

## **AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION UNDER THE CONVENTION**

**Fourteenth session (third part)**

**Panama City, 1.7 October 2011**

---

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

#### **Agenda item 3.2.1**

**Nationally appropriate mitigation commitments or actions by developed country Parties  
version of 14 October 2011 @ 5PM**

*Non-paper by the facilitator*

#### **Possible elements of draft decision for adoption of modalities and procedures for international assessment and review**

1. *Recalling relevant decisions;*
2. *Recognizing the importance of IAR;*
3. *Adoption of the modalities and procedures as contained in an annex to this decision;*
4. *Setting frequency;* [The IAR process will be conducted [annually][every two years] for each developed country Party [or will be determined by the Party's share of global greenhouse gas (GHG) emissions.] ]
5. *Setting start date of IAR;*
6. *Setting the date for review and revision of the modalities and procedures based on the experiences gained.*
7. *(.)*

#### **Possible elements of modalities and procedures for international assessment and review**

##### **I. Objectives of the international assessment and review process**

1. The overall objectives of the international assessment and review (IAR) process [taking into account the provisions of the existing review guidelines], are the following:
  - (a) To provide a [non-intrusive][non-confrontational], robust, rigorous and transparent assessment of developed country Parties. progress towards the attainment of their quantified economy-wide emission reduction targets [and the implementation of commitments for the provision of financial, technological and capacity-building support to developing country Parties];
  - (b) To ensure that the information provided by developed country Parties is consistent accurate, comparable, transparent and complete;
  - (c) To [promote][ensure] consistency in accounting over time [through common set of rules] and comparability of efforts among developed country Parties;
  - (d) To promote the [environmental] integrity of the international climate regime;
  - (e) To build confidence that the implementation of mitigation actions of developed country Parties are in line with their quantified economy-wide emission reduction targets;
  - (f) [To encourage developed country Parties to increase the level of ambition of their commitments;]
  - (g) [To [ensure] that implementation of mitigation actions of developed country Parties are in line with their quantified economy-wide emission reduction targets;]

- (h) [To [ensure] the implementation of low carbon development strategy including target towards the long-term goal for 2050;]
- (i) [To facilitate provisions of information to the Conference of Parties to assess the implementation of the Convention;]
- (j) [To address compliance by Annex I Parties with the methodological and reporting requirements, accounting modalities and eligibility criteria to participate in market-based mechanisms, as well as with the achievement of their targets and commitments;
- (k) To provide input to the 2013.2015 and the subsequent periodic review processes.]

**(NEW PARAGRAPH) To ensure that the developed country Parties are fulfilling their obligations to reduce the adverse impact of their mitigation actions on developing country Parties.**

2. In addition to the overall objectives included in paragraph 1, the specific objectives of the [technical][expert] [review][assessment] are the following:

- (a) To provide a thorough, objective and comprehensive [technical][expert] [review][assessment] of information provided in reports referred to in paragraph 6 below for accuracy and conformity with reporting requirements;
- (b) [To assess the implementation of commitments related to quantified economy-wide emission reduction targets and the provision of support;]
- (c) To promote accuracy, completeness, comparability, consistency and transparency in the review of information;
- (d) [To identify potential gaps or problems in implementation of commitments referred to in paragraph 2(b) above and propose solutions [or corrections];]
- (e) [To ensure comparability of efforts among developed country Parties];
- (f) To assist Parties included in Annex I in improving their reporting of information and the implementation of their commitments and targets;
- (g) To provide the COP with a [technical][expert] assessment of the implementation of methodological and reporting requirements, accounting modalities and eligibility criteria to participate in market-based mechanisms, as well as the targets and commitments by Parties included in Annex I.

**(NEW PARAGRAPH) To ensure that the developed country Parties are assessing the adverse impacts of their mitigation actions on developing country Parties.**

3. Further, the specific objectives of the [assessment][review] are the following:

- (a) To promote transparency and build confidence in developed country Parties. implementation of commitments [in a non-confrontational and facilitative manner];
- (b) To [assess][review] and [review][assess] the implementation of the quantified economy wide emission reduction targets and the provision of support;
- (c) To facilitate the [consideration of ][review] comparability of effort among Parties;
- (d) [To encourage developed country Parties to increase the level of ambition of their commitments.]

**(NEW PARAGRAPH) To ensure that the developed country Parties are addressing the adverse impacts of their mitigation actions on developing country Parties.**

## II. Process and scope

### A. Process

4. IAR will be conducted in the following steps:

- (a) A [technical][expert] [review][assessment], where relevant in conjunction with the annual inventory and national communications review process for developed country Parties, which would result in an individual review report for each developed country Party;

(b) [An [assessment][review] of implementation conducted under the auspices of the Subsidiary Body for Implementation;]

(c) An [assessment][review] of progress towards the achievement of quantified economy wide emission reduction targets [and the provision of financial, technological and capacity-building support to developing country Parties] under the auspices of the Subsidiary Body for Implementation;

**(NEW PARAGRAPH) An assessment of progress towards identifying and addressing the adverse impacts of the mitigation actions on developing country Parties.**

(d) [An early warning and correction process.] **B. Scope**

Deleted: ¶

5. IAR will [review][assess] and [assess][review] [based on the existing review process] for each developed country Party the following:

(a) All emissions and removals related to its quantified economy-wide emission reduction target;

(b) [Assumptions and conditions related][Strategies adopted by developed country Parties] to attainment of [their] quantified economy-wide emission reduction targets;

(c) Progress towards the achievement of quantified economy-wide emission reduction targets;

(d) [Its provision of financial, technological and capacity-building support to developing country Parties.]

**(NEW PARAGRAPH) Its actions to reduce the adverse impact of its mitigation actions on developing country Parties.**

### **III. [Technical][Expert] [review][assessment]**

#### **A. Inputs**

6. The inputs to the [technical][expert] [review][assessment] are the following:

(a) [Biennial report][Annual GHG inventory and national inventory report];

(b) [Annual GHG inventory and national inventory report and if applicable, biennial report]

(c) Relevant review reports;

(d) [Option I: Complete national communication in the event that the biennial report is considered as part of the national communication in the year that the national communication is submitted] [Option II: Parts of the national communications for which the biennial report is considered as part of the national communication in the year that the national communication is submitted];

(e) Any additional information provided by the Party before or during the review;

(f) Peer reviewed publications and other credible sources.

#### **B. Process**

7. Option I: [Each developed country Party's biennial report is [reviewed] [assessed], where relevant in conjunction with the annual inventory and national communications review process, as follows:

(a) The [annual] inventory and national communications review are conducted in accordance with existing [and revised] guidelines and procedures under the Convention[, and [where relevant,] the Kyoto Protocol];

(b) Supplemental review tasks related to the biennial report are the following:

(i) [Assessing overall progress in the implementation of the quantified economy-wide emission reduction target;]

(ii) [Assessing progress in the implementation of individual mitigation actions and their effects in order to achieve the quantified economy-wide emission reduction targets];

(iii) [Assessing use of carbon credits from market mechanisms and land use, land-use change and forestry (LULUCF) activities towards the emission reduction target;]

(iv) [[Review][Assessing] of provision of financial, technology and capacity-building support to developing country Parties.]

**(NEW PARAGRAPH) Assessing progress in the implementation of actions to identify and address the adverse impacts of its mitigation actions on developing country Parties**

Option II: [The review should identify questions of implementation with regard to the inventory reporting requirements, accounting modalities, eligibility criteria to use the market mechanisms, national arrangements and national registries, and allow for adjustments of the provided estimates as appropriate.]

8. *Options* for handling [supplemental] review tasks:

Option 1: Add tasks to the existing inventory review and additional experts to review teams in order to handle supplemental tasks;

Option 2: Creation of standing [review][assessment] teams to support the [review][assessment] of the biennial report;

Option 3: Increase the secretariat's role in supporting the [review][assessment];

Option 4: A combination of the above. For example, the secretariat could provide analysis and comparison of the use of LULUCF and market-based mechanisms across Parties to facilitate the review by existing review teams of accounting and progress towards the target. A standing group of finance experts could perform the review of the provision of support by developed country Parties;

Option 5: An expert review team (ERT) consisting of experts from Annex I and non-Annex I countries, in a balanced manner with different expertise, ranging from finance to GHG inventories.

### C. Output

9. The output of the [technical][expert] [review][assessment] [based on the existing review process] is a [technical][expert] [review][assessment] report(s) for each individual developed country Party.

## IV. [Assessment][Review]

### A. Inputs

10. The [assessment][review] will be carried out on the basis of:

- (a) [Technical][Expert] [review][assessment] report(s) referred to in paragraph 9, and any other relevant review reports;
- (b) Biennial report;
- (c) National GHG inventory, national inventory report and, where relevant, national communication;
- (d) Other information provided by the Party before or during the [assessment][review];
- (e) [Inputs from other stakeholders/Parties].

### B. Process

11. Each developed country Party is [assessed][reviewed] individually. [Developed country Parties are also [assessed][reviewed] aggregately.]

12. The [assessment][review] under the IAR process shall entail the following:

- (a) Option I: [Opportunity] for Parties to submit written questions to the Party concerned in advance of the [assessment][review]; this would be part of the basis for the [consultations][review];
- (b) Option II: Electronic submission of questions before the Subsidiary Body for Implementation session which may require the secretariat to synthesize;
- (c) Option III: Opportunity for questions or comments by observer organizations;
- (d) Option IV: Verbal questions [and response] during the session;
- (e) Questions and responses after the Subsidiary Body for Implementation session before the completion of the [assessment][review].

### C. Forum for [assessment][review]

13. The international [assessment][review] shall be conducted through dedicated session of the Subsidiary Body for Implementation or [by designated body operating under the auspices of the Subsidiary Body for Implementation][by the compliance system to be developed under the Convention].

#### **D. Outputs**

14. The outputs of the [assessment][review] are the following:

- (a) [Objective record of questions and discussion];
- (b) Summary report;
- (c) [Conclusions];
- (d) Recommendations to Party;
- (e) Problems identified and reported to the Conference of the Parties;
- (f) Compliance assessment [and presentation of measures required to address noncompliance];
- (g) Facilitative process to engage the Party concerned and assist it in taking remedial action;
- (h) [Non-compliance consequences, including compliance procedures and penalties including increases in the QELRC (or consequences to address the carbon budget) of the Party.];
- (i) [Further steps shall be determined to ensure that questions related to the compliance objective are addressed in an appropriate manner.]

#### **E. Relationship with other process**

15. Issue for further consideration: any formal relation of IAR process to:

- (a) The review of the adequacy of the long-term global goal of the Convention or process to increase the level of ambition
- (b) [Any compliance system to be developed under the Convention]
- (c) Relevant provisions under the Convention;
- (d) [Relevant provisions under the Kyoto Protocol.]
- (e) -----