5 On trade, Singapore agrees that it is important for economic development. Singapore's trade volume is three times that of our GDP and thus Singapore's economic survival depends on there being a proper multilateral, rules-based trading system. It is precisely because trade is a very important issue that we believe it should be dealt by the WTO, which is the competent forum for trade rules. The UNFCCC is not the appropriate body to negotiate or renegotiate trade rules agreed and adopted at the WTO.

**Non-Paper on Trade from Singapore  
(Bonn, June 2011)**

Trade – open markets and trade openness – is important for economic development, and economic development is essential for adopting measures to address climate change. Trade restrictions with the purported aim of protecting the climate is a lose-lose proposition for all Parties. It is precisely because open markets and trade openness is so important that we have consistently said that anything we do at the UNFCCC should not undermine the delicate balance of rights and obligations at the WTO. The WTO is the competent body with the requisite expertise to deal with trade rule-making. The UNFCCC is not the competent body to review, rewrite nor reinterpret the WTO Agreements.

Article 3.5 of the Convention states that “The Parties should cooperate to promote a supportive and open international economic system that would lead to sustainable economic growth and development in all Parties, particularly developing country Parties, thus enabling them better to address the problem of climate change. Measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade”.

Article 3.5 is unique in that it envisions that Parties should achieve climate objectives through an open international economic system. It is significant that the Convention differs from some other Multilateral Environmental Agreements which contain trade-related environmental measures.

Recognising that measures adopted to respond to climate change – including trade-related response measures – may have adverse economic and social consequences, the COP – through Paragraph 1 (b)(vi) of the Bali Action Plan – mandated that Parties address the economic and social consequences of response measures.

Pursuant to the Paragraph 1 (b)(vi) of the Bali Action Plan, the Cancun COP reaffirmed Article 3.5 of the Convention in Paragraph 90 of 1/CP.16.

Paragraph 90 is a good outcome. It is the right outcome. It is also a sufficient outcome.

First, Paragraph 90 sends the signal that trade restriction is not, and it is never, the answer to the climate problem. Paragraph 90 reaffirms Article 3.5: (a) a supportive and open international economic system is essential for sustainable economic growth and development in all Parties, particularly developing country Parties; and (b) Parties should not adopt arbitrary or unjustifiable discrimination or disguised restrictions on international trade.

Second, through Paragraph 90, the Cancun COP has acknowledged that the future agreement on climate change must be situated in the context of a supportive and open international economic system.

Third, Paragraph 90 is consistent with the Convention. It is also consistent with the WTO Agreements. In keeping with the spirit and letter of both the Convention and the WTO, Paragraph 90 requires **all** Parties, both developed and developing, to adhere to the elements in Article 3.5 of the Convention. The effort by **all** Parties to maintain an open international economic system is all the more important in today's globalised world. This will also help to foster both North-South and South-South trade opportunities and economic development. The WTO has cautioned that trade restrictions of its Members and observer governments have become more pronounced over the past few months. These measures were reportedly also taken on the grounds of environmental protection.

## **II. Nationally appropriate mitigation commitments or actions by developed country Parties (agenda item 3.2.1)**

### **A. African Group**

**Africa Group draft elements for guidelines and modalities on enhanced common reporting formats, methodologies for finance and tracking climate-related support (para 46 (a)(i), Decision 1/CP.16) submitted by Mali (June 14, 2011)**

**The principles of an ideal reporting system for climate finance should be the following:**

- Completeness
- Transparency
- Comparability
- Accuracy
- Efficiency

**The application of the reporting guidelines for provision of financial support by Annex I Parties to developing countries shall display detailed information on:**

1. The overall scale of financial support for one given year including the scale of finance provided for that year and the scale of finance anticipated for the following year, indicating the initial currency and its equivalent in US \$;
2. The break down of financial support, specifying inter alia, the finance or portion of finance for:
  - adaptation, indicating only the part of finance for adaptation for development projects with adaptation co-benefits;
  - mitigation, indicating a break down by projects and by sectors and the GHG reductions associated to the projects and the sectors, with a specific section for CDM projects;
  - the preparation of National Communications by developing countries including inventories, biennial reports, biennial report updates and national inventory reports;
  - capacity building;
  - technology development and technology deployment including the sectors and success/failure stories
3. For programmes and activities with multiple components, specify the support or portion of support for each component;
4. Whether the financial support is for incremental or full costs, consistent with Article 4.3 of the Convention;
5. The break down by country(ies) and regions receiving the financial support;
6. Whether the funds are new and additional, according to the definition provided by the Parties;
7. The financial channels through which the support has been provided, including inter alia:
  - UNFCCC Financial Mechanism
  - GEF
  - other multi-lateral channels
  - regional channels
  - bi-lateral channels
  - international private investment flows including leveraged funds, international bank lending, public debt, portfolio equity holdings, foreign direct investment
8. The financial instrument used including grants; loans; guarantees; equity; leveraged funds.

**The international assessment and review of support shall include:**

1. Independent third-party verification of financial data provided by developed countries in their national communications and biennial reports.
2. Information to enable verification whether the funds provided by developed country Parties are the same funds received by developing country Parties.

3. Recipient countries' information (as they will report information on support provided) and third party record-keeping including UNFCCC bodies and the NAMA registry (e.g. Green Climate Fund, Adaptation Fund)

**A method for determining that the financial support is “new and additional” should be elaborated.**

There is currently no internationally-agreed baseline to assess whether finance for climate change is new and additional. One way to go forward would be that countries provide information on current and previous levels of climate finance and of development assistance. Countries would also indicate whether they are counting climate finance towards their official development assistance commitments.

**The reporting guidelines for support should be ready for a decision by COP17.** After consulting with the GEF on ways to enhance reporting guidelines for support, the standing committee should finalize the guidelines by COP 18. They should be ready for the first biennial report, ideally by the end of 2012 and should apply retroactively to fast start finance.

## B. Alliance of Small Island States

### AOSIS input to technical spin-off group on Biennial Reports for developed country Parties.

#### Timeline

- Biennial Reports for developed country Parties should be submitted before the end of 2012, consistent with the 4 year cycle between Fifth National Communications due 1 January 2010 and the submission of the Sixth National Communications due 1 January 2014, as required by decision 9/CP.16. See process below.

#### Guidelines

- Clear guidelines are needed on the structure of the BR, which must contain:
  - Progress in achieving emission reductions
  - Mitigation actions to achieve targets and emission reductions achieved
  - Projected emissions
  - Provision of financial, technology and CB support to developing countries
- Biennial reports should provide a clear succinct outline of a country's progress towards achieving its quantified economy wide emission reduction target. This necessitates a common accounting system.
- Annex I Parties that are Parties to the Kyoto Protocol already provide additional information beyond that required by the UNFCCC reporting guidelines; enhanced reporting and review after 1/CP.16 should now incorporate each of the additional elements that has been required to date of Annex I Parties under Articles 5, 7 and 8 of the Protocol and their implementing decisions. Extending these KP reporting requirements to all Annex I Parties will facilitate accurate inventory information, accurate accounting of emissions and removals. The process of enhancing reporting and review under the Convention shall not displace more stringent existing reporting and review rules under the Protocol.
- The goal of enhanced reporting should be to produce inventories that are more transparent, more consistent, more readily comparable, more complete and more accurate (TCCCA) than they are under current Annex I reporting guidelines.
- Current eligibility requirements for access to the mechanisms must remain in place, and should apply equally to new mechanisms created under the Convention and to the acquisition and transfer of these units by developed country Parties.
- The accounting structure for Annex I Parties must be the same to ensure clarity in understanding how countries are progressing in achieving their emission reductions and enable understanding of reliance on market-based mechanisms and LULUCF rules. Parties must ensure consistency in reporting against a 1990 base year, the period for reporting, gases and sectors (including the new AR4 gases), metrics and accounting units.

#### CRF of support

- An internationally-agreed common reporting format (CRF) for support should be a deliverable from the Durban COP.
- This is needed to facilitate the submission of biennial update reports in 2012 (developed countries) and 2013 (first developing countries).
- Both Annex I and Non-Annex I Parties should use CRF tables for these reports. These reports should address and differentiate both mitigation and adaptation.

#### Process

- Indicative timeline for activities between now and Durban including:
  - Scheduled of workshops and meetings in session to develop and finalise guidelines for adoption at COP17.
- Workshop and in-session meetings to develop detailed textual proposals
- Use list of elements/non-paper prepared by Facilitators based on discussions in Bonn as an initial guide for work going forward.

Date	Event	Outputs
June session	Timeline of activities	Schedule of events towards Durban
June session	Agreement on supplementary information	Base year, metrics, base period, gases/sectors, accounting units



Sept/Oct session	Provisions for support	Secretariat to provide technical input into CRF tables. Submissions from parties on inputs needed for this.
Sept/Oct session	Guidelines for biennial update reports	Prepare draft guidelines for biennial update reports
Sept/Oct session	Guidelines for enhanced AI national communications	Prepare revised guidelines for AI national communications
Sept/Oct session	Workshop on International Assessment and Review	Progress on IAR and schedule Secretariat paper on IAR in other multilateral fora
COP17	Provisions for support	Adopt CRF tables for support COP17
COP17	Guidelines for Biennial update reports	Adopt AI biennial reporting guidelines COP17
COP17	Guidelines for enhanced AI national communications	Adopt revised AI National Communication guidelines COP17
COP18	IAR	Adopt IAR Guidelines

## C. Alliance of Small Island States

### AOSIS input to technical spin-off group on International Assessment and Review (IAR) 3.2.1

#### Content

- The goal of the enhanced reporting and review process, and the process for international assessment and review, should be to ensure a place for open consultation among all Parties with respect to Annex I Parties. progress in achieving emission reductions that can complement substantive provisions for review under Articles 5, 7, 8 and 18 of the Protocol.
- Decision 1/CP.16 should not be interpreted to relax in any way reporting obligations and review mechanisms that are in place for Kyoto Parties under the Protocol.
- Enhanced reporting and review provisions under the Convention should extend to all Annex I Parties these reporting and review elements for annual inventories and national communications now in place under Articles 5, 7 and 8 of the Kyoto Protocol, while at the same time maintaining these provisions in place under the Protocol. To these provisions should be added stringent guidelines for the review of biennial reports.
- All portions of the existing Article 8 review should be extended to all Annex I Parties, including:
  - the review of annual inventories;
  - review of holdings of assigned amounts, ERUs, CERs, AAUs, RMUs, and other tradable units;
  - review of national systems;
  - review of national registries;
  - review of information on minimization of adverse impacts under Article 3.14;
  - review of national communications and supplementary information for purposes of ensuring compliance; and
  - procedure for review of eligibility to use the mechanisms.
- Building on the current review process under Article 8 of the Kyoto Protocol (see 22/CMP.1), the objectives of the review process, and corresponding guidelines, should be to:
  - produce a thorough, objective and comprehensive technical assessment of all aspects of the implementation of targets,
  - promote consistency and transparency in the review of information submitted by Parties,
  - assist Annex I Parties in improving the reporting of supplementary information and information on implementation of commitments, and
  - provide the Conference of the Parties with a technical assessment of progress on targets and whether these targets are on track to be met.
- The review should identify problems of transparency, consistency, comparability, completeness and accuracy with respect to inventory information and supplementary information required, which should be reported to the Conference of the Parties.

#### Process

- To advance the IAR modalities and procedures by 2012, joint back-to-back workshops across developed and developing country Parties should be organized to facilitate discussions on process options for IAR and for ICA
- Secretariat should prepare a background paper on the process now in place for Annex I Parties under Convention and Kyoto Protocol, as well as on experiences with review processes in other multilateral fora and options derived from these experiences on potential designs for enhanced developed country international assessment and review processes and developing Party ICA processes.

<b>Date</b>	<b>Event</b>	<b>Outputs</b>
June session	Timeline of activities	Schedule of events towards Durban
June session	Agreement on supplementary information	Base year, metrics, base period, gases/sectors, accounting units
Sept/Oct session	Provisions for support	Secretariat to provide technical input into CRF tables. Submissions from parties on inputs needed for this.
Sept/Oct session	Guidelines for biennial update reports	Prepare draft guidelines for biennial update reports
Sept/Oct session	Guidelines for enhanced AI national communications	Prepare revised guidelines for AI national communications
Sept/Oct session	Workshop on International Assessment and Review	Progress on IAR and schedule Secretariat paper on IAR in other multilateral fora
COP17	Provisions for support	Adopt CRF tables for support COP17
COP17	Guidelines for Biennial update reports	Adopt AI biennial reporting guidelines COP17
COP17	Guidelines for enhanced AI national communications	Adopt revised AI National Communication guidelines COP17
COP18	IAR	Adopt IAR Guidelines

## D. Brazil

### Contribution by Brazil Revision of guidelines on the reporting of national communications, including the biennial report

The development of guidelines for biennial reports needs to be done in the context of the revision of the current Guidelines for the Preparation of National Communications by Parties Included in Annex I to the Convention (Reporting Guidelines for Annex I National Communications), as defined in decision 1/CP.16, paragraph 46.a. As defined in paragraph 41, this should, among other objectives, enhance comparability.

This revision should cover inter alia the issues indicated in paragraph 46.a of decision 1/CP.16:

- The provision of financing, through enhanced common reporting formats, methodologies for finance and tracking of climate-related support;

This will be done through the revision of chapter VIII of the current Report Guidelines for Annex I National Communications.

- Supplementary information on achievement of quantified economy-wide emission reduction targets;

The revision, using as a reference the guidelines for reporting information under paragraph 7.2 of the Kyoto Protocol, would include a revision of the following chapters of the current Report Guidelines for Annex I National Communications.

#### IV. Greenhouse Gas Inventory Information

- A. Summary tables
- B. Descriptive summary

#### V. Policies and Measures

- A. Policy-making process
- B. Policies and measures and their effects
- C. Policies and measures no longer in place

#### VI. Projections and the total effect of policies and measures

- A. Projections
- B. Assessment of aggregate effects of policies and measures
- C. Methodology

In dealing with chapters IV, V and VI of the Report Guidelines for Annex I National Communications, the revision should address, inter alia, mitigation actions to achieve quantified economy-wide emission targets, emission reductions achieved and projected emissions.

The presentation of supplementary information, to enhance comparability, demands a consideration of accounting. The revision should include the development of an accounting framework with its corresponding reporting guidelines, building on the provisions of article 7.4 of the Kyoto Protocol.

- Information on national inventory arrangements;

Reporting requirements for both the National Communications and the biennial reports should be based on the following requirements, defined by decision 15/CMP.1:

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

This process under the LCA is complemented by the revision of guidelines for the preparation of national communications by parties included in Annex I to the Convention, part 1: UNFCCC reporting guidelines on annual inventories, currently underway in SBSTA.

In building the revision of national communication including biennial reports, consideration, as indicated above, should include not only the references in the Kyoto Protocol, but also in relevant CMP decisions.

Biennial reports would cover, inter alia, financial information, information on achievement of targets on the basis of common accounting rules, and information on the organization and functions of its national inventory arrangements.

## E. European Union

### Outline biennial report Annex I

#### 1) GREENHOUSE GAS INVENTORY INFORMATION, *INCLUDING NATIONAL INVENTORY REPORT AND INFORMATION ON NATIONAL INVENTORY ARRANGEMENTS AND NATIONAL TRACKING SYSTEM*

##### A. *CRF Tables*

##### B. *National inventory report, including national inventory arrangements*

##### D. *National tracking system*

#### 2) MITIGATION ACTIONS

##### A. *Description (including objective, status of implementation, implementing entity, GHG affected, sector)*

##### B. *Mitigation actions and their effects (per sector), cost estimates and benefits, associated methodologies and assumptions*

#### 3) PROGRESS IN ATTAINING THE TARGETS

##### *Basis of the common accounting rules addressing metrics, gases and sectors, additions and subtractions and system for tracking units*

- *Target being accounted for*
- *Base year for accounting*
- *Period of accounting related to proposed commitment period*
- *Gases covered*
- *Metrics for accounting*
- *Sectors covered*
- *Allowable additions and subtractions (including LULUCF and market units)*
- *Issuance and tracking systems*
- *Additions and subtractions to the annual emissions and removals resulting from the accounting system*

#### 4) PROJECTIONS AND THE TOTAL EFFECT OF MITIGATION ACTIONS

##### A. *Projections (with measures, with additional measures)*

##### B. *Assessment of aggregate effects of mitigation actions*

##### C. *Methodology for projections*

#### 5) FINANCIAL RESOURCES AND TRANSFER OF TECHNOLOGY

##### A. *Provision of financial resources in common reporting templates (including information on definition used for climate support, types of support provided (grants, loans, others), areas of support (eg, mitigation, adaptation), type of channel (bilateral, multilateral))*

##### B. *Activities related to transfer of technology*

### Outline biennial report non-Annex I

#### 1) GREENHOUSE GAS INVENTORY INFORMATION, *INCLUDING NATIONAL INVENTORY REPORT*

##### A. *CRF Tables covering all sectors and gases*

##### B. *National Inventory report (including information on inventory preparation, institutional arrangements, trends of GHG emissions, data collection, quality assurance/quality control procedures, description of methodologies and data sources used, description of key categories, , improvements envisaged)*

#### 2) MITIGATION ACTIONS

- A. Description (including objective, status of implementation, implementing entity, GHG affected, sector, description of domestic or international MRV procedures applied,*
- B. Mitigation actions (per sector) and their effects and/or related indicators (along with progress achieved) , associated methodologies and assumptions*
- C. Assumptions, baseline used*

### 3) FINANCIAL SUPPORT RECEIVED

- A. Financial resources received in common reporting templates (including information on types of support received (grants, loans, others), areas where support was received (eg, mitigation, adaptation), type of channel through which support was received (bilateral, multilateral))*

## F. New Zealand

### **Submission on MRV and review from New Zealand to the AWG-LCA 17 June 2011**

New Zealand hosted and chaired an informal workshop on measurement, reporting, verification and review from 24 to 26 May 2011.

We believe the workshop report will be of interest to all Parties and is attached below as a submission to the AWG-LCA.

#### **MRV and review informal workshop Wellington, New Zealand Workshop Summary Report 24 to 26 May 2011**

##### **Introduction**

On May 24th through 26th, the New Zealand Ministry for the Environment hosted an international workshop on measurement, reporting and verification (MRV) and review issues under discussion in the UNFCCC negotiations. Experts from Australia, Brazil, Canada, Chile, the European Commission, Ghana, Indonesia, Japan, Mexico, New Zealand, Norway, Samoa, South Africa, Sweden, Switzerland, Thailand, the United States, the UNFCCC secretariat and the OECD participated in the workshop.

The objective of the workshop was to identify, discuss and begin to resolve issues that will help facilitate the successful adoption of measurement, reporting, verification and review decisions within the UNFCCC process. A background paper presenting an overview of MRV and review related requirements of the Cancun agreement and current reporting and review procedures already in place under the Convention and the Kyoto Protocol was circulated in advance to identify gaps and facilitate discussion. A summary table from that paper is reproduced below.

In addition short background papers were prepared on International Consultation and Analysis (ICA) and International Assessment and Review (IAR), on Finance, and on capacity building needs.

##### **Cross-cutting issues**

- Workshop participants observed that many provisions related to MRV and review are already in place under the Convention and the Kyoto Protocol. Some elements required from Cancun can be met by adapting existing provisions (e.g. national systems under the Kyoto Protocol can easily be adapted under the Convention to meet the mandate for national inventory arrangements), while other elements can draw on experiences in other processes (e.g. the expert review process as a model for technical assessment under the ICA process). Only a few elements (i.e. consultations under the IAR and ICA) are completely new, but even here Parties can draw upon experiences with the mitigation workshops and other international review processes.
- A general concern with sustainability of the UNFCCC reporting and consideration procedures arose early in the workshop, and remained a theme throughout. Existing reporting and review processes for Annex I countries already impose significant human and financial burdens on reporting countries and on the UNFCCC secretariat. The addition of biennial reports and the IAR and ICA processes established by the Cancun agreement will necessitate careful consideration of both the new and existing requirements.



### Comparison of Cancun requirements and existing MRV provisions

Cancun	Current	Work Needed
<b><i>Developed Countries</i></b>		
Annual inventory Reports	Annual Inventory Reports	Guidelines for national inventories currently being revised
Biennial Reports	<i>Kyoto parties report target accounting annually</i>	Requires development of new guidelines: Mitigation Target accounting finance
Enhanced reporting in national communications	Reporting of finance in general tables	Requires revision of guidelines Common reporting format for finance
National inventory arrangements	<i>National Systems guidelines for Kyoto Parties</i>	Requires development of guidelines under the Convention
Enhanced review	Inventory review guidelines only under Convention; <i>Guidelines for review of Kyoto Parties national communications</i>	Requires development of new guidelines for review of mitigation and finance in national communications and biennial reports
International assessment and review	--	Requires development of guidelines and modalities
<b><i>Developing Countries</i></b>		
Enhanced reporting in national communications	Inventory only at summary level; Information on mitigation actions and support received not required	Requires revision of guidelines
Biennial Update Reports	--	Requires development of new guidelines
General guidance for domestic MRV	--	Requires development of new guidelines
International Consultation and Analysis	--	Requires development of guidelines and modalities, including technical analysis by experts
<b><i>Support for reporting</i></b>		
Enhanced Support	GEF financing for national communications	Guidance for GEF to support improved reporting on an ongoing basis

To this end it was noted that:

- Better information does not necessarily mean more information – rather, the goal should be transparent, useful and comparable information.
- Reporting and consideration processes need to be rationalized to avoid duplication of efforts and minimize the burden on Parties and secretariat.
- Parties should be encouraged to report on the most important mitigation actions, rather than all mitigation actions.
- Given the limited negotiating time available, workshop participants recognized that it will not be possible to complete all MRV and review elements at COP 17 in Durban. Participants expressed interest in ensuring that the first round of biennial reports are submitted, and associated IAR and ICA processes completed, in time to inform the 2015 Review. For this reason, there was general agreement to prioritize completion of basic guidelines for biennial reports at COP 17, with the understanding that these guidelines would be further developed and improved for subsequent biennial reports.
- Participants also considered it important for COP 17 to provide clarity on the role and nature of the ICA and IAR processes. It was suggested that the full details of these processes could be agreed later, if the role and nature could be agreed at COP 17.
- Many participants spoke of the need for all elements of MRV to improve over time. Parties will learn by doing, and guidelines for reporting, review and consultation should be expected to further evolve over time.

### **Developed country reporting**

- Participants discussed the relationship between biennial reports, annual inventories and national communications. They noted that the elements required in biennial reports (inventory, mitigation actions, projections and provisions of support to developed countries) are reported elsewhere. Participants agreed that full national communications will still be important to provide the overall ‘big’ picture of a Party’s response to climate change, but many felt that biennial reports may become the focus of the reporting. All agreed biennial reports should be focused, relatively short and that the first report should provide an explanation of the Party’s target or mitigation commitment.
- Participants agreed that supplementary information on progress towards targets should be in a tabular format. It was suggested that the Standard Electronic Format used for reporting under the Kyoto Protocol could provide a basis. However, there was no agreement on the need for Kyoto-style accounting rules.
- Participants agreed that national systems guidelines under the Kyoto Protocol could be adapted under Convention to meet the requirement for national inventory arrangements. It was suggested that the SBSTA should address this through the revision of the inventory guidelines for Annex I Parties.

