

## **Draft decision [-/CP.17]**

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

*The Conference of the Parties,*

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

*Recalling* decision 1/CP.13 (the Bali Action Plan) and decision 1/CP.16, elaborating on a shared vision for long-term cooperative action, in particular the mandate contained in paragraphs 5 and 6 of decision 1/CP.16 with regard to working towards identifying a global goal for substantially reducing global emissions by 2050 and a time frame for a global peaking of greenhouse gas emissions,

1. *Agrees*, in the context of the long-term goal and the ultimate objective of the Convention and the Bali Action Plan, to continue to work towards identifying a global goal for substantially reducing global emissions by 2050, and to consider it at its eighteenth session;
2. *Also agrees* to continue to work, in the context of the provisions of paragraph 6 of decision 1/CP.16, towards identifying a time frame for the global peaking of greenhouse gas emissions based on the best available scientific knowledge and equitable access to sustainable development, and to consider it at its eighteenth session;
3. *Further agrees* that consideration of a global goal for substantially reducing global emissions by 2050 and the time frame for global peaking of greenhouse gas emissions cannot be undertaken in the abstract and will necessarily involve matters related to the context for such considerations;
4. *Requests* the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to consider the issue of equitable access to sustainable development, as contained in decision 1/CP.16, through a workshop at its next session. The Ad Hoc Working Group on Long-term Cooperative Action under the Convention shall report on the workshop to the Conference of the Parties as part of its work;

## **II. Enhanced action on mitigation**

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

#### **Matters relating to paragraphs 36–38 of the Cancun Agreements**

*Recalling* decision 1/CP.16, which recognizes that climate change represents an urgent and potentially irreversible threat to human societies and the planet, and thus requires to be urgently addressed by all Parties,

*Recalling also* decision 1/CP.13 in relation to ensuring the comparability of mitigation efforts among all developed country Parties in a measurable, reportable and verifiable manner,

*Recognizing* that deep cuts in global greenhouse gas emissions are required according to science, as documented in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, with a view to reducing global greenhouse gas emissions so as to hold the increase in global average temperature below 2 °C above preindustrial levels, and that Parties should take urgent action to meet this long-term goal, consistent with science and on the basis of equity; also recognizes the need to consider, in the context of the first review of the long-term global goal, as referred to in paragraph 138 of decision 1/CP.16, strengthening the long-term global goal on the basis of the best available scientific knowledge, including in relation to a global average temperature rise of 1.5 °C,

*Acknowledging* that there is a gap between the aggregate level of reduction in emissions of greenhouse gases to be achieved through global mitigation efforts and the reduction needed as part of the global effort to achieve the range indicated in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change,

*Recognizing* that the clarification of developed country Parties' quantified economy-wide emission reduction targets builds confidence and trust among Parties,

*Urging* developed country Parties to increase the ambition of their economy-wide emission reduction targets, with a view to reducing their aggregate anthropogenic emissions of carbon dioxide and other greenhouse gases not controlled by the Montreal Protocol to a level consistent with the ranges documented in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change and subsequent assessment reports of the Intergovernmental Panel on Climate Change,

*Noting* the quantified economy-wide emission reduction targets to be implemented by Parties included in Annex I to the Convention as communicated by them and contained in document FCCC/SB/2011/INF.1/Rev.1,

5. *Decides* to continue in 2012 the process of clarifying the developed country Parties' quantified economy-wide emission reduction targets contained in document FCCC/SB/2011/INF.1/Rev.1, with the objective of understanding assumptions and conditions related to individual targets, in particular in relation to the base year, global warming potential values, coverage of gases, coverage of sectors, expected emission reductions, and the role of land use, land-use change and forestry, and carbon credits from market-based mechanisms, and associated assumptions and conditions related to the ambition of the pledges; this process shall include the following:

- (a) Submission of relevant information by developed country Parties, using a common template, to the secretariat by 5 March 2012 to be compiled into a miscellaneous document;
  - (b) In-session workshops;
  - (c) An update of document FCCC/TP/2011/1;
6. *Requests* the secretariat to compile additional information relating to the quantified economy-wide emission reduction targets submitted by developed country Parties in a miscellaneous document;
7. *Also requests* the secretariat to organize the workshops referred to in paragraph 5(b) above in conjunction with the thirty-sixth sessions of the subsidiary bodies and to prepare a written workshop report in a structured manner;
8. *Further requests* the secretariat to prepare the technical paper referred to in paragraph 5(c) above, compiling all the information contained in Parties' submissions in a structured manner, and to further update that paper as new information is provided by Parties;
9. *Acknowledges* the value of ex ante information, and the need to elaborate rigorous, robust and transparent approaches in a systematic manner to measure progress towards the achievement of economy-wide emission reduction targets, building on existing processes, practices and experiences;
10. *Decides* to hold workshops to explore the assumptions and conditions related to targets, including the elements listed in paragraph 5 above, and requests the secretariat to produce a technical paper exploring the commonalities and differences of approaches;
11. *Requests* developed country Parties to share experiences with the development of low- emission development strategies during the in-session workshops referred to in paragraph 5(b) above, and invites developed country Parties to submit information related to progress towards the formulation of their low-emission development strategies.

