

**AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION  
UNDER THE CONVENTION**  
Fourteenth session (second part)  
Bonn, 7–17 June 2011

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**WORK OF THE AWG-LCA CONTACT GROUP  
AT AWG-LCA 14.2  
7-17 JUNE 2011**

**NOTES BY THE FACILITATORS**

*This file contains the notes prepared by the facilitators during the second part of the fourteenth session of the AWG-LCA, compiled for the purpose of convenient access. This file is available, together with the individual notes, on the UNFCCC website at the following link: <[http://unfccc.int/meetings/ad\\_hoc\\_working\\_groups/lca/items/6050.php](http://unfccc.int/meetings/ad_hoc_working_groups/lca/items/6050.php)>.*

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## **Agenda item 3.1**

### **A shared vision for long-term cooperative action**

**version of 17 June @ 11.30**

#### **Note by the Facilitator: summary of issues presented at the informal consultations**

*Recalling* its decision 1/CP.16 elaborating on a shared vision for long-term co-operative action, in particular the mandate contained in paragraph 5 and paragraph 6 with regard to the consideration of a global goal for substantially reducing global emissions by 2050 and a timeframe for a global peaking of greenhouse gas emissions.

*Recalling* its decision 1/CP.13 (the Bali Action Plan).

[additional preambular language]

#### **Global goal for substantially reducing global greenhouse gas emissions by 2050**

- *Reaffirm* that Parties should take urgent action with a view to reducing global emissions so as to hold the increase in global average temperature below 2 degrees Celsius above pre-industrial levels, consistent with science and on the basis of equity;
- Parties [should collectively reduce][share the goal of achieving a reduction of] 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)];
- Global greenhouse gas emissions should continue to decline thereafter;
- Developed countries as a group should reduce their greenhouse gas emissions by [at least][40][45][50] per cent from 1990 levels by 2020 and by [at least][80-][more than][95] per cent from 1990 levels by 2050, [to be updated based on the 2013–2015 review of the global goal];
- Adoption at the Conference of the Parties at its seventeenth session and rapid and time-bound implementation thereafter of ambitious, robust, comparable short, mid- and long-term Annex I to the Convention (Annex I Parties) quantified emission limitation and reduction objectives, including at least 40–50 per cent below 1990 levels by 2020 under the Kyoto Protocol and commitments by Parties which are not Parties to the Kyoto Protocol;
- Reduce global greenhouse gas emissions more than 100 per cent by 2040 by Annex I Parties; sustained by short-term mitigation by Annex I Parties of more than 50 per cent by 2017; ensuring stabilization of the global temperature at a maximum of a 1 degree Celsius increase;
- Aspects that may be considered in this context include:
  - Based on best available scientific knowledge;

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- The objective, principles and provisions of the Convention (referred to in decision 1/CP.16, para. 1), and the Bali Action Plan;
  - Equity (paras. 1 and 4), common but differentiated responsibilities and respective capabilities (para. 1), and sustainable development (equitable access to sustainable development (para. 6); low-carbon development strategy is indispensable to sustainable development (para.6));
  - Parties included in Annex I to the Convention should take the lead, taking into account their historical responsibilities (second preambular paragraph of section III.A., enhanced action on mitigation; nationally appropriate mitigation commitments or actions by developed country Parties);
  - Socio-economic conditions and adequate time for economic development for all developing countries;
  - The fact that all countries, especially developing countries, need access to the resources required to achieve sustainable social and economic development;
  - The carbon budget, in the context of equitable access to global atmospheric space;
  - The mitigation potential of “alternative energy disadvantaged” Parties which have serious difficulties in switching to alternatives to the use of fossil fuels (Article 4, para. 10);
  - Greenhouse gas concentrations in the atmosphere should stabilize [well] below [300][350][450] ppm CO<sub>2</sub>e [and temperature increases limited to below 1.5 degrees Celsius above the pre-industrial level] (there is a scientific relationship among temperature, concentrations and emissions);
  - The relationship with the global goals for finance, technology, adaptation, capacity-building and forestry;
  - The relationship with the other building blocks of Bali Action Plan;
  - Low-carbon development strategies;
  - The historical climate debt;
  - 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 on 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.

#### **Time frame for global peaking of greenhouse gas emissions**

- As soon as possible (para. 6) but not later than 2020;
- By [2013][2015];
- Greenhouse gas emissions should decline thereafter;
- Greenhouse gas emissions of developed countries as a group should peak by 2015;
- Developed country Parties should peak without any delay [no later than 2012], recognizing that they should have peaked before 2000 according to the Convention;
- Aspects that [may][should] be considered in this context include:
  - Based on the best available scientific knowledge;

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- Parties should cooperate in achieving the peaking of global and national emissions and should engage stakeholders in this process (para. 6);
  - Implementation of commitments under Article 4 paragraph 1, 2, 3, 5 and 7 of the Convention;
  - Recognizing, however, that the time frame for peaking of greenhouse gas emissions 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-emission development strategy is indispensable to sustainable development (para. 6);
  - Equitable access to sustainable development (in para. 6 but needs to be defined; is defined in the context of para. 6);
  - Taking 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 (Article 4, paragraph 10).

### **Equity**

- ...

### **Historical responsibility**

- ...

### **Establishment of global goals for finance, technology, adaptation, capacity-building and forestry.**

- Finance: developed country Parties shall provide developing country Parties with new and additional finance, inter alia through a percentage of the gross domestic product of developed country Parties, for technology, insurance and capacity-building in order to enable and implement adaptation actions, plans, programmes and projects at all levels, in and across different economic and social sectors and ecosystems (FCCC/AWGLCA/2010/MISC.8, Add.2).
- Technology: ....
- Adaptation: ...
- Capacity-building: ...
- Forestry: ...
- Reference to decision 1/CP.16 paragraph 141.

### **Trade**

- Trade is important for ensuring the economic development of developing country Parties.
- Measures taken to combat climate change, including unilateral measures, should not restrict trade (in para. 90).
- Recalling the principles and provisions of the Convention, in particular Article 3, paragraphs 1, 2, 4 and 5, and Article 4, paragraphs 3, 5 and 7, and taking into account the principles of equity, common but differentiated responsibilities and the obligations of developed country Parties to provide financial resources, transfer technology and capacity-building support to developing country Parties, 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 the climate, emissions leakage and/or the cost of environment compliance.

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## Response measures

[possible preambular language]

- *Reaffirming* the importance of the objective of the Convention, and the relevant principles and provisions of the Convention related to the 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 the 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 the 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, contributing to building new capacity for both production and service-related jobs in all sectors, and promoting economic growth and sustainable development,
- 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,
- Parties should recognize that the specific needs and special circumstances of developing country Parties that would have to bear a disproportionate or abnormal burden under the Convention should be given full consideration (section III.E - Economic and social consequences of response measures);

## Intellectual property issues in relation to technology

- 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 Agreement on Trade-Related Aspects of Intellectual Property Rights may be used to the fullest extent by developing country Parties 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 Agreement on Trade-Related Aspects of Intellectual Property Rights, each Party retains its right to grant compulsory licences and the freedom to determine the grounds upon which such licences 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.

## Low-carbon and climate-resilient society

- Ensure continued high growth and sustainable development (a low-carbon society is referred to in para. 10).
- In a manner that is non-intrusive, non-punitive and respectful of national sovereignty, Parties should establish adequate national institutional arrangements that would create a formal process to formulate a shift to a low-carbon and climate-resilient economy, involving all sectors of society.

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**Human rights**

- Climate change related actions should fully respect human rights (para. 8).
- The adverse effects of climate change have a range of direct and indirect implications for the effective enjoyment of human rights; climate change related actions can have implications on human rights and the effects of climate change will be felt most acutely by those segments of the population that are already vulnerable owing to geography, gender, age, indigenous or minority status, or disability (resolution 10/4 UNHRC noted in the preamble of decision 1/CP.16);
- Indigenous people – ensuring the full respect of human rights, including the inherent rights of indigenous people (A broad range of stakeholders – engagement, including of indigenous people, is necessary for effective action on all aspects of climate change (preamble and paras. 7 and 72)).
- Migrants – ensuring the full respect of human rights, including the inherent rights of migrants (CRP.4).

**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.

**Right to survive**

- The rights of some Parties to survive are threatened by the adverse impacts of climate change, including sea level rise.

**An international climate court of justice**

- Establishment and development of an international court of climate justice;
- Guaranteeing compliance of the actions taken for climate change through an international climate court of justice (CRP.4);
- Rules that draw on experience with existing relevant bodies should be agreed (CRP4).

**Warfare**

- Stopping wars, defending lives and ceasing destructive activities will protect the climate system; conflict-related activities emit significant greenhouse gas emissions to the atmosphere (CRP.4).

## **Agenda item 3.2.1**

### **Nationally appropriate mitigation commitments or actions by developed country Parties**

**version of 15 June @ 22:05**

#### **Note by the co-facilitators: Possible elements of the biennial reports referred to in paragraphs 40 (a) and 46 (a) of decision 1/CP.16**

##### **Background and context**

- In accordance with paragraphs 40 (a) and 46 (a) of decision 1/CP.16 the work on the guidelines for providing information through biennial reports is part of the revision of the guidelines for reporting through national communications. At the same time, as biennial reports are a new reporting element, some work on their guidelines could proceed in an expedited manner, with the understanding that all reporting requirements for biennial reports should eventually become part of the guidelines for reporting through national communications.

##### **Possible elements of the biennial reports**

- Parties addressed the possible approaches to reporting information through biennial reports referred to paragraphs 40 (a) and 46 (a) of decision 1/CP.16 on the following occasions:
  - (a) Submission of views on the items relating to a work programme for the development of modalities and guidelines listed in decision 1/CP.16, paragraph 46;
  - (b) Two workshops on assumptions and conditions related to the attainment of quantified economy-wide emission reduction targets by developed country Parties, as requested by decision 1/CP.16, paragraph 38; these workshops were held on 3 April 2011 and 9 June 2011;
  - (c) Informal meetings on agenda item 3.2.1 held on 10 and 13 June, and the meeting of spin-off group under agenda item 3.2.1 held on 14 June 2011;
  - (d) Informal submissions of Parties views during the second part of the fourteenth session of AWG-LCA.
- In these submissions, presentations and interventions Parties provided, inter alia, useful and concrete proposals on possible elements of biennial reports.
- Overall, there is convergence on broad elements of biennial reports. However, views differ among Parties on specificity of individual elements, for example on how to treat the information on financial support from private sources.
- Without prejudging the specificity and sequencing of each element, the list below presents those broad elements of biennial reports, at a thematic level, which, in the view of the Co-Facilitators, reflect broad convergence of views among Parties and thus could serve as a starting point for further, in-depth consideration by Parties:
  - Executive summary



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- National greenhouse gas inventory (all sectors including LULUCF) and national inventory report
  - Information on mitigation commitments or actions
  - Effects of implemented mitigation actions
  - Emissions projections and indicative trajectory of emission trends
  - Progress in achieving emission reductions
  - Methodologies used and assumptions made
  - Information on the use of LULUCF and market-based mechanisms
  - Information on provision of support

#### **Options for a timeline for completion of work on modalities and submission of biennial reports**

- Completion of work on modalities and guidelines for reporting through biennial reports as part of the revision of national communication guidelines:
  - By COP 17 in 2011
- Submission of biennial reports:
  - In 2012
  - In 2013

#### **Suggestions to take forward the work between now and Durban**

- Invite Parties to provide in-session submission from Parties on possible elements of biennial reports; the Co-facilitators of the spin-off group have already done so Parties have already started providing their submissions.<sup>1</sup>
- Invite inter-sessional submission from Parties on possible elements of biennial reports; dates to be determined according to an agreed approach to the work. The secretariat was requested synthesise the submissions and prepare a scope of guidelines based on existing guidelines.
- Allocate more time for spin-off discussion of this topic at this session.
- Addressing the issue in a workshop format between the Bonn and Durban sessions; some Parties noted that any such workshop should be in-session.
- Developing the detailed modalities and guidelines using expert technical meetings between Bonn and Durban.