### **Developing Country Reporting**

- National capacity is big concern with respect to improved reporting by developed countries.
  - Two types of problems were cited as barriers to improved reporting in regards to capacity building: institutional (i.e. maintaining trained staff, and coordinating between ministries within country,) and technical (i.e. knowledge of how to measure and report on emissions data). Both institutional and technical barriers need to be addressed. Many early programs to support preparation of national communications are now defunct.
  - The capacity of countries to produce inventory on a regular basis is of particular concern. It was noted that regular reporting could provide the mandate for countries to commit resources over the long term. This could reduce reliance on ‘buying in’ expertise for irregular reporting, as is the current practice in some countries.
  - Many developing country participants cited problems in accessing activity data as an ongoing problem. In some cases, other government agencies have the information, but the agency preparing the reports does not have the mandate to access the data. In terms of data collection, the LULUCF sector was viewed as particularly difficult.
  - Participants agreed that more resources are needed for improved and more frequent reporting by developing countries. Participants noted that because GEF funding for reporting is sporadic, it does not enable maintenance of domestic capacity over time. It was suggested that Parties should endeavor to move away from the current model (where GEF funding is tied to preparation of a specific national communication) toward one that will facilitate more frequent reporting by maintaining human and institutional capacity over a longer timeframe.
- Differences in the capacity of developing countries will necessitate flexibility in reporting guidelines. It was noted that the current reporting requirements are designed to be achievable by countries with the least capacity. Parties need to

find a way to incentivize better reporting by countries to the best of their ability, and to work toward continual improvements over time. Similarly, because of the wide range of mitigation activities it will be difficult to standardize reporting on mitigation.

- Participants recognized that the OECD<sup>1</sup> proposal for tiered reporting could be useful way to encourage better reporting, while maintaining flexibility. Under such an approach the reporting guidelines would establish minimum requirements for all countries, and provide for additional layers of information and complexity depending on national circumstances and capacities.
- Some participants suggested differentiation of content and frequency of reporting (e.g. biennial reports) based on criteria such as emission levels. Others felt this was not possible or desirable.
- In addition to the elements outlined in Cancun, participants felt the first biennial report should also contain an explanation of the Party's pledged mitigation actions.
- Guidelines for domestic MRV were not discussed in any depth. However, some participants mentioned that these guidelines could be helpful for all developing countries, not just those with domestically funded mitigation actions, to focus development of institutional capacity.

### **MRV of Finance**

- Participants noted that reporting of information on climate change support to developing countries by developed countries is hindered by the fact that definitions of climate funding and related terms (i.e. 'new and additional' ) are vague, and subject to interpretation.
  - Consistent use of the OECD indicators by developed countries would improve reporting. However, participants did not feel that it would be useful to attempt to develop strict, standardized definitions. This is because it is extremely difficult to quantitatively distinguish financing related to climate activities when there is a dual purpose to that financing, and that strict categorization could miss sources of support. Therefore participants generally felt it is more important that the reporting country clearly explains its use of definitions and categories.
  - Although the current guidelines contain tables for reporting of climate-related support, these need to be updated to reflect evolving financial flows and interests of Parties (e.g. adaptation.)
- MRV of finance would also be improved by development of guidelines for review of national communications. The review should assess the transparency, completeness and comparability of information.
- The discussion also recognized that national communications do not adequately capture private sector climate-related financial flows. Several participants expressed the view that it may be easier and more straight-forward to collect information on private sector flows by the host country rather than the donor countries. Others suggested that other UN agencies could be helpful in collecting information on private sector flows, and UNCTAD's annual "World Investment Report" was cited as an example.
- A number of developing country participants expressed that it would be very useful for donor countries to provide country-specific information on climate support at the activity level. They felt this would assist the host countries in knowing where support is going within their country, as this can be difficult to track and coordinate. It was generally felt that this level of detail would be inappropriate for reporting in national communications, but could be supported in a database. It was noted that country-specific, activity-level information would also facilitate donor coordination of climate-related support.

### **IAR**

- Participants understand IAR having a technical/private component (the review) followed by a more consultative/public component (the assessment).
- There was general agreement that the review component should build upon existing review processes. While the inventory review process is viewed as working well, national communications review should be improved through the development of guidelines.

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<sup>1</sup> [www.oecd.org/dataoecd/57/60/48073760.pdf](http://www.oecd.org/dataoecd/57/60/48073760.pdf).

- Many participants are concerned that adding reviews of biennial reports on top of the current review processes will not be sustainable. The existing review processes do not have sufficient expert participation, and also require substantial UNFCCC resources.
  - Consideration is needed of alternative models – e.g. bigger secretariat role, and/or a standing group of experts. Some participants expressed the view that the IAR process should focus on larger countries, big emitters – smaller countries could be subject to IAR as a group.
  - Participants expressed the need to think about how IAR is coordinated with Kyoto reviews and compliance procedures.
- Participants agreed that the assessment component would be conducted under auspices of SBI (but not necessarily in the SBI) and would consider Biennial Reports and reports of the reviews of these reports.
  - The assessment should be non-confrontational and facilitative, with the objective of increasing transparency. The assessment would include opportunities for questions and response. NGOs should also have the opportunity to submit questions and observe discussion, but their participation would need to be structured and limited.
  - The assessment should result in an objective record of the discussion and a final summary report.
  - The recent mitigation workshops were cited as a good example of how the assessment could work. Some participants expressed interest in exploring electronic means of facilitating consultations.

## ICA

- Discussions of ICA addressed similar issues as those of IAR, but were guided by the fact that there is more clarity in the Cancun agreement regarding principles to be observed in the ICA process.
  - Most participants envisage a technical assessment of the biennial report, followed by consultations including questions and responses from Parties in an open forum conducted under auspices of the SBI.
  - Outputs of the ICA process would be a technical assessment report, an objective record of the consultations, and a summary report. Some participants noted that an in-country visit as part of the technical component would be important for capacity building.
- Under an alternative model presented, there would be no technical assessment of the biennial report. Rather a technical team would facilitate and evaluate the Party's responses to questions raised by other Parties. The outputs of this process would be a record of the consultations and a summary report.
- Participants also discussed the practical feasibility of conducting the ICA process. Most participants do not envisage that ICA would occur for countries that have not submitted a biennial report. They further suggested that the frequency of ICA should be differentiated, so that ICA would be conducted less frequently than every two years for smaller countries. These countries could also be subject to ICA as a group. Other participants expressed the view that all developing countries should be subject to the ICA, regardless of whether a biennial report is submitted, and that differentiation of countries is not acceptable.
- Participants acknowledged the usefulness of an informal dialogue to discuss these issues. It was hoped that further such meetings at the expert level could help progress matters within the UNFCCC negotiations on measurement, reporting, verification and review.

The summary report of the workshop should be read in conjunction with the background papers and the agenda. These documents as listed below are attached to this report.

- Annotated agenda
- Overall background paper
- Questions for discussion on International Consultations and Analysis (ICA) and International Assessment and Review (IAR)
- MRV of Finance and Supported Actions
- Support for implementation of MRV post Cancun

**MRV and review informal workshop**  
**Rydges Hotel**  
**75 Featherston Street**  
**Wellington, New Zealand**  
**24 to 26 May 2011**

**Annotated Agenda**

	<b>Day 1 – Tuesday 24 May</b> (coffee breaks and lunch will be scheduled)
8.45am	Registration
9.00am	Opening of workshop Jo Tyndall, New Zealand Climate Change Ambassador
	Overview Aiming for expanded table of contents for guidelines What we already have as a starting point Identify the gaps Anticipated timeline for delivery  Introduction: Clare Breidenich
	Greenhouse gas inventories and biennial update reports: Introduction: Jane Ellis, OECD (Frequent and flexible reporting)  Part I - Developed countries <sup>2</sup> Guidelines for national inventory arrangements Progress in achieving emissions reductions Projections  <i>Objective: building on current processes, practices and experience</i> <i>Identify the content and scope of biennial reports, national inventory arrangements and new guidelines.</i> Confirm guidelines for national inventories.  Part II - Developing countries <sup>1</sup> National greenhouse gas inventory and NIR Information on mitigation actions Domestic verification of mitigation actions  <i>Objective: building on current processes, practices and experience</i> <i>Identify the content and scope of national communications, including national GHG inventories, biennial update reports and respective guidelines.</i> <i>Identify the content and scope of new guidelines to measure, report and verify domestically funded actions.</i>
5.00pm	Welcome function: Hon Dr Nick Smith, Minister for Climate Change Issues

	<b>Day 2 – Wednesday 25 May</b> (coffee breaks and lunch will be scheduled)
8.30am	<p>Guidelines/modalities/procedures for IAR and ICA Introduction: Jane Ellis, OECD</p> <p>Part I - Developed countries (IAR) Modalities and procedures for international assessment and review of emissions and removals related to quantified economy-wide emission reduction targets, including the role of LULUCF and carbon credits from market-based mechanisms.</p> <p><i>Objective:</i> <i>Elaborate the modalities for International Assessment and Review</i> Identify the content and scope of new guidelines.</p> <p>Part II - Developing countries (ICA) modalities and guidelines covering international consultation and analysis</p> <p><i>Objective:</i> <i>Elaborate the modalities for International Consultation and Analysis</i> Identify the content and scope of new guidelines</p>
7.00pm	<p>Workshop Dinner St Johns Bar, 5 Cable Street, Wellington</p> <p>Speaker: Dr Adrian Macey, former New Zealand Climate Change Ambassador</p>
	<b>Day 3 – Thursday 26 May</b> (coffee breaks and lunch will be scheduled)
8.30am	<p>Finance and supported actions Introduction: [Paul Eastwood, NZ Ministry of Foreign Affairs and Trade]</p> <p>Part I - Developed countries Development of modalities and guidelines for the provision of financing, through enhanced common reporting formats, methodologies for finance and tracking of climate related support</p> <p><i>Objective</i> <i>Building on current processes, practices and experience identify where and how existing reporting and review guidelines need to be enhanced.</i></p> <p>Part II - Developing countries Measurement, reporting and verification of supported actions and corresponding support</p> <p><i>Objective</i> <i>Identify the content and scope of guidelines for national communications and biennial update reports with respect to reporting support received.</i></p>

	Support for implementation – capacity building Introduction: Mike Enns, Environment Canada <i>Objective</i> <i>Identify effective capacity building initiatives for developing countries and scope any additional guidance for the GEF.</i>
	The path to Durban How to make the best use of the meeting time available
	Sum up
5.00pm	Conclusion of meeting

## **MRV and review informal workshop**

**Wellington, New Zealand**

**24 to 26 May 2011**

### **Background paper**

The objective of the workshop is to identify, discuss and begin to resolve issues that will help facilitate the successful adoption of measurement, reporting, verification and review decisions within the UNFCCC process. The attached discussion document is provided to participants to assist with preparation for the workshop. It contains background information and a series of questions. It is not the intention to go through all the questions at the workshop - they are designed to stimulate consideration of the issues and facilitate discussion.

### **Discussion Paper**

The Cancun Agreement on the Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (Decision 1/CP.16) established a number of requirements related to measurement, reporting and verification (MRV) of mitigation actions by developed and developing countries, and measurement, reporting and verification of finance, technology and capacity-building support for developing countries. The Agreement also sets up a work programme to develop the necessary guidelines and modalities to implement these requirements. This paper aims to facilitate consideration of the elements and timing of a work programme for developed and developing countries covering MRV and review. Section I of the paper presents an overview of the MRV and review related requirements of the Cancun agreement. Section II outlines reporting and review procedures already in place under the Convention and the Kyoto Protocol which are relevant to the MRV work programme<sup>2</sup>. Section III identifies the gaps between the MRV and review requirements agreed in Cancun and what is currently in place. Finally, Section IV raises a number of questions to be considered in completing work on MRV and review.

## **I. What the Cancun Agreement decided**

<sup>2</sup> Decision 1/CP.16, paragraphs 46 and 66 in document FCCC/CP/2010/7/Add.1

Decision 1/CP.16 requirements related to measurement, verification and reporting of mitigation actions and on the provision of financial support build upon the Convention's existing provisions related to reporting and consideration of national communications. References below are to the relevant paragraphs of Decision 1/CP.16.

#### **Developed countries**

- Annual inventory reports (40(a))
- Biennial reports on mitigation and the provision of finance, technology and capacity-building support (40(a) and 46(a))
  - Include supplementary information on achievement of emission targets (40(b))
  - Improved reporting of finance, technology and capacity-building support (40(c))
- Enhance guidelines for national communications (41 and 46(a))
  - Including a common reporting format for finance (41(a))
  - methodologies for finance and tracking of climate-related support (46(i))
- National inventory arrangements (43)
  - Reporting of information on these arrangements (46(iii))
- Enhance review of national communications (42 and 46(b))
  - Progress in emission reductions (42(a))
  - Provision of finance, technology and capacity-building support (42(b))
  - Biennial report, national inventory systems (46(b))
- International assessment of quantified emission reduction targets under the Subsidiary Body on Implementation (44)
  - Include review of emissions and removals and the role of LULUCF and carbon credits from market-based mechanisms (46(d))

#### **Developing countries:**

- Enhanced national communications, every 4 years with differentiated timetable and flexibility for LDCs and small-island states and contingent on provision of support (60 chapeau and 60(b))
  - Mitigation actions and effect
  - Inventories
  - Support received
  - Not more onerous than those of developed countries (60(a))
- Biennial update report from countries, consistent with capabilities and support provided (60(c))
  - Update of national inventory and national inventory report
  - Information on mitigation actions, needs and support received
- Guidelines for international MRV of internationally-supported actions<sup>3</sup> (61)
- General guidelines for domestic MRV of domestically-supported mitigation actions (62)
- International consultation and analysis of biennial reports within the Subsidiary Body on Implementation to increase transparency of mitigation actions in a manner that is non-intrusive, non-punitive and respectful of national sovereignty (63)
  - Include analysis by technical experts in consultation with Party and a facilitative sharing of views (63)
  - Information considered (64)
    - ✓ national inventory report
    - ✓ mitigation actions, including description, impacts, methods and assumptions, implementation progress
    - ✓ domestic MRV
    - ✓ support received

#### **Support for reporting**

- Financial, technological and capacity building by developed countries for preparation and implementation of mitigation actions and reporting to be enhanced (52)
- Recognition of relationship between capacity to report and support received (60(b) and 65(c))

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<sup>3</sup> Development of modalities and guidelines for facilitation of support to nationally appropriate mitigation actions through a registry and measurement, reporting and verification of internationally supported actions are outside the scope of this paper



## II. What is already in place (UNFCCC and Kyoto Protocol)

Many of the procedures already in place for reporting and consideration of national communications under the Convention and Kyoto Protocol are directly relevant to the MRV elements required by the Cancun Agreement. Some of these provisions need to be expanded upon to fulfill the mandate from Cancun; others can serve as resources for development of new provisions. These existing requirements and procedures are outlined below. Provisions that are relevant to Kyoto Parties only are italicized. Table 1 summarizes the current reporting and review requirements for Annex I and non-Annex I Parties.

### Developed Countries

- Annual inventory report, based on revised guidelines adopted in 2006
  - Use of 1996 IPPC Guidelines and Good Practice Guidance mandatory
  - Common reporting format, sectoral tables, full time series back to 1990
  - National inventory report, containing information on methods and institutional arrangements
  - Kyoto Parties also report use of Kyoto mechanisms and LULUCF in “Standard Electronic Format”
  - SBSTA work underway to again revise the inventory reporting guidelines
- Annual expert review of inventory, based on guidelines adopted in 2005
  - *For Kyoto Parties, annual expert review as per guidelines under Article 8 of the Kyoto Protocol*
- *Kyoto Parties must have national systems for inventory arrangements based on guidelines under Article 5.1*
  - *Reviewed as per guidelines under Article 8 of the Kyoto Protocol*
- National communication report, based on guidelines adopted in 1999
  - Mitigation policies and measures by sector and by gas; implementation status; and, where feasible, quantitative estimates of their effect to date on emissions and projected impact on future emissions and removals.
  - Finance, technology and capacity-building resources provided bilaterally and through the Global Environment Facility (GEF) and other multilateral organizations.
    - ✓ Use of standard definitions developed by the OECD’s Development Assistance Committee encouraged<sup>5</sup>
    - ✓ Use of some general tables for reporting financial contributions
- Expert review of national communication, based on general guidance adopted in 1995
  - *For Kyoto Parties further guidance on national communication review as per guidelines under Article 8 of the Kyoto Protocol*

<sup>5</sup> Since 2008, the OECD has monitored climate-related aid provided by its members to developing countries through its Creditor Reporting System. Although originally focused on support for mitigation only, the system now also tracks support for adaptation.

### Developing Countries

- National communication report, based on guidelines adopted in 2002
  - Inventory for 1994 or 2000
    - ✓ Summary tables only
    - ✓ Use of 1996 Guidelines and Good Practice Guidance not mandatory
  - Reporting on mitigation and policies and measures encouraged
  - Reporting on support needs, but not support received
  - No technical review

### Current support for reporting

- Global Environment Facility (GEF)
  - oUS\$100,000 - US\$3.5 million per country for preparation of national communication
  - An additional US\$100,000 per country available to maintain domestic capacity between submissions
- Other programmes:
  - National Communications Support Programme
  - GHG Management Institute

- National programmes, such as US Country Studies Program (previously)

**Table 1: Current Reporting and Review of Annex I and Non-Annex I Parties**

<b>Annex I Parties</b>		<b>Non-Annex I Parties</b>
<b>Greenhouse Gas Inventory</b>		
Format	Electronic	Hard copy
Years covered	Annual reporting covering 1990 (or other base year) to current inventory year.	1990 or 1994 (1st NC); 2000 (2nd NC).
Gases	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> required.	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O required; HFCs, PFCs, SF <sub>6</sub> encouraged.
Sectoral Disaggregation	Summary tables and sectoral background data tables required.	Only summary tables are required.
Version of the IPCC Guidelines	Use of 1996 Guidelines and Good Practice Guidance required.	Use of 1996 Guidelines required; use of Good Practice Guidance is encouraged.
Documentation	Extensive documentation of methods and data sources required in a “national inventory report.”	Encouraged to provide information on methods used.
Institutional Arrangements	A description required in National Inventory Reports. <i>Kyoto Parties also report on national systems in national communications, and report changes annually.</i>	Encouraged to describe inventory procedures and arrangements
Review	Annual expert review	None
<b>Mitigation Actions – in national communications</b>		
Reporting Structure	Separate chapter on mitigation ‘policies and measures’, organized by sector and gas.	Included under “General Description of Steps taken or envisaged to implement the Convention”; no format provided.
Information reported	Description, policy objective, status of implementation, implementing entity required; Estimate of GHG impacts encouraged. GHG emission projections also reported.	Information on planned or implemented measures encouraged
Review	Reviewed as part of the national communication review. <i>Target accounting of Kyoto Parties reviewed annually, in conjunction with inventory review</i>	None
<b>Finance, Technology and Capacity-Building Support – in national communications</b>		
Reporting Structure	Textual description, and general reporting tables	Not applicable
Information reported	Information on contributions to the GEF, other multilateral institutions, and through bilateral arrangements, as well as activities to promote private-sector technology transfer	Encouraged to provide information on implementation of capacity-building and technology transfer, but no requirement to report on support received

Review	Part of the national communication review	None
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### III. Work Needed

Table 2 provides a comparison of the Cancun requirements and existing provisions in the Convention, and illustrates where work is needed to fill gaps. In some of these areas, such as national inventory arrangements, it would be relatively simple to adapt existing guidelines (i.e. national system guidelines under the Protocol) to fill the gap. In other areas, such as the technical analysis of biennial reports, work to develop new guidelines is needed, but could draw on previous experiences, such as the procedures of the expert review process and the Consultative Group of Experts. A number of questions are presented after the table to stimulate discussion of these issues.

**Table 2: Comparison of Cancun requirements and existing MRV provisions**

Cancun	Current	Work Needed
<b>Developed Countries</b>		
Annual inventory Reports	Annual Inventory Reports	Guidelines for national inventories currently being revised
Biennial Reports	<i>Kyoto parties report target accounting annually</i>	Requires development of new guidelines: Mitigation Target accounting finance
Enhanced reporting in national communications	Reporting of finance in general tables	Requires revision of guidelines Common reporting format for finance
National inventory arrangements	<i>National Systems guidelines for Kyoto Parties</i>	Requires development of guidelines under the Convention
Enhanced review	Inventory review guidelines only under Convention; <i>Guidelines for review of Kyoto Parties national communications</i>	Requires development of new guidelines for review of mitigation and finance in national communications and biennial reports
International assessment and review	--	Requires development of guidelines and modalities
<b>Developing Countries</b>		
Enhanced reporting in national communications	Inventory only at summary level; Information on mitigation actions and support received not required	Requires revision of guidelines
Biennial Update Reports	--	Requires development of new guidelines
General guidance for domestic MRV	--	Requires development of new guidelines

International Consultation and Analysis	--	Requires development of guidelines and modalities, including technical analysis by experts
<b><i>Support for reporting</i></b>		
Enhanced Support	GEF financing for national communications	Guidance for GEF to support improved reporting on an ongoing basis

#### **IV. Questions**

In addition to the schedule and process for completion of the work areas identified above, Parties will need to address a number of substantive issues regarding the MRV and review requirements established in the Cancun agreement. The questions below are intended to stimulate consideration of these issues, and facilitate discussion at the informal workshop.

- Timing for completion of work
  - Can all work areas be completed before Durban?
  - If not, should certain elements, such as guidelines for biennial reports, be prioritized?
  - Alternatively, could a phased approach be used to improve reporting over time? For example, relatively simple guidelines could be adopted for the first biennial update, with the expectation that the guidelines would be expanded to further improve subsequent biennial updates?
- When should the first biennial reports be submitted?
  - How do biennial reports fit with national communications?
  - How do biennial reports relate to the 2015 Review<sup>4</sup>?
- How should UNFCCC and other meetings be organised to complete the MRV work?
- To what extent can existing guidelines and procedures be used as a basis or model for new reports and procedures?
- Can the current UNFCCC resources and systems cope with an increase in reporting and review? If not, what is needed?

