



Subsidiary Body for Scientific and Technological Advice

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Market and non-market mechanisms under the Convention

Framework for various approaches

**Report on the workshop on the framework for various
approaches**

Note by the secretariat

Summary

This report contains information on the outcomes of the workshop on the framework for various approaches held on 9 October 2013, in Bonn, Germany, in conjunction with the workshop on non-market-based approaches and the workshop on the new market-based mechanism. It contains summaries of the presentations made and the outcomes of the discussions that took place at the workshop. The workshop addressed the questions proposed by the Subsidiary Body for Scientific and Technological Advice at its thirty-eighth session which were intended to clarify and narrow down options for the role and technical design of the framework for various approaches with the aim of facilitating further consideration and identifying further steps towards fulfilling, at the nineteenth session of the Conference of the Parties (COP), the mandate given at COP 18. Participants engaged in a rich exchange of views, shared ideas, experiences and lessons learned in relation to relevant issues and expressed views on the way forward at the United Nations Climate Change Conference to be held in Warsaw, Poland. Parties may wish to use the information contained in this report to assist them in elaborating the role and technical design of the framework for various approaches with a view to recommending a decision to COP 19 for consideration and adoption.

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I. Introduction

A. Mandate

1. The Conference of Parties (COP), at its eighteenth session, requested¹ the Subsidiary Body for Scientific and Technological Advice (SBSTA) to conduct a work programme to elaborate a framework for various approaches, with a view to recommending a draft decision to COP 19 for consideration and adoption. A number of elements to be considered as part of the work programme were also agreed at COP 18.²

2. SBSTA 38 initiated the work programme and requested the secretariat to organize a workshop prior to SBSTA 39, while ensuring broad participation of both developing and developed countries.³ The aim of the workshop was to advance work towards fulfilling the mandate provided in decision 1/CP.18, paragraphs 44–46, by considering, *inter alia*, the set of questions listed in paragraph 158 of the SBSTA report⁴, the submissions of Parties and admitted observer organisations which had to be made by 2 September 2013⁵ and the technical synthesis of the relevant materials,⁶ including the submissions previously mentioned.

3. SBSTA 38 further requested the secretariat to prepare a report on the outcome of the workshop and to make it available for consideration at SBSTA 39.⁷

B. Scope of the note

4. This document describes and summarizes the above-mentioned workshop, drawing upon the presentations and discussions that took place. It contains a description of the proceedings of the workshop (chapter II) and a summary of the key issues addressed at the workshop based on the questions relating to the role and technical design of the framework for various approaches (chapter III). Chapter IV provides a summary of the joint closing session of the three workshops where participants engaged in a discussion on the expectations for the United Nations Climate Change Conference to be held in Warsaw, Poland, for the framework for various approaches, non-market-based approaches and the new market-based mechanism.

5. This document does not reflect the views of all Parties, as not all Parties attended the workshop.

C. Possible action by the Subsidiary Body for Scientific and Technological Advice

6. SBSTA 39 may wish to include this report in its consideration of the work programme on the framework for various approaches, with a view to recommending a draft decision for consideration and adoption at COP 19.

¹ Decision 1/CP.18, paragraph 44.

² Decision 1/CP.18, paragraph 46.

³ FCCC/SBSTA/2013/3, paragraph 158(c).

⁴ FCCC/SBSTA/2013/3

⁵ FCCC/SBSTA/2013/3, paragraph 158(a).

⁶ FCCC/SBSTA/2013/3, paragraph 158(b).

⁷ FCCC/SBSTA/2013/3, paragraph 158(c).

II. Proceedings

7. The workshop on the framework for various approaches was held in conjunction with the workshops on non-market-based approaches and the new market-based mechanism which took place in Bonn, Germany, from 7 to 9 October 2013.

8. The workshops were attended by 119 representatives from 69 Parties not included in Annex I to the Convention, 19 Parties included in Annex I to the Convention, 3 intergovernmental organizations and 10 admitted observer organisations. Financial support was provided by the European Commission, New Zealand, Norway, Switzerland and the United Kingdom of Great Britain and Northern Ireland. Information on the workshops, including the background documents and presentations, is available on the UNFCCC website.⁸

9. The workshops were opened jointly by Mr. Richard Muyungi, the SBSTA Chair, Ms. Christiana Figueres, the Executive Secretary of the UNFCCC, and Mr. Tomasz Chruszczow, a representative of the incoming COP 19/CMP 9 Presidency.⁹

10. In her opening remarks, Ms. Figueres expressed her gratitude to the countries that provided financial support for the workshop, which allowed the secretariat to issue invitations to all Parties eligible for funding and ensured broad participation as requested by SBSTA 38. She highlighted the recently released report of the Intergovernmental Panel on Climate Change (IPCC) that confirms the need for countries to accelerate their mitigation efforts to avoid paying the highest costs for adaptation. She invited the participants to make progress on both market and non-market-based mechanisms, as both can help countries to increase their level of ambition and step up mitigation action. Ms. Figueres also invited the participants to use the time provided during the workshop to define the scope and purpose of the framework for various approaches and non-market-based approaches and to provide more clarity on the options for the modalities and procedures for the new market-based mechanism. She also encouraged them to propose a new name for the new market-based mechanism.

11. Mr. Muyungi provided a recap of the progress made to date on the framework for various approaches, non-market-based approaches and the new market-based mechanism and reiterated the mandates from COP 18 and SBSTA 38. He informed participants of the objective of the joint workshops, outlined how the agenda was developed to meet the objectives and provided an overview of the three-day programme. He expressed hope that that the workshops would provide Parties with the opportunity to clarify questions that had proved difficult to address during the short time which had been available at the regular negotiating sessions. He encouraged them to narrow down the options so that discussions at SBSTA 39 could be more focussed and facilitate a clear outcome at COP 19. The SBSTA Chair reminded participants that limited negotiation time would be available at the Warsaw Conference for the framework for various approaches, non-market-based approaches and the new market-based mechanism and therefore encouraged them to make the best use of the workshop.

12. Mr. Chruszczow stated that facilitating progress on the mechanisms had been identified as one of the priorities for the incoming Presidency. He emphasized the importance of securing a balanced outcome on both market and non-market mechanisms, as all types of measures will be needed in the future to achieve cost-effective mitigation and provide incentives for ambitious mitigation commitments. He expressed hope that the multilateral approach would continue to play an important role in the post-2015 climate change regime, as well as in the evolving carbon markets. He further conveyed that the

⁸ <http://unfccc.int/cooperation_support/market_and_non-market_mechanisms/items/7712.php>.

⁹ CMP = the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

Polish Presidency is committed to working with Parties in an inclusive, transparent and consultative manner in the lead-up to COP 19/CMP 9 and during the negotiations at the Warsaw Conference, including on matters related to market and non-market mechanisms.

13. The workshop on the framework for various approaches was co-facilitated by Mr. Giza Gaspar Martins (Angola) and Mr. Martin Cames (Germany). The co-facilitators introduced the mandate, informed participants of the objectives of the workshop and presented the approach to the work. A representative of the secretariat provided information on the relevant submissions received after SBSTA 38 and summarized the findings of the technical synthesis¹⁰ on the framework for various approaches that was made available as background information for the workshop.

14. The workshop was divided into four sessions:

- (a) Options for the scope, purpose and institutional arrangements;
- (b) Experiences and lessons learned from existing approaches on criteria and procedures to ensure the environmental integrity;
- (c) Experiences and lessons learned from existing approaches to avoid double counting through the accurate and consistent recording and tracking of mitigation outcomes;
- (d) Linkages to other issues.

15. The co-facilitators presented options for the scope, purpose and institutional arrangements of the framework for various approaches which was followed by presentations by representatives from Japan, the Plurinational State of Bolivia and Ecuador and a discussion.

16. A panel comprising of representatives from Norway, Brazil, Saint Lucia on behalf of the Alliance of Small Island States, and Angola led the discussion on the experiences and lessons learned on the criteria and procedures to ensure environmental integrity.

17. The discussion on the experiences and lessons learned on avoiding double counting was introduced by an independent researcher and expert on methodological issues and double-counting, who gave a presentation on the various technical options for addressing double counting, while a representative of the secretariat provided an update on the status of nationally appropriate mitigation actions (NAMAs) and non-market mechanisms.

18. Participants concluded by discussing the expectations for an agreement on the framework for various approaches at the Warsaw Conference, introduced by a presentation from a representative of New Zealand on the way forward to the Warsaw Conference. The co-facilitators summarized the day's proceedings.

19. The workshop was closed jointly with the other two workshops, on non-market-based approaches and the new market-based mechanism, on 9 October, with a session on expectations for the Warsaw Conference. Mr. Chruszczow introduced the session on behalf of the incoming Polish COP 19/CMP 9 Presidency, which was followed by a discussion and closing remarks by the SBSTA Chair.

¹⁰ <<http://unfccc.int/resource/docs/2013/tp/05.pdf>>.

III. Summary of workshop discussions

A. Session 1: options for the scope, purpose and institutional arrangements

1. Presentations

20. A representative of Japan emphasized that the framework for various approaches should facilitate existing and emerging market based approaches that result in international transfers of mitigation outcomes in a transparent manner that provides assurance of environmental integrity. He stated that Kyoto mechanisms, the new market-based mechanism, crediting mechanisms developed and implemented by Parties individually or jointly, emission trading schemes linked to other such schemes internationally, and other approaches which result in an international transfer of mitigation outcomes should be covered by the framework for various approaches. He also suggested the framework for various approaches should request the Parties to report to the COP on the design of their approaches at the planning stage (*ex ante*) and the outcomes of the approaches (*ex post*) and emphasized the importance of sharing information on units for accounting under the framework for various approaches. He reported on the progress of the Japanese Joint Crediting Mechanism, in which eight countries are participating.

21. A representative of the Plurinational State of Bolivia stated that the framework for various approaches should be developed in the context of an urgent need for action and real results and that it should include mitigation and adaptation and strengthen non-market approaches. Discussions about the framework for various approaches must be linked to the process of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP), to clarify what approaches are available to Parties to meet their commitments under the 2015 agreement. He suggested that the framework for various approaches should serve as a platform for information sharing and it should provide a comprehensive assessment of different approaches to be included in it. Its guiding principles should be developed in consistency with Articles 2, 3 and 4 of the Convention. Approaches must address mitigation as well as adaptation and help to ensure cooperation on technical and scientific issues.

22. A representative of Ecuador stated that the purpose of the framework for various approaches is to achieve the objective of the Convention, ensure environmental integrity and enhance the cost effectiveness of mitigation. He emphasized that the framework for various approaches should provide common rules under the UNFCCC to facilitate actions by Parties towards achieving net reduction and/or avoidance of emissions. He suggested that the framework for various approaches should cover UNFCCC flexible mechanisms, domestically implemented mechanisms and any other mechanisms. For institutional arrangements, he proposed to establish a two-tier approach: host countries decide the programmes according to national needs, and the UNFCCC issues units, monitors and verifies the environmental integrity. The framework for various approaches should facilitate the provision of finance, technology transfer and capacity-building to support mitigation and adaptation under the Convention.

23. A representative of Serbia introduced the Serbian “I Saved the Earth Today” platform. This transactional platform serves three functions. First, emissions are calculated on a personal/household level, and the methodology will be developed for application in other countries. Secondly, the platform works as a search engine that autonomously collects data. Thirdly, the system aggregates the data and uses it to develop new solutions for environmental business risks and security problems.

2. Discussion

24. The discussion on the scope, purpose and institutional arrangements of the framework for various approaches (FVA) focussed on the following questions from SBSTA 38:

(a) What is the purpose and scope of the FVA, including its role in ensuring environmental integrity?

(b) What are the possible links between the FVA and other relevant matters under the Convention and its instruments?

(c) Should the elements of the FVA operate under the principles, provisions and commitments of the Convention, and if so how?

(d) Should the FVA assess the institutional arrangements of various approaches, and, if so, how?

25. There was a widespread agreement that the purpose of the framework for various approaches should be to ensure the environmental integrity of the approaches under it, address international aspects of approaches such as the transfer of units or outcomes that allow increased mitigation ambition, and enable Parties to meet their commitments and targets under the UNFCCC .

26. Some Parties further expressed the view that the purpose of the framework for various approaches should be knowledge sharing and coordination of approaches developed by Parties.

27. Other Parties stated that the framework should be concerned with developing a common set of standards or accounting rules that apply to all approaches recognized under the framework.

28. Yet others saw the core of the framework for various approaches in a tracking infrastructure that can report, review and track units or mitigation outcomes in order to avoid double counting. Robust unit tracking was also highlighted as a precondition for engaging the private sector.

29. Participants stressed the international dimension of the scope of the framework for various approaches, stating that purely domestic action with no cross-border dimensions should not be covered by it. An area for discussion was whether the framework should primarily provide common standards for approaches seeking to be recognized by it, how strict such standards should be, and whether non-market based approaches should also be included, with one Party arguing that only non-market based approaches should be included.

30. Some participants questioned the added benefit of including existing mechanisms under the Kyoto Protocol. Others held the view that that all mechanisms have to be included in a single accounting framework to avoid double counting.

31. As far as the institutional arrangement of the framework for various approaches, several Parties highlighted the importance of transparency and suggested to create – as a first step in the framework – a platform for information sharing about approaches. Some Parties emphasized that information sharing alone is not sufficient to allow approaches to be recognized under UNFCCC, and cautioned against misusing an information platform as a backdoor for approaches to be recognized under the UNFCCC. In this regard some Parties also emphasized the need for careful validation of approaches before including them into the framework for various approaches, as approaches that do not meet minimum standards may undermine the credibility of the entire system. This could be achieved through the adoption of guidelines and a review process.

32. Several Parties stated that the framework for various approaches should help to scale up mitigation action both before and after 2020 and that an early start is preferable.

33. Others noted that the decision on the framework is closely linked to the outcome of the ADP, which cannot be prejudged. A link was made between the adoption of legally binding targets under the 2015 agreement and the use of the framework for various approaches as a facilitating tool to meet the targets.

34. Participants brought up the topics of adaptation, technology transfer, capacity-building, equitable distribution and the principles of the Convention, particularly “common but differentiated responsibilities” to be integrated into the framework for various approaches.

35. Ecuador informed the participants that its Yasuni initiative is no longer current and should no longer be referred to.

B. Session 2: experiences and lessons learned from existing approaches on the criteria and procedures to ensure the environmental integrity

1. Presentations

36. A representative of Norway emphasized the importance of the role of trust between Parties in taking on commitments. He then highlighted the trust-building mechanisms underlying the Kyoto Protocol, such as national inventories by Annex I Parties that are reviewed by experts from all over the world. He also elaborated on the transparency of procedures of the clean development mechanism (CDM), stressing its importance for creating trust, and concluded his presentation by encouraging Parties to learn from the existing procedures when designing the framework for various approaches.

37. A representative of Brazil spoke about how to interpret and apply environmental integrity both in a market and a non-market-based context. He noted that there is no formal definition of environmental integrity but that the concept has been operationalized in practice. For market-based approaches, the CDM has adopted rules and processes to ensure environmental integrity. For non-market-based approaches he presented the example of the Brazilian Amazon Fund, which has developed a list of norms and guidelines to ensure that emission reductions are real, measurable and long-term.

38. A representative of Saint Lucia emphasized that common accounting rules are essential to ensuring environmental integrity and that a pick-and-choose approach will not work. Additional protection systems are needed where trading of mitigation outcomes is involved. In order to maintain environmental integrity of a trading system, it is essential to differentiate between units created under the authority of the Convention (e.g. from Kyoto Protocol mechanisms) and those outside the Convention. For those outside the Convention, she stated they should first be subjected to a level of international oversight and independent verification under the UNFCCC, applying standards at least as stringent as the most stringent Kyoto Protocol mechanism rules. She named a number of relevant lessons learned under the Kyoto Protocol from which she concluded that the framework for various approaches should be seen as a set of internationally agreed common accounting rules, principles, standards, eligibility criteria and institutions. Saint Lucia also distinguished between different types of double counting.

39. A representative of Angola reflected on the various dimensions of environmental integrity, which goes beyond carbon emission numbers – it includes the health of the life-supporting systems – and has political, economic, social and biophysical components.

2. Discussion

40. The discussion on the criteria and procedures to ensure environmental integrity focused on the following questions from SBSTA 38:

(a) How may the elements listed in decision 1/CP.18, paragraph 46, be elaborated given the options for the purpose and scope of the FVA expressed by Parties?

(b) Which experiences from the Kyoto Protocol flexible mechanisms, domestic and regional schemes, existing institutional arrangements and infrastructure are relevant to the elaboration of the FVA and how can they be applied to the FVA?

(c) What common accounting rules, standards, criteria and/or procedures, if any, could be established under the Convention, taking into account internationally agreed common accounting rules, to ensure the environmental integrity of the approaches under the FVA, and avoiding all types of double counting, including for mitigation outcomes and support?

41. Parties generally agreed that the framework for various approaches should at least ensure transparency and build confidence. Most Parties expressed the opinion that the framework also needs to establish standards and procedures, accounting systems and other requirements for environmental integrity so as to allow various approaches to be recognized. It was also noted that common reporting arrangements, participatory evaluation of information and a sound institutional architecture can promote transparency and confidence.