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<sup>1</sup> As at 15 June 2011, 10 p.m., following Parties or group of Parties made the in-session submissions: African Group, Brazil, European Union, South Africa, Switzerland and the Umbrella Group.

## **Agenda item 3.2.1**

### **Summary by co-facilitators of discussion on international assessment and review (IAR) referred to in decision 1/CP.16, paragraphs 44 and 46(d), and accounting**

**version of 16 June 2011 @ 15:33**

#### **I. Principles/objectives**

- All Parties acknowledged the importance of international assessment and review (IAR) of emissions and removals related to quantified economy-wide emission reduction targets, and concurred that modalities and guidelines for IAR should be drawn from the rich international experience that already exists. There was a discussion on where best to look to make the most of that experience: some preferred to use the existing system and experience under the Kyoto Protocol, others preferred those under the Convention. Further, some suggested making use of experience from international processes outside of the Convention and the Kyoto Protocol. All thought of possible ways forward.
- Parties expressed their views on what should be objectives and principles of IAR process. Most Parties are of the view that IAR process should, but not limited to:
  - (a) Be a robust, rigorous and transparent process;
  - (b) Build on and enhance the review processes currently in place;
  - (c) Address comparability of efforts among developed country Parties;
  - (d) Build confidence that commitments or actions implemented by developed country Parties are in line with their targets;
  - (e) Encourage developed country Parties to increase their level of ambition and close the “ambition gap”;
  - (f) Ensure that information provided is complete, comparable, transparent and accurate.

#### **II. Inputs**

- Parties identified biennial reports, national communications, national annual GHG inventories and reports prepared by expert review teams in the course of reviews of annual GHG inventories and national communications as a basis for the review and assessment.
- Parties also suggested making use of the existing roster of experts maintained by the secretariat for the purpose of in-depth technical review as a part of IAR.

#### **III. Process**

- Overall, there were many points of coincidence among most Parties on the possible processes under IAR. In particular:

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- (a) In-depth technical review by team of international experts;
  - (b) Assessment under the Subsidiary Body for Implementation (SBI) which could conclude a question and answer session involving the Party concerned and other interested Parties; Parties may be invited to provide written follow-up questions. This assessment would result in an objective assessment report. One Party noted the need to improve understanding of what is a multilateral consultation process under the Convention.
- There were also several process-related principles for which views advanced suggested the need for further work:
    - (a) Some Parties view common accounting rules to be basis for IAR process. Others believed that accounting could be addressed through a system of internationally agreed reporting rules. In the context of discussion on common accounting rules, some Parties noted that the rules under the Kyoto Protocol should be used as a reference.
    - (b) The notion of some Parties that IAR should include process of assessing compliance and/or addressing non-compliance was discussed. Some Parties reiterated that IAR should be non-intrusive, non-confrontational, non-punitive and facilitative process. One Party noted that there is no basis for compliance under the Bali Action Plan and the Cancun Agreements.
  - Many Parties reiterated the need to maintain distinction between international consultations and analysis (ICA) for developing country Parties and IAR for developed country Parties.
  - Many Parties suggested that IAR process should include assessment and review of information on the use of land use, land-use change and forestry (LULUCF) and market mechanisms.

#### **IV. Outputs**

- Parties suggested the following as possible outcomes of IAR:
  - (a) A summary report as a result of technical review; this report would be made publicly available.
  - (b) An objective assessment report as a result of assessment under the SBI; this report would be made publicly available.
- One Party suggested that output of IAR process would be a compliance mechanism under the Convention that may or may not be linked to the compliance mechanisms under the Kyoto Protocol. The notion of IAR as part of compliance was also outlined by another Party which suggested a two tiered IAR process: tier 1 would entail review of biennial reports and national communications at the SBI level and tier 2 would entail review of compliance for developed country Parties in meeting their commitments which be linked to their eligibility to participate in the markets mechanisms. The eligibility would be defined based on common accounting rules.
- Several Parties noted that the IAR process should contribute to a process to increase the level of ambition in mitigation action and to decrease the gap between the required and expected levels of emissions.

#### **V. Expectations for Durban**

- Several Parties have addressed this in their interventions and expressed their expectation that the work on development of modalities and guidelines for IAR would be concluded by COP 17 in Durban.

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## VI. Way forward

- There was a suggestion to call for submissions on input, process and outcome of IAR which was well received. This could well use the common experience we had to address the outstanding issues.
  - Some Parties also put forward a request to the secretariat to prepare technical paper(s) that would:
    - (a) Identify key elements of accounting;
    - (b) Explain existing accounting framework(s) under UNFCCC and its protocols;
    - (c) Analyse implication of different accounting methods on targets;
    - (d) Explore recourses and repercussions if the commitments or actions of developed country Parties were not in line with their quantified emission reduction targets.
  - We have also had a rich discussion on clarifying assumptions and improving our understanding, based on the workshops in Bangkok and in Bonn, and the discussions held in Bonn. In this sense, there was also a request from some Parties to update the technical papers on:
    - (a) Quantified economy-wide emission reduction targets by developed country Parties to the Convention: assumptions, conditions and comparison of the level of emission reduction efforts (FCCC/TP/2011/1);
    - (b) Synthesis of information relevant to the determination of the mitigation potential and to the identification of possible ranges of emission reduction objectives of Annex I Parties (FCCC/TP/2008/10);
    - (c) Analysis of possible means to reach emission reduction targets and of relevant methodological issues (FCCC/TP/2008/2).
  - Parties expressed the need to convene a technical expert meeting and/or workshop before COP 17. However, some Parties noted that such meeting and/or workshop should be held in-session, back-to-back formal sessions of the Subsidiary Bodies and/or Ad-hoc Working Groups. A Party emphasized the need for such meetings or workshops, if any, to be efficient and feed-in into the negotiation process.
  - The Co-facilitators were requested by some Parties to prepare a list of elements that could form as a basis for further consideration.
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## **Agenda item 3.2.2**

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

#### **Summary by co-facilitators of issues raised by Parties on Registry**

**version of 15 June 2011 @ 16:00**

##### **Oral presentation by the secretariat**

- Outlined areas where further clarifications are needed in order to allow the registry to meet its objective.
- Requested Parties to focus the discussion on content, input and the facilitation of support function of the registry.
- Requested guidance to the secretariat on what would be useful for the process in terms of action by the secretariat this year.

##### **Summary of the discussion**

- Some Parties stated that the nationally appropriate mitigation action (NAMA) pledges contained in the document FCCC/AWGLCA/2011/INF.1 could be recorded in a separate section of the registry. They also stated that NAMAs would be indicative until they are matched with support after which they would be recorded in the main section of the registry.
- Parties expressed the need to have further detailed discussion on the scope of modalities for facilitation of support through the registry, including discussion on various sources of funds, including those outside the Convention, access to which would be facilitated by the registry.
- Some Parties stated that the registry would not have executive or decision making role in terms of provision of support and that the actual matching of action and support would take place via the financial mechanism, technology mechanism and any future arrangements for capacity building. A Party mentioned that the registry would be part of the Green Climate Fund.
- Some Parties mentioned that support would need to be facilitated for both preparation (a Party mentioned that this support would be provided through the Global Environment Facility), and implementation of NAMAs, and that the registry would also assist in the assessment of any support gap.
- Some Parties mentioned that developing country Parties would submit individual actions (projects, programmes, policies etc) to the registry and the deliverable would be implementation of these actions rather than emissions reduction per se, although information on emission reduction could be presented in the registry.
- Some Parties stated that registry as a voluntary tool would not preclude Parties from seeking support elsewhere. As a voluntary tool it would not replace reporting requirements and the need for inscription of pledges.
- Some Parties expressed the view that the separate section of the registry referred to in 59 of Decision 1/CP.16 performs a qualitatively different function from facilitation, however the latter is defined.
- Some Parties pointed out the need for further discussion on the important role of the registry as a MRV mechanism, particularly with regard to MRV of support.
- Some Parties mentioned the usefulness of having simple template for submission of information to the registry on NAMAs seeking support. On the support side, information could include, amount and type of support available and types of actions that would be supported. In this context, a common reporting format for reporting information on finance, technology and capacity building would be needed.

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- A Party stressed the importance of encouraging Annex II Parties to present concrete information on support available as this would encourage developing countries to submit concrete proposals, thus making the registry another avenue for recording information on fast start finance.
  - A Party mentioned that registry rather than having a “process” for recognition, should recognize actions automatically upon their submission.
  - Some Parties mentioned that the registry could be a web-based database, whereas a Party stated that it shouldn't be seen as a mere database.

**Summary of the ideas on the way forward**

- Parties requested the secretariat to prepare a prototype of the registry as soon as practicable to facilitate in-depth discussion by Parties;
  - Parties expressed the need to convene a technical expert meeting before COP 17.
  - A Party mentioned that it will be useful to request input from the secretariat on lessons learned from the process of preparation of technology needs assessment, provision of support for adaptation and regional distribution of CDM projects to allow exchange of views among Parties.
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## **Agenda item 3.2.2**

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

#### **Summary by co-facilitators of issues raised by participants on biennial update reports**

**version of 17 June 2011 @ 10:57**

##### **Opening of meeting by Co-Facilitator**

- Requested Parties to focus their intervention on scope and content of the biennial update reports and on the process moving forward.