#### **Developed Countries**

- Can/should guidelines for national systems under the Kyoto Protocol simply be adopted under the Convention?
- Where should information on national inventory arrangements be reported?
  - Annual inventory report? National communication?
- How should reporting of supplementary information on use of LULUCF and market-mechanism be handled?
  - A standardized table similar to the Standard Electronic Format (SEF) used by Kyoto Parties to report target accounting?
- Is it feasible to adopt common definitions for climate related finance, technology and capacity-building support for use in reporting?
  - Are the Rio Markers sufficient?
  - Can 'new and additional' be defined?
- How much information is needed in biennial reports to ensure they are transparent, comparable and useful, but not overly burdensome?
  - Focus on changes since last national communication, e.g. 'update reports'?
  - Summary level information with more detailed information available elsewhere (e.g. country web-site)?
  - Use of standardized templates?
- How can the review of biennial reports facilitate the SBI's assessment of progress in meeting emission targets?
- How can the provision of climate-related support be effectively reviewed?
  - Can other organizations facilitate the tracking of climate-related support and trends over time?
  - Is there any role for financial information retained in the registry?
- How should the international assessment process be conducted?
  - Should there be provisions for input from other Parties?
  - Non-governmental organizations and other stakeholders?

<sup>4</sup> 6 2015 Review as per paragraph 139(b) of Decision 1/CP.16

- What, if any, information in addition to the biennial reports should be considered in the assessment process?
  - Review report?
  - Additional information from Party?

### **Developing Countries**

- How can reporting guidelines accommodate the different capabilities of developing countries?
  - Would a tiered approach be useful? For example, the guidelines could provide that countries with relatively high reporting capacity could provide more information, or use more complicated methods, than countries with lower capacity.
- Given the diversity of mitigation actions, how can reporting guidelines promote comparability and transparency in information reported?
- How much information is needed in biennial reports to ensure they are transparent, comparable and useful, but not overly burdensome?
  - Focus on changes since last national communication?
  - Summary level information with more detailed information available elsewhere (e.g. country web-site)?
  - Use of standardized templates?
- What type of information on needs and support received by developing countries is most useful?
- What should general guidance for domestic MRV of domestically-funded actions cover?
  - How should this information be reflected in national communications?
- How should the technical assessment under the international consultation and analysis be conducted?
  - In-country visit? Desk exercise?
- How should the international consultation be conducted?
  - Should there be provisions for input from other Parties?
  - Non-governmental organizations and other stakeholders?
- What, if any, information in addition to the biennial reports should be considered in the assessment process?
  - Technical assessment report?
  - Additional information from Party?
- Should Parties that do not submit biennial reports be subject to ICA process?
- Do all countries need to report at the same frequency or level? If not, how would that work in practice?

### **Support for reporting**

- What support and capacity building is needed to enable improved reporting on an ongoing basis?
  - Biennial Inventories?
  - Domestic MRV?
- Do any existing or previous support programs provide good models?
  - How can existing support be ramped up?

## **MRV and review informal workshop**

**Wellington, New Zealand**

### **Questions for discussion on International Consultations and Analysis (ICA) and International Assessment and Review (IAR)<sup>5</sup>**

**24 to 26 May 2011**

#### **Background**

The current system of monitoring, reporting and review under the UNFCCC and Kyoto Protocol is to be scaled-up in future, with both Annex I and non-Annex I countries reporting more information, more frequently. This revised system focuses on emission commitments, actions and support that is 'measurable, reportable and verifiable (MRV)'. New issues are requested to be reported explicitly (e.g. 'progress' on mitigation). Information from all countries will now be subject to international assessment and/or review (Annex I) or to "international consultations and analysis" (non-Annex I).

#### **I Framework questions**

- Is there a difference between 'international assessment' (IA) and 'international assessment and review' (IAR)? If so, what?
- Reporting guidelines indicate that NAI reporting in national communications should not be more onerous than that for AI reporting. Is a similar principle needed for ICA? If so, should ICA be not more onerous than review (inventories, NCs) or than IAR?
- How can improvements in reporting be encouraged over time (i.e. incentives)? What happens if countries do not fulfil their reporting requirements?
- Could FCCC Article 13 be used for ICA and/or IAR?
- How do the results of ICA, review and/or IAR feed into the 2013-2015 review?

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<sup>5</sup> This informal background document was prepared by Jane Ellis, OECD, who would like to thank Gregory Briner and Yamide Dagnet for their comments. The information included is the opinion of the author, and does not necessarily represent the positions of the OECD, IEA or their member countries. This document builds on current and previous work undertaken for the Climate Change Expert Group, e.g. a detailed discussion of ICA, available at <http://www.oecd.org/dataoecd/37/42/47856960.pdf>. Issues relevant to ICA and IAR will also be discussed at the upcoming Climate Change Expert Group seminar on 19-20 September 2011.

## II What is the purpose and scope of ICA/IAR/review?

Decision text	Comments/questions
ICA	<p>Para 63<sup>6</sup>: “<i>international consultations and analysis aim to increase transparency of mitigation actions and their effects, through analysis by technical experts in consultation with the [developing country] Party concerned, and through a facilitative sharing of views</i>”. ICA will be “<i>non-intrusive, non-punitive and respectful of national sovereignty</i>”.</p> <p>What does increased transparency mean?  In terms of ‘effects’ does this focus on how effects are estimated (i.e. MRV methods), and/or on what these effects are (e.g. in GHG or other terms)?  Does a facilitative sharing of views include suggestions for improvements?  Does ICA focus on all mitigation actions and their effects, or just unsupported ones? Does it include assessment of support needs for adaptation, as well as mitigation?</p>
IAR	<p>Para 44: “<i>decides to establish a process for international assessment of emissions and removals related to quantitative economy-wide emission reduction targets...</i>”  Para 46d: “<i>decides on a work programme...for international assessment and review of emissions and removals related to quantitative economy-wide emission reduction targets including the role of land-use, land-use change and forestry, and carbon credits ...</i>”</p> <p>Is there any difference between ‘international assessment’ and ‘international assessment and review’? If so, what?  At present, reviews of AI KP NatComs and inventories are forwarded to the compliance committee. What have AI KP experiences been with the compliance committee (enforcement and facilitative branches) and any associated hearings?  Should a process for IAR build on such a structure and processes (focusing on what was done)? Or should IAR focus on how (quantitatively) a country is performing in relation to its targets? If so, how could this be done if a target is for a single year only?  On what information will IAR be based?  Will IAR be based on criteria? If so, what are these criteria, and who will define them?  Will a compilation and synthesis of the outcome of IAR of Annex I country targets be carried out? If so, by whom?</p>
Review	<p>Para 42: “<i>decides to enhance guidelines for the review of information in national communications with respect to ... progress made in achieving emission reductions; ...provision of financial, technology and capacity-building support</i>”.</p> <p>What in the review guidelines is going to be enhanced, and how? (e.g. content of guidelines, frequency of review, process for review, outcome of review?)  Could such enhancement include review of biennial reports?  Can governments be required to report on private sector climate finance flows? If not, what proxies could be used?  Will review guidelines provide clear guidance on terms used by ERTs (e.g. generally/mostly/broadly) and their meaning?</p>

<sup>6</sup> All paragraph numbers refer to the Cancun Agreements

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### III What information does ICA/IAR/review apply to?

Countries report on different topics in their various reports to the UNFCCC. However, not all topics reported by countries will be reviewed (see table below). All topics reported by AI countries in their NCs are reviewed. A sub-set of these topics will be reported in biennial reports. No mention of reviewing AI biennial reports is made in the Cancun Agreements. In terms of ICA, only the sub-set of topics included in biennial reports will be subject to ICA. Wording on the IAR process implies that the scope of this review is limited to information related to GHG inventories (and potentially projections).

Table 1: Which topics reported internationally will be examined internationally? How?

Topic		Information to be reported in...?		Information to be subject to...?		
Nat Coms?	Biennial reports	Other	ICA (NAI)	Review (AI)	IAR (AI)	
National Circumstances	Y	N	--	N	Y (NC)	N
GHG inventory	Y	Y	CRF (AI)	Y	Y (inv and NC)	Y
National inventory report	Y (NAI) N (AI)	Y	NIR (AI)	Y	Y (inv)	Y
Projections	Y (optional for NAI)	Y (optional for NAI)	--	Y (if included)	Y (NC)	Y?
Progress... *including offsets]	Y	Y	--	Y	Y?	Y
Mitigation actions	Y	Y	NAMA registry* (sub-set of NAI actions)	Y	Y (NC)	N?
Adaptation actions	Y	N	NAPA <sup>7</sup>	N	Y (NC)	N
Climate vulnerability and impacts	Y	N	NAPA	N	Y (NC)	N
Support provided	Y	Y (AI)	NAMA registry*	N	Y (NC)	N
Support needs	Y (NAI)	Y (NAI)	NAMA registry*	Y	--	--
Support received	Y (NAI)	Y (NAI)	NAMA registry*	Y	--	--
RSO	Y	N	GCOS (AI)	N	Y (NC)	N

\* Information provided to the NAMAs registry is 'recorded' and not 'reported'. Provision of information to this registry is not obligatory.

### IV How often is it done?

<sup>7</sup> NAPAs have been prepared for some NAI countries only.



- Is each biennial report (for NAI) and national communication (for AI) reviewed? How often is IAR carried out?
- When does this process start? Is a due date to be given for countries' first biennial report?
- If there is 'differentiation' in terms of the content and/or frequency of review/ICA, how is this determined?
- The current process of NC review for AI takes approximately 6 months. How can this be streamlined in order to ensure that the outcome of reviews/IAR/ICA can provide timely feedback to countries and the international community?

#### V Which stakeholders are involved?

- Who participates in the 'facilitative sharing of views' (ICA)? How, if at all, does this differ from 'international consultations'? How are the 'technical experts' chosen? Are guidelines needed, or can the Party concerned and Secretariat act at their discretion?
- Would IAR have a similar process, and include similar stakeholders? Or would it more closely resemble AI inventory reviews?
- Annex I NC reviews include the reviewed country government, ERT, stakeholders. The national government have the opportunity to comment on the draft report. Would the stakeholders involved in the preparation of the review change in future?

#### VI What is the outcome?

Decision text		Comments/questions
ICA	Para 63: "... and will result in a summary report".	<p>Is the report public? Is the background information used to establish the report public? Are interim reports prepared (e.g. by the ERT) for a wider discussion?</p> <p>Does it include recommendations to improve transparency of future biennial reports?</p> <p>Does the report reflect information gathered by the expert review team only, or does it also include points raised during 'facilitative sharing of views'?</p>
IAR	Para 44: [nothing specifically on outcome]	<p>Current reviews under the KP can raise 'questions of implementation'. Could similar questions be raised under an IAR process?</p> <p>Could IAR result in 'adjustments' (as current inventory reviews for AI)?</p> <p>Would the SBI 'assess' these reports, and/or would there be 'international consultations' and/or 'analysis' as part of this assessment?</p>
Review	Para 42: "decides to enhance guidelines..."	<p>Current outcomes include in-depth review reports of NCs, annual status reports for GHG inventories, and report on inventory reviews. Would further reports be needed?</p> <p>Would the reports be subject to international scrutiny?</p>

#### VII What are the gaps in the framework laid out in Cancun?

##### Information sources

- Use of background information for the purposes of ICA. Does ICA focus solely on information in a country's biennial report, or can other background documents be used (e.g. if more details are provided in national communications)? Can alternative information be used in the ICA process if a developing country does not produce a biennial report?

- Developed countries have a collective commitment in terms of provision of climate finance, but report separately. What happens to individual countries if the collective commitment is not met?
- An overview of some NAI activities is not included in biennial reports (e.g. adaptation actions, climate vulnerability, any support provided by NAI to other NAI countries, research and scientific observation), so these topics will not be subject to ICA. Is any compilation and synthesis and/or further assessment of these topics needed?

#### Implementation

- How to ensure consistency between different reviews/IAR/ICA?
- Flexibility is provided for in terms of reporting for some countries. Is flexibility in terms of form, frequency, timing and/or content also needed in terms of review and/or IAR and/or ICA? If so, how?

#### Resources

- What are the resource requirements of this potentially large increase in review /ICA activities?
- What sources of funding can be used to fill these resource needs?

**MRV and review informal workshop**  
**Wellington, New Zealand**  
**24 to 26 May 2011**  
**MRV of Finance and Supported Actions**  
**Discussion Paper<sup>8</sup>**

**Introduction**

In Cancun, Parties made commitments to provide new and additional resources for adaptation and mitigation in developing countries, and also established requirements intended to improve the measurement, reporting and verification of finance flows and supported actions.

This brief discussion paper provides an overview of some of the main considerations in implementing MRV finance requirements. It first outlines the present situation (our starting point), and gives an impression of what a future finance MRV system might need to comprise (our end point) and the steps needed to get there in order to implement MRV provisions in the Cancun Decisions (1/CP.16).

**I Where are we now?**

The present system for finance MRV faces a number of challenges. Opportunities exist to improve coherence and coverage in the reporting of climate finance, to improve levels of communication and transparency, and to track progress. Addressing these challenges will be critical to build trust amongst Parties regarding progress in meeting finance commitments and in meeting the defined adaptation and mitigation needs of developing countries.

The challenges of improving systems for the measurement, reporting, and verification of national greenhouse gas emissions and removals are very similar to those facing countries when reporting on the provision of financial resources.

Financial support for implementing climate change actions in developing countries is reported periodically by Annex 1 Parties through national communications. Guidelines for financial reporting were developed in 1999, and are relatively simplistic. Requirements are to report on financial support provided bilaterally and through the GEF and other multilateral organisations. Several template tables are provided to guide Annex 1 Parties in recording this information – see Table 1 for an example.

These tables represent the primary means to record financial information on climate change resources provided by Annex 1 Parties. However they raise a number of important questions such as:

- What are the definitions of adaptation and mitigation?
- What are the definitions of the sub-sectors, e.g. industry?
- How much of the amounts presented in the table are directly addressing climate change?
- Do these amounts comprise grants, loans or some other form of finance?
- How has 'new and additional' been defined?

The same set of questions apply to the financial information provided on contributions to multilateral organisations or funds. How much is reported: the total amount provided annually or an estimate based on the proportionate amount each organisation programmes on climate change? If the latter, then what criteria and definitions are used to determine adaptation and mitigation financing?

This points to one of the central problems with MRV of finance: ***the challenge of measuring levels of climate finance in the absence of agreed and universally applied definitions***. The absence of definitions makes it difficult to adequately record and track finance flows on a like-for-like basis across contributing countries.

The situation is made more complex when considering that reporting via national communications presently only captures public finance, whereas the Cancun decision is clear that climate finance may include private flows and investments, and alternative sources.

Public finance as reported in national communications typically consists of flows that donors report on annually to the OECD Development Assistance Committee. Standard markers and definitions for adaptation and mitigation (the Rio

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<sup>8</sup> This document in no way represents the official views of the New Zealand Government on climate finance MRV, or sets out a position, but rather seeks to stimulate initial discussion at the workshop.

markers) are in place and are being used by donors to report on annual levels of public finance. While not without its problems, it is the only system currently in place to standardise the recording of climate finance from any source. MRV for private finance poses a different set of challenges, as there are no formal definitions and no dedicated systems in place that comprehensively capture all flows. Levels of foreign direct investment are captured by UNCTAD although in aggregated form, i.e. climate related investments are in themselves not defined.

This highlights a second major challenge facing finance MRV: ***the lack of an adequate mechanism (or mechanisms) for tracking and reporting all financial flows, both public and private.***

The challenges posed by a lack of definitions of climate finance (creating problems for measurement) and the lack of comprehensive systems for tracking and recording all relevant financial flows (creating problems for reporting), lead to an inability to comprehensively verify levels of finance both provided and received.

Given that, over time, finance is expected to come from a wide range of sources, a 'contributor' of finance could take the form of – to give a few examples – a sovereign government, an independently managed international fund, or a private sector firm. This raises the question of whether finance is best verified at source (i.e. the finance provider or contributor), where received (e.g. developing country sovereign government, sub-national entity, private firm etc), or a combination. Annex 1 national communications undergo a process of review by an independent panel. For Annex 1 countries this means that information on public finance provided is subject to a degree of independent verification and scrutiny. Non-Annex 1 countries, in generating their national communications, are not required to report on the support they have received. The private sector, as an important source of finance and technology generally falls outside of the national communication process because of the difficulties governments face in collecting this type of information. The current verification regime therefore contains a number of important gaps, creating a third major challenge: ***how to adequately verify future flows of climate finance both provided and received.***

## **II Where are we headed?**

Below is a summary of MRV requirements contained in decision 1/CP.16 that impact on finance (and technology and capacity building) both provided and received.

### **Developed countries**

- Biennial reports: new requirement
- National communications: enhanced guidelines, including a common reporting format for finance, methodologies for finance, and tracking of climate-related support
- Review: of biennial reports, and enhanced review of national communications

### **Developing countries**

- Biennial update report from countries, consistent with capabilities and support provided, to include information on support received
- Enhanced national communications, every 4 years with differentiated timetable and flexibility for LDCs and small-island states and contingent on provision of support
- Guidelines for international MRV of internationally-supported actions

The new reporting requirements, covering biennial reports and national communications, and guidance for how they should be prepared, will help improve the capture and communication of climate finance information.

Referring back to the three main challenges outlined earlier, some of the issues to consider by workshop participants are:

*(i) The challenge of measuring levels of climate finance in the absence of agreed and universally applied definitions*

- To what extent can new and improved guidelines help to define climate finance in its various forms and standardise measurement?
- On which aspects of the guidance can progress realistically be made at a technical level, and where will political judgements be required?
- If agreed and universally applied definitions are out of reach, how can we improve transparency?

*(ii) The lack of an adequate mechanism (or mechanisms) for tracking and reporting all financial flows, both public and private*

- Will the combination of biennial reports and enhanced national communications be sufficient on their own to adequately capture all finance flows, or only a subset?
- To what extent could / should the underlying data systems be improved?

*(iii) How to adequately verify future flows of climate finance both provided and received.*

- Are common provisions achievable for the verification of finance provided and received spanning both developed and developing countries?
- Should verification procedures capture private finance and, if so, where would this best take place: in the contributing entity, the recipient entity, or both?

**Table 1: Standard template for recording bilateral and regional financial contributions related to the implementation of the UN Framework Convention on Climate Change.**

	Mitigation						Adaptation			
Recipient country/region	Energy	Transport	Forestry	Agriculture	Waste management	Industry	Capacity building	Coastal zone management	Water resources	Other vulnerability assessment
Country 1										
Country 2										
...										
...										
...										
...										
...										
...										

**MRV and review informal workshop**  
**Wellington, New Zealand**  
**24 to 26 May 2011**  
**Support for implementation of MRV post Cancun**

**Discussion Paper**

**Introduction** While not yet fully implemented, it is clear the Cancun Agreements will increase the reporting obligations faced by all Parties. This will place a larger burden on developing countries in particular.

Our immediate challenge is to identify where the greatest needs will arise post-Cancun, and to determine how support can be best directed to meet these challenges. Fortunately, there are existing funding mechanisms in place and much work has been done in this area that we can use as a starting point.

**I What Kinds of Reporting Challenges do Countries Face?**

Considerable work has been done to identify the challenges developing countries face in meeting international reporting obligations. While these challenges are complex and vary greatly by country and region, many countries identify two groups of challenges:<sup>9</sup>

**Institutional:** Challenges in acquiring and keeping capable, expert staff responsible for reporting and establishing the capacity to store relevant data and effectively share it within their governments.

**Technical:** A lack of well developed country and region specific climate scenarios and methodologies and climate predictions models for assessing vulnerability.

**II What Kinds of Support is Available now?**

Direct Funding Support:

**The Global Environment Facility (GEF):** The GEF has set aside \$80 million in resources under the climate change focal area for the 2010-2014 period to support enabling activities under the UNFCCC, particularly national communications. Under GEF5, reforms will allow countries to access up to \$500,000 to support development of their national communications on an expedited basis directly, rather than be required to access funding from one of the GEF Agencies. Those countries seeking more funding can do so through their climate change allocations under the System for Transparent Allocation of Resources.<sup>10</sup>

- **Multilateral and Bilateral Aid Support:** A number of countries and groups of countries are engaged in efforts to develop reporting capacity in developing countries that include the provision of financial support. There are too many initiatives to list here, but the Petersburg Dialogue is doing some interesting work to catalogue these efforts in a public database.

Technical Assistance:

- **Consultative Group of Experts (CGE):** The Conference of the Parties (COP) established the CGE in 1999 with the objective of improving the process of preparing national communications by non-Annex I Parties. The CGE provides technical advice and support to developing countries, including workshops and hands-on training.
- **The UNDP National Communication Support Programme:** This program is funded by the GEF to offer various forms of support, including technical trainings at the sub-regional level, geared towards enhancing national capacities in preparing elements of national communications. The current funding envelope expires this year.
- **UNFCCC Secretariat/US/Japan initiative Workshop of GHG Inventories (WGI):** This initiative was launched in 2003 to assist developing countries in preparing national inventories. A number of workshops were held in South

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<sup>9</sup> Progress Report on the work of the Consultative Group of Experts on National Communications from Parties not included in Annex I of the Convention (November, 2010).  
<http://unfccc.int/documentation/documents/items/3595.php#beg>.

<sup>10</sup> Countries can access up to \$500K from the GEF in one of three ways: 1) Direct access; 2) through a GEF agent; and 3) through the UNEP Umbrella projects under development.

East Asia and then Africa where countries received instruction on the analytical skills necessary to complete inventories to UNFCCC standards.

Other Research and Workshops:

- There are a number of workshops each year that engage in substantive work to develop guidelines as well as to familiarize high-level officials with the benefits of effective reporting and gain political buy-in. The OECD's Climate Change Experts Group and the Cartagena Dialogue are two important examples.
- Non-Governmental Organizations such as the World Resource and Pew Centre also make an ongoing contribution developing new ideas to improve international reporting and, in a number of cases, work directly with developing countries to improve data collection and international reporting efforts.

### **III Key Questions to Address**

- What new capacity needs have the Cancun Agreements created with respect to reporting?
- What opportunities do we have to address the ongoing issues with reporting in many developing countries and improve how support is provided?
- How can we ensure support flows to where it is needed most in the most efficient way possible?
- What kinds of training will be needed moving forward? Can the existing support mechanisms meet the new challenges? Could they be better coordinated?



## **Elements paper. Norway and Australia**

### **Mitigation outcome, Durban and beyond**

The mitigation outcome in Durban should be the starting point for anchoring mitigation pledges more firmly (eventually in a legally-binding way) and stepping up ambition on mitigation to achieve the 2 degree or lower target. As a first step, towards this outcome, it is important to have clarity on what the mitigation effort currently envisaged means in terms of emission reductions.

Developed country Parties have submitted their economy-wide emission reduction targets for 2020. These targets need to be further clarified and developed into quantified emission reduction outcomes with clarity on accounting for this outcome. This process could begin at Durban and conclude in 2013/14 after the first biennial report. It would be a step towards increasing ambition over time, firstly through the 2013-2015 review process.

Non-Annex I Parties have submitted pledges for nationally appropriate mitigation actions by 2020. As a first step, there is a need for more complete and consistent information about these pledges, in order to estimate the expected emission reduction outcome. It would underpin options to enhance implementation and increase ambition over time. The pledges put forward by non-Annex I Parties vary in nature. A more systematic and standardized description is possible, based on the main types of mitigation pledge (although care would have to be taken not to close off mitigation actions that fell outside these types). This process could begin at Durban and conclude after the first biennial report in 2013/14.

This approach would help move Parties towards a legally-binding outcome over time, where developed country Parties committed to the outcome of their mitigation target and developing country Parties committed to implement actions. It would provide a clear and robust framework for mitigation efforts in the meantime.

This paper outlines the steps that should be taken for building a solid climate agreement on mitigation, starting with the Durban outcome.

### **AIMS**

1. Have clear, complete and standardized information on all pledges for mitigation actions and targets by Durban
2. Establish international guidelines and rules for accounting of quantified emission reduction targets and actions.
3. Quantify emission outcomes by 2013-2014, based on additional information in the first biennial reports:
  - a. Quantified emissions outcomes for developed countries
  - b. Estimated emission outcomes for developing countries
4. Set out legally-binding commitments in relation to emission reduction outcomes for developed country Parties and implementation of mitigation actions by developing country Parties in 2015
5. Begin a process for scaling up the mitigation ambitions in context of the 2013-2015 review.

### **TIMEFRAME**

#### **Process up to Durban and outcomes in Durban**

1. Invite further submissions of information related to mitigation targets and actions in INF. documents. Information should be related to the type of mitigation pledge put forward, and would cover:
  - Actual mitigation pledge
  - Base year or reference year, baseline if relevant
  - Sectors and gases included
  - GWP values
  - Use of LULUCF and flexible mechanisms
  - Averaging or commitment period.
  - Other relevant information and assumptions, e.g. GDP trajectory for intensity targets

It would be preferable to have submission of information in standardized format as much as practicable. For developed country Parties, it would be mandatory to include all gases and sectors, whether LULUCF is included and in what way.

2. Decision in Durban that reflects mitigation actions or targets in updated INF document or other format, with new information included.
3. Adoption of guidelines for first biennial reports.
4. Develop principles, guidelines and rules for accounting towards targets and actions, drawing upon the rules of the Kyoto Protocol.
5. Guidelines for ICA and IAR.
6. Decision to negotiate a new treaty under the Convention

## **2012**

7. Develop modalities of process where the accounting approaches are subject to a process of international scrutiny.

## **2013-2015**

8. Submission of first biennial report.
  - Developed country Parties include relevant accounting information.
  - Developing country Parties include new or additional information on mitigation pledges, and include information accounting, where appropriate.
9. Based on information in first biennial reports, calculate:
  1. Quantified emissions outcomes for developed country Parties
  2. Estimated emission reductions for developing country Parties.

## **REVIEW**

10. Take into account the information on emission reduction estimated from biennial reports
11. Scaling up process for increasing ambition
12. Embed mitigation efforts in a new legally binding Protocol for all Parties

## H. South Africa

### ***Outline for biennial reports as part of national communications by Annex I Parties***

From South Africa, 14 June 2011

1. Agreed format to report on progress in achieving quantified economy-wide emission reduction targets
2. GHG inventory and national inventory reports
  - a. including full tables and summary tables
3. Information on mitigation actions
  - a. metrics
  - b. additions and subtractions, off-sets
  - c. common rules and basis for international assessment of LULUCF
  - d. tracking
4. Projected emissions
5. Common reporting formats for support by developed countries to developing countries
  - a. focus should be on support provided by developed countries
  - b. information on private flows should not be part of official information claimed by developed countries

## I. Switzerland

### SWITZERLAND

Submission of views on the structure of biennial reports to be produced by developed country Parties, according to decision 1/CP.16, and on the process of work from Bonn to Durban.

14 June 2011

Structure of the biennial report (BR): 4 main chapters

1. GHG Inventory Information (summary of annual national GHG emissions, key source categories, system (national arrangements) to develop national inventory, tables)
2. Emission projections (results, differences since previous report, key assumptions, model used, sector map)
3. Progress on mitigation (mitigation targets, progress towards targets, information on mitigation actions and progress with their implementation and effects, assumptions)
4. Financial, technology and capacity building support (financial support and other support provided, tables)

Miscellaneous remarks: the structure of the BR is a subset of the NC structure, BR to be short and concise, the focus of the BR produced by developed country Parties is on chapter 3 (progress towards mitigation targets), first BR to be produced in 2012, use existing guidelines including the ones developed under the KP, incorporate the result of the SBSTA work on the revision of the reporting guidelines for annual inventories into this process

Process from Bonn to Durban:

In Bonn: agree on the timeline of activities until Durban, invite submissions from Parties to bring their full views on the guidelines needed for BR before the next session of the AWG-LCA (if convened before Durban)

Before the next session (if convened): request the secretariat to prepare an analysis of the gap between the existing reporting guidelines available and the guidelines needed for BR, request the secretariat to compile the submissions received

In Durban: decide on the modalities and guidelines for the BR by developed country Parties and on the date of the first BR.

## SWITZERLAND

Submission of views on the structure of biennial reports to be produced by developing country Parties, according to decision 1/CP.16, and on the process of work from Bonn to Durban.

14 June 2011

Structure of the biennial report (BR): 3 main chapters, 1 optional

1. GHG Inventory information (summary of annual national GHG emissions, key source categories, system (national arrangements) to develop national inventory, tables)
2. Progress on mitigation (mitigation goals if applicable, progress towards goals if applicable, information on mitigation actions and progress with their implementation and effects if applicable, assumptions)
3. Financial, technology and capacity building support (financial support and other support received)
4. OPTIONAL: Emission projections (results, key assumptions, model used, sector map)

Miscellaneous remarks: the structure of the BR is a subset of the NC structure, BR to be short and concise, the focus of the BR produced by developing country Parties is on chapter 1 (GHG Inventory information), first BR to be produced in 2014 by at least the main emitters among the developing countries (because they also have the capacity), use existing guidelines including the ones used by developed countries if useful, flexibility in the guidelines to reflect national capabilities and the diversity of NAMAs (tiered, layered approach), develop the guidelines in a learning-by-doing fashion (improvement over time), essential that developed countries provide the means (financial, technology and capacity building) to the developing countries so that they can produce their BR (help build national system), the GEF could play a key role in providing such support, but its resources should be scaled-up to that end

Process from Bonn to Durban:

In Bonn: agree on the timeline of activities until Durban, invite submissions from Parties to bring their full views on the guidelines needed for BR before the next session of the AWG-LCA (if convened before Durban)

Before the next session (if convened): request the secretariat to prepare an analysis of the gap between the existing reporting guidelines available and the guidelines needed for BR, request the secretariat to compile the submissions received

In Durban: decide on the modalities and guidelines for the BR by developing country Parties, on the date of the first BR and on the reference year for the figures in the BR (for example 2010).

## J. Umbrella Group

### Elements Paper on Biennial Reports for Durban Outcome

The Bali Action Plan initiated discussions on developing a more transparent MRV process to enhance understanding of global GHG emissions and the mitigation targets and actions Parties have committed to implement. To demonstrate a shared commitment to these objectives, Paragraphs 46 and 66 of the Cancun agreement set out a work program to implement more frequent and robust reporting as well as processes for international assessment and review (IAR) and international consultations and analysis (ICA).

Biennial reports should be succinct and focused updates of national communications and include information on current emissions, mitigation targets and/or actions and provision and receipt of support. The reports should be short and streamlined, generally in the range of 10-15 pages, and wherever possible include tabular information.

In order to ensure the 2013/2015 Review of our long term objective is effective, we will need information on the majority of emissions and the status of implementation of the most significant mitigation targets and actions. While developed countries will take the lead, all countries with significant emissions or mitigation targets/actions should submit biennial reports to inform the 2013/2015 Review. A first round of biennial reports from all Annex I Parties and from those non-Annex I Parties with greater capability and/or contribution to global emissions will be an essential part of informing the 2013/2015 Review.

We recognize that many developing countries, particularly LDCs and SIDS, face challenges with respect to reporting, and would therefore not expect them to submit in the first round of biennial reporting. The timing, quality and completeness, of reports will vary according to each country's capability, as agreed in Paragraph 60(c) of the Cancun Agreements.

COP 17 in Durban, South Africa offers a critical milestone. To keep on track we must leave Durban with clear agreement on 1) the guidelines for the first biennial reports and the date they will be submitted and; 2) a specific process for elaborating further guidelines. Such an agreement would provide Parties with the necessary certainty to initiate their first biennial reports as we work to perfect the guidelines over time.

### Biennial Report Guideline Elements

#### Annex I

1. **National GHG Inventory** - summary tables and summary information on national inventory arrangements (in addition to full annual inventory submitted separately)
2. **Mitigation target and actions**
  - a) Description of target and updated information on any major policies and measures used in implementation, including:
    - Description
    - Coverage (sectors, sinks, gases, etc...)
    - Base year
    - LULUCF approach
    - Information on the use of international or domestic emission reduction credits (e.g. offsets) or allowances, as well as information on rules/documentation/verification of such units.
  - b) Progress in emission reductions and implementation of major policies and measures, including, where possible, supplementary information on emission reductions/removals achieved;
3. **Projections** – Updated summaries of projections with and without actions and with optional additional measures, including any updates from full national communications;
4. **Information on support provided**, including:
  - By recipient country;
  - By thematic area and sector;

- By channel, including operating entities of the financial mechanism and other bilateral, regional and multilateral channels; and
- If available, on private sector financial flows leveraged by public finance and catalyzed through public policies; and
- Explanation of methodologies and assumptions used to calculate the figures provided.

## Non-Annex I

### 1. **National GHG Inventory**

Guidelines for the first biennial report:

- For the year [2010] [X-2] [X-3]
- Continue using UNFCCC NAI Greenhouse Gas Inventory Software (based on 1996 IPCC Guidelines and 2000 Good Practice Guidance and 2003 Good Practice Guidance for LULUCF) to calculate and report GHG emissions and removals, and report key category analysis
  - Parties are encouraged to report six gases
  - Parties are encouraged to use higher tier methods for key categories
  - Parties are encouraged to use 2006 IPCC Guidelines
- Should provide all sector spreadsheets and summary tables (Dec. 17/CP. 8)
- National inventory report to include information on the compilation of the inventory, including, inter alia, a summary of institutions, data sources and methods.

In Durban, Parties should agree on the process, content and guidelines for subsequent biennial reports and other related reporting.

### 2. **Mitigation actions** - for each listed action or suite of actions (both supported and unsupported):

- Description:, including information on the nature of the action, base year, coverage (sectors, sinks, gases, etc...), quantitative goals and progress indicators;
- Information on the progress of implementation, and the results so far:
  - Estimated outcomes (metrics depending on type of action);
  - Estimated emission reductions, to the extent possible; and
  - Information on methodologies and assumptions (specific to the mitigation action, including where relevant, methods for determining BAU, or other metrics).
- Information on the use of international or domestic emission reduction credits (e.g. offsets) or allowances as well as information on any rules/documentation/verification of such units.

### 3. **Domestic MRV** - description of system of domestic MRV, with any updates from previous reports.

### 4. **Support received:** For mitigation actions funded by international finance (e.g. the GEF, Green Climate Fund, multilateral or regional institutions or programs, or developed country parties) technology, and capacity building support received for such actions, the proportion of costs from various sources of funding, the mitigation and/or other results achieved, and, as appropriate, relationship to the needs identified in the Party's low-carbon development strategies.

## K. Umbrella Group

### Elements Paper on ICA/IAR for Durban Outcome

Paragraphs 46 and 66 of the Cancun Agreements set up a process for establishing international assessment and review (IAR) for developed countries, and international consultation and analysis (ICA) for developing countries. We consider that ICA and IAR should be tailored to an international climate regime that encompasses a diversity of targets, actions, and measures to reduce emissions, appropriate to each country's national circumstances.

We consider that ICA and IAR should therefore be flexible to reflect different countries' capacities and actions. However, the need for flexibility should be balanced by the need to facilitate common understanding of each others' actions, in order to build understanding and confidence amongst Parties. We consider that facilitating understanding and capacity-building are key; ICA and IAR should promote constructive and non-confrontational interactions rather than punitive elements. Properly designed, these processes will help generate ideas on best practices, identify opportunities and appropriate assistance if necessary, to increase further ambition and build confidence in environmental integrity.

With environmental integrity as a guiding principle, we consider that ICA and IAR could embody a process to determine: (a) whether a Party's actions are implemented and effective in achieving their objective; (b) what rules or methodologies a Party has applied; (c) how a Party achieves a reduction outcome or target; and (d) measures to avoid the double-counting of efforts. Effective IAR and ICA will provide a foundation to assess if the world is on track to meet its temperature goal.

We should aim to reach agreement in Durban on the modalities of ICA and IAR in parallel with guidelines on biennial reporting. A robust process of reporting and verification is essential to ensure high-quality inputs to the 2013/2015 Review.

### ICA and IAR Guideline Elements

#### Annex I IAR:

5. **Purpose:** aim to increase confidence and promote comparability of reported GHG emissions information and increase transparency of implementation of mitigation targets.
6. **Process:** non-intrusive, non-punitive, respectful of national sovereignty, facilitative in nature, advisory, informative, building on international experience.
7. **Review:** Enhance national communication review guidance, building on existing guidelines (Decisions 2/CP.1, 9/CP.2, 6/CP.3 and 33/CP.7) and inventory review guidelines (19/CP.8), as well as other processes and experiences related to review, to develop a single, comprehensive set of guidelines, to include:
  - In-depth review by expert teams, and provisions for the conduct/selection of experts
    - Basis of review - national communications, including additional reporting content required by 1/CP.16 (biennial reports, including supplementary information on emission reductions and removals and provision of support)
  - The review process for annual GHG inventories
  - An outline of the in-depth review summary report.
    - Report will be shared with the Party for review and comment, with the aim of resolving any differences of opinion between the technical experts and the Party on the report, and incorporating Party comments where differences cannot be resolved.
8. **International Assessment:**
  - Basis for assessment: biennial reports (including supplementary information on emission reductions and removals and annual inventories) and the in-depth review summary report.
  - Conduct of Assessment: to include provisions on the procedures for the SBI session and for follow-up questions



- Meeting under the auspices of the SBI, open to all, following completion and circulation to Parties of the in-depth review report, to include oral questions and Party responses.
- The tenor of the session is to be a facilitative sharing of views – respectful, non-confrontational, confidence-building, and focused on the content of the biennial report and the in-depth review.
- Parties would be invited to submit written follow-up questions within a specified time period (e.g. two weeks), to be answered by the Party shortly thereafter (e.g. two months).
- Outline of Summary Report: including provisions on the content of the summary report
  - To include the in-depth review summary report, a summary of the SBI session, the written questions and answers, and any observations the Party concerned wishes to include.

#### Non-Annex I ICA:

9. **Purpose:** aim to increase confidence and promote comparability of reported GHG emissions information and implementation of mitigation actions and their effects. Aim to provide transparency within the UNFCCC system, and will be instructed not to analyze the appropriateness of a Party's choice of domestic policies and measures or their consistency with other international obligations.
10. **Process:** non-intrusive, non-punitive, respectful of national sovereignty, facilitative in nature, advisory, and informative.

#### **11. Analysis**

- Selection of experts, including provisions on the nomination of experts, the role of secretariat staff, and the assignment of experts to analyses.
  - A group of [five to eight] technical experts would be selected by the Secretariat, drawing from Party-nominated experts and professional Secretariat staff, balanced for expertise (e.g., energy statistics) and developed/ developing country diversity.
  - Two to three experts would focus on the inventory alone.
- Technical analysis of the report, including:
  - Analysis of the national inventory, focusing on methodological questions;
  - Analysis of the implementation of suite of actions and the emissions benefits gained, the methodologies and assumptions, and the Party's domestic MRV process and support received.
  - The experts would be authorized to meet directly with Party representatives, request additional documentation or information from the Party, conduct in-country visits as necessary, and solicit information from stakeholders.
- Outline of the Analysis Report:
  - The analysis report will be shared with the Party for review and comment, with the aim of resolving any differences of opinion between the technical experts and the Party on the report, and incorporating Party comments where differences cannot be resolved.
  - The final analysis report should be made available at least two, and preferably four, weeks before the next COP.

#### **12. International Consultations**

- Basis for consultations: biennial report and analysis report
- Conduct of the SBI session, including provisions on the procedures for the session and for follow-up questions:

- Meeting under the auspices of the SBI, open to all, following completion of the analysis report. Parties with commonalities and anticipating fewer questions may go as a group.
- The tenor of the session is to be a facilitative sharing of views – respectful, non-confrontational, confidence-building, and focused on the content of the biennial report(s) and the experts’ analysis.
- Parties would be invited to submit written follow-up questions within a specified time period (e.g. two weeks), to be answered by the Party shortly thereafter (e.g. within two months).
- Outline of the Consultations Summary Report:
  - To include the technical expert analysis report, a summary of the oral consultations, the written questions and answers, and any observations the Party concerned wishes to include.

### **III. Nationally appropriate mitigation actions by developing country Parties (agenda item 3.2.2)**

#### **A. Alliance of Small Island States**

##### **AOSIS input to technical spin-off group on biennial reports for developing country Parties.**

- Associate with Brazil for G77/China.
- Crucial for AOSIS that Durban deliver internationally agreed guidance to non-Annex I Parties' for the preparation of biennial update reports, beginning no later than 2013. See as an important input to the 2013-2015 review and to help build a global picture of our efforts to fight climate change.
- Pleased to see degree of convergence.

##### **Content**

- Agree with India and South Africa biennial updates as a subset of the National communications, focused on elements set out in Para 60(C).
- Agree with Egypt that there are four main areas where information needs to be enhanced:
  - GHG inventory: thought should be given to coverage of gases, improving the understanding of emissions over time, sectoral information and inventory related institutional arrangements.
  - Mitigation actions: information on planned or implemented mitigation actions.
  - Needs: identify areas where support would enhance the mitigation outcome. On this, some linkage with the Registry, don't want to duplicate, but additional element here is for reporting.
  - Support received: Common Reporting Format tables should be developed to report on the support provided by developed countries to reporting countries, to identify what is new and additional, to distinguish between mitigation and adaptation support, and to prevent double counting.
- We recognise that for many non-Annex I Parties, particularly LDCs and SIDS, there will be major challenges related to capacity, and that financial and technical support will be required. As such, flexibilities might be provided through the use of a tiered approach, including that related to the content and level of detail required in connection with enhanced national communications, including biennial reports.
- Having said that, we must avoid approaches which fully condition reporting on financial support. We don't believe this to be the spirit of 1/CP.16.
- Nevertheless, early flows of funding support and technical assistance is essential to enable preparation of biennial update reports – guidance to GEF to ensure financial resources are made available and to simplify and expedite its procedures for the allocation of funding for biennial reports. Such flows should not compromise flows available for adaptation.

##### **Process**

- Indicative timeline for activities between now and Durban including:
  - Schedule of workshops and meetings in session to develop and finalise guidelines for adoption at COP17.
- Work in prompt report from GEF and a TP. Highlight what will be req'd going forward.
- Workshop and in-session meetings to develop detailed textual proposals on the guidance for biennial reports.
- Use list of elements/non-paper prepared by Facilitators based on discussions in Bonn as an initial guide for work going forward.

### Indicative Timeline

Date	Elements	Outputs
June session	Timeline of activities	Schedule of events towards Durban
June session	Scope of work programme	Co-facilitators' list of elements of work to be elaborated.
Sept/Oct session/workshops	Provision of support	Secretariat to provide technical input and design guidance for CRF tables.
Sept/Oct session/workshops	Guidelines for biennial update reports	Prepare draft guidelines for biennial update reports
Sept/Oct session/workshops	Guidelines for enhanced NAI national communications	Prepare revised guidelines for NAI national communications
Sept/Oct session/workshops	Guidelines and modalities for ICA	Workshop on ICA Progress on ICA options and schedule Secretariat to prepare technical paper on ICA in other multilateral fora
COP17	Provision for support	Adopt CRF tables for support at COP17 Adopt guidance to GEF for expediting funding for preparation of biennial reports
COP17	Guidelines for Biennial update reports	Adopt NAI biennial reporting guidelines at COP17
COP17	Guidelines for enhanced non-A1 nat comms	Adopt revised NAI National Communication guidelines at COP17
COP18	ICA	Adopt ICA Guidelines

## B. Alliance of Small Island States

### AOSIS input to technical spin-off group 3.2.2 (International Consultation and Analysis)

#### Timeline

- The ICA process could aim to begin in 2013 with a limited number of countries, possibly through a pilot version of the process for volunteer countries. ICA can be phased in to cover a broader grouping of countries over time. Given the number of Parties involved, consideration might be given to prioritizing ICA, and the frequency of ICA, over time for countries responsible for a relatively large share of emissions.
- An entire ICA cycle of countries should aim to be completed over a fixed timeframe.
- Flexibility should be afforded to LDCs and SIDS in the frequency and application of the ICA process. However, where these countries wish to participate, to highlight their mitigation efforts or progress or to highlight their adaptation efforts and needs, this should be encouraged and funded.

#### Content

- ICA must aim to support developing countries in building their reporting capacities. This should include expert reviews which can provide guidance and support to help improve developing countries national reporting systems.
- The general guidelines for domestic verification of mitigation actions, to be developed internationally, will need to run in parallel with ICA, to ensure clarity in understanding developing countries' efforts to meet their pledges.
- These general guidelines should address:
  - guidance on Parties' national arrangements for measuring emissions in the sectors targeted by mitigation actions or for economy-wide reductions;
  - guidance on accepted methodologies and assumptions selected to establish baselines and estimate emission reductions projected;
  - a methodology for quantification of achieved emissions reductions from actions;
  - guidance on systems to verify emission reductions or removals from identified actions.
- These guidelines should support developing countries in their domestic activities and minimize resources needed to develop the appropriate national systems.

#### Process

- The Secretariat could prepare a background paper on the experience of other multilateral processes in conducting facilitative reviews that may share similar goals to ICA goals, including review processes are now conducted for Annex I inventories under the Convention and Kyoto Protocol.

## Indicative Timeline

<b>Date</b>	<b>Elements</b>	<b>Outputs</b>
June session	Timeline of activities	Schedule of events towards Durban
June session	Scope of work programme	Co-facilitators' list of elements of work to be elaborated.
Sept/Oct session/workshops	Provision of support	Secretariat to provide technical input and design guidance for CRF tables.
Sept/Oct session/workshops	Guidelines for biennial update reports	Prepare draft guidelines for biennial update reports
Sept/Oct session/workshops	Guidelines for enhanced NAI national communications	Prepare revised guidelines for NAI national communications
Sept/Oct session/workshops	Guidelines and modalities for ICA	Workshop on ICA Progress on ICA options and schedule Secretariat to prepare technical paper on ICA in other multilateral fora
COP17	Provisions for support	Adopt CRF tables for support COP17 Adopt guidance to GEF for expediting funding for preparation of biennial reports
COP17	Guidelines for Biennial update reports	Adopt NAI biennial reporting guidelines COP17
COP17	Guidelines for enhanced nonAI national communications	Adopt revised NAI National Communication guidelines COP17
COP18	ICA	Adopt ICA Guidelines

## C. Brazil

### **Views presented by Brazil** **Biennial Update Reports as part of National Communications from Parties not included in Annex I to the Convention.**

#### ***General remarks***

- Biennial update reports are part of National Communications from Parties not included in Annex I to the Convention;
- Biennial update reports should contain streamlined and updated information communicated through national communications;
- Biennial update reports demand commensurate support for reporting by all developing country parties, with additional flexibilities, consistent with capabilities and national circumstances.

#### ***Content of the biennial update report***

Before getting into the discussion on the content of the biennial update reports, it is important to highlight that, in accordance with the Cancun agreement, no decision was taken to review the current guidelines for national communications from NAI Parties (guidelines which are contained in decision 17/CP. 8).

The annex to decision 17/CP.8 contains all the elements that are needed in building the outline of the biennial update report:

1. Executive Summary;
2. Information on national circumstances and on institutional arrangements relevant to the preparation of the national communications on a continuous basis;<sup>1</sup>
3. National Greenhouse Gas Inventory<sup>2</sup> following the methodologies of the current guidelines.;  
Summary of national GHG emissions by sources and removals by sinks (containing an update based on the best information available).
4. Programmes containing Measures to Mitigate Climate Change<sup>3</sup>
5. Constraints and Gaps, and Related Financial, Technical and Capacity Needs,<sup>4</sup> containing information on:
  - Financial support received
  - Other support received
  - Financial Needs
  - Technical and Capacity Needs

The language contained in the current guidelines offers the level of flexibility necessary to build upon the outline needed.

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We believe that this process should allow for enhanced information by Non Annex I Parties, either through their national communications or through the biennial update reports, pending the provision of support and according to national capabilities and circumstances.

In terms of procedure, beyond our suggestion, previously presented, for a GEF report on ways that

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<sup>1</sup>which corresponds to the Section II and part of the content of para 5 of the annex to Decision 17/CP.8

<sup>2</sup>which corresponds to the Section III of the annex to Decision 17/CP.8

<sup>3</sup>which corresponds to Section IV.B of the annex to Decision 17/CP.8

<sup>4</sup>which corresponds to Section VI of the annex to Decision 17/CP.8

financing could be offered for biennial updates and a technical paper from the Secretariat on additional options for future financing of biennial updates, both for the next session, we believe that any expert work should be undertaken in-session, to ensure broad participation.



## D. Costa Rica on behalf of Chile, Colombia and Mexico

### **Costa Rica on behalf of Chile, Colombia and Mexico**

#### Biennial reports

As previous speakers have mentioned, further aspects for the development of biennial reports need to be ready for Durban so that these are prepared as soon as possible for this, by 2012, or sooner, funding and capacity building, need to be made available considering the timing of the global review.

In this sense, the availability of the biennial reports will be essential to address the question of ambition. It is crucial that starting 2012 developing countries receive required support to elaborate biennial reports, taking into account their respective capabilities and have them ready by either 2013 or 2014 as they will be valuable inputs for the review. The information presented in these reports, (as defined in paragraph 60c of decision 1 cp 16) as well as other information, will be used to prepare recommendations of required actions to obtain an upward spiral on emission reductions by 2015 to close our emission reduction gap.

- We reiterate that Biennial Reports are updates, but that they have to be as comprehensive as possible
- We also want to reiterate that Biennial Reports for NAI can be a step-change in reporting frequency, and so flexibility is needed for the first report we prepare;
- We believe there needs to be principles on how to operationalise flexibility for example via "reporting layers or tiers and potentially through a phased approach;
- content of Biennial Reports for Non Annex One, as per decision 1CP16, should include:
  - emissions inventory with National Inventory Reports in an annex
  - information on support received;
  - overall progress on mitigation actions including and information on implemented NAMAs, including estimated emission reductions and costs related;
  - projections (for Non Annex One with national or sectoral goals);
  - Unilateral mitigation goals and progress made for these goals. This would mean that the registry would reflect intended (ex-ante) NAMAs in an individual form, unilateral or those seeking support, plus tradable or market NAMAs hopefully. The reports would be the ex-post description of aggregated reductions achieved, and how that brings the country closer to its reduction goals, if they have any.

Finally, as a way forward we support further development of this issue in expert group meeting between now and Durban.

## E. Egypt

### **Submission by Egypt 1bii, Biennial Reports from non-Annex I Parties**

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1-The outcome of the work of the Conference of the Parties to define the modalities for biennial update reports for non-Annex I Parties should be consistent with the provisions of the UNFCCC and the mandate defined in paragraphs 60 (c) and 66 of decision 1/CP.16, addressing biennial reports of developing countries and the mitigation work program respectively.

2-a-The mandate does not include the revision of existing guidelines for the preparation of non-Annex I national communications.

b-Paragraph 60 (c) defines the 4 elements of the biennial reports as follows:

- (1) Updates of national greenhouse gas inventories.
- (2) Information on mitigation actions.
- (3) Needs.
- (4) Support received.

c-In paragraph 66 the Parties have unequivocally agreed to consider "biennial reports as part of national communications from Parties not included in Annex I to the Convention".

3-Paragraph 60 (c) provides flexibility regarding the frequency and the content of biennial reports based on 2 criteria:

a- Capabilities of developing countries.

To ensure a smooth and effective implementation the capability should be determined by the developing country in question.

b- The level of support provided for reporting.

4-The next steps before Durban should include the following:

a- An additional official session of the LCA to consider and finalize agreed text on the issue.

b- An assessment of the following elements that would help the Parties reach an informed and implementable decision on biennial reporting for non Annex I Parties:

- (1) The financial implications/requirements of a sustainable process for biennial reporting.
- (2) The funding that is already available to provide support for biennial reporting from developing countries.
- (3) An evaluation of the possibility of launching a sustainable process for biennial reporting based on the financial requirements and the funding available.

The required assessment could be done through a workshop to be organized before or during the next session of the LCA to analyze technical papers to be prepared by the Secretariat.

## F. European Union and its member States

### Outline biennial report non-Annex I

#### 1) *GREENHOUSE GAS INVENTORY INFORMATION, INCLUDING NATIONAL INVENTORY REPORT*

*A. CRF Tables covering all sectors and gases*

*B. National Inventory report (including information on inventory preparation, institutional arrangements, trends of GHG emissions, data collection, quality assurance/quality control procedures, description of methodologies and data sources used, description of key categories, , improvements envisaged)*

#### 2) *MITIGATION ACTIONS*

*A. Description (including objective, status of implementation, implementing entity, GHG affected, sector, description of domestic or international MRV procedures applied,*

*B. Mitigation actions (per sector) and their effects and/or related indicators (along with progress achieved) , associated methodologies and assumptions*

*C. Assumptions, baseline used*

#### 3) *FINANCIAL SUPPORT RECEIVED*

*A. Financial resources received in common reporting templates (including information on types of support received (grants, loans, others), areas where support was received (eg, mitigation, adaptation), type of channel through which support was received (bilateral, multilateral))*

G. Republic of Korea

**Intervention by Korea on the Registry (14 June 2011)**

Korea is of the view that operationalizing the registry is one priority among our works regarding developing countries' mitigation actions. To help Parties envisage how recording NAMAs in the registry would work, the Secretariat will be able to provide Parties with some relevant good practices. The Secretariat would also be able to compile mitigation actions in the INF document in a more arranged manner as a prototype of the registry. Those actions may correspond to the content specified in the paragraph 56 (a) of 1/COP.16 in a sense that they can be scaled up with appropriate international support. In this context, Korea supports the idea that double listing in the matching section and the recognition section would be allowed.

In terms of the information to be given in NAMA proposals, Korea views that there could be flexibility about the aspect of estimated emission reduction. The requirement of specifying effects of actions, if any, should not place a hurdle for developing countries to receiving support for realizing their mitigation potential.

Korea expects further discussions on the modalities and the guideline of the registry including information to be given by available support, the matching criteria and ways to maintain balance between need for support and support available actually.

## H. New Zealand

### NEW ZEALAND INTERVENTION 14-06-11

#### **Biennial Update Reports (BUR)    Non-Annex I**

- It will be good to have clarity on the process between now and Durban or indeed between now and a session in the fall if there is one.
- It's clear we need an ambitious work programme.
- We think that submissions from parties would also be useful.
- On the basis of these submissions the Secretariat could help advance our work through either a synthesis of those submissions or begin to scope what the guidelines might look like.
- We believe that additional technical expert meetings must be organized so that the Durban meeting can agree the guidelines for the first biennial reports and the date they will be submitted.
- I make these points in here on developing country BURs but this is also necessary for developed country Biennial Reports.
- To reiterate:
  - 1) Submissions from parties
  - 2) Preparatory work by the secretariat based on Party submissions and the discussions here in Bonn
  - 3) Technical expert meetings.

Differences in the capacity of developing countries will necessitate flexibility in reporting guidelines. We need to find a way to incentivize better reporting by countries to the best of their ability, and to work toward continual improvements over time. Learning by doing is important, we're certainly not expecting perfection. We acknowledge that capacity is an issue that needs to be addressed.

On the elements of the BUR Guidelines we would suggest the following 4 elements: National GHG Inventory, Mitigation actions, domestic MRV and Support received.

1.    **National GHG Inventory**
  - For the year [2010]
  - National inventory report to include information on the compilation of the inventory, including, inter alia, a summary of institutions, data sources and methods.
2.    **Mitigation actions**    for each listed action or suite of actions (both supported and unsupported):
  - Description:, including information on the nature of the action, base year, coverage (sectors, sinks, gases, etc...), quantitative goals and progress indicators;
  - Information on the progress of implementation, and the results so far:
    - Estimated outcomes;
    - Estimated emission reductions; and
    - Information on methodologies and assumptions.
  - Information on the use of international or domestic emission reduction credits is also useful.
3.    **For Domestic MRV** - a description of the system of domestic MRV, with any updates from previous reports.

4. **Support received:** For mitigation actions funded by international finance

## I. New Zealand

### Principles of a registry mechanism

1. Thank you co-facilitator. First, I'd like to thank others for the views they have expressed on the purpose and function of a registry is. It is clear that there are many policy issues still to be resolved. There are many perspectives, many interpretations – I would like to outline our preliminary views. In the interests of time, I'll keep this short.
2. New Zealand sees the registry as a tool that developing country Parties and providers of support can voluntarily use, to record proposed mitigation actions and support available. Paragraph 53 of 1/CP.16 states that the registry will 'facilitate matching'.

In our view the Registry would not have the power to determine, but rather to facilitate 'matching'. Like Brazil, we think the registry is where information comes together.

The registry does not have decision-making authority over the sources of support that will be listed in it. So it cannot allocate support to NAMAs, nor can it make 'matches' or guarantee funding for proposed actions listed in it.

3. New Zealand would also like to clarify that voluntary recording of actions in a registry is not a substitute for reporting through national communications, be they biennial update reports or full national communications. The registry is a voluntary mechanism, so it cannot serve as a comprehensive reporting vehicle.  
As agreed in the Cancun outcome, national communications and biennial reports will be the primary tools for reporting Parties' mitigation actions.
4. New Zealand agrees that a registry can provide a channel for recording and recognising NAMAs.  
However, the voluntary 'recording' of actions in the registry should not replace the need for Parties to inscribe their mitigation actions - the appropriate place for such inscription of these actions is in a schedule or annex.  
Thank you, co-facilitator.

## J. New Zealand

### **New Zealand INTERVENTION 15-06-11**

#### **Developing countries - ICA**

Thank you, co-facilitator.

International consultation and analysis of developing country biennial update reports is a critical part of the package agreed in Cancun. We are happy to explore its modalities here in Bonn and prior to the next session.

New Zealand believes we should aim to reach agreement in Durban on the modalities of ICA in parallel with guidelines on biennial reporting. A robust process of reporting and verification is essential to ensure high-quality inputs to the 2013/2015 Review.

The principles associated with ICA in decision 1/CP.16 are worth repeating. They're important because they should give developing countries comfort as to the type of process envisaged. The ICA process is to be non-intrusive, non-punitive, and respectful of national sovereignty. We also think this process should be facilitative in nature, advisory, and informative. Any Party that sees ICA as a trial or some kind of court misunderstands the purpose – ICA is a process of transparent information sharing.

We understand ICA as having a technical component (the “analysis”) followed by a more consultative/public component (the “consultation”).

The technical component involves “analysis” by a technical assessment team of the country’s biennial update report. The component parts of the biennial update report would be examined through the exchange between the country and the expert assessment team.

The country concerned could respond to the questions or suggestions of the expert assessment team. The outcome would be recorded in a report – this report would be publically available. This exchange would be in accordance with the principles I outlined earlier.

The consultation component of ICA would be conducted under auspices of the SBI and would consider the Biennial Update Report and the report of the Expert Assessment Team. To ensure enhanced transparency this consultation phase would be very much a public process. This phase would also be in accordance with the principles I outlined earlier.

The consultation would include opportunities for questions and response.

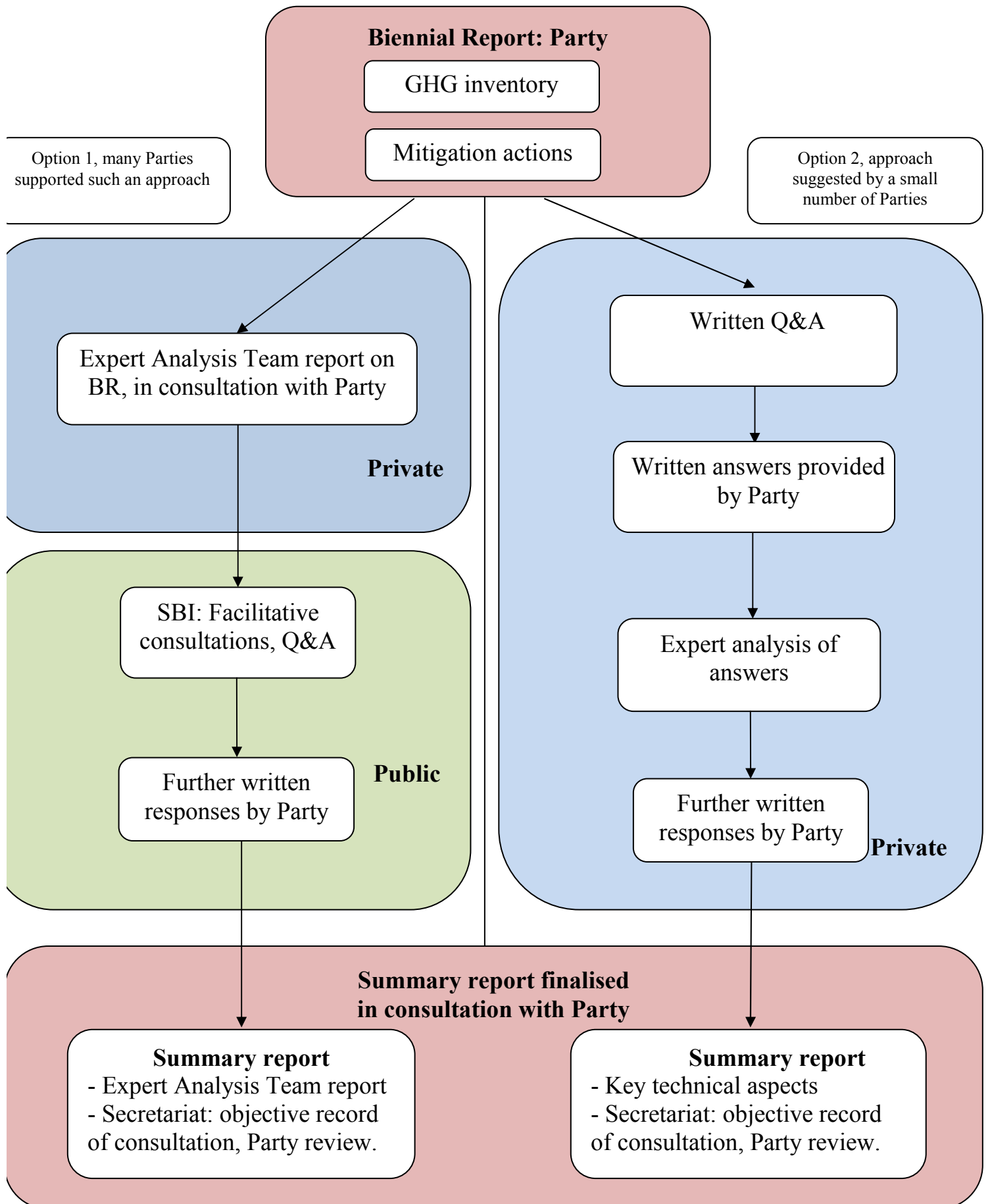
The consultation would also result in an objective record of the discussion and a final summary report. We suggest that the Secretariat could produce this final summary report.

To summarise - We envisage a technical assessment of the biennial update report, followed by consultations, including questions and responses from Parties in an open forum conducted under auspices of the SBI. Outputs of the ICA process would be a technical assessment report, an objective record of the consultations, and a summary report.

Thank you, co-facilitator



**Two options described for key steps in the ICA process**



## **Elements paper: Norway and Australia**

### **Mitigation outcome, Durban and beyond**

The mitigation outcome in Durban should be the starting point for anchoring mitigation pledges more firmly (eventually in a legally-binding way) and stepping up ambition on mitigation. As a first step, towards this outcome, it is important to have clarity on what the mitigation effort currently envisaged means in terms of emission reductions.

Developed country Parties have submitted their economy-wide emission reduction targets for 2020. These targets need to be further clarified and developed into quantified emission reduction outcomes with clarity on accounting for this outcome. This process could begin at Durban and occur in 2013/14 after the first biennial report. It would be a step towards increasing ambition over time, firstly through the 2013-2015 review process.

Non-Annex I Parties have submitted pledges for nationally appropriate mitigation actions by 2020. As a first step, there is a need for more complete and consistent information about these pledges, in order to estimate the expected emission reduction outcome. It would underpin options to enhance implementation and increase ambition over time. The pledges put forward by non-Annex I Parties vary in nature. A more systematic and standardized description is possible, based on the main types of mitigation pledge (although care would have to be taken not to close off mitigation actions that fell outside these types). This process could begin at Durban and occur after the first biennial report in 2013/14.

This approach would help move Parties towards a legally-binding outcome over time, where developed country Parties committed to the outcome of their mitigation target and developing country Parties committed to implement actions. It would provide a clear and robust framework for mitigation efforts in the meantime.

This paper outlines the steps that should be taken for building a solid climate agreement on mitigation, starting with the Durban outcome.

### **AIMS**

1. Have clear, complete and standardized information on all pledges for mitigation actions and targets by Durban
2. Establish international guidelines and rules for accounting of quantified emission reduction targets and actions.
3. Quantify emission outcomes by 2013-2014, based on additional information in the first biennial reports:
  - a. Quantified emissions outcomes for developed countries
  - b. Estimated emission outcomes for developing countries

4. Set out legally-binding commitments in relation to emission reduction outcomes for developed country Parties and implementation of mitigation actions by developing country Parties in 2015
5. Begin a process for scaling up the mitigation ambitions in context of the 2013-2015 review.

## **TIMEFRAME**

### **Process up to Durban and outcomes in Durban**

1. Invite further submissions of information related to mitigation targets and actions in INF. documents. Information should be related to the type of mitigation pledge put forward, and would cover:
  - Actual mitigation pledge
  - Base year or reference year, baseline if relevant
  - Sectors and gases included
  - GWP values
  - Use of LULUCF and flexible mechanisms
  - Averaging or commitment period.
  - Other relevant information and assumptions, e.g. GDP trajectory for intensity targets

It would be preferable to have submission of information in standardized format as much as practicable. For developed country Parties, it would be mandatory to include all gases and sectors, whether LULUCF is included and in what way.

2. Decision in Durban that reflects mitigation actions or targets in updated INF document or other format, with new information included.
3. Adoption of guidelines for first biennial reports.
4. Develop principles, guidelines and rules for accounting towards targets and actions, drawing upon the rules of the Kyoto Protocol.

## **2012**

5. Develop modalities of process where the accounting approaches are subject to a process of international scrutiny.

## **2013-2015**

6. Submission of first biennial report.
  - Developed country Parties include relevant accounting information.
  - Developing country Parties include new or additional information on mitigation pledges, and include information accounting, where appropriate.
7. Based on information in first biennial reports, calculate:

1. Quantified emissions outcomes for developed country Parties
2. Estimated emission reductions for developing country Parties.

## **REVIEW**

8. Take into account the information on emission reduction estimated from biennial reports
9. Scaling up process for increasing ambition
10. Embed mitigation efforts in a new legally binding Protocol for all Parties

## M. Saudi Arabia

Saudi Arabia associates itself with the statements made by:

- Brazil on behalf of the G77 and China, as well as Brazil,
  - India
  - China
  - Egypt
  - Pakistan
  - Singapore
  - Philippines
1. Saudi Arabia does see the biennial reports' mandate as per paragraph 60 (c) and conditional on the support received.
  2. Saudi Arabia also understands that the biennial reports are part of the NAMAs per para 66. As such, Saudi Arabia does not see the applicability of para 64, which is a supplementary to para 63. Para 63 is solely devoted to the ICA for "internationally" supported actions.
  3. Saudi Arabia fully supports the proposal for the secretariat to facilitate the provision of information on the financing arrangements by the GEF for the Non Annex I NAMAs.
  4. Finally, Saudi Arabia reiterates its position that the NAMAs for Non Annex I are voluntary and are conditional on the support provided as prescribed in the Convention. Saudi Arabia stresses that this support shall be provided to all of the Non Annex I parties and not based on a new definition of capabilities or emissions as suggested by some parties.

N. South Africa

***Outline for biennial update reports by non-Annex I Parties***

South Africa, 14 June 2011

*based on 60(c) of 1/CP.16*

1. Updates of GHG inventories
  - a. including an update of the national inventory report;
  - b. focused on areas in which there have been material changes since the last GHG inventory and inventory report, as part of the national communication.
2. Information on mitigation actions (new actions since last national communication)
3. Needs and relation to support provided by developed countries
4. Support received by developing countries

***Explanation (not part of the outline):***

Biennial reports are every two years, national communications should be every four years. This logically means that every second time, the biennial reports will coincide with national communications

The scope of the biennial update report is narrower, as appropriate for an update.

This is distinct from biennial reports which coincide with national communications

Domestic MRV is not part of this list – we do not believe that methodological matters need to be updated every two years.

BR in year of national communications – wider scope of information – those in national communications

## O. South Africa

### *South Africa intervention on ICA 15 June 2011*

#### **Introduction**

ICA is distinct from IAR, and the understanding is that it is not a review (ICA ≠ review)  
Enhances transparency of action by developing countries – mitigation actions by

#### **Inputs**

ICA applies to voluntary mitigation action by developing countries (Egypt, para 50)  
Information base – biennial reports.