42. Environmental integrity was interpreted to mean real, additional, measurable, long-term benefits to the environment. Parties also voiced a need for reflecting on environmental integrity more broadly, beyond carbon metrics, and to consider co-benefits and the priorities of host countries.

43. Several Parties noted that additional criteria and oversight institutions are necessary to ensure environmental integrity when trading is involved. It was also stated that trading-related carbon accounting must be more precise.

C. Session 3: experiences and lessons learned from existing approaches to avoiding double counting through accurate and consistent recording and tracking of mitigation outcomes

1. Presentations

44. An independent researcher and expert on methodological issues and double-counting, gave a presentation on the issues and options in double counting and defined double counting as the same greenhouse gas reductions or removals, achieved through a carbon market or non-market mechanism, being counted more than once towards fulfilling pledges or commitments for mitigating climate change. He elaborated on the various scenarios under which double issuance and double claiming can arise. He then pointed out how the various forms of double counting can be addressed through proper accounting, proper design of carbon market instruments and consistent tracking of units. According to him, there would be significant double counting if countries applied different approaches. He concluded that the role of the framework for various approaches could consist of establishing common principles, rules or standards, international tracking and oversight of implementation.

45. A representative of the secretariat then presented on the status of NAMAs and their implications on market and non-market activities. Making the distinction between “national level NAMAs”, which are aimed at reducing emissions below the ‘business-as-usual’ level

in developing countries and “individual NAMAs”, which could include policies, programmes or projects, he focused on national level NAMAs, which have implications for both market and non-market activities in a country. National level NAMAs provide a context for market and non-market activities and provide the opportunity for standardizing technical aspects nationally.

2. Discussion

46. The discussion on approaches to avoiding double counting focused on the following questions from SBSTA 38:

(a) How may the elements listed in decision 1/CP.18, paragraph 46, be elaborated given the options for the purpose and scope of the FVA expressed by Parties?

(b) Which experiences from the Kyoto Protocol flexible mechanisms, domestic and regional schemes, existing institutional arrangements and infrastructure are relevant to the elaboration of the FVA and how can they be applied to the FVA?

(c) What common accounting rules, standards, criteria and/or procedures, if any, could be established under the Convention, taking into account internationally agreed common accounting rules, to ensure the environmental integrity of the approaches under the FVA, and avoiding all types of double counting, including mitigation outcomes and support?

47. As far as areas in need of further clarification, participants asked whether double issuance could also be addressed at the level of the host country or if it is more efficient to address it at the national level. Some Parties argued for a hybrid approach which combines oversight at the national and international level.

48. It was noted that existing approaches probably already have measures in place to prevent double counting; therefore information sharing is a good start. It was also noted that an international tracking system exists for the Kyoto Protocol mechanisms, including the international transaction log, the CDM registry and national registries. It was further noted that these should be taken advantage of when designing the tracking system for the framework for various approaches.

D. Session 4: way forward at the Warsaw Conference

1. Presentations

49. A representative of New Zealand presented options for possible decisions on the framework for various approaches at the Warsaw Conference starting with its vision for 2020. This encompassed an arrangement where Parties are using units generated by market mechanisms to meet their international commitments, where the UNFCCC is facilitating international trading of a variety of units, and where bilateral and regional trading taking place in harmony with the UNFCCC. Emphasizing that the current discussion on the framework for various approaches includes both governance and institutional issues and the nuts and bolts of technical specifications, she suggested that Parties could agree on the purpose and scope of the framework at the Warsaw Conference. On the nuts and bolts – the technical specifications – it would be achievable for Parties to agree on a template and process for collecting information as well as an expert technical panel to review and identify common approaches to key design and operational elements, to be proposed to Parties at a forthcoming meeting. So that such a result can be achieved at the Warsaw Conference, New Zealand encouraged Parties to prepare an ideal template for information collection, responses to questions in the template and ideas on the purpose and scope of the framework for various approaches.

2. Discussion

50. Several Parties endorsed the suggestion for voluntary collection of information on existing approaches. However concerns were also raised: a bottom-up approach could not replace common standards or an accounting framework and would exclude Parties that do not have their own systems in place from contributing to developing common standards or rules. Parties also cautioned that reporting should not lead to implicit recognition of an approach under the framework for various approaches.