##### **Summary of the discussion**

- Some Parties emphasized that adoption of guidelines for preparation of biennial update reports (BURs) was a key part of the overall Durban package, and that it was critical for these reports to feed into the 2013-2015 review;
- Some Parties highlighted the need for what they refer to as “major emitters” to submit in the first round of biennial reports and emphasised the fact that support would be provided for developing countries for the preparation of these reports. Some Parties objected to the usage of term “major emitters”, and highlighted that any differentiation between developing country parties would not be acceptable;
- Parties emphasised that early flows and technical support were essential in addressing capacity needs and the scale up of support, and expressed a need to know what was available in terms of finance for reporting, as well as the requirements for consistent and sustained support;
- A number of Parties stressed the point that BUR are not independent reports but rather update of information submitted in national communications, and that there is no mandate to revise the guidelines for preparation of national communications by NAI Parties;
- Parties spoke of the need for flexibility in reporting to respect countries capabilities, with options of a tiered reporting or layered approach, as well as a differential timetable. The need to provide prompt technical and financial support to all developing countries for enhanced reporting, and the process of continual improvement through learning by doing were highlighted as integral of the process;
- Some Parties made the point that the biennial reports for developing countries should be less onerous both in terms of content, and frequency, than biennial reports of developed countries;
- Some Parties pointed out that preparation and submission of BURs are voluntary and dependent on provision of support and respective capabilities;
- Some Parties stated that guidelines for BUR would be based on existing guidelines for preparation of national communication by non-Annex I Parties, and that UNFCCC GHG software, which incorporates the IPCC 1996 Guidelines and IPCC 2003 Good Practice Guidance should continue to be encouraged for use in the preparation of the biennial update reports;

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- Most Parties stated that the content and structure of BUR would be as indicated in 1/CP.16 paragraph 60 (c), including updates of national GHG inventories, information on mitigation actions, needs, and support received. Other Parties referred to paragraph 64 as providing further elaboration of the content of biennial reports.

#### **Summary of the ideas on the way forward**

- A number of Parties called for submissions from Parties to feed into the technical expert meeting between now and fall session (if there is one) or between now and Durban;
  - A number of Parties requested the AWG-LCA to recommend to the COP to invite the GEF to provide a report outlining ways in which support could be provided for preparation of BURs and ways in which support could be delivered;
  - Some Parties requested the secretariat to prepare a technical paper on future financing options for the preparation of BURs;
  - Some Parties requested the secretariat to prepare a technical paper outlining the gaps in current guidelines for NA I parties compared to reporting requirements for NAI under the Cancun Agreements.
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## **Agenda item 3.2.2**

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

#### **Summary by co-facilitators of discussion on international consultation and analysis (ICA) referred to in decision 1/CP.16, paragraphs 63 and 64.**

**version of 17 June 2011 @ 09:00**

#### **I. Principles/objectives**

- All Parties acknowledged that ICA process should be implemented in a manner that is non-intrusive, non-punitive, and respectful of national sovereignty.
- Parties also acknowledged that the objective of ICA should be to increase transparency of mitigation actions through a facilitative information sharing process which also seeks to build capacity in developing countries.
- Some Parties stated that ICA is voluntary process, while one other Party stated that under the UNFCCC all countries are required to do mitigation actions that would be subject to ICA.
- Some Parties stated that ICA should not be more onerous than the International Assessment and Review process for Annex I Parties.
- Some Parties also highlighted the distinction between ICA and IAR, stating that ICA does not have compliance implications, no assigned consequences and that it is not a review process.
- Some Parties stated that frequency of ICA is not determined. They stated that though ICA will be based on biennial update reports, it does not necessarily mean that ICA would be conducted biennially as submission of biennial reports depends on availability of support.

#### **II. Input**

- Some Parties identified biennial reports as a basis for conducting ICA whereas some other Parties were of the view that not all components of the biennial reports would be subject to this process and that ICA should focus on providing transparency of domestically funded actions.
- Some Parties stated that only unsupported actions would be subject to ICA, while one other Party found that the scope would not be limited in this way.

#### **III. Process**

- Some Parties saw consultation taking place after a technical analysis process, whereas others were of the view that consultation should come before technical analysis. One Party

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mentioned that in their view the technical analysis and consultations would take place at the same time.

- Technical analysis
  - Some Parties were of the view that a small group of Party-nominated technical experts and secretariat staff would conduct the technical analysis of the input mentioned above in consultation with the Party concerned, resulting in an expert analysis report.
- International consultation
  - Some Parties were of the view that expert analysis reports and the biennial reports would be the basis for international consultation under the auspices of the SBI. One Party was of the view that the consultation process would not take place amongst Parties but rather between the expert team and the Party concerned.
  - Some Parties were of the view that an exchange between Parties in the form of a question and answers session would be respectful, non-confrontational, and serve the purpose of facilitating sharing of information
  - Some Parties were of the view that following the consultation under SBI, Parties would be invited to submit written follow-up questions within a specified time period to be answered by the Party concerned shortly thereafter.
  - Some Parties were of the view that this process would result in a report by the secretariat containing objective recording of the proceedings.

#### **IV. Output**

- Some Parties were of the view that the process of ICA would result in a summary report prepared by the secretariat which would contain a technical expert analysis report, a summary of the oral consultations, the written questions and answers, and any observations the Party concerned may wish to include.

#### **V. Summary of ideas on the way forward**

- A number of Parties called for further submission from Parties on ICA, including creative graphics of how the process could potentially take place.
- Some Parties requested the secretariat to capture areas of convergence and prepare an elements paper that could be forwarded to Durban. Some other Parties were of the view that the elements paper should outline options rather than convergence.
- Some Parties called for a technical meeting to discuss the modalities and guidelines for conducting ICA. Some Parties stated that any technical work before Durban should be done in conjunction with the AWG session and not inter-sessionally.
- A group of Parties requested the secretariat to prepare a background paper on the experience of other multilateral processes in conducting facilitative reviews that may share similar goals to ICA. While some other Parties stated this would not be relevant as other international processes do not operate on the same principles as the UNFCCC.
- Some Parties emphasized the need to have a formal AWG-LCA negotiating session before Durban.

## **Agenda item 3.2.4**

### **Cooperative sectoral approaches and sector-specific actions in order to enhance the implementation of Article 4, paragraph 1(c), of the Convention**

**version of 17 June @ 13.00**

#### **Note by the Facilitator: framework for discussion**

##### **General framework for cooperative sectoral approaches and sector specific actions**

###### *Option 1:*

1. Cooperative sectoral approaches and sector-specific actions shall enhance the implementation of Article 4, paragraph 1(c), of the Convention, in accordance with the Bali Action Plan. In this sense, those approaches and actions shall be of a voluntary nature and consistent with the provisions and principles of the Convention, in particular the principle of equity, common but differentiated responsibilities, Article 4, paragraph 7, and the promotion of a supportive and open international economic system, and taking into consideration the historical responsibilities of Parties included in Annex I to the Convention.

###### *Option 2:*

1. Cooperative sectoral approaches and sector-specific actions shall enhance the implementation of Article 4, paragraph 1(c), of the Convention, in accordance with decision 1/CP.13.

###### *Option 3:*

1. *Decides* that it may be useful for Parties to further explore cooperative sectoral approaches and sector-specific actions.

###### *Option 4:*

*No need for a general framework.*

##### **Agriculture**

*[The Conference of the Parties,*

*Reaffirming* the objective, principles and provisions of the Convention, in particular its Article 2, Article 3, paragraphs 1 and 5, and Article 4, paragraph 1(c),

*Bearing in mind* [that the agriculture sector is the main source of food production, employment and income for developing countries. There is a need] [the need] to improve the efficiency and productivity of agricultural production systems in a sustainable manner,

*Recognizing* that adaptation for developing country Parties is the outmost priority and that market-based mechanisms, particularly offsets, for mitigation in the agriculture sector will not achieve the necessary emission reductions due to, inter alia, non-permanence, additionality and leakage.

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*Recognizing* the interests of small and marginal farmers, the rights of indigenous peoples and traditional knowledge and practices, in the context of applicable international obligations and taking into account national laws and national circumstances,

*Recognizing* that cooperative sectoral approaches and sector-specific actions in the agriculture sector should take into account the relationship between agriculture and food security, the link between adaptation and mitigation and the need to safeguard that these approaches and actions do not adversely affect food security,

[*Affirming* that cooperative sectoral approaches and sector-specific actions in the agriculture sector should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade,]

[*Affirming* that cooperative sectoral approaches and sector-specific actions in the agriculture sector should not limit the ability of developing country Parties to pursue economic and social development and poverty eradication, and, to that end, that it is essential that cooperative sectoral approaches and sector-specific actions in the agriculture sector are undertaken in a manner that is supportive of an open international economic system.]

1. *Decides* that all Parties, with respect to the agriculture sector and taking into account their common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances, should promote and cooperate in the research, development, including transfer, of technologies, practices and processes that control, reduce or prevent anthropogenic emissions of greenhouse gases, [including management of emissions from livestock,] particularly those that improve the efficiency and productivity of agricultural systems in a sustainable manner and those that could support adaptation to the adverse effects of climate change, thereby contributing to safeguarding food security and livelihoods;

2. [[*Affirms*][*Further decides*] that cooperative sectoral approaches and sector-specific actions in the agriculture sector should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade[, in accordance with Article 3, paragraph 5 of the Convention];

2 bis. [*Recalling* the principles and provisions of the Convention, in particular Article 3, paragraphs 1, 4 and 5, developed country Parties shall not impose unilaterally any technical regulations, sanitary and phytosanitary measures or market-based mechanisms on any grounds related to climate change, including stabilization of greenhouse gas concentrations, emissions leakage and/or the cost of environment compliance, that will have a negative effect on trade in agriculture from developing country Parties];

3. [*Decides* that cooperative sectoral approaches and sector-specific actions in agriculture shall not lead to increases in the prices of agriculture products, and shall not threaten food security in any way];

4. [*Decides* that cooperative sectoral approaches and sector-specific actions in the agriculture sector shall be based on the best available science, taking into account fully differences between agricultural systems regarding geographic, economic and social conditions and specific national development priorities and circumstances, in particular of developing country Parties, in accordance with equity and common but differentiated responsibilities and in the light of the fact that economic and social development and poverty eradication are the first and overriding priorities of developing country Parties.]

5. *Requests* the Subsidiary Body for Scientific and Technological Advice to establish, at its thirty-six session, a programme of work on agriculture to enhance the implementation of Article 4, paragraph 1(c), of the Convention, taking into account paragraph 1 above;

6. *Invites* Parties to submit to the secretariat, by 20 March 2012, their views on the content and scope of the work programme;

7. *Requests* the secretariat to compile these views into a miscellaneous document for consideration by the Subsidiary Body for Scientific and Technological Advice at its thirty-sixth session.]