#### **UNFCCC biennial reporting guidelines for developed country Parties**

*Recalling* the relevant provisions of the Convention, in particular Articles 4, 5, 7, 10 and 12, decisions 9/CP.2, 11/CP.4 and 4/CP.5 on national communications from Parties included in Annex I to the Convention (Annex I Parties),

*Recalling* also that by decision 1/CP.16 it decided to enhance reporting in national communications of Annex I Parties, and on progress in achieving emissions reductions and on the provision of financial, technology and capacity-building support to Parties not included in Annex I to the Convention (non-Annex I Parties), building on existing reporting and review guidelines, processes and experiences,

12. *Adopts* the guidelines contained in the annex I to this decision on the preparation of biennial reports by developed country Parties (the UNFCCC biennial reporting guidelines for developed country Parties);
13. *Decides* that developed country Parties shall use the UNFCCC biennial reporting guidelines for developed country Parties for the preparation of their first biennial reports, taking into account their national circumstances; and submit their first biennial reports to the secretariat by 1 January 2014, and their second and subsequent biennial reports two years after the due date of a full national communication (i.e. in 2016, 2020);
14. *Decides* also that Parties included in Annex I to the Convention (Annex I Parties) shall submit a full national communication every four years, noting that the next due date after adoption of this decision is 1 January 2014 according to decision 9/CP.16;

15. *Decides* further that in the years when the full national communications are submitted, developed country Parties should present the biennial reports as an annex to the national communication or as a separate report;
16. *Decides* to establish a work programme under the Subsidiary Body for Scientific and Technical Advice on development of a common tabular format for electronic reporting of information according to the reporting guidelines referred to in paragraph 12 above, with the view to adopting the format by the Conference of the Parties at its eighteenth session;
17. *Invites* Annex I Parties to make submissions of views by 1 March 2014 on their experience with reporting the first biennial reports;
18. *Requests* the Subsidiary Body for Implementation to begin, at its fortieth session, the revision of the UNFCCC reporting guidelines on national communications,<sup>1</sup> based on the experiences gained in preparing the first biennial reports and other information, with a view to adopting the guidelines by the Conference of the Parties at its twentieth session;
19. *Requests* the Subsidiary Body for Scientific and Technical Advice to develop, taking into account existing international methodologies, and based on the experiences gained in preparing the first biennial reports, methodologies for reporting financial information with a view of recommending a decision to the Conference of Parties on this matter at its twentieth session;
20. *Requests* the secretariat to prepare a technical paper based on the submissions of views by Parties referred to in paragraph 17 above, with the aim of facilitating consideration by the Subsidiary Body for Implementation, at its forty-first session, of the matters referred to in paragraph 18 above;
21. *Also requests* the secretariat to prepare a compilation and synthesis report on information reported by developed country Parties in the biennial reports referred to in paragraph 13 above, for consideration by the Conference of the Parties at its twentieth session and subsequent sessions, according to Article 7, paragraph (g), of the Convention;
22. *Encourages* Parties included in Annex II to the Convention to assist Annex I Parties with economies in transition and those Annex I Parties whose special circumstances are recognized under the Convention, as necessary, through appropriate bilateral or multilateral channels, with technical aspects of the preparation of their biennial reports.

#### **Modalities and procedures for international assessment and review**

*Recalling* decisions 2/CP.1, 9/CP.2, 6/CP.3, 6/CP.5, 33/CP.7, 19/CP.8, 12/CP.9, 18/CP.10 and 1/CP.13,

*Also recalling* decision 1/CP.16, establishing a process for the international assessment and review of emissions and removals related to developed country Parties' quantified economy-wide emission reduction targets under the Subsidiary Body for Implementation, taking into account national circumstances, in a rigorous, robust and transparent manner, with a view to promoting comparability and building confidence,

*Responding* to the work programme launched by decision 1/CP.16 to develop modalities and procedures for international assessment and review, and building on existing review guidelines, processes and experiences,

*Recognizing* that the IAR process should promote the comparability of efforts among all developed country Parties, including in relation to their quantified economy-wide emission limitation and reduction targets;

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<sup>1</sup> FCCC/CP/1999/7. ("Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part II: UNFCCC reporting guidelines on national communications").

*Also recognizing* the need to have an efficient, cost-effective and practical international assessment and review process which does not impose an excessive burden on Parties and on the secretariat,

23. *Decides* that the IAR process will be conducted through a technical review of information and a multilateral assessment of the implementation of quantified economy-wide emission reduction targets;

24. *Adopts* the modalities and procedures for international assessment and review as contained in the annex II, and decides to use them until any revisions are decided upon by the Conference of Parties;

25. *Agrees* that the first round of international assessment and review should commence two months after the submission of the first round of biennial reports by developed country Parties, and should be conducted in accordance with the modalities and procedures referred to in paragraph 24 above;

26. *Decides* to revise the modalities and procedures prescribed herein on the basis of experience gained in the first round of international assessment and review, no later than 2016;

27. *Also decides* that the review of annual national greenhouse gas inventories will continue on an annual basis, and that international assessment and review will be conducted every two years for the biennial reports, whether independently or in conjunction with a national communication;

28. *Further decides* to establish a work programme under Subsidiary Body for Scientific and Technological Advice, with a view to concluding the revision of the guidelines for the review of biennial report, national communication, including national inventory review to be concluded no later than nineteenth session of the Conference of the Parties;

29. *Requests* the secretariat to enhance coordination between different review processes in such a way as to ensure effective and efficient processes and procedures;

30. *Agrees* that the outputs of the multilateral assessment will comprise, for each Party, a record prepared by the secