



Subsidiary Body for Scientific and Technological Advice

Fortieth session

Bonn, 4–15 June 2014

Agenda item 13(c)

Market and non-market mechanisms under the Convention

New market-based mechanism

New market-based mechanism

Draft conclusions proposed by the co-facilitators

1. The Subsidiary Body for Scientific and Technological Advice (SBSTA) continued its work programme to elaborate modalities and procedures for the new market-based mechanism (hereinafter referred to as the mechanism) defined in decision 2/CP.17, paragraph 83, in accordance with decision 1/CP.18, paragraphs 50 and 51, with a view to recommending a draft decision for consideration and adoption by the Conference of the Parties (COP) at its twentieth session (December 2014).
2. The SBSTA expressed its gratitude to the European Union, New Zealand, Norway, Switzerland and the United Kingdom of Great Britain and Northern Ireland for the financial support for the workshop on the mechanism held on 8 October 2013 in Bonn, Germany, in conjunction with the workshop on the framework for various approaches and the workshop on non-market-based approaches.
3. The SBSTA welcomed the technical synthesis¹ and the report² on the workshop on the mechanism and encouraged Parties to draw on the information contained in those documents and on the views³ submitted by Parties and admitted observer organizations when conducting further work on this matter.
4. The SBSTA noted that the work of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) is informed by the work of the subsidiary bodies.⁴ The SBSTA also noted that its work under this agenda sub-item is being conducted without prejudice to the work of the ADP on the 2015 agreement and pre-2020 ambition.
5. The SBSTA further noted the willingness of Parties to share information, experience and good practice relevant to the design and operation of the mechanism. It also recalled

¹ FCCC/TP/2013/6.

² FCCC/SBSTA/2013/INF.13.

³ Available at <http://unfccc.int/cooperation_support/market_and_non-market_mechanisms/items/7711.php>.

⁴ Decision 1/CP.17, paragraph 6.

the request of the COP to the secretariat⁵ to compile and make publicly accessible such information, experience and good practice.

6. The SBSTA invited Parties and admitted observer organizations to submit to the secretariat, by 22 September 2014, their views on the mechanism, including on:

- (a) Its design and governance;
- (b) The elaboration of the possible elements of its modalities and procedures;
- (c) The meaning of “a net decrease and/or avoidance of global greenhouse gas emissions”;⁶
- (d) Lessons learned from the mechanisms under the Kyoto Protocol that could be relevant to the further elaboration of the possible elements⁷ of the work programme referred to in paragraph 1 above;
- (e) Its relationship with the framework for various approaches and the mechanisms under the Kyoto Protocol;
- (f) Its relationship to enhanced mitigation ambition.

7. The SBSTA requested the secretariat to make the submissions referred to in paragraph 6 above available on the UNFCCC website.

8. It also requested the secretariat to prepare, for consideration at SBSTA 41 (December 2014), a technical paper on the design and operation of the mechanism, drawing on the submissions referred to in paragraph 6 above and other relevant materials.

9. The SBSTA agreed to continue its consideration of this agenda sub-item at SBSTA 41, drawing on the submissions referred to in paragraph 6 above and the technical paper referred to in paragraph 8 above, with a view to recommending a draft decision on the mechanism for consideration and adoption at COP 20.

10. The SBSTA took note of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in paragraph 8 above. It requested that the actions of the secretariat called for in these conclusions be undertaken subject to the availability of financial resources.

⁵ Decision 1/CP.18, paragraph 53.

⁶ Decisions 1/CP.16, paragraph 80(e), 2/CP.1, paragraph 79, and 1/CP.18, paragraph 51(c).

⁷ Decision 1/CP.18, paragraph 51.