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## **International aviation and shipping**

### ***Option 1***

1. *Encourages* that the limitation and reduction of emissions of greenhouse gases not controlled by the Montreal Protocol from international aviation and maritime transport should be pursued by Parties included in Annex I to the Convention working through the International Civil Aviation Organization and the International Maritime Organization, respectively;
2. *Also encourages* that while pursuing the limitation and reduction of emissions of greenhouse gases from international aviation and maritime transport, the International Civil Aviation Organization and the International Maritime Organization shall take into account the principles and provisions of the Convention, in particular the principles of common but differentiated responsibilities and respective capabilities;
3. *Agrees* that any measures taken to address the issue of climate change through the International Civil Aviation Organization and the International Maritime Organization shall differentiate between developed and developing country Parties and shall not constrain the social and economic development of developing country Parties, taking duly into account the special conditions and national circumstances of those countries;
4. *Agrees also* to invite these organizations to report to the Conference of Parties at its seventeenth session, and to its subsidiary bodies, as appropriate, and at regular intervals thereafter, on relevant activities in this respect;

### ***Additional paragraph to option 1***

5. *Decides* that all Parties included in Annex I to the Convention in pursuing limitation and reduction of emissions of greenhouse gases from civil aviation and maritime transport shall refrain from unilateral actions that are not consistent with the principles and provisions of the Convention and its Kyoto Protocol;

### ***Option 2***

1. *Agrees* that the limitation and reduction of emissions of greenhouse gases not controlled by the Montreal Protocol from international aviation and maritime transport should be pursued working through the International Civil Aviation Organization and the International Maritime Organization, respectively, in accordance with the principles and customary practices of the International Civil Aviation Organization/International Maritime Organization, taking into account the principles and provisions of the Convention, through the use of potential revenues, setting global emissions targets of 10 per cent and 20 per cent, respectively, below 2005 levels in 2020 for international aviation and maritime transport on a scale consistent with the agreed 2 °C objective; the use of market-based mechanisms may contribute towards achieving these targets; activities, policy approaches and measures established by the International Civil Aviation Organization and the International Maritime Organization should lead neither to competitive distortions nor carbon leakage and should be approved without delay;

### ***Option 3***

1. *Agrees* that the limitation and reduction of emissions of greenhouse gases not controlled by the Montreal Protocol from international aviation and maritime transport should be pursued working through the International Civil Aviation Organization and the International Maritime Organization, in accordance with their respective principles and customary practices, on a scale consistent with the 2 °C target, and that the use of market-based mechanisms may contribute towards achieving these targets;
2. *Agrees also* to invite these organizations to report to the Conference of the Parties and to its subsidiary bodies, as appropriate, and at regular intervals thereafter, on relevant activities, policy approaches and measures;

### ***Option 4***

1. *Agrees* that the limitation or reduction of emissions of greenhouse gases not controlled by the Montreal Protocol from international aviation and maritime transport should be pursued working through the International Civil Aviation Organization and the International Maritime Organization, respectively;

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**Option 5**

1. *Agrees* that the limitation and reduction of greenhouse gasses not controlled by the Montreal Protocol, from international aviation and marine transport, shall be pursued working through the International Civil Aviation Organization and the International Maritime Organization, respectively, in accordance with their respective principles and customary practices, on a scale consistent with the long-term global goal of a temperature increase below 2 °C, [taking into account the principles and objectives of the Convention [including common but differentiated responsibilities]];

**Option 6**

1. *Recognizes* that measures to address the emissions of greenhouse gases not controlled by the Montreal Protocol from international aviation and maritime transport should be undertaken through global frameworks under the International Civil Aviation Organization and the International Maritime Organization, respectively, while taking into account the principles and provisions of the Convention.

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### **Agenda item 3.2.5**

**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**

**version of 16 June 2011 @ 22:15**

#### **Note by the Facilitator**

This note reflects the facilitator's assessment of issues to be addressed by Parties for the fulfilment of the mandate, as contained in decision 1/CP.16, paragraphs 80, 81, 84 and 85, for the AWG-LCA to elaborate one or more market-based mechanisms and one or more non-market-based mechanisms for consideration and possible establishment by the Conference of the Parties at its seventeenth session (COP 17), as well as possible work prior to COP 17.

Parties engaged constructively with a view to deepening their understanding of the proposals contained in submissions under this agenda item. In addition, they exchanged views on the scope, structure and level of detail of the decision(s) to be recommended for consideration by COP 17. Many Parties highlighted the need for further in-depth technical discussions on this issue.

#### **1. Possible structure of one or more decisions on market-based mechanisms**

- Reference to consistency with Convention principles, guidance from decision 1/CP.16, paragraph 80, and complementarity with Kyoto Protocol mechanisms;
- Consideration of eligibility criteria and a cap on using offsets;
- Elaboration of specific mechanism(s), with further guidance on scope, characteristics and governance;
- Elaboration of a framework under the Convention to guide the bottom-up development of mechanisms by Parties;
- Launch of work (process and timing) to develop modalities and procedures for each new mechanism;
- Consideration of the use of mechanisms being contingent on legally binding targets reflecting increased levels of ambition (e.g. under a second commitment period of the Kyoto Protocol or equivalent).

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## **2. Possible structure of one or more decisions on non-market-based mechanisms**

- Reference to overall consistency with Convention principles;
- Elaboration of specific mechanism(s), with further guidance on scope, characteristics and governance;
- Launch of work (process and timing) to develop modalities and procedures for each new mechanism.

## **3. Possible work prior to COP 17**

- Technical workshop
    - Deepen understanding of submissions and proposed mechanisms, as well as how they work and relate to other issues in the negotiations;
    - Address both market and non-market mechanisms;
    - Preferably pre-sessional to sessions of the ad hoc working groups in September/October;
    - Inclusive participation (transparency);
    - Drawing on recognized expertise;
    - Apolitical and analytical;
    - Discussions to inform the process;
  - Technical paper by the secretariat on issues to be considered in assessing the cost-effectiveness of market and non-market approaches.
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## **Agenda item 3.2.6**

### **Enhanced action on mitigation: Economic and social consequences of response measures**

#### **Note by the Facilitator: summary of issues presented at the informal consultations**

##### **Summary of issues discussed**

###### *General*

- All Parties consider the issue of Economic and social consequences of response measures as important. It is part of the Convention, the Bali Action Plan and decision 1/CP.16. Some Parties expressed the need to keep discussions under the AWG LCA, and the view that it should be part of the forthcoming Durban outcome.
- A variety of views and concerns were expressed on the following issues: international trade, including unilateral trade measures, and imposition of unilateral trade measures by developed country Parties in the name of climate change; divergent views on whether to consider this under the UNFCCC or other fora such as the WTO; the need for an open international economic system; support to affected developing country Parties (technical and financial assistance, capacity building); general parameters of economic development (i.e. ensuring that mitigation response measures taken by developed countries do not compromise the economic development in developing countries); just transition of the work force and economies; alternatives for energy-disadvantaged countries, and the establishment of a possible forum on response measures (as referred to in paragraph 93 in 1/CP.16).
- Some Parties noted that the efforts to address the impacts of response measures should not constrain or hinder progress in addressing climate change. Other Parties noted that response measures should not hinder economic growth and the eradication of poverty.

###### *Response measures-related discussions under other bodies*

- Parties acknowledged the usefulness of the special event in the context of the Joint SBI/SBSTA forum on the impact of the implementation of response measures.

##### **Summary of ideas on the way forward**

- Parties considered building upon and further elaborating on decision 1/CP.16 as a basis for further discussion to fulfil the Bali Action Plan, with some Parties pointing out that additional and unresolved issues need to be further discussed (see above).
- Some Parties believe it is important to keep discussions under the LCA distinct from discussions undertaken under other bodies. Other Parties suggested mainstreaming the different workstreams related to response measures, and work to be undertaken under the Joint SBI/SBSTA forum under the subsidiary bodies, informing the work under the LCA. Some Parties believe that the political discussion should be under the LCA. One Party suggested to look at the issue in a manner which allows for a more efficient approach.

###### Additional information

- Several submissions have been received, as posted at <[www.unfccc.int](http://www.unfccc.int)>.

## **Agenda item 3.3**

### **Enhanced action on adaptation**

**version of 17 June @ 11:30 am**

#### **Note by the Facilitator: draft decision text**

*The Conference of the Parties,*

*Recalling* decision 1/CP.16,

*Reaffirming* that adaptation is a challenge faced by all Parties, and that enhanced action and international cooperation on adaptation is urgently required to enable and support the implementation of adaptation actions aimed at reducing vulnerability and building resilience in developing country Parties, taking into account the urgent and immediate needs of those developing countries that are particularly vulnerable,

*Reaffirming also* that enhanced action on adaptation should be undertaken in accordance with the Convention, should follow a country-driven, gender-sensitive, participatory and fully transparent approach, taking into consideration vulnerable groups, communities and ecosystems, and should be based on and guided by the best available science and, as appropriate, traditional and indigenous knowledge, with a view to integrating adaptation into relevant social, economic and environmental policies and actions, where appropriate,

*Having established* the Adaptation Committee in decision 1/CP.16, paragraph 20,

*Emphasizing* that the work of the Adaptation Committee should be guided by the need for effectiveness, efficiency, transparency, good governance and avoiding duplication of work, and should take into account gender perspectives,

#### **Governance**

1. *Affirms* that the Adaptation Committee shall be the overall advisory body to the Conference of the Parties on adaptation, and shall promote the implementation of enhanced action on adaptation in a coherent manner under the Convention, inter alia, through the following functions:

(a) Providing technical support and guidance to the Parties, respecting the country-driven approach, with a view to facilitating the implementation of adaptation activities, including those listed in decision 1/CP.16, paragraphs 14 and 15, where appropriate;

(b) Strengthening, consolidating and enhancing the sharing of relevant information, knowledge, experience and good practices, at the local, national, regional and international levels, taking into account, as appropriate, traditional knowledge and practices;

(c) Promoting synergy and strengthening engagement with national, regional and international organizations, centres and networks, in order to enhance the implementation of adaptation actions, in particular in developing country Parties;

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(d) Providing information and recommendations, drawing on adaptation good practices, for consideration by the Conference of the Parties when providing guidance on means to incentivize the implementation of adaptation actions, including finance, technology and capacity-building and other ways to enable climate-resilient development and reduce vulnerability, including to the operating entities of the financial mechanism of the Convention, as appropriate;

(e) Considering information communicated by Parties on their monitoring and review of adaptation actions, support provided and received, possible needs and gaps and other relevant information, including information communicated under the Convention, with a view to recommending what further actions may be required, as appropriate;

2. *Decides* that the Adaptation Committee shall operate under the authority and guidance of, and be fully accountable to, the Conference of the Parties, which should decide on its policies in line with relevant decisions;

### ***Operational modalities for performing the functions of the Adaptation Committee***

3. *Requests* the Adaptation Committee, in performing its functions, to undertake the following, inter alia:

(a) Providing guidance and technical support to Parties, upon request, including through workshops and meetings;

(b) Compiling, reviewing, synthesizing and disseminating information, knowledge, experience and good practices, including through regional centres and networks and as well as national entities;

(c) Developing and preparing targeted reports, technical papers, guidance materials, methodologies, compendiums, web-based resources and other knowledge products;

(d) Creating channels and mechanisms to exchange information, knowledge and expertise, including through the creation of networks of experts at the regional and international levels;

(e) Preparing an annual or biennial report on the status of adaptation, drawing on information from Parties, and other relevant reports and documents, that includes, inter alia, identified experiences, lessons learned, gaps and needs and areas requiring further attention;

### ***Linkages with other relevant institutional arrangements under and outside of the Convention, including at the national and regional levels***

4. *Requests* the Adaptation Committee to engage and work closely and in a coordinated manner with all existing and newly established adaptation-related work programmes, bodies and institutions under the Convention, including, as appropriate, through providing guidance, formulating joint programmes of work, undertaking joint activities and convening timely consultations and joint meetings;

5. *Requests also* the Adaptation Committee to develop linkages with relevant institutions and bodies outside of the Convention, where appropriate, and to guide and draw upon the expertise, as appropriate, of regional adaptation centres and networks and national-level institutions;

### ***Procedures***

6. *Requests* the Adaptation Committee to develop a strategic mid-term work programme, with annual work plans that specify its milestones, activities and deliverables in performing its agreed functions, linkages with other institutional arrangements under and outside of the Convention, resources needed to support its work and procedures for measuring its performance and impact, for approval by the Conference of the Parties at its eighteenth session/ the subsidiary bodies at their thirty-seventh session;

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7. *Requests* the Adaptation Committee to report annually to the Conference of the Parties/to the Conference of the Parties through the subsidiary bodies, including on its activities, performance of its functions, guidance, recommendations and other relevant information arising from its work, and, as appropriate, on further action and guidance to other bodies under the Convention, including those relating to the financial mechanism, for consideration by the Conference of the Parties/ the subsidiary bodies;

8. *Encourages* the Adaptation Committee to establish subcommittees, panels, thematic advisory groups or task-focused ad-hoc working groups, if required, to provide, inter alia, expert advice in different sectors and areas, in order to assist the Adaptation Committee in performing its functions and achieving its objectives;

### **Composition**

9. *Decides* that the Adaptation Committee shall comprise xxx members, who shall serve in their personal capacity, and nominated by their respective groups or constituencies and elected by the Conference of the Parties, with the aim of achieving a fair, equitable and balanced representation, as follows:

#### *Option 1*

- (a) (x) members from Africa;
- (b) (x) members from Asia;
- (c) (x) members from Latin America and the Caribbean;
- (d) (x) members from Eastern Europe;
- (e) (x) members from Western Europe and Others;
- (f) (x) members from small island developing States;
- (g) (x) members from least developed country Parties;

#### *Option 2*

- (a) (x) members from Parties included in Annex I to the Convention (Annex I Parties);
- (b) (x) members from Parties not included in Annex I to the Convention (non-Annex I Parties);

#### *Option 3*

...

10. *Urges* Parties to ensure that the membership achieves an appropriate balance of local, indigenous, practical, sectoral, technical, policy, legal, social and financial experience, knowledge and expertise in the areas of impacts, vulnerability and adaptation to climate change, while taking into account the need to achieve gender balance in accordance with decision 36/CP.7;

11. *Decides* that the Chair of the Least Developed Countries Expert Group should serve as an ex-officio member;

12. *Decides* that members shall serve for a term of two/three years, and shall be eligible to serve a maximum of two consecutive terms of office, and that the following rules shall apply:

- (a) Half of the members shall be elected initially for a term of three years, and half of the members shall be elected for a term of two years;
- (b) Thereafter, the Conference of the Parties shall elect members for a term of two/three years;
- (c) The members shall remain in office until their successors are elected;

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13. *Decides* that if a member of the Adaptation Committee resigns or is otherwise unable to complete the assigned term of office or to perform the functions of that office, the Adaptation Committee may decide, bearing in mind the proximity of the next session of the Conference of the Parties, to appoint another member from the same group or constituency to replace said member for the remainder of that member's mandate, in which case the appointment shall count as one term;

#### ***Chairmanship***

14. *Decides* that the Adaptation Committee shall elect annually/biannually a chair and a vice-chair from among its members to serve for a term of one/two year/s each, with one being a member from an Annex I Party and the other being a member from a non-Annex I Party, and that the positions of chair and vice-chair shall alternate annually/biannually between a member from an Annex I Party and a member from a non-Annex I Party;

#### ***Decision-making***

15. *Decides* that decisions of the Adaptation Committee shall be taken by consensus;

#### ***Meetings and observer participation***

16. *Decides* that the Adaptation Committee shall convene its first meeting soon after the seventeenth session of the Conference of the Parties at which members of the Adaptation Committee shall be elected;

17. *Decides* that, thereafter, the Adaptation Committee shall meet at least twice a year, while retaining its flexibility to adjust the number of meetings to suit its needs;

18. *Requests* the Adaptation Committee to invite advisers from relevant intergovernmental, international, regional and national organizations as well as the private sector and civil society to participate in its meetings as expert advisers on specific issues, as needed;

19. *Decides* that meetings of the Adaptation Committee shall be open to attendance by accredited observer organizations, except where otherwise decided by the Adaptation Committee, with a view to maintaining a balanced representation of observers from Annex I Parties and non-Annex I Parties;

20. *Decides* that English shall be the working language of the Adaptation Committee and that the full text of all outputs of the Adaptation Committee shall be made publicly available via the UNFCCC secretariat's website;

#### ***Secretariat***

21. *Decides* that the UNFCCC secretariat shall support and facilitate the work of the Adaptation Committee, including supporting its meetings, providing secretarial assistance to the Chair and Vice-Chair, preparing reports and technical papers, and performing any other function assigned by the Adaptation Committee, subject to the availability of resources;

#### ***Review***

22. *Decides* that the objective, functions and performance of the Adaptation Committee shall be reviewed by the Conference of the Parties at its twentieth session, and thereafter every three years, with a view to ensuring effectiveness and efficiency.

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## **Agenda item 3.4**

### **Finance**

#### **Note by the facilitator on finance**

##### **version of 17 June 2011 @ 09:50**

1. Informal consultations on agenda item 3.4, on finance, were held during the second part of the fourteenth session of the Ad Hoc Working Group on Long-Term Cooperative Action under the Convention.
2. Parties discussed their views on the Standing Committee and other issues under this agenda item. Parties provided written submissions, which are annexed to this note.

**The Group of 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*:
    - (i) 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
    - (ii) 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
    - (iii) 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.

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- 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.



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**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*:
  - (iv) 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;
  - (v) Coordinating with other thematic bodies under the Convention to identify the gaps in implementation related to financial support.
  - (vi) 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.

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**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/CP16 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/CP16 provides for an advisory, rather than supervisory or executive role for the SC.
- Decision 1/CP16 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/CP16, 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/CP16, 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.

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## 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.

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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.

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**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.

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## **India's views on Standing Finance Committee**

India fully associate ourselves with the draft text made available by G-77 and China.

Our submission is, however, intended 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.

***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 1/CP.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.

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- 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.



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## 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.

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

2. That 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.
3. The resources should be generated and provided on a predictable, verifiable, and scalable manner.
4. 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.
5. Developed country parties should provide the resources on the basis of assessed scale of contributions in order to ensure predictability and scalability.
6. 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.
7. 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.
8. That direct and facilitated access of all developing countries shall be guaranteed by COP decisions.
9. That equitable allocation of financial resources shall be followed, including through criteria based on needs, while ensuring balance between adaptation and mitigation.
10. Resources should be subject to monitoring for which modalities should be developed.
11. 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.

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## **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.

## **Agenda item 3.5**

### **Technology development and transfer**

**version of 16 June 2011 @ 17:00**

#### **Note by the facilitator**

**Draft elements of possible arrangements to make the Technology Mechanism fully operational in 2012**

*This note is prepared by the facilitator under his own responsibility, drawing upon the views of, and discussion among, the Parties during the resumed fourteenth session of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA). This note is not necessarily meant to be a negotiation text for the next session of the AWG-LCA but a reference tool to facilitate further discussions among the Parties. This paper is a work in progress and should not be interpreted as providing an early indication of either the selection procedure, selection criteria or the terms of reference of the Climate Technology Centre and Network, which Parties will determine during the course of their future negotiating sessions. It addresses each element of the AWG-LCA work programme for 2011 on technology development and transfer as contained in paragraph 128 of decision 1/CP.16. Parties also addressed issues related to links between the Technology Mechanism and other institutions including existing institutions and those that are in the process of being operationalized as a result of the Cancun Agreements.*

### **I. Elements of the governance structure and terms of reference for the Climate Technology Centre and Network**

#### **A. Mission**

1. The mission of the Climate Technology Centre and Network is to stimulate technology cooperation and assist developing country Parties at their request, consistent with their respective capabilities and national circumstances and priorities, to identify and enable the implementation of technology projects, programmes, policies and strategies to support action on mitigation and adaptation.

#### **B. Functions**

2. The Climate Technology Centre and Network shall perform the functions designated by the Conference of Parties (COP) as contained in decision 1/CP.16, paragraph 123, and the annex to this document.

3. In performing its designated functions, the Climate Technology Centre and Network will:

- (a) Involve stakeholders at various stages in planning and undertaking its work;
- (b) Build on the experiences and lessons learned from the Technology Needs Assessment Process in identifying and prioritizing technology needs;
- (c) In accordance with the needs and requests of developing country Parties, implement its functions in a manner that balances emphasis both on technologies for mitigation and on adaptation;

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- (d) Maintain neutrality when advising on environmentally sound technologies for mitigation and adaptation;
  - (e) Maximize the effective use of available resources and prioritize the allocation of resources, as appropriate.

### **C. Architecture**

- 4. The Climate Technology Centre and Network will consist of:
  - (a) A Climate Technology Centre with an appropriate regional focus;
  - (b) A Network with the participation of relevant existing institutions, including but not limited to:
    - (i) Regional climate technology centres and networks;
    - (ii) Intergovernmental, international, regional and sectoral technology-related organizations and initiatives;
    - (iii) Relevant research, academic, financial, non-governmental, private-sector and public-sector organizations, and initiatives;
    - (iv) Nationally designated technology centres and institutions.

### **D. Roles and responsibility**

- 5. The Climate Technology Centre and Network will be dynamic and highly responsive to the needs and requests for support from developing countries.

#### Climate Technology Centre

- 6. The Climate Technology Centre will receive requests from developing country Parties and will facilitate the process of responding to such requests by mobilizing the technical assistance and support available in the Network. Tailor-made networks and partnerships may be facilitated to target specific requests and the needs of developing country Parties.
- 7. The Climate Technology Centre will be responsible for managing and facilitating the Network, and in doing so the Climate Technology Centre will establish:
  - (a) A procedure for participation in the Network that will ensure that the Network is open, transparent and inclusive while attracting participants to actively engage in its activities and maintain high standards of support for developing country Parties;
  - (b) Efficient and effective organizational arrangements to engage, support and enhance the Network in response to the needs of developing country Parties;
  - (c) Efficient procedures to maintain quality control of the responses provided by the Network to the requests from developing country Parties.
- 8. The Climate Technology Centre will also:
  - (a) Catalyse the development of new and enhanced partnerships and initiatives by identifying key gaps and opportunities;
  - (b) Utilize a roster of technology experts relevant for mitigation and adaptation;
  - (c) Act as a knowledge centre by maintaining a highly accessible, interactive and user-friendly knowledge and information platform that will form part of the overall knowledge and information platform of the Technology Mechanism.

#### Network

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9. The Network will undertake the substantive work to meet the requests from developing country Parties.