51. Recalling the SBSTA mandate from the Doha Conference to recommend a draft decision on the framework for various approaches for consideration and adoption at COP 19, a staggered approach was suggested. This could include a definition of the framework for various approaches at the Warsaw Conference and, as a first step in its further elaboration, the creation of a process for information sharing and reporting. At a later stage, common validation criteria for allowing approaches under the framework for various approaches could be agreed upon for both market and non-market approaches. Ultimately, criteria for trading of units or mitigation outcomes can be introduced. This approach could function in stages, or different stages could be adopted at the same time. At the Warsaw Conference, Parties could agree on a mandate for SBSTA to start the process.

IV. General discussion on the expectations for the Warsaw Conference for the framework for various approaches, the new market-based mechanism and non-market-based approaches

52. The SBSTA Chair moderated the closing session on the expectations for the Warsaw Conference regarding the framework for various approaches, non-market-based approaches and the new market-based mechanism. Mr. Chruszczow, representing the incoming Presidency, led the discussion and recalled the ambition of the incoming Presidency to facilitate progress on all three issues. He encouraged participants to engage constructively at the Warsaw Conference so that COP 19/CMP 9 could result in a tangible step forward in the elaboration of market and non-market mechanisms. The co-facilitators of each workshop reflected on the interactive discussions and summarized their observations on possible areas of common interest and areas for further elaboration.

53. The co-facilitators of the workshop on the framework for various approaches highlighted the need for the definition of the purpose and scope of the framework as well as for information-sharing on approaches which can lead to building trust and confidence. The following areas of possible common interest that could feature in a decision at the Warsaw Conference were identified:

- (a) Address international aspects of approaches such as the transfer of units or outcomes (mitigation/avoidance);
- (b) Start with information-sharing and reporting on approaches;
- (c) Consider developing common standards, rules, guidance to ensure environmental integrity and avoid double counting.

54. The co-facilitators of the workshop on non-market-based approaches highlighted the importance of non-market-based approaches in achieving the ultimate objective of the Convention and outlined some of the characteristics identified in the discussions which could help to define non-market-based approaches under the UNFCCC. The importance of capturing the international dimension of the work programme on non-market-based

approaches was also reiterated. The following activities were suggested as possible elements of the work programme:

- (a) Information sharing on actions and experiences, such as via a repository to ensure comparability and transparency;
- (b) Developing guidelines and tools for non-market-based approaches;
- (c) Encouraging and supporting the activities of other institutions which use non-market-based approaches aimed at achieving the ultimate objective of the Convention, such as the work on energy efficiency;
- (d) The joint mitigation and adaptation mechanism.

55. The co-facilitators of the workshop on the new market-based mechanism highlighted the range of views on the need for developing the new market-based mechanism, including in the context of increased ambition, the status of ratification of the amendment on a second commitment period under the Kyoto Protocol and the provision of support for the development of new market-based mechanism activities. The following areas of possible common interest that could feature in a decision at the Warsaw Conference were identified:

- (a) Provide further guidance on the scope and purpose of the new market-based mechanism;
- (b) Confirm that principles, provisions and commitments of the Convention shall apply to the new market-based mechanism;
- (c) Clarify that the new market-based mechanism shall operate under the framework for various approaches and that new market-based mechanism activities shall result in units that can be used to meet commitments and targets under the UNFCCC;
- (d) Complement the principles agreed at the United Nations Climate Change Conference held in Cancun, Mexico, that apply in the context of the new market-based mechanism, with other principles, such as contribution to technology diffusion and transfer and equitable access, and additional guidance;
- (e) Start with information exchange on possible activities under the new market-based mechanism, provide support and capacity-building and collect scientific information and data on the benefits of using market mechanisms for achieving mitigation;
- (f) Confirm that the new market-based mechanism would be subject to robust standards, criteria, methods, accounting rules and measuring, reporting and verification requirements so as to achieve net mitigation similar to or more stringent than what is stipulated by the Kyoto Protocol;
- (g) Confirm that a share of proceeds shall be applied in the context of the new market-based mechanism and that the new market-based mechanism is expected to build on existing experiences and lessons learned, including those related to the Kyoto Protocol;
- (h) Ensure that the modalities and procedures for the new market-based mechanism are simple, flexible and contain minimum provisions.

56. An area that may require further discussion concerns the appropriate governance structure or a process to develop the technical aspects of the new market-based mechanism, taking into account existing structures and the discussions under the framework for various approaches.

57. During the discussion, participants expressed their willingness to cooperate on a concrete outcome at the Warsaw Conference.