- Developing country self-reporting in biennial reports to the Secretariat – specify which reports we are talking about.
- There is a distinction between the biennial reports in para 63 and the biennial update reports and that in fact this suggests a frequency of four years, but we agree with the reading by China and Egypt, that frequency is not explicitly stated in 1/CP.16)
- Building on what we said yesterday, we understand this to be biennial reports coinciding with national communications, not updates.
- It is only a PART of the national communications that is subject to ICA – clearly not adaptation in an assessment of mitigation.

We have given our understanding of the relationship between biennial reports, biennial update reports and national communications, and those to international consultation and analysis. This, together with a consideration of frequency, suggests that we might need a diagram and perhaps a time-line to reach a common understanding.

Supported NAMAs are internationally MRV'ed and do not require ICA whether or not the mitigation actions reported by developed countries have been taken as envisaged

Prompt provision of financial resources to cover the agreed full costs incurred by NAI in prep national communications – and we see biennial reports as coinciding with national communications (appreciate the indication by Aus)

#### **Process**

ICA is a facilitative sharing of views, a Party-driven process that respects national sovereignty [EU – interactive, exchange as in workshops – but do not see that applied in IAR, which must be a process with consequences)

Written exchanges among Parties on information submitted by developing countries

Start with information submitted by developing countries

Questions may be posed regarding the reports by other Parties in writing

Developing country concerned replies in writing

Secretariat compiles a synthesis of the information and written exchange among Parties, for all developing countries in the preceding period (e.g. 1 year)

The synthesis report is part of an SBI agenda item, enabling further consultation and analysis

Multi-lateral consultations under the SBI, based on a compilation of the written exchange by the Secretariat

#### **Output**

Will result in a summary report

The SBI may take note of the discussions in its conclusions

Such an output would be truly facilitative, in order to promote continuous learning and improvement of actions by developing countries, their voluntary actions

**Way forward and next steps**

submissions will be useful regarding ICA process, in time for our next negotiating session, before Durban  
useful to have a summary from you as co-facilitators on elements of both IAR and ICA

Creative – not in reinterpreting what we said, but maybe in drawing diagrams.



P. Umbrella Group (submitted on behalf of: Australia, Canada, Japan, Kazakhstan, New Zealand, Norway, Russia, Ukraine, and the United States of America)

### **Elements Paper on ICA/IAR for Durban Outcome**

Paragraphs 46 and 66 of the Cancun Agreements set up a process for establishing international assessment and review (IAR) for developed countries, and international consultation and analysis (ICA) for developing countries. We consider that ICA and IAR should be tailored to an international climate regime that encompasses a diversity of targets, actions, and measures to reduce emissions, appropriate to each country's national circumstances.

We consider that ICA and IAR should therefore be flexible to reflect different countries' capacities and actions. However, the need for flexibility should be balanced by the need to facilitate common understanding of each others' actions, in order to build understanding and confidence amongst Parties. We consider that facilitating understanding and capacity-building are key; ICA and IAR should promote constructive and non-confrontational interactions rather than punitive elements. Properly designed, these processes will help generate ideas on best practices, identify opportunities and appropriate assistance if necessary, to increase further ambition and build confidence in environmental integrity.

With environmental integrity as a guiding principle, we consider that ICA and IAR could embody a process to determine: (a) whether a Party's actions are implemented and effective in achieving their objective; (b) what rules or methodologies a Party has applied; (c) how a Party achieves a reduction outcome or target; and (d) measures to avoid the double-counting of efforts. Effective IAR and ICA will provide a foundation to assess if the world is on track to meet its temperature goal.

We should aim to reach agreement in Durban on the modalities of ICA and IAR in parallel with guidelines on biennial reporting. A robust process of reporting and verification is essential to ensure high-quality inputs to the 2013/2015 Review.

#### **ICA and IAR Guideline Elements**

##### **Annex I IAR:**

1. Purpose: aim to increase confidence and promote comparability of reported GHG emissions information and increase transparency of implementation of mitigation targets.
2. Process: non-intrusive, non-punitive, respectful of national sovereignty, facilitative in nature, advisory, informative, building on international experience.
3. Review: Enhance national communication review guidance, building on existing guidelines (Decisions 2/CP.1, 9/CP.2, 6/CP.3 and 33/CP.7) and inventory review guidelines (19/CP.8), as well as other processes and experiences related to review, to develop a single, comprehensive set of guidelines, to include:
  - In-depth review by expert teams, and provisions for the conduct/selection of experts
    - Basis of review - national communications, including additional reporting content required by 1/CP.16 (biennial reports, including supplementary information on emission reductions and removals and provision of support)
  - The review process for annual GHG inventories
  - An outline of the in-depth review summary report.
    - Report will be shared with the Party for review and comment, with the aim of resolving any differences of opinion between the technical experts and the Party on the report, and incorporating Party comments where differences cannot be resolved.
4. International Assessment:
  - Basis for assessment: biennial reports (including supplementary information on emission reductions and removals and annual inventories) and the in-depth review summary report.
  - Conduct of Assessment: to include provisions on the procedures for the SBI session and for follow-up questions

- Meeting under the auspices of the SBI, open to all, following completion and circulation to Parties of the in-depth review report, to include oral questions and Party responses.
- The tenor of the session is to be a facilitative sharing of views – respectful, non-confrontational, confidence-building, and focused on the content of the biennial report and the in-depth review.
- Parties would be invited to submit written follow-up questions within a specified time period (e.g. two weeks), to be answered by the Party shortly thereafter (e.g. two months).
- Outline of Summary Report: including provisions on the content of the summary report
  - To include the in-depth review summary report, a summary of the SBI session, the written questions and answers, and any observations the Party concerned wishes to include.

#### Non-Annex I ICA:

5. Purpose: aim to increase confidence and promote comparability of reported GHG emissions information and implementation of mitigation actions and their effects. Aim to provide transparency within the UNFCCC system, and will be instructed not to analyze the appropriateness of a Party's choice of domestic policies and measures or their consistency with other international obligations.
6. Process: non-intrusive, non-punitive, respectful of national sovereignty, facilitative in nature, advisory, and informative.
7. Analysis
  - Selection of experts, including provisions on the nomination of experts, the role of secretariat staff, and the assignment of experts to analyses.
    - A group of [five to eight] technical experts would be selected by the Secretariat, drawing from Party-nominated experts and professional Secretariat staff, balanced for expertise (e.g., energy statistics) and developed/ developing country diversity.
    - Two to three experts would focus on the inventory alone.
  - Technical analysis of the report, including:
    - Analysis of the national inventory, focusing on methodological questions;
    - Analysis of the implementation of suite of actions and the emissions benefits gained, the methodologies and assumptions, and the Party's domestic MRV process and support received.
    - The experts would be authorized to meet directly with Party representatives, request additional documentation or information from the Party, conduct in-country visits as necessary, and solicit information from stakeholders.
  - Outline of the Analysis Report:
    - The analysis report will be shared with the Party for review and comment, with the aim of resolving any differences of opinion between the technical experts and the Party on the report, and incorporating Party comments where differences cannot be resolved.
    - The final analysis report should be made available at least two, and preferably four, weeks before the next COP.
8. International Consultations
  - Basis for consultations: biennial report and analysis report
  - Conduct of the SBI session, including provisions on the procedures for the session and for follow-up questions:
    - Meeting under the auspices of the SBI, open to all, following completion of the analysis report. Parties with commonalities and anticipating fewer questions may go as a group.

- The tenor of the session is to be a facilitative sharing of views – respectful, non-confrontational, confidence-building, and focused on the content of the biennial report(s) and the experts’ analysis.
- Parties would be invited to submit written follow-up questions within a specified time period (e.g. two weeks), to be answered by the Party shortly thereafter (e.g. within two months).
- Outline of the Consultations Summary Report:
  - To include the technical expert analysis report, a summary of the oral consultations, the written questions and answers, and any observations the Party concerned wishes to include.

**IV. Various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions, bearing in mind different circumstances of developed and developing countries  
(agenda item 3.2.5)**

A. Bolivia (Plurinational State of)

**1(b)(v) Various approaches**

*The Conference of the Parties,*

*Recalling* decision 1/CP.13, paragraph 1(b)(v),

*Recognizing* that enhancing the cost-effectiveness of, and promoting, mitigation actions requires a broad range of approaches,

*Recognizing* that such various approaches impact on policies and costs that influence emissions behavior to generate opportunities to provide results in a cost-effective manner,

*Acknowledging* the role of public financing in enhancing the cost effectiveness of, and promoting mitigation actions,

*Recognizing* that enhancing the cost-effectiveness of mitigation actions enables an increase in the overall ambition to reduce global emissions,

*Recognizing* that there are low-green house emissions lifestyles, practices and infrastructures that need to be preserved and enhanced in a cost-effective manner,

1. *Decides* that the following principles shall guide the development pursuant to this decision of various approaches to enhance the cost-effectiveness of, and to promote mitigation actions:

(a) Maintaining consistency with the principles of the Convention, including that Parties should protect the climate system in accordance with their common but differentiated responsibilities and respective capabilities;

(b) Ensuring mitigation approaches are advanced in a cost-effective manner;

(c) Benefiting developing country Parties by providing lasting contributions to their sustainable development, including the promotion of technology transfer;

(d) Avoiding any means that constitute an arbitrary or unjustifiable discrimination or disguised restriction on international trade;

(e) Promoting changes in lifestyles and patterns of production and consumption;

(f) Ensuring that offsets shall not be allowed;

(g) Ensuring no net transfers of resources from developing to developed country Parties;

(h) Recognizes the fundamental role of public sources of finance in the implementation of activities;

(i) Ensuring the full respect of human rights, including the inherent rights of indigenous peoples, women, children, migrants and all vulnerable sectors;

(j) Recognizing, promoting and defending the rights of nature to guarantee harmony between humanity and nature ensuring the prevalence of all elements of nature over market interests;

(k) Ensuring that ecological functions of Mother Earth will not be commodified in order to guarantee the rights of nature;

(l) Safeguarding environmental integrity;

2. *Decides* to consider the establishment of mechanisms, at its eighteenth session, in accordance with the principles in paragraph 1 above, that enhance the cost-effectiveness of, and promote mitigation actions such as:

(a) Subsidies

(b) Taxes;

(c) Regulation and environmental law;

(d) Consumption and production;

(e) Education and capacity-building;

(f) Net reduction and avoidance of greenhouse gas emissions;

(g) Warfare impact of greenhouse gas emissions;

(h) Technology;

(i) Precautionary measures

(j) Measures and Approaches related to consumption and production

3. *Decides* to postpone the consideration of opportunities for using markets to enhance the cost-effectiveness of, and to promote, mitigation actions, until:

(a) The entry into force of the second commitment period under the Kyoto Protocol;

(b) The conclusion of discussions on market-based mechanisms in the Ad Hoc Working Group on Further Commitments of Annex I Parties under the Kyoto Protocol in order to not duplicate efforts;

(c) There is enough information and evaluation around the implications of present market-based mechanisms;

4. *Invites* Parties and accredited UNFCCC observers to submit to the secretariat, by February 2011, their views on the matters referred to in paragraph 2 to enhance the cost-effectiveness of, and to promote, mitigation actions;

5. *Requests* the Subsidiary Body for Scientific and Technological Advice to conduct a work programme with a view to recommending draft decisions for the establishment of these mechanisms to the Conference of the Parties for adoption at its seventeenth session on modalities and procedures for the mechanisms referred to in paragraph 2 above.

**Draft Decision -/CP.17**

*The Conference of the Parties,*

*Recalling* Articles 1.1, 4.1, 4.2a, 4.3, 4.7, 4.8 and 4.10 of the Convention, Article 1bv of Decision 1/CP.13 and Paragraphs 80 and 84 of Decision 1/CP.16,

*Emphasizing* the importance of achieving sustainable development through enhanced access to financial, technology transfer and capacity building from developed to developing country Parties,

*Recognizing* that Parties need to achieve the ultimate goal of the Convention to stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference to the climate system,

*Recognizing* that enhanced mitigation efforts are needed to complement the flexibility mechanisms established under the Kyoto Protocol to achieve a global net reduction of greenhouse gas emissions,

*Affirming* the need to develop new various approaches to complement the flexible mechanisms under the Kyoto Protocol the enhancement of their environmental integrity, and to supplement ambitious domestic mitigation actions of developed country Parties,

*Reaffirming* the need to enhance the cost-effectiveness of, and to promote, mitigation actions for the achievement of the objectives of the Convention, consistent with the principles of the Convention,

1. *Decides* to establish a new international mechanism, incentive-based and voluntary in nature, to ensure the avoidance/reduction of emissions relative to the net level of emissions in broad sectors of the economy, in an effort to: reach a net decrease in global greenhouse gas (GHG) emissions, foster the enhancement of the cost-effectiveness, and the promotion of mitigation actions under the Convention;
2. *Decides* that Annex I Parties of the Convention can use the mechanism referred to in paragraph 1 to comply with their quantified emission reduction limits provided the entry into force of the second commitment period of the Kyoto Protocol and the adoption of comparable efforts of quantified emissions reduction limits for those Parties that are not parties to the Kyoto Protocol, or that have stated a voluntary pledge to reduce current emission levels and to curve the trajectory of its growth;
3. *Decides* to limit the use of the mechanism described in paragraph 1 by Annex I parties to the Convention for compliance purposes up to 3 % of the total quantified emissions reductions commitments targets and objectives [*PLACE HOLDER for results of the amendment of Art 3 paragraph 9 of KP and Article 1bv of Decision 1/CP.13 mitigation targets by Annex 1 Parties under AWG-LCA*];
4. *Agrees* that the mechanism referred to in paragraph 1 of this decision shall strive to ensure a net

decrease and/or avoidance of global GHG emissions, and the governing principles all the provisions agreed in paragraph 80 of Decision 1/CP.16;

5. *Requests* the Subsidiary Body of Scientific and Technical Assistance to undertake a work program on the development of market, non-based mechanisms and various approaches, with a view to recommending a draft decision or decisions to the Conference of the Parties for consideration at its twentieth session, incorporating lessons from the work and possible synergies and coherence with institutional arrangements currently in place associated to the flexible mechanisms under the Convention addressing:

- Modalities and procedures for the mechanism referred to in paragraph 1 above;
- Specific activities to promote the readiness of Parties that voluntarily decide to participate in the mechanism referred to in paragraph 1 above;
- Measures to ensure the environmental integrity;

6. *Invites* Parties and accredited observed organizations to submit to the Secretariat, by February 21 2012, information concerning rules and procedures for the mechanism referred in paragraph 1 focusing on institutional arrangements and technical issues including methodologies with a view to ensure that avoided GHG emissions are real and verifiable, additional, permanent and without leakage, for synthesis by the Secretariat;

7. *Agrees* that developed country Parties will provide all necessary means for implementation, in particular financial support, capacity-building and transfer of technologies through the institutional arrangements under the Convention for the full operation of the mechanism referred in paragraph 1.

## C. Saint Lucia on behalf of the Alliance of Small Island States

### Alliance of Small Island States (AOSIS)

#### Inputs - Various Approaches – 3.2.5

With respect to market based mechanisms, AOSIS's submission is in MISC.2 document, at page 40. AOSIS's submission on possible non-market based mechanisms is at page 6.

For AOSIS the context in which any new possible mechanisms is very important. We need to find 10-14 gigatonnes of per year emission reductions by 2020 and this cannot be accomplished through offsets.

#### I. Market-based mechanisms

##### 1. Context for our work on various approaches:

- Emissions are continuing to increase and now at record levels
- Expanding offsets will not deliver the global reductions needed to achieve global goal of 2 degrees or the 1.5 degree goal
- More than 45% reduction below 1990 levels necessary from A1 Parties by 2020
- 15-30% reduction below BAU necessary from NA1 Parties by 2020
- Substantial net emission reductions are needed that the current system does not deliver

##### 2. How might possible new market mechanisms “build upon” existing mechanisms? (1/CP.16)

- Create opportunities / incentives for developing countries to participate in international emissions trading if they so choose, on an economy-wide or sectoral basis, without taking Annex I Party status
- Maintain and extend the existing system for the international accounting of emissions and emission reductions
- Maintain and extend Protocol provisions for reporting and review (5, 7, 8) to all Annex I Parties participating
- Establish any new mechanism in the context of ambitious internationally legally-binding economy-wide reductions for Annex I Parties – more ambitious than those in first commitment period

##### 3. What lessons from KP thus far?

- Ambitious Annex I Party targets, legally-binding at the international level are essential to drive a strong global carbon market
- Stringent baselines are essential to avoid the creation of units that do not reflect reductions significantly below BAU
- Inventories must be transparent, consistent, comparable, complete and accurate for any sector on which trading is based
- Common reporting formats, common methodologies for calculation of emissions, agreed at international level essential
- Objective, technical assessments of the inventories on which trading is based are essential for market confidence



- Industrial gases can create perverse incentives and should be addressed through non-market based mechanisms

#### **4. What types of mechanisms for consideration?**

##### **Sectoral trading**

- developing country voluntarily proposes an absolute target for a given broad sector, substantially below BAU projections
- confirmed by objective, technical review
- Allowances are issued consistent with absolute target and duration of assessment period; excess may be sold
- Risk of overselling addressed by a set-aside reserve

##### **Sectoral crediting**

- developing country wishes to participate voluntarily in international emissions trading, but does not wish to propose binding emission reduction or limitation targets
- Baseline set substantially below BAU
- At end of crediting period, credits issued for absolute emissions below the baseline
- Credits might be non-fungible with traded units, or discounted to reflect lower risk to participating developing country Party

#### **5. What benefits to developing countries?**

- Opportunity to secure/develop/extend the Kyoto architecture
- Contribute to global net emission reductions
- Access to finance for countries that have already brought forward voluntary economy-wide or sectoral emission reduction or limitation targets, or that may wish to do so
- Learning experience - gradual participation in international emissions trading
- Improve national capacity to assess and monitor emissions, to help with national SD goals (energy efficiency, energy security)

#### **6. What sectors?**

Most promising sectors for inclusion are those where all five of the following factors are present:

1. Substantial emission reductions need to be achieved;
2. Data is readily available;
3. Degree of uncertainty in emission estimates is low;
4. Substantial potential to contribute to country's sustainable development; and
5. Real, additional, measurable, verifiable, long-term global reductions can be shown

Applying these criteria, the most promising sectors might be power generation, industrial emissions, transport sector; more problematic would be LULUCF, REDD where enormous data uncertainties, large swings in annual emissions due to climate variability

#### **7. Eligibility requirements for participation:**

##### **Annex I Party eligibility:**

- Criteria that now exist under the KP:
- Have an internationally-legally binding economy-wide emission reduction commitment
- Have calculated and recorded their assigned amount for second CP
- Have in place a reliable national system / national arrangement for estimation of anthropogenic emissions by sources and removals by sinks

- Have in place a national registry

**Non-Annex I eligibility:**

- Presentation of a sectoral or economy-wide target significantly below BAU projections
- Establishment of national system for estimation of emissions by sources and removals by sinks
- Presentation of adequate time series of sectoral emissions, based on a consistent IPCC agreed methodology
- Review of baselines by objective sectoral experts
- Regular reporting on sectoral and national emissions
- Maintenance of units in an approved registry
- Procedures to avoid double counting

A phased approach could be used to assist Parties who wish to participate voluntarily; different sectors might be phased in for interested countries over time, as the necessary eligibility criteria are satisfied.

**II. Non-market based mechanisms**

- 10-14 gigatonnes per year of emission reductions are needed by 2020.
- both market based and non-market based mechanisms will be needed to realize mitigation potential at the scale required; this cannot be accomplished by offsets.
- non-market based mechanisms will be useful:
  - where potential exists for a large number of inexpensive emission reductions to flood the market, decreasing the price signal needed to incentivize more expensive or longer term emissions reductions;
  - where market based mechanisms have already led to perverse incentives to generate additional emissions;
  - where market based mechanisms might lead to increased fossil fuel dependency;
  - where unavoidable or significant uncertain exist in emission estimates (for example, the forestry sector can be problematic).

## **V. Economic and social consequences of response measures (agenda item 3.2.6)**

A. India, Argentina, China, African Group, Organization of the Petroleum Exporting Countries (OPEC) Arab Group, Thailand, Malaysia, Uruguay and Philippines

### **Submission by India, Argentina, China, African Group, OPEC, Arab Group, Thailand, Malaysia, Uruguay and Philippines on Economic and Social consequences of response measures:**

#### **Decision in order to implement paragraph 90 of 1.CP/16**

**Reaffirming** the importance of the objective of the convention, and the relevant principles and provisions of the convention related to economic and social consequences of response measures, in particular its Articles 2, 3 and 4.

**Recognizing** that the implementation of response measures to mitigate climate change taken by a Party may result in negative economic and social consequences for other Parties, and the need to take into consideration in the implementation of the commitments of the convention the situation of Parties, particularly developing country Parties, with economies that are vulnerable to the adverse impact of implementation of measures to respond to climate change, referred to in Article 4, paragraphs 8, 9 and 10, of the Convention

**Reaffirming** that responses to climate change should be coordinated with social and economic development in an integrated manner, with a view to avoiding adverse impacts on the latter, taking fully into account the legitimate priority needs of developing country Parties for the achievement of sustained economic growth and the eradication of poverty, and the consequences for vulnerable groups, in particular women and children.

**Recognizing** the importance: of avoiding or minimizing negative impacts of response measures on social and economic sectors; promoting a just transition of the workforce, the creation of decent work and quality jobs in accordance with nationally defined development priorities and strategies; and contributing to building new capacity for both production and service-related jobs in all sectors, promoting economic growth and sustainable development.

**Further agrees** that economic development is essential for developing country Parties to deal with climate change and that policies and measures taken by developed countries to combat climate change at global, national and regional levels shall not undermine the development, nor constitute a means of transferring the burden of climate change mitigation to developing country Parties.

**Decides that** the developed country Parties shall not resort to any form of unilateral measures, including tariff, non-tariff, and other fiscal and non-fiscal border trade measures, against goods and services from developing country Parties on any grounds related to climate change, including protection and stabilization of climate, emissions leakage and/or cost of environment compliance; recalling the principles and provisions of the Convention, in particular Article 3, paragraphs 1, 4 and 5, Article 4, paragraphs 3, 5 and 7, and taking into account the principles of equity, common but differentiated responsibilities and respective capabilities and the obligations of the developed country Parties to provide financial resource, transfer technology and provide capacity building support to the developing country Parties.

## B. Iran B (Islamic Republic of)

### Submission on Economic and Social consequences of response measures:

#### *Parties*

**Reaffirming** the importance of the objective of the convention, and the relevant principles and provisions of the convention related to economic and social consequences of response measures, in particular its Articles 2, 3 and 4.