10. The participants of the Network, in responding to the requests from developing country Parties, will, inter alia:

(a) Deliver practical technical assistance in relation to technology strategies, programmes, plans and cooperation projects, coordinated at the country level;

(b) Assist developing country Parties to transform project, programme or policy concepts into proposals that meet the standards and criteria of international financial providers;

(c) Provide capacity-building and technical assistance for the preparation of country-driven planning across the stages of the technology cycle, for action on mitigation and adaptation, including stimulating technology innovation;

(d) Identify experts for the roster of technology experts referred to in paragraph 8(b), above.

11. Nationally designated institutions or focal points will be the primary interface between developing country Parties and the Climate Technology Centre and Network consistent with the country-driven approach of the Climate Technology Centre and Network and in a manner that builds in-country capacity over the long term.

## **E. Governance of the Climate Technology Centre and Network**

12. The Climate Technology Centre will be hosted by the organization selected by the COP, in accordance with the selection procedure and criteria contained in chapter II below. It will be independent and accountable to, and under the guidance of, the COP and its related bodies as delegated. The legal and administrative arrangements for hosting the Climate Technology Centre will be developed for approval by the COP at its eighteenth session.

13. *[Placeholder for the possible provisions on the governing arrangements]*

*Note: The contours of the governing arrangements for the Climate Technology Centre and Network need to be further defined by the Parties. Parties need to determine the extent to which the governing arrangements will be reflected in the terms of reference or elsewhere or proposed by the prospective hosts in responding to the call for proposals, as per paragraph 32 below.*

14. In governing the Climate Technology Centre and Network, the tasks will be to:

(a) Ensure the accountability of the Climate Technology Centre and Network to the COP;

(b) Develop operational criteria and guidelines in line with the guidance provided by the COP and its related bodies as delegated;

(c) Ensure effective management and planning to meet the requirements of timeliness, appropriateness and responsiveness to requests from Parties, consistent with guidance provided;

(d) Approve the budget, business plan and reports of the Climate Technology Centre and ensuring good business practices and prudent use of resources;

(e) Ensure the application of fiduciary standards, and legal and ethical integrity.

## **F. Organizational structure of the Climate Technology Centre**

15. The organization structure of the Climate Technology Centre will be designed and managed to maximize the effectiveness and efficiency of its operations.

16. The Climate Technology Centre will be headed by a Director supported by a core team of professional and administrative staff, as required to meet its functions.

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17. The Director will be appointed by the host organization.
  18. The Director will be accountable to the governing body for the effectiveness and efficiency of the Climate Technology Centre in carrying out its functions.
  19. As soon as practicable after appointment, the Director will facilitate the timely recruitment of the staff of the Climate Technology Centre.
  20. In addition to the core team of the Climate Technology Centre, the host organization, national governments and members of the Network are encouraged to second appropriately skilled experts to the Climate Technology Centre on a fixed-term basis. Secondment arrangements will be made in such a manner as to avoid and manage conflicts of interest.

## **G. Budget, financial means and estimate of expected funding**

*Note: Parties need to decide if it is necessary to clarify the budget and financial means and to give an estimate of the expected funding available from the financial mechanism of the Convention for the Climate Technology Centre and Network in order to obtain high-quality proposals from prospective hosts and to ensure that it can be fully operational in 2012, or if this should be proposed by the prospective host. Both approaches may have implications for the selection procedure in chapter II. Parties may also need to determine the short-term/interim and long-term sources of funding, in light of the discussions underway in the AWG-LCA on finance and the Transitional Committee in relation to the Green Climate Fund.*

21. The funding for the core operating budget of the Climate Technology Centre will be predictable and stable, so as to ensure its effective operation.
22. The Climate Technology Centre and the costs associated with mobilizing the services of the Network will be funded from various sources including the financial mechanism of the Convention, bilateral, multilateral and private-sector channels, as well as the in-kind contributions from the host organization and participants of the Network.
23. The Climate Technology Centre and Network could begin with an achievable scope of work and be flexible so that it can learn, adapt and expand its scope and reach over time in response to the needs of developing countries and the demands of the emerging international climate change regime.

## **H. Reporting and review**

24. The Climate Technology Centre shall provide an annual report, approved by the governing arrangement for the Centre, to the COP through the subsidiary bodies in accordance with the interim reporting arrangements contained in decision 1/CP.16, paragraph 126, of the COP.
25. The report will contain information on the activities carried out by the Climate Technology Centre and Network, including information on requests received by developing country Parties and on the efficiency and effectiveness of the Climate Technology Centre and Network in responding to these requests. The report will contain all the information necessary to meet the principles of accountability and transparency required by the COP.
26. The [Technology Executive Committee][COP] will undertake an independent review of the effective implementation of the Climate Technology Centre and Network after three years of its operation. The findings of the review, including any recommendations for enhancing the performance of the Climate Technology Centre and Network, will be considered by the COP. Subsequently, periodic independent reviews of the effectiveness of the Climate Technology Centre and Network will be conducted every five years.

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## **II. Procedure for call for proposals and criteria to be used to evaluate and select the host of the Climate Technology Centre and Network**

### **A. Selection procedure for the Climate Technology Centre**

27. The procedure for selecting the host of the Climate Technology Centre and Network will be conducted in an open, transparent, fair and neutral manner in accordance with the United Nations practices, in order to enable the Technology Mechanism to become fully operational in 2012, and will contain the elements described below.

#### Call for proposals

28. In a decision at its seventeenth session the COP could call for proposals from relevant organizations to host the Climate Technology Centre and Network.

*Note: Parties may need to provide further clarity on which organizations are relevant and would be eligible to be the host of the Climate Technology Centre and Network.*

*Note: In order to enable the Technology Mechanism to become fully operational in 2012, the COP will need to delegate its authority to the Subsidiary Body for Implementation (SBI) to select the host of the Climate Technology Centre and Network and for the SBI to report on the outcome of its decision to the COP at its eighteenth session.*

*Note: Parties may also wish to consider if there should be a role for the Subsidiary Body for Scientific and Technological Advice (SBSTA) in considering any technical issues that arise during the selection procedure and how its consideration would be coordinated with that of the SBI.*

#### Facilitation, analysis and evaluation

29. The secretariat is requested to:

- (a) Issue the call for proposals and provide relevant information to interested organizations;
- (b) Receive the proposals from relevant organizations[ and assess the proposals against the eligibility criteria] contained in paragraph 33 below];
- (c) Analyse the proposals based on the selection criteria contained in chapter II.C and prepare a report, [including with information on the eligibility test referred to in paragraph 29(b) above, ]for consideration by the designated body for the evaluation of proposals as described in paragraph 31 below.

*Note: Parties would need to provide guidance to the secretariat on the eligibility criteria to be applied.*

30. The secretariat may draw upon experts, as necessary, to provide advice in conducting the work mentioned in paragraph 29, above.

31. [Placeholder for the provisions on the procedure for evaluating proposals]

*Note: Parties need to determine who will be responsible for evaluating the proposals against the criteria, who will prepare the report for the SBSTA and if this will include a recommendation for consideration by the SBI.*

*Note: Parties need to discuss how the SBI [and SBSTA] will use the report containing the analysis of the proposals from relevant organizations according to the selection criteria contained in chapter II.C as input to select the host. The SBI [and SBSTA] could also request the selected host to initiate the preparatory work for the operationalization of the Climate Technology Centre and Network and could request the secretariat to prepare the host agreement for consideration by the COP at its eighteenth session. The SBI [and SBSTA] may encourage those candidates not selected to host the Climate Technology Centre and Network to participate in the Network.*



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## **B. Information required to be included in the proposals**

32. Prospective hosts of the Climate Technology Centre and Network will need to provide information in their proposals demonstrating how they will implement the terms of reference contained in chapter I. Information required includes:

- (a) The overall vision of the prospective host for the Climate Technology Centre and Network and how to accomplish the mission as contained in chapter I.A.
- (b) [The proposed governance arrangements that would allow the Climate Technology Centre and Network be independent as well as accountable to, and under the guidance of, the COP and its related bodies as delegated;]
- (c) The proposed organizational arrangements, including management systems, team members and methodological approaches, such as how the Climate Technology Centre and Network would prioritize its work and allocate its resources in an effective and efficient manner;
- (d) Budgetary estimates for the Climate Technology Centre and Network, including the financial and in-kind contribution from the host organization (e.g. infrastructure, budgetary support, expertise and human resources) and information on the business model for the Climate Technology Centre that will enable its financial sustainability;
- (e) The proposed modalities and delivery mechanisms to operationalize the functions of the Climate Technology Centre and Network, including how it would organize its work at the regional and subregional levels;
- (f) The proposed relationship between the Climate Technology Centre and the Network and an initial indication of how the host would structure the Network and involve a wide range of other relevant organizations, centres, networks, initiatives and private sectors in the Climate Technology Centre and Network;
- (g) Administrative and legal arrangements, logistics and infrastructural services to be provided by the host;
- (h) Any other information related to the elements of the terms of reference and the selection criteria contained in chapter II.C, below.

## **C. [Eligibility and] selection criteria**

33. *[Placeholder for possible eligibility criteria]*

34. Regarding the selection criteria for the host of the Climate Technology Centre and Network, Parties suggested specific ideas for a list of criteria including the following:

- (a) Suitability and strength of the proposed [governance arrangements,] organizational arrangements, modalities and delivery mechanisms in carrying out the mandate of the Climate Technology Centre and Network set out in the terms of reference contained in chapter I, including arrangements related to accountability to the COP;
- (b) Demonstration of long-term commitment to host the Climate Technology Centre and Network;
- (c) Strong institutional capability, including as follows:
  - (i) Governance and management structure that ensures transparency, responsiveness, flexibility, and ability to evaluate operational performance and take measures to enhance its effectiveness;
  - (ii) Maintain fiduciary standards and legal and ethical integrity that comply with the principles of the United Nations;

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- (d) Institutional characteristics, as follows:
- (i) Ability to operate the Climate Technology Centre and Network in line with the norms and values of the United Nations;
  - (ii) Transboundary and multilateral structure and capability that can effectively support an extensive range and number of national requests while also creating and enhancing interregional knowledge sharing and collaboration;
  - (iii) Maintenance of offices in locations with suitable logistical attributes that make it convenient for holding meetings and workshops and to maintain information and communication services for facilitating the Network;
- (e) Demonstrated task performance capability, as follows:
- (i) Experience in the transfer of climate change mitigation and adaptation technologies in developing countries across different regions;
  - (ii) Managing complex projects and initiatives spanning countries and sectors, especially involving the private sector;
  - (iii) Involvement in establishing effective networks and in developing and managing their operations over time;
  - (iv) Harnessing external resources and mobilizing existing networks and institutions, including the public sector, the private sector, civil society, and academic and research organizations at national, regional and international levels;
- (f) Value for money (benefit–cost of the proposal), as follows:
- (i) Cost-effectiveness of the proposal;
  - (ii) Robust business model for the Climate Technology Centre to enable its financial sustainability;
  - (iii) Description of senior management and key technical personnel to be deployed for the operation of the Climate Technology Centre and Network;
  - (iv) In-kind contributions of expertise, facilities and resources that can be utilized in the execution of the mandate in the terms of reference.

### **III. Relationship between the Technology Executive Committee and the Climate Technology Centre and Network, and their reporting lines**

35. Parties generally agree on the need for both components of the Technology Mechanism to work together and have a synergistic relationship through sharing of information and regular interaction. Consistent with paragraph 127 of decision 1/CP.16, the Climate Technology Centre and Network and the Technology Executive Committee shall relate so as to promote coherence and synergy in the implementation of the Technology Mechanism.

*Note: Parties indicated various other ideas for interaction between the Technology Executive Committee and the Climate Technology Centre and Network, some of which were captured in the report of the expert workshop on the Technology Mechanism, that could promote coherence and synergy in the implementation of the Technology Mechanism.*

36. Parties suggested that the Technology Executive Committee and the Climate Technology Centre and Network could interact with each other regularly through, inter alia:

- (a) Cross-participation in meetings, where the Chair and the Vice-Chair of the Technology Executive Committee could be [observers][members][co-chairs] of the governing body of the Climate Technology Centre and Network and the Director of the

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Climate Technology Centre and Network could be engaged in the meetings of the Technology Executive Committee as an expert advisor to contribute to the work of the Technology Executive Committee;

(b) Making available to each other their respective reports on their activities and the performance of their respective functions to be submitted to the COP via the subsidiary bodies;

37. Parties have differing views on the role of the Technology Executive Committee in governing the Climate Technology Centre and Network. Some Parties see no governing role for the Technology Executive Committee. Others are of the view that the Technology Executive Committee can undertake governance tasks for the Climate Technology Centre and Network by providing policy and strategic guidance and by reviewing the performance of the Climate Technology Centre and Network, and that other governance tasks as listed in paragraph 14 above could be undertaken either by the host institution or by a separate governing body.

38. Parties also recalled that decision 1/CP.16, paragraph 126, established interim reporting lines for both the Technology Executive Committee and the Climate Technology Centre and Network until there is a decision by the COP on the issues contained in paragraph 128 of the same decision.

#### **IV. Potential links between the Technology Mechanism and the financial mechanism, and other institutions under the Convention**

*Note: Parties were of the view that greater coherence on all finance related issues could be achieved by facilitating greater interaction between the AWG-LCA finance group and other negotiating groups under the AWG-LCA.*

39. Adequate and stable financial support should be ensured for the operations of the Technology Mechanism, including for the services that would be provided by the Climate Technology Centre and Network.

40. Some Parties indicated that the core financial resources needed for the prompt launch of the Technology Mechanism should be provided by the financial mechanism of the Convention on an interim basis and without prejudice to the potential links between the Technology Mechanism and the financial mechanism.

*Note: Parties need to determine whether or not the financial mechanism of the Convention will cover the following cost, and if not what sources of funding will be used and through what modalities funding will be provided:*

(a) *The cost of funding the core operations of the Climate Technology Centre, including its staff and essential operational requirements;*

(b) *The costs associated with mobilizing the services of the Network at the request of developing country Parties;*

(c) *The costs associated with implementing the projects or initiatives by the Parties, once they have received support from the Climate Technology Centre and Network;*

*Parties may also need to consider whether or not a specific funding window for technology development and transfer should be established in the Green Climate Fund, to provide financial resources, along with a range of bilateral, multilateral and private sources of finance, for the long-term implementation of the Technology Mechanism including activities to support capacity-building, the preparation of technology development and transfer proposals and innovation initiatives that aim to achieve longer term, more ambitious and less costly mitigation and adaptation outcomes.*

41. Parties were of the view that since technology development and transfer is essential for enhancing action on mitigation and adaptation, the Technology Mechanism will have a role in supporting, advising and informing several bodies under the Convention. Efficient and effective modalities and procedures could including providing guidance, formulating joint programmes of

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work, undertaking joint activities and convening timely consultations and joint meetings. These modalities need to be developed in collaboration with the relevant bodies.

42. Parties suggested that the Technology Mechanism could interact with institutions under the Convention, such as the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention, the Least Developed Countries Expert Group, the Adaptation Fund Board, the Adaptation Committee, the Registry and the Executive Board of the Clean Development Mechanism.

## **V. Additional functions for the Technology Executive Committee and the Climate Technology Centre and Network**

*Note: Parties recalled their discussion on this matter at the expert workshop on the Technology Mechanism, as captured in document FCCC/AWGLCA/2010/INF.2.*

*Note: Parties may need to consider whether or what kind of additional functions are required in order to make the Technology Mechanism fully operational in 2012 in an effective and efficient manner. The need for additional functions is likely to become clearer once progress is made on other aspects of the AWG-LCA work programme on technology development and transfer since those discussions may or may not reveal the need for additional functions.*

## **Annex**

### **Functions of the Climate Technology Centre and Network**

123. Decides that the Climate Technology Centre shall facilitate a Network of national, regional, sectoral and international technology networks, organizations and initiatives with a view to engaging the participants of the Network effectively in the following functions:

- (a) At the request of a developing country Party:
  - (i) Providing advice and support related to the identification of technology needs and the implementation of environmentally sound technologies, practices and processes;
  - (ii) Facilitating the provision of information, training and support for programmes to build or strengthen capacity of developing countries to identify technology options, make technology choices and operate, maintain and adapt technology;
  - (iii) Facilitating prompt action on the deployment of existing technology in developing country Parties based on identified needs;
- (b) Stimulating and encouraging, through collaboration with the private sector, public institutions, academia and research institutions, the development and transfer of existing and emerging environmentally sound technologies, as well as opportunities for North–South, South–South and triangular technology cooperation;
- (c) Facilitating a network of national, regional, sectoral and international technology centres, networks, organization and initiatives with a view to:
  - (i) Enhancing cooperation with national, regional and international technology centres and relevant national institutions;
  - (ii) Facilitating international partnerships among public and private stakeholders to accelerate innovation in, and the diffusion of, environmentally sound technologies to developing country Parties;
  - (iii) Providing, at the request of a developing country Party, in-country technical assistance and training to support identified technology actions in developing country Parties;
  - (iv) Stimulating the establishment of twinning centre arrangements to promote North–South, South–South and triangular partnerships, with a view to encouraging cooperative research and development;
  - (v) Identifying, disseminating and assisting with developing analytical tools, policies and best practices for country-driven planning to support the dissemination of environmentally sound technologies;
- (d) Performing other such activities as may be necessary to carry out its functions.

## **Agenda item 3.6**

### **Capacity-building**

**version of 11 June 2011 @ 09:00**

#### **Note by the facilitator**

*In the course of meetings of the informal group on capacity-building held during the second part of the fourteenth session of the AWG-LCA, Parties focused their discussion on two pending issues that need to be considered by the seventeenth session of the Conference of the Parties, namely: ways to further enhance the monitoring and review of the effectiveness of capacity-building; and modalities regarding institutional arrangements for capacity-building. The points below are a summary of the discussions held as captured by the facilitator and do not represent consensus reached or formal positions of regional groups. The note intends to advance the consideration of issues contained in paragraphs 136 and 137 of decision 1/CP.16.*

- Parties noted difficulties in accessing and/or providing adequate information on capacity-building for purposes of its monitoring and review. Potential reasons for these difficulties include:
  - For Annex I Parties: Capacity-building is well integrated in projects on mitigation and adaptation and it is therefore a challenge to extract information on funding dedicated specifically to capacity-building.
  - For non-Annex I Parties: Lack of capacity and weak institutions at the national level impede the reporting on capacity-building activities undertaken and support received.
- Monitoring and review of capacity-building may benefit from new requirements for national communications as stipulated in decision 1/CP.16.
- It is necessary to ensure coherence between the ongoing discussion on monitoring and review of capacity-building with a broader discussion on MRV of support to avoid duplication of effort and promote consistency of approaches.
- Developing countries, in particular least developed countries, lack capacity to access and manage financial resources and to report on their use. Capacity-building need to be provided in this area on a priority basis.
- National focal points in developing country Parties are overloaded by multiple tasks, including reporting. Additional support to national focal points and institutional strengthening is required.
- As regards institutional arrangements for capacity-building, some Parties reiterated the need to strengthen the mandate of existing or newly-established bodies under the Convention, while others confirmed that a new mechanism is needed to ensure the enhancement of capacity-building to enable the full implementation of the Convention.

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- Current discussions on capacity-building are impaired by the lack of clarity on how and if existing and newly established bodies under the Convention are adequately integrating enhanced capacity-building in their mandates, modalities and procedures.
  - Parties agreed on the usefulness of a technical paper reporting how capacity-building is being addressed under existing and newly established bodies under the Convention. The secretariat was requested to prepare such a paper to be considered at the next AWG-LCA session. In particular, the technical paper should address how capacity-building is referred to in:
    - decision 1/CP 16,
    - within the AWG-LCA reports and relevant documents reflecting ongoing discussions in all thematic areas; and
    - within mandates of, and discussions in other bodies under the Convention.
  - Parties also agreed on the need to have a thorough discussion on developments relating to capacity-building under various thematic areas under the AWG-LCA and other bodies under the Convention on the basis of the technical paper to be prepared by the secretariat and other relevant reports. This discussion could take place in the course of an in-session technical workshop or a platform to take place before or in conjunction with COP 17.

## **Agenda item 4**

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

**version of 17 June @ 10.00**

#### **Note by the Facilitator: summary of issues presented at the informal consultations and in written inputs by Parties**

[Possible preambular language];

##### **Further definition of its scope**

- *Recalling* decision 1/CP.16, paragraph 138, [which decided] to periodically review the adequacy of the long-term global goal, in the light of the ultimate objective of the Convention, and overall progress made towards achieving it, in accordance with the relevant principles and provisions of the Convention;
- Review the implementation of the Convention;
- This is not a review of the Convention.

##### **Modalities**

- *Agrees* that the review process should be transparent and inclusive, Party-driven, efficient and respect the timeline, and should be guided by the principles of equity and common but differentiated responsibilities and respective capabilities (para. 139(a));
- *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 the subsidiary bodies and that Parties may wish to take into account the results of these activities in preparing for the review;
- The review should consist of several phases (information gathering/collection and compilation of data; technical considerations/assessment; preparation of conclusions and recommendations and consideration of actions; and taking follow-up actions);
- *Reaffirming* that the review is periodical (para. 139) and that the first review should start in 2013 and should be concluded by 2015 (para. 139(b));
- *Agrees* that the periodical reviews should be consistent with the timeline for the assessment reports of the Intergovernmental Panel on Climate Change assessments;
- *Reaffirming* that the review should take into account: the best available scientific knowledge, including the assessment reports of the Intergovernmental Panel on Climate Change (para. 139(a) (i)); observed impacts (para. 139(a) (ii)); and an assessment of the overall aggregated effects of the steps taken by Parties to achieve the ultimate objective of the Convention (para. 139(a) (iii));

##### The review should consider

- The science and impacts of climate change;
- The effectiveness of mitigation actions undertaken, expected emissions trends and implications for progress towards the long-term global goal;



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- Emission pathways, policies and measures, technology availability, technology availability projection and cost projections to assess the feasibility of lowering the 2 °C goal;
  - Avoided damage and the benefits of lowering the long-term global goal to 1.5 °C;
  - Elements relating to strengthening the long-term global goal, referencing various matters presented by the science, including in relation to a global temperature rise of 1.5 °C (para. 139(a) (iv));
  - Economic circumstances and capabilities;
  - Equitable access to sustainable development;
  - The implications of trends in emissions and capabilities for mitigation, finance, reporting and other responsibilities under the Convention;
  - Any other relevant aspects deemed important for the review;

#### Activities

- *Requests* the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation to develop, at their thirty-sixth sessions, a three-year work programme to carry out the review;
- *Establish* a clearing house mechanism to collect information on observed impacts, prepare a technical paper on this issue and organize a series of workshops and expert meetings in order to prepare the review;
- *Requests* the subsidiary bodies to consider the information referred to in decision 1/CP.16, paragraph 139, and other relevant information provided by Parties and intergovernmental organizations, in particular the United Nations Environment Programme, the International Maritime Organization, the International Civil Aviation Organization and the secretariat of the Montreal Protocol;
- *Requests* the secretariat to organize in-session workshops for the consideration of the results of the forthcoming reports of the Intergovernmental Panel on Climate Change, including the Special Report on Extreme Events and Disaster Risk Reduction, Working Group I, Working Group II and Working Group III and the Synthesis Report of the Fifth Assessment Report of the Intergovernmental Panel on Climate Change;
- *Requests* the [Subsidiary Body for Scientific and Technological Advice][secretariat] to prepare reports on these workshops for consideration by the Conference of the Parties at its twentieth session. The first report relating to the consideration of the report of Working Group I should be made available for consideration by Conference of the Parties at its nineteenth session;
- *Requests* the Subsidiary Body for Implementation to consider the inputs provided by Parties included in Annex I to the Convention in the sixth national communications and by Parties not included in Annex I to the Convention in their first biennial reports, which should be made available by 1 January 2014;
- *Requests* the secretariat to compile this information into a miscellaneous document as it becomes available for consideration by the Subsidiary Body for Implementation at its fortieth session;
- *Decides* to feed the results of the International Consultation and Analysis/International Analysis and Review into the review process as soon as they become available;
- *Requests* the subsidiary bodies to take into account and adequately assess all inputs, and to provide a report to the Conference of the Parties for consideration at its twentieth session, as a means to inform the review process;

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- *Requests* the Subsidiary Body for Scientific and Technological Advice and Subsidiary Body for Implementation to develop a methodology for the review at their thirty-seventh sessions;
  - *Invites* Parties to submit their views on XX by YY;
  - The Conference of the Parties shall take appropriate action based on the review (para. 139(c));
  - Conduct subsequent reviews that should take place following the adoption of an assessment report of the Intergovernmental Panel on Climate Change or at least every X years;

#### Inputs

- The review should be based on an extensive amount of information from various sources, [including]:
- The Assessment Reports of the Intergovernmental Panel on Climate Change and relevant special reports of the Intergovernmental Panel on Climate Change (e.g. Fifth Assessment Report, the Special Report on Renewable Energy Sources and Climate Change, the Special Report on Managing the Risks of Extreme Events and Disaster to Advance Climate Change Adaptation, and the Special Report on Emission Scenarios of the Intergovernmental Panel on Climate Change);
- National communications; first biennial reports from developed and developing countries (including emission trends, projection, and the results of mitigation actions); national inventories of greenhouse gases; reports of measurable, reportable and verifiable processes, such as International Consultation and Analysis, International Analysis and Review and other relevant national reports;
- Targeted submissions by Parties and technical papers on various elements of the review;
- Reports on emission projections as inputs to aggregate numbers (e.g. the International Energy Agency, the Special Report on Emission Scenarios of the Intergovernmental Panel on Climate Change and the United Nations Advisory Group on Energy and Climate);
- Reports on the capabilities of countries and technology development and deployment (e.g. the Intergovernmental Panel on Climate Change, the International Energy Agency, the International Renewable Energy Agency, the Renewable Energy Policy Network for the 21st Century Global Status Report, the Renewable Energy and Energy Efficiency Partnership, and the World Economic Forum);
- Reports on gross domestic product, including projections (e.g. the International Monetary Fund and the World Bank), population, mitigation cost provided by the Intergovernmental Panel on Climate Change, and individual and collective barriers to further efforts (country input);
- Other relevant reports, such as those from the United Nations Environment Programme (e.g. the emissions gap report), the United Nations Advisory Group on Energy and Climate, and other reports from the International Energy Agency, the International Civil Aviation Organization, the International Maritime Organization, the Food and Agriculture Organization of the United Nations, the Convention on Biological Diversity, the United Nations Convention to Combat Desertification, the World Meteorological Organization, the United Nations International Strategy for Disaster Reduction, and those from regional organizations, [institutions with relevant expertise];
- Any other relevant information sources deemed important for the review;
- [A procedure to decide if the quality of the input is adequate for the review;]

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#### Who conducts the review

- *Decides* that the review [should][will] be conducted by the Conference of the Parties with the support of the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation, with technical support, as appropriate;
- Existing permanent bodies, eventually with technical support;
- An appropriate mechanism for the review should be established and should be guided by the principles mentioned in the first bullet under the heading “Modalities”;
- An institutional arrangement for the review, such as a Committee of the Conference of the Parties or an expert group;

#### Timeline for the first review

- *Agrees* on the following timeline for the first review:
  - 2011 – The development of a structured three-year work programme for the review;
  - 2011–2012 – The preparation of the review (establishing a clearing house to collect information, prepare a technical paper on this matter and hold a series of workshops and expert meetings);
  - 2013 – The consideration of inputs, in particular those referred to in decision 1/CP.16, paragraph 134; the secretariat should organize the necessary information and make it available to Parties in a user-friendly way; a process under the Convention has to be established to allow Parties to deal with this information; the consideration of International Energy Agency reports, outputs of the Nairobi work programme on impacts, vulnerability and adaptation to climate change, World Bank/other United Nations agency reports, including the International Civil Aviation Organization, the International Maritime Organization, the report of the Working Group I of the Intergovernmental Panel on Climate Change, and other above mentioned information under the section on inputs, available at that time;
  - 2014 – The continuation of the consideration of the inputs and the preparation of a report by the subsidiary bodies on their assessment for consideration by the Conference of the Parties on the basis of the information available at that time; the Fifth Assessment Report of the Intergovernmental Panel on Climate Change and other information (e.g. biennial reports);
  - 2015 – The preparation of a draft decision for adoption by the Conference of the Parties at its twenty-first session as the outcome of the review. The Conference of the Parties shall take appropriate action based on the review;

#### **Appropriate action by the Conference of the Parties**

- The Conference of the Parties shall take appropriate actions based on the review (para. 139(c));
- Consider strengthening the long-term goal to 1.5 (para. 139(a)(iv));
- Consider the recommendations of the review regarding 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 global goal;
- Parties should not prejudice the action to be taken by the Conference of the Parties based on the review.

Several Parties requested the secretariat to organize, under the guidance of the Chair of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention, a technical briefing at the next meeting of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to allow the Intergovernmental Panel on Climate Change to inform Parties what information will be provided in the forthcoming Fifth Assessment of the Intergovernmental Panel on Climate Change of relevance for the review process and by when this information will become available. Several Parties also suggested that the Ad Hoc Working Group on Long-term Cooperative Action under the Convention calls for submissions of views on the modalities of the review.

## **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**

**version of 16 June @ 16:30**

#### **Note by the Facilitator: summary of the views expressed by Parties at the informal consultations**

1. The Conference of the Parties at its sixteenth session, in decision 1/CP.16, paragraph 145, requested the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) to continue discussing legal options with the aim of completing an agreed outcome based on decision 1/CP.13 (Bali Action Plan), the work done at the sixteenth session of the Conference of the Parties and proposals made by Parties under Article 17 of the Convention.
2. Two meetings were devoted to discussing possible legal options for an agreed outcome in accordance with the mandate of the group. A range of views were expressed, including the following:
  - Support for a legally binding outcome;
  - An openness to consider a legally binding outcome, depending on its specific content;
  - Clarity on the legal form could help to unlock negotiations on substance and facilitate decisions under the Kyoto Protocol;
  - Need to have more clarity on the substance before coming to conclusion on the legal form;
  - Doubt whether there is a need for a legally binding outcome;
  - Some of the options, such as amendments, go beyond the mandate of the AWG-LCA;
  - Support for a single legally binding instrument;
  - Support for an instrument that complements a second commitment period under the Kyoto Protocol;
  - Need for flexibility on some elements, such as details of institutional arrangements, and need to balance flexibility with legal certainty;
  - Any new regime must not be weaker than the Kyoto Protocol;
  - The discussion on legal options must not undermine a second commitment period under the Kyoto Protocol;
  - Among the parameters that could help undecided Parties to consider legal options the following were mentioned:

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- Any new instrument must be consistent with the Bali Action Plan and the Convention;
  - No rewriting or renouncement of the Convention or Kyoto Protocol;
  - Any element must apply with the same legal force to all major economies;
  - Mitigation commitments must reflect the current economic realities.
3. As a result of the exchange, some Parties suggested the following legal options:
    - A protocol to the Convention;
    - Amendments to the Convention;
    - COP decisions;
    - A combination of legally binding and politically binding elements.
  4. In support of a legally binding outcome, the following views were expressed:
    - A treaty is the highest signal of a government's commitment to act;
    - A treaty would provide certainty, predictability, reciprocity, transparency, accountability, leverage for domestic action and assurance of implementation.
  5. In support of a non-legally binding outcome, the following views were expressed:
    - COP decisions could provide flexibility;
    - COP decisions could be used in the interim.
  6. Regarding the elements that could be expressed in a legally binding outcome, the following views were expressed:
    - All the elements of the Bali Action Plan should be included;
    - A legally binding instrument should include: mitigation, MRV, accounting, market-based mechanisms, coverage (basket of gases), support (finance, technology transfer, capacity-building), compliance, adaptation and institutional arrangements;
    - Rather than a question of identifying the elements, it is a question of depth and detail;
    - Recognition that common but differentiated responsibilities and respective capabilities must be respected in any new regime. Suggestions were made as to how common but differentiated responsibilities and respective capabilities could be reflected in mitigation commitments and actions;
    - The importance of equity was mentioned.
  7. Some Parties provided explanations of their proposals under Article 17 of the Convention and the elements contained therein.
  8. Some Parties indicated that the exchange of views was helpful and that further discussion could deepen understanding. Other Parties considered that discussions are premature and not helpful at this stage.
  9. Some of the proponents of the Article 17 proposals said they would look at their proposals again in the light of recent developments.
  10. Some Parties indicated that they would work with other Parties on common elements.
  11. There was no time to have more detailed discussions and the work will continue with a view to furthering understandings among Parties and narrowing down the differences on this issue.
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