**Recognizing** that the implementation of response measures to mitigate climate change taken by a Party may result in negative economic and social consequences for other Parties, and the need to take into consideration in the implementation of the commitments of the convention the situation of Parties, particularly developing country Parties, with economies that are vulnerable to the adverse impact of implementation of measures to respond to climate change, referred to in Article 4, paragraphs 8, 9 and 10, of the Convention

**Reaffirming** that responses to climate change should be coordinated with social and economic development in an integrated manner, with a view to avoiding adverse impacts on the latter, taking fully into account the legitimate priority needs of developing country Parties for the achievement of sustained economic growth and the eradication of poverty, and the consequences for vulnerable groups, in particular women and children.

**Recognizing** the importance of avoiding or minimizing negative impacts of response measures on social and economic sectors, promoting a just transition of the workforce, the creation of decent work and quality jobs in accordance with nationality defined development priorities and strategies, and contributing to building new capacity for both production and service-related jobs in all sectors, promoting economic growth and sustainable development.

**Further agrees** that economic development is essential for developing country Parties to deal with climate change and that policies and measures taken by developed countries to combat climate change at global, national and regional levels shall not undermine the development, nor constitute a means of transferring the burden of climate change mitigation to developing country Parties.

#### **Decide that, in order to implement paragraph 90 of 1.CP/16**

“Recalling the principles and provisions of the Convention, in particular Article 3, paragraphs 1, 4 and 5, Article 4, paragraphs 3, 5 and 7, and taking into account the principles of equity, common but differentiated responsibilities and the obligations of the developed country Parties to provide financial resource, transfer technology and provide capacity building support to the developing country Parties, the developed country Parties shall not resort to any form of unilateral measures, including tariff, non-tariff, and other fiscal and non-fiscal border trade measures, against goods and services from developing country Parties on any grounds related to climate change, including protection and stabilization of climate, emissions leakage and/or cost of environment compliance”.

**Non-Paper on Trade from Singapore  
(Bonn, June 2011)**

Trade – open markets and trade openness – is important for economic development, and economic development is essential for adopting measures to address climate change. Trade restrictions with the purported aim of protecting the climate is a lose-lose proposition for all Parties. It is precisely because open markets and trade openness is so important that we have consistently said that anything we do at the UNFCCC should not undermine the delicate balance of rights and obligations at the WTO. The WTO is the competent body with the requisite expertise to deal with trade rule-making. The UNFCCC is not the competent body to review, rewrite nor reinterpret the WTO Agreements.

Article 3.5 of the Convention states that “The Parties should cooperate to promote a supportive and open international economic system that would lead to sustainable economic growth and development in all Parties, particularly developing country Parties, thus enabling them better to address the problem of climate change. Measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade”.

Article 3.5 is unique in that it envisions that Parties should achieve climate objectives through an open international economic system. It is significant that the Convention differs from some other Multilateral Environmental Agreements which contain trade-related environmental measures.

Recognising that measures adopted to respond to climate change – including trade-related response measures – may have adverse economic and social consequences, the COP – through Paragraph 1 (b)(vi) of the Bali Action Plan – mandated that Parties address the economic and social consequences of response measures.

Pursuant to the Paragraph 1 (b)(vi) of the Bali Action Plan, the Cancun COP reaffirmed Article 3.5 of the Convention in Paragraph 90 of 1/CP.16.

Paragraph 90 is a good outcome. It is the right outcome. It is also a sufficient outcome.

First, Paragraph 90 sends the signal that trade restriction is not, and it is never, the answer to the climate problem. Paragraph 90 reaffirms Article 3.5: (a) a supportive and open international economic system is essential for sustainable economic growth and development in all Parties, particularly developing country Parties; and (b) Parties should not adopt arbitrary or unjustifiable discrimination or disguised restrictions on international trade.

Second, through Paragraph 90, the Cancun COP has acknowledged that the future agreement on climate change must be situated in the context of a supportive and open international economic system.

Third, Paragraph 90 is consistent with the Convention. It is also consistent with the WTO Agreements. In keeping with the spirit and letter of both the Convention and the WTO, Paragraph 90 requires **all** Parties, both developed and developing, to adhere to the elements in Article 3.5 of the Convention. The effort by **all** Parties to maintain an open international economic system is all the more important in today's globalised world. This will also help to foster both North-South and South-South trade opportunities and economic development. The WTO has cautioned that trade restrictions of its Members and observer governments have become more pronounced over the past few months. These measures were reportedly also taken on the grounds of environmental protection.

## **VI: Finance (agenda item 3.4)**

### **A. African Group**

#### **Africa's proposal on Additional items to the G77 and China proposal on ELEMENTS OF A DRAFT DECISION ON THE STANDING COMMITTEE OF THE FINANCIAL MECHANISM OF THE CONVENTION**

#### **ON ROLES AND FUNCTIONS**

- 1- improving coherence and coordination in the delivery of climate change financing, including through, *inter alia*:
  - (i) providing a forum for the exchange of information with relevant financial institutions, bilateral aid agencies, and UN agencies, outside the Convention, dealing with climate change financing on their climate-related funding activities, and assessing the information generated through the forum, including regarding the COP guidance;
  - (ii) Coordinating with other thematic bodies under the Convention to identify the gaps in implementation related to financial support.
  - (iii) assessing this information to consider its consistency with the guidance provided by the Conference of the Parties on policies, programme priorities and eligibility criteria in financing climate change;
- 2- Rationalization of the financial mechanism, including through, *inter alia*,
  - (i) Developing recommendations to rationalize the financial mechanism of the Convention and existing funds under it, for achieving cost-effectiveness and efficiency, and to avoid duplication of activities under these Funds, and ensure coherence of guidelines and modalities related to the accessibility,
  - (ii) Establishing a communication platform to advance coordination and coherence of funds under the Convention in order to improve the effectiveness of these funds through rationalization measures;
- 3- mobilization of financial resources, including through, *inter alia*
  - (i) Preparation of financial needs assessments of developing countries, based on information received from developing countries, and including through, information received from other thematic bodies under the Convention, reports on the needs and estimates of the cost of climate change by UN bodies and other Multilateral financial institutions, and any other sources of information the Committee considers;
  - (ii) Providing recommendation on the new and supplementary sources of funding, their technical feasibility, accessibility, and their impact and incidences on developing countries;
  - (iii) Development of recommendations on indicators related to burden sharing between developed country parties, including through an assessed scale of contributions of developed country parties.
- 4- measurement, reporting and verification of support provided to developing country Parties, including through, *inter alia*,
  - (i) the assessment of information related to the measurement, reporting and verification of support and enabling means provided to developing country Parties under the Convention, based on the information contained in Annex I national communications and any other additional information; and information received from developing countries.
  - (ii) providing recommendations on the amount of funding necessary and available for the implementation of the Convention, based on information received by : parties through different reporting channels under the Convention , relevant thematic bodies, and the conditions under which that amount shall be periodically reviewed;

On membership and participation (para 7 of G77 proposal)

- Further decides that the Standing Committee will establish a process to facilitate the participation of representatives from the private sector, relevant bilateral, regional and multilateral funding entities, and other observer organizations accredited to the UNFCCC as observers.



## B. African Group

***Africa proposal – 16/06/2011 16:00***

### ***Draft decision***

***on***

### ***Long term, scaled up, new and additional, predictable and adequate funding to developing countries***

*The Conference of the Parties at its 17th Session,*

*Recalling Article 4 and Article 11 of the Convention ;*

Recalling also the Bali Action Plan (decision 1/CP.13) which called for enabling the full, effective and sustained implementation of the Convention through long-term cooperative action, now, up to and beyond 2012 ;

Reiterating paragraph 97 of decision 1/CP.16, that in accordance with the relevant provisions of the Convention, scaled up, new and additional, predictable and adequate funding shall be provided to developing country parties, taking into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change;

Reiterating paragraph 18 of decision 1/CP.16 that requested developed country parties to provide developing country parties, with long-term, scaled-up, predictable, new and additional finance, technology and capacity-building consistent with relevant provisions, to implement urgent, short, medium, and long term adaptation actions, plans, programmes and projects at local, national, sub-regional and regional levels, in and across different economic and social sectors and ecosystems;

Reiterating the need for enhanced action on the provision of financial resources and investment to support action on mitigation and adaptation and technology cooperation;

Recognizing that providing support in particular financial support to developing countries is indispensable for the implementation of the Convention, and the relevant decisions of the Conference of the Parties, and that the extent of developing country parties actions in dealing with climate change is dependent on the extent to which finance, technology and capacity building support is made available to them by developed country parties;

Taking note of the relevant reports on financing needs of developing countries, and reports on options for mobilization of resources to address those needs.

### ***Decides***

1. That adequate and predictable financial support shall be provided to developing countries based on their needs.
- 2- That in accordance with article 4.3 of the Convention, and to ensure adequacy and predictability of the flow of support to developing countries, a burden sharing mechanism is established to identify the flows of financial support from developed countries, including through the application of assessed scale of contributions of developed countries.
- 3- That main source of funding will be public sources, supplementary funding may come from private sources, as well as through multilateral and bilateral channels, with a view to develop modalities to facilitate MRV of the flows of the supplementary sources.
- 4- New and additional financial support provided by developed country parties to developing countries will be replenished from wide variety of sources, mainly public sources, and including through :

- i. Public sources building up on the commitments of the fast start finance identified in paragraph 95 of decision 1CP/16, and reaching at least 100 billion USD annually in 2020, based on assessed scale of contributions;
  - ii. Predictable and sustainable financial resources reaching (x)% annually of all annex I GDP by 2020, based on assessments reports of the needs of developing countries.
  - iii. Other potential supplementary sources of finance including market based, alternative and innovative sources.
- 5- That direct and facilitated access of all developing countries to financial resources will be guaranteed by COP decisions.
- 6- That equitable allocation of financial resources will be followed, including through criteria based on geographical and/or needs, including urgent and immediate needs related to climate change, while ensuring balance between adaptation and mitigation.
- 7- To establish a work program in order to further elaborate on all the elements identified in paragraphs 1 to 6 of this decision, with a view to prepare a draft decision for the consideration of the Conference of the Parties at its 18<sup>th</sup> session.
- 8- Requests the Secretariat to prepare a compilation and synthesis report, for the consideration by parties through the work program, on:
  - i. Different assessments and evaluations of the financial needs of developing countries.
  - ii. Options for mobilizing and identifying sources of long term financing by developed countries, and their impacts and incidents on developing countries.
- 9- Invites Parties, observers, international financial institutions and relevant UN agencies to submit their views by the May 15th 2012, on the financial needs of developing countries, public and private sources, and other sources of long term financial resources, and their technical feasibility, applicability, and adequacy.

## C. Alliance of Small Island States

### **AOSIS submission on sources of long-term finance**

*AOSIS believes that in the lead up to COP 17 in Durban, Parties need to deepen their understanding on options for ensuring scaled-up, new and additional, predictable and adequate funding to meet the long term financing goals. We believe that activities such as technical workshops can provide the space, within the formal negotiating process, to achieve this objective.*

*In this regard, AOSIS wishes to propose the following draft conclusions. We consider it to be an interim approach and as we move toward Durban, AOSIS will make a formal submission on a draft decision on sources of long-term finance.*

1. The AWG-LCA further requests the secretariat to organize, from now until and at COP17, [X] technical workshops<sup>1</sup> with representatives from Parties, international financial institutions and relevant UN agencies and organizations, on the provision of longer term sources of finance, including innovative sources, by developed country Parties to developing country Parties in accordance with the Convention, with a view to:

(a) Providing opportunity for Parties to present and discuss their proposals and preferred options for ensuring provision by developed countries of scaled-up, new and additional, predictable and adequate funding, in accordance with paragraph 97 of Decision 1/CP.16;

(b) Clarifying assumptions, options and findings from relevant reports, processes and other inputs, on mobilizing sources from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources.

(c) Considering approaches to avoid climate change financing gap after the 2010-2012 fast-start financing period.

2. The AWG-LCA further requests the secretariat to prepare a report on the [X] workshops referred to in paragraph 1 above, to be made available by its [XX] th session.

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<sup>1</sup> With the understanding that any discussion in the workshops will not replace formal inter-governmental processes on this issue.

D. Canada on behalf of Australia, Japan, New Zealand and United States of America

**Submission by  
Australia, Canada, Japan, New Zealand and the United States of America  
on the  
Standing Committee**

- Australia, Canada, Japan, New Zealand and the United States of America consider that the Standing Committee has the potential to perform a useful service to the Conference of the Parties with regard to the financial mechanism.
- In our exchange of views to date, there were many good ideas and concepts put on the table from both developing and developed country Parties that we look forward to exploring further in our discussions.
- In this regard, we have the honour of submitting elements for consideration during discussion of the role and functions of the Standing Committee (SC) under the AWG-LCA.
- Decision 1/CP.16 provides a role for the SC in advising the CoP on the four issues enumerated in paragraph 112. We look forward to further defining the role and functions of the SC in the AWG-LCA.
- Decision 1/CP.16 provides for an advisory, rather than supervisory or executive role for the SC.
- Decision 1/CP.16 confirms that the SC's relationship with operating entities of the financial mechanism is via CoP guidance, rather than direct.
- Therefore, the SC could most usefully provide advice via the SBI to the CoP on the four issues enumerated in paragraph 112 of Decision 1/CP.16, inasmuch as they are related to the CoP's execution of its functions with respect to the financial mechanism as defined in Article 11.
- We support a continuation of the current role of the SBI in developing draft recommendations on CoP guidance to the financial mechanism.
- In advising the CoP on the four issues enumerated in paragraph 112 of Decision 1/CP.16, we support a set of functions for the SC to be mandated by the CoP.
- To best advise the CoP, the SC could undertake the following functions:
  - Enhancing awareness and sharing of climate finance-related information, knowledge and expertise;
  - Assisting the CoP in promoting coordination and coherence within the financial mechanism and between UNFCCC entities on climate finance issues; and,
  - Helping to inform and improve the guidance to the financial mechanism that is recommended by SBI to the CoP and enhancing the periodic review of the financial mechanism.
- In exercising these functions, we support an evidence-based approach to the SC's work, ensuring expert, objective and impartial advice on issues related to the financial mechanism.
- To ensure that the CoP can rely on advice of the highest quality, SC members would need to have the necessary skills and expertise and a strong background in climate finance.
- We welcome a discussion of how to compose a light, technical, advisory body, with appropriate participation of finance experts from relevant funding institutions and stakeholders, including civil society and the private sector.

## E. Group 77 and China

15 June 2011

### DRAFT DECISION ON THE STANDING COMMITTEE OF THE FINANCIAL MECHANISM OF THE CONVENTION

*The Conference of the Parties at its seventeenth session,*

*Recalling* Articles 4 and 11 of the Convention,

*Also recalling* Article 7 of the Convention, in particular 7.2 (h) and (i),

*Pursuant* to the Bali Action Plan (decision 1/CP.13), which recognizes the need for enhanced action on the provision of financial resources and investment to support action on mitigation and adaptation and technology cooperation,

*Having established* the Standing Committee under the Conference of the Parties as provided for in paragraph 112 of Decision 1/CP.16,

*Reiterating* the need for enhanced *and urgent* action on the provision of financing resources and investment to support action on mitigation, adaptation and technology cooperation to developing country Parties,

#### ON ROLES AND FUNCTIONS

1. *Reaffirms* that the Standing Committee is established under the Conference of the Parties to assist the Conference of the Parties in exercising its functions with respect to the financial mechanism of the Convention in terms of:
  - a) improving coherence and coordination in the delivery of climate change financing, including through, *inter alia*:
    - (iv) the development of recommendations to the COP for the coordination of all current and future funds under the Convention to ensure coherence in the delivery of climate change finance
    - (v) the provision of a forum for the exchange of information with relevant financial institutions, bilateral aid agencies, and UN agencies dealing with climate change financing, as well as the provision of assistance to the COP in analyzing relevant information to ensure coherence and coordination; and
    - (vi) the establishment of a communication platform to advice coordination and coherence of operating entities of the financial mechanism under the Convention, as well as coordination with other thematic bodies of the Convention to identify the gaps in implementation related to financial support.
  - b) rationalization of the financial mechanism, including through, *inter alia*, developing recommendations to rationalize the financial mechanism of the Convention and existing funds under it, for achieving cost-effectiveness and efficiency.
  - c) mobilization of financial resources, including through, *inter alia* the preparation of recommendations to the COP on the technical feasibility and enhancing accessibility of the mobilization of resources from a wide variety new and additional sources, including public and private, bilateral, multilateral and alternative sources, taking into account the financial needs identified by developing country Parties, including those contained in their national communications.

d) measurement, reporting and verification of support provided to developing country Parties, including through, *inter alia*,

(i) the assessment of information related to the measurement, reporting and verification of support and enabling means provided to developing country Parties under the Convention, including through the information contained in Annex I national communications and information received from developing countries.

(ii) the development of recommendations on indicators for an assessed scale of contributions for Annex II countries, where applicable.

2. *Requests* the Standing Committee to elaborate an initial programme of work on all the elements identified in paragraph 1 for the consideration of the Conference of the Parties at its 18<sup>th</sup> session, as well as other elements that may be identified by the Standing Committee.

*Decides*

3. that the Standing Committee shall be composed of members nominated by Parties for approval of the Conference of the Parties, with expertise and competence in areas relevant to the work of the Standing Committee

4. that the Standing Committee shall consist of 16 members and be composed as follows:

- a. 2 representatives from each of the 5 UN regional groups
- b. 1 representative of the small island developing States
- c. 1 representative of the least-developed country Parties
- d. 2 representatives from Parties included in Annex I to the Convention
- e. 2 representatives from Parties not included in Annex I to the Convention

5. that the Parties shall also nominate an alternate for each members of the Standing Committee on the same criteria as set out in paragraphs 3 and 4 above, and that the nomination of a candidate member shall be accompanied by a nomination of a candidate alternate member from the same group.

6. that Standing Committee members and alternates shall serve for two years. No member or alternate may serve in the Standing Committee for [more] than two consecutive terms.

7. that the Standing Committee shall be open to representatives of the existing and future operating entities of the financial mechanism of the Convention, representatives of relevant bilateral, regional and multilateral funding entities, and representatives of observer organizations accredited to the UNFCCC.

8. *Encourages* the Standing Committee to draw upon additional expertise from all levels, national, sub-regional, regional, and multilateral institutions, as it may deem necessary.

9. *Decides* that the Standing Committee shall meet at least twice a year, or more if necessary, and that its first meeting shall take place not later than the (date) of (month) 2012.

10. *Also decides* that the Standing Committee shall report and make recommendations to the Conference of the Parties at each ordinary COP session, on all aspects of its work, for decisions to be taken by the COP as may be necessary.

11. *Also decides* that the Standing Committee shall perform any other functions that may be assigned to it by the COP.

12. *Further decides* that the cost of meetings and the participation of members and alternates from developing country Parties shall be covered by the budget of the Convention.
13. *Decides* that the UNFCCC secretariat shall also serve the Standing Committee.

F. Hungary and the European Commission on behalf of the European Union and its member States

**EU - Elements of the Standing Committee**  
**14 June 2011 @ 10:00**

**Standing Committee**

It is crucial to emphasise from the start that the role of the SC will be advisory. We see a role for the SC where its *functions* add value to the climate finance landscape and its *form* is light and cost effective.

Our Vision: In order to assist the COP with respect to the financial mechanism of the Convention, we see that the standing committee if appropriately designed could take forward following functions, which correspond to Cancun provisions for the Standing Committee.

- ensuring a periodic overview of financial flows of climate finance from all relevant sources
- reviewing the distribution of climate finance and identifying finance gaps,
- encouraging synergies and coordination of all relevant actors.

In so doing, the standing committee could play a useful role in

- increasing awareness of the role played by the many sources of finance in supporting climate action, including bi-lateral and private financing.
- providing a means of showing progress towards global goals for climate finance.
- contributing to building trust among parties about the implementation of the convention.

To perform its functions, the SC will draw on evidence from a collation of information on financial flows which could be prepared by the secretariat. These data will be collected from all relevant sources (e.g. the operating entities of the financial mechanism, the national communications, registry, the CDM EB and possibly outsourced analysis on private financial flows).

We do not see the standing committee having a role in designing, operating or revising the MRV system relating to reporting obligations of individual parties. This is addressed through the updates to the guidance on preparing national communications. We could not agree to a separate additional MRV system.

Composition

We prefer to speak about function before form. However, we do see the committee as Expert. The SC could somehow include expertise eg. from GCF, GEF, AF, LDCF, and experts from other relevant financial institutions in an ex officio role.

On reporting to the COP or SBI:

An important issue is that we need clarity on the division of labour between SBI and Standing Committee. The division would depend on the functions in question and also the composition of



the SC. We are open to discussion on this area and to explore the issue. There shall be no duplication of work between the Standing Committee and institutions.

The functions outlined in the Cancun Agreements, as developed above, together with an expert composition could help improve the production of guidance given by the COP to the financial mechanism by making it more result orientated.

A useful starting point could be to collect all existing guidance to the financial mechanism in one consolidated document that removes duplication and address inconsistencies, and to present the draft consolidated document to the COP.

It should be noted that the implication of the above is that we do not see an operational role for the standing committee. The standing committee should not take the place or undermine the role of the COP e.g. in providing guidance to the financial mechanism, or in national communications etc.

## G. India

India fully associates with the submission by G-77 and China on Standing Finance Committee.

Our submission is, however, intends to provide views of India on the following points:

- (i) Standing Finance Committee should, besides developing recommendations to the COP for the coordination of all current and future funds, also develop recommendations for providing and channeling the resources under the Convention;
- (ii) Standing Finance Committee should, besides establishing a communication platform to advice coordination and coherence of funds under the Convention, also advance and enable such coordination in order to improve the effectiveness of these funds through rationalization measures;
- (iii) Standing Finance Committee should recommend, in accordance with the guidelines established by the CoP, the flow of new and additional resources through various sources and channels of finance and monitoring such flows and channels

## H. India

### *India's views on elements for decision on Long Term Finance*

1. The resources to be provided by developed country parties should be committed and scaled up in accordance with the assessment of the needs of the developing countries for adaptation and mitigation.
2. The resources should be generated and provided on a predictable, verifiable, and scalable manner.
3. The provision of resources should be the responsibility of the developed country Parties, even though the resources may be generated by these Parties from a wide variety of sources, public and private, bilateral and multilateral.
4. Developed country parties should provide the resources on the basis of assessed scale of contributions in order to ensure predictability and scalability.
5. The financial support to be provided by developed country parties should be 'new and additional' and should be on grant or 'concessional basis'. These should be provided through budgetary mechanisms of developed country Parties and could be generated, according to the national discretion of such Parties concerned from new instruments in accordance with the principles of Common but Differentiated Responsibilities of UNFCCC.
6. Financial instruments or economic and environmental measures to be employed by developed country parties, if any, for raising new and additional resources should have no incidence on any developing countries or its entities, and the fiscal or economic effects such instruments or measures must be contained within national boundaries of the respective countries.
7. Direct and facilitated access of all developing countries shall be guaranteed by COP decisions.
8. Equitable allocation of financial resources shall be followed, including through criteria based on needs, while ensuring balance between adaptation and mitigation.
9. Resources should be subject to monitoring for which modalities should be developed.
10. To prepare a draft decision for the consideration of the Conference of the Parties at its 18<sup>th</sup> session on the above issues.

## I. Turkey

### **Submission by the Republic of Turkey on the Standing Committee**

Bonn 10 June 2011

Turkey believes that the Standing Committee should have fair, equitable and inclusive representation. This has not been the case for the Transitional Committee since certain countries in the Eastern European Group and Western Europe and Others Group could not be represented. It must be ensured that each and every Party has a fair opportunity to be represented in the Standing Committee. Therefore, Turkey proposes that a certain number of representatives for each United Nations Regional Group should be assigned, without making any reference to developed and developing countries.

## J. Saudi Arabia

### Elements of the final outcomes on long term finance – Saudi Arabia perspectives

- Recalling the commitments of the developed country Parties and other developed Parties included in Annex II to the provisions of financial resources mandated under Articles 4.1, 4.3, 4.4, 4.5, 4.8, and 4.9 in accordance with Article 11 of the Convention.
- Emphasizing that any funding pledged outside the UNFCCC shall not be regarded as a fulfillment of the legally binding commitments by Developed country Parties and other developed Parties included in Annex II under Article 4.3 of the Convention and under Para 98 of Cancun Agreements.
- Recognizing the priority of developing country Parties that are particularly vulnerable to the adverse impacts of climate change and the adverse impacts of **response measures** including **economic diversification**.

#### *Decides*

- that the public sector of the developed country Parties and other developed Parties included in Annex II shall be the major source of the long term finance, and the private-sector sources may play a complementary role in addressing climate change challenges.
- that a mechanism shall be established to assess the incidence of the new and innovative sources of finance on developing country Parties.
- that developed country Parties and other developed Parties included in Annex II shall cover the full costs of any incidence on developing country Parties associated with the implementation of new or innovative sources of fund as stated in Article 4.7 of the Convention.
- that the developed country Parties and other developed Parties included in Annex II shall provide a clear work plan on their pledged assessed contributions post 2012 and up to 2020 for approval by COP seventeen.
- that all developing country Parties are eligible to directly access the long term finance, to cope with the impact of climate change and the implications of the response measures.
- that the provisions of the long term finance are pertinent to the UNFCCC process and shall be dealt with ONLY through the UNFCCC bodies.

## **VIII. Technology development and transfer (agenda item 3.5)**

### **A. Group 77 and China**

G77 and China Draft decision under the agenda item on Development and Transfer of Technologies for AWG-LCA:

1. *Recalling* the commitments under the Convention, in particular Article 4, paragraphs 1, 3, 5, 7, 8 and 9.
2. *Recalling* paragraph 1(d) of decision 1/CP.13 Bali Action Plan, to enhance action on technology development and transfer to support action on mitigation and adaptation.
3. Noting the establishment of a Technology Executive Committee, and a Climate Technology Centre and Network in the Cancun Agreements, and noting the work programme for the Ad Hoc Working Group on Long Term Cooperative Action under the Convention in 2011 on technology development and transfer.
4. Recalling paragraphs 114 and 115 of decision 1/CP.16, which state that technology needs must be nationally determined, based on national circumstances and priorities, and that there is a need to accelerate action at different stages of the technology cycle,
5. Recalling paragraph 128 of decision 1/CP.16 on the work programme for the Ad hoc Group on Long-term Cooperative Action on technology development and transfer with a view to the Conference of the Parties taking a decision at its Seventeenth session in order to make the Technology Mechanism fully operational in 2012,

#### Mission of the CTC

6. Decides that the Climate Technology Centre (CTC) shall, at the requests of non-Annex-1 Parties:
  - (a) Identify currently available climate-friendly technologies that meet their key low carbon and climate resilient development needs;

- (b) Facilitate the preparation of project proposals for the deployment and utilization of currently available Mitigation and Adaptation technologies;
- (c) Facilitate adaptation and deployment of currently available technologies to meet local needs and circumstances;
- (d) Facilitate research, development and demonstration of new climate-friendly technologies, which are required to meet key sustainable development objectives;
- (e) Enhance the national and regional human and institutional capacity to manage the technology cycle, and support the challenges for the above activities;
- (f) Facilitate the financing of these activities through the Green Climate Fund and other bilateral, multilateral and private-sector sources;

7. The CTC shall establish a network of organizations, which are capable of responding to non-Annex I Parties' requests related to technology development and transfer. These organizations shall be chosen through an open invitation, and the CTC shall maintain a list of organizations in the network.

#### Functions of the CTCN

8. Developing countries shall present their requests through designated focal points to the CTC, which shall assess the viability, feasibility and eligibility of requests from a non-Annex-1 Parties on the basis of the agreed guidelines.

9. Decides that the CTC would respond to requests by non-Annex-1 Parties, either by itself or by identifying an appropriate organization in the network, in an open and competitive manner on the basis of their expertise and experience, resources committed to respond to the request, regional coverage, and capacity to build teams appropriate to respond in an expeditious manner, in consultation with the requesting non-Annex I Party.

10. The CTC shall provide oversight related to the appropriateness and timeliness of the response.

### Funding of CTCN Activities

11. Decides that costs associated with the operations of the CTC and the network shall in a short-term be met from the existing bilateral and multilateral sources, and in a long-term from the Green Climate Fund.

12. Requests developed country Parties and other developed Parties included in Annex II to support the CTC and the network through the provision of financial and other resources.

### Governance of CTC

13. Decides that the activities of CTC shall be governed by the Technology Executive Committee, which shall provide, inter alia:

- (a) Recommendations to the CoP on matters related to activities and/or outcomes of activities eligible for financial support from the Financial Mechanism;
- (b) Policy direction on issues such as prioritization, operational criteria and guidelines, Human Resources policies, and designation of organizations as network members;
- (c) Oversight, including review, on issues such as responsiveness to requests, timelines, and appropriateness of response;
- (d) Financial control of CTC, such as approval of budget, resources, and audit;
- (e) Monitoring and evaluation of the speed and effectiveness of technologies transferred;
- (f) Reviewing the implementation of the approved work programme of the CTC and reporting it back to the COP;

14. Further decides that CTC shall provide an annual report of its activities and of the network to the Technology Executive Committee two months prior to the COP, in order to allow it to review the report and forward it to the COP with its comments, for COP's consideration.

### Request for Proposals from Organizations to Host the Climate Technology Centre

15. Invites organizations interested in hosting the CTC to provide following details:



- (a) Vision on how the bidding organization, as the CTC, would meet and strengthen the mission of the CTCN, as contained in paragraph 123 of decision 1/CP.16;
  - (b) Present/past experience and expertise:
    - i. Involvement with similar networks, etc;
    - ii. Description of relevant projects/activities;
    - iii. Work done in a broad range of regions in the world;
  - (c) Provision of Resources:
    - i. Commitment of resources (e.g. financial, in-kind, staff) to the CTC;
  - (d) Current multidisciplinary functions that overlap with CTC;
  - (e) Scope of current operations (regional offices/bureaus that could support the CTC);
  - (f) Program management capabilities:
    - i. Proposed management structure;
    - ii. Staffing plan with qualifications and experience;
    - iii. Risk and scenario planning;
    - iv. Ability to handle a broad-content spectrum and volume of requests;
  - (g) Current relationships that could be leveraged for Network development;
  - (h) Delivery functions on budgets of X,Y,Z \$/year;
16. The proposal must also provide following details:
- (a) Structure/contracting/work delegation functionality;
  - (b) How the relationship with Network will be forged;

- (c) Interaction of CTC with National Entities and the Network;
17. The evaluation criteria for choosing the CTC host shall be:
- (a) Appropriateness of experience and expertise;
  - (b) Programme management capability to respond to requests from Parties;
  - (c) Contribution (co-financing) to the CTCN;
  - (d) Regional coverage, and capacity to build teams appropriate to respond fully to the non-Annex I Parties' requests in an expeditious manner;
  - (e) Accessibility to all non-Annex I Parties;
18. All other criteria being equal, preference shall be given to a host organization located in a developing country.
19. Decides that the Technology Executive Committee shall evaluate the proposals and forward its recommendations to the COP for its considerations.

## VIII. Review: further definition of its scope and development of its modalities (agenda item 4)

### A. European Union and its member States

#### Elements on the scope and modalities of the review

09/06/2011 14:18

##### *Scope*

Scope as defined in decision 1/CP.16, which decides, to periodically review the adequacy of the long-term global goal, in the light of the ultimate objective of the Convention, and overall progress towards achieving it, in accordance with the relevant principles and provisions of the Convention;

##### *Modalities*

- The preparations for the review should be efficient and should not duplicate relevant activities being undertaken under, the Convention, its Kyoto Protocol and its Subsidiary Bodies, and that Parties may wish to take into account results of these activities in preparing for the review.
- The review will be conducted by the COP with support from the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation.
- Timeline for the review
  - 2013 : consideration of inputs, in particular those referred in §139 of decision 1/CP.16,
  - 2014: continuation of consideration of inputs and preparation of a stock taking report by the SBs for consideration by the COP on the basis of the available information by then,
  - 2015: Preparation of a draft decision for its adoption by the COP at its 21<sup>st</sup> session as the outcome of the review. The COP shall take appropriate action based on the review.
- The secretariat to organise special events for the consideration of the results of the coming IPCC reports, including the Special Report on Risk Disasters, WG I, II and III and the IPCC AR5 SR. SBSTA to prepare a report of these workshops for its consideration by the COP at its 20<sup>th</sup> session.
- SBI to consider the inputs provided by AI Parties in the 6<sup>th</sup> National Communications and NAI in their first biennial reports that should be available by the 1<sup>st</sup> of January 2014. Requests the secretariat to compile this information as it becomes available in order to assist the SBI in its 40<sup>th</sup> session in its considerations. In addition, the outcomes of the ICA/IAR processes should feed in the review process as soon as they are available.
- SBs to consider additional information, as referred to in paragraph 139 of Decision 1/CP.16 and other information provided by Parties, Observers and International Organisations, in particular UNEP, IMO, ICAO and the Montreal Protocol, with relevance to the scope of the review.
- Subsequent reviews should take place following the adoption of an IPCC assessment report or at least every X years.

## B. European Union and its member States

### Draft language decision<sup>1</sup> on elements on the scope and modalities of the review

#### The Conference of the Parties

[ Possible pre-ambular language]:

##### *Scope*

*Recalling* paragraph 138 of decision 1/CP.16, which decides, to periodically review the adequacy of the long-term global goal, in the light of the ultimate objective of the Convention, and overall progress towards achieving it, in accordance with the relevant principles and provisions of the Convention;

##### *Modalities*

1. *Acknowledges* that the preparations for the review should be efficient and should not duplicate relevant activities being undertaken under, the Convention, its Kyoto Protocol and its Subsidiary Bodies, and that Parties may wish to take into account results of these activities in preparing for the review.
2. *Decides* that the review will be conducted by the COP with support from the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation as appropriate.
3. *Requests* the SBs to consider inputs, as referred to in paragraph 139 of Decision 1/CP.16 and other information provided by Parties, Observers and International Organisations, in particular UNEP, IMO, ICAO and the Montreal Protocol, with relevance to the scope of the review.
4. *Agrees* upon the following timeline for the review
  - 2013 : consideration of inputs, in particular those referred in paragraph 139 of decision 1/CP.16 and in paragraph 3 above,
  - 2014: continuation of consideration of inputs and preparation of a report by the SBs on their assessment of the inputs considered and possible recommendations for consideration by the COP on the basis of the available information by then,
  - 2015: Preparation of a draft decision for its adoption by the COP at its 21<sup>st</sup> session as the outcome of the review. The COP shall take appropriate action based on the review.
5. Request the secretariat to organise in sessional workshops for the consideration of the results of the coming IPCC reports, including the Special Report on Extreme Events (SREX), WG I, II and III and the IPCC AR5 SYR. [Requests SBSTA to prepare a report of these workshops for its consideration by the COP at its 20<sup>th</sup> session.]
6. Requests the SBI to consider the inputs provided by AI Parties in the 6<sup>th</sup> National Communications and NAI Parties in their first biennial reports that should be available by the 1<sup>st</sup> of January 2014. To this end, requests the secretariat to compile this information as it becomes available in order to assist the SBI in its 40<sup>th</sup> session in its considerations. In addition, the outcomes of the IAR process for AI Parties and of the ICA process for NAI Parties should feed in the review process as soon as they are available.
7. *Decides* that all inputs need to be taken into account and adequately assessed by the Subsidiary Bodies which should provide a report to the COP at its 20<sup>th</sup> session for its consideration as a means to inform the review process.
8. [Invites Parties to send submissions by XXX on XXX]

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<sup>1</sup> [The EU distributes this text as a suggestion in order to move forward the discussion. It does not necessarily reflect the full EU position].

9. Subsequent reviews should take place following the adoption of an IPCC assessment report or at least every X years.

C. India on behalf of Brazil, China, Egypt, India, Malaysia, Philippines and Thailand

**Joint Submission by Brazil, China, Egypt, India, Malaysia, Philippines and Thailand  
on REVIEW**

Parties wish to make the following submission on Review [Para.138-140 of 1/CP.16]:

1. As indicated in para 4 and elaborated in paras 138 & 139 of 1/CP.16, the scope of the review is the adequacy of the long-term global goal and overall progress towards achieving it. Parties believe that the review is not a review of the Convention itself but should aim at assessing the implementation of commitments under the Convention, and identify the gaps to achieve the ultimate objective of the Convention, with a view to enable the full, effective and sustained implementation of the Convention.
2. As the Kyoto Protocol is an instrument of the Convention, and plays a crucial role in the climate change regime, we believe that the adequacy of actions taken under the Kyoto Protocol should also inform the overall review process.
3. Parties confirm that the review of the adequacy of the long-term global goal and overall progress towards achieving it, can only be effective in the context of the review of the adequacy and effectiveness of binding ambitious emission reduction commitments by Annex I Parties, and by the provisions of enabling support provided by developed countries to developing countries under the UNFCCC.
4. The review should be guided by the principles of equity and common but differentiated responsibilities and respective capabilities, and conducted in accordance with the relevant principles and provisions of the UNFCCC (Para. 138). We believe that inter alia the following provisions of UNFCCC are relevant:
  - Art. 4.2(b),
  - Art. 4.2(d)
  - Art. 7.2 (e)
  - Art. 10.2(a)
  - Art. 10.2(b)
  - Art. 12.1
  - Art. 12.2
5. Since para 139 (c) of 1/CP.16 mandates the COP to take appropriate action based on the review, this action should not be prejudged before the completion of the review. Such discussion would be premature and also outside the mandate of the BAP and 1/CP.16.

D. Lebanon

**SUBMISSION BY LEBANON ON THE REVIEW**

**On the scope of the review:**

- Lebanon is of the view that the review should assess the adequacy of the long-term global goal referred to in paragraph 4 of 1/CP.16, and an agreed probability for achieving it.
- The review should also assess overall progress by Parties to achieve the long-term goal. This should include mitigation actions by all Parties as well as the provision of support for mitigation by developed countries to developing countries according to article 4.3 of the convention. The review would include an assessment of the gap between pledged and committed mitigation on one side, and emissions levels consistent with a pathway that allows a high probability for staying well below 2°C on the other.

**On the timing of the review:**

- The review of the long-term goal should be concluded in 2015, and should be based on most recent peer-reviewed science, especially the finding of the IPCC's Fifth Assessment Report, due in 2014.

## E. Switzerland

- Scope:

According to the Cancun Agreement (paragraph 138), the review has to consider:

- 1) If the figure of 2 degrees that is currently considered as sufficient for limiting and stabilizing the elevation of the temperature to 2 degrees compared to preindustrial levels is appropriate to achieving the ultimate goal of the Convention, in the light of the next IPCC assessment report (AR5, to be published in 2013-2014).
- 2) If the long-term emission reduction goal to be agreed by COP 17 is appropriate to achieving the ultimate objective of the Convention.
- 3) If the national emission reduction objective of countries in the short (2020) and the long term (2050) and the resulting aggregate reduction objective are appropriate and consistent to achieve the 2 degrees or a revised lower figure.
- 4) Reported and projected emissions trends of countries.
- 5) Implemented and planned measures
- 6) Reported and projected impacts of climate change.

- Development of modalities:

- ✓ 1) The review has to consider an extended amount of information from various fields: science, emissions including projections, policies and measures and impacts.
- 2) The sources of this information should be mainly the communications provided by the Parties and its review, and the scientific assessment work of the IPCC.
- 3) Starting in 2013, the secretariat has to organize the necessary information and make it available to Parties in a friendly way.
- 4) Starting in 2013, a process under the Convention has to be established to allowing Parties to deal with this information.



## F. United States of America

### Review

- **INPUTS**
  - IPCC AR5 and the Special Reports on Renewable Energy and Extreme Events.
  - First biennial report from developed and developing countries (including emissions trends, projections, and results of mitigation actions). Secretariat should aggregate.
  - Emissions projections as input to aggregate numbers (IEA, IPCC SRES scenarios, UN Advisory Group on Energy and Climate)
  - GDP, including projections (IMF, World Bank)
  - Population
  - Status of technology development and deployment (IPCC, IEA, IRENA, Renewable Energy Policy Network for the 21st Century Global Status Report, Renewable Energy & Energy Efficiency Partnership, World Economic Forum)
  - Mitigation costs (IPCC)
  - Individual and collective barriers to further effort (country input)
- **CONSIDERATION**
  - Consideration of science and impacts
  - Consideration of effectiveness of mitigation actions undertaken, expected emissions trends, and implications for progress toward the long-term goal.
  - Consideration of emissions pathways, technology availability projections, and cost projections to assess the feasibility of lowering the 2 degree goal.
  - Consideration of economic circumstances and capabilities.
  - Implications of trends in emissions and capabilities for mitigation, finance, reporting, and other responsibilities under the Convention.
- **ACTION to be taken under the review**
  - Assessment of adequacy of 2 degree goal.
  - Assessment of adequacy of efforts to achieve that goal and what action needs to be taken.
  - Recommendations for how the structure and content of the climate change regime should reflect evolving responsibilities and capabilities of Parties in order to achieve the long-term goal.
- **TIMELINE**
  - 2013: Consideration of IEA reports, NWP outputs, WB/other UN agency reports, IPCC WGI
  - 2014: Consideration of AR5 reports and other information (e.g., Biennial reports). Identification of status of inputs and possible need for more inputs.
  - 2015: Consideration of COP decisions.
  - Period reviews consistent with the timeline for IPCC assessments.
- **WHO:** Review should be conducted under the existing subsidiary bodies for COP decision.

## **IX. Other matters (agenda item 6)**

A. Parties included in Annex I to the Convention undergoing the process of transition to a market economy

### **Decision -/CP.17**

#### **Provisions for Annex I Parties, undergoing the process of transition to a market economy, under post-2012 climate change arrangements**

*The Conference of the Parties,*

*Recalling* the special national circumstances of Parties undergoing the process of transition to a market economy, as stated in Article 4, paragraph 6 of the Convention, as well as Article 4, paragraph 5 and relevant decisions by the Conference of the Parties, in particular decisions 3/CP.7, 3/CP.13, **3/CP.10, 9/CP.9, 30/CMP.1.**

*Taking into account* that the aforementioned countries are still lacking appropriate means, knowledge and experience to develop and perform their low-emission economy growth strategies with a view of achieving their quantified economy-wide emission reduction objectives as well as to implement their national action plans on adaptation,

*Recognizing* that these Parties, in spite of consequences of the severe socio-economic crisis in early 1990th, applied significant efforts through their targeted policies and measures to fully implement their commitments under the Convention and the Kyoto Protocol,

*Acknowledging* also that these Parties made their pledges with regard to GHG emission reduction level to be achieved in the post-2012 period in the context of comprehensive climate change framework,

1. *Decides* that the Annex I Parties undergoing the process of transition to a market economy shall not be bound by legal commitments under post-2012 climate change arrangements to provide new and additional financial resources, technology transfer and institutional capacity-building in support of developing country Parties in enabling enhanced implementation of mitigation and adaptation actions, although they may wish to consider to do so on a voluntary basis;

2. *Invites* Annex I Parties, which are in a position to do so, through multilateral agencies, including through the Global Environment Facility within its mandate, bilateral agencies and the private sector or through any further arrangements, as appropriate, to make

available the capacity building, financial, technical and technology transfer assistance for the Parties undergoing the process of transition to a market economy in order to assist these Parties in the development and implementation of their national low-emission development strategy and action plans consistent with their priorities and with their emission reduction targets;

3. *Urges* multilateral and bilateral agencies to coordinate their activities in support of the implementation of this assistance.

B. Parties included in Annex I to the Convention whose special circumstances are recognized by the Conference of the Parties

Submission by Turkey

**Decision -/CP.17**

**Provisions under climate change regime for Turkey**

The Conference of the Parties,

*Recalling* decision 26/CP.7 and decision 1/CP.16 which recognized that Turkey is in a situation different from that of other Parties included in Annex I to the Convention,

*Further recalling* Decision 1/CP.16 that requested the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to continue consideration of these issues with a view to promoting access by Turkey to finance, technology and capacity-building in order to enhance its ability to better implement the Convention,

*Reaffirming* that under the Convention country Parties should protect the climate system for the benefit of present and future generation of human kind, on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities,

*Recognizing* Turkey's basic economic and social indicators, its sustainable development needs as well as the fact that it is not among the countries with historical responsibility significantly differentiate it from that of other Parties included in Annex I to the Convention,

*Noting* that Turkey is situated in one of the most vulnerable regions exposed to the adverse effects of climate change according to the Fourth Assessment Report of the IPCC,

*Acknowledging* that many common issues, key challenges and vulnerabilities of developing countries apply to Turkey and that Turkey has a continuing need for finance, technology development and transfer, capacity building and support for mitigation, adaptation and transition into a low carbon economy,

*Further noting* that Turkey has a right to sustainable development and that policies and measures to protect the climate system against human-induced change should be appropriate to its specific conditions and should be integrated with Turkey's national development programmes.

1. *Agrees* that in regard to mitigation, adaptation, technology development and transfer, capacity building and finance, any agreement, decision or instrument adopted by the Parties shall provide Turkey the flexibility and support given to those developing country parties whose per

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capita GHG emission profiles and economic and social development indicators are similar to Turkey;

2. *Decides* that Turkey shall not be bound by legal commitments to provide new and additional financial resources and/or support, including technology development and transfer and capacity building under any agreement, decision or instrument adopted by the Parties;

3. *Agrees* that adequate financial resources provided through operating entities of the Financial Mechanism of the Convention, funds under the Convention, market mechanisms and other delivery channels of finance including *inter alia* bilateral and multilateral financial institutions and funds; technology development and transfer support through technology mechanism and capacity building assistance shall be provided to Turkey under the Convention and any agreement, decision or instrument adopted by the Parties in order for Turkey to address climate change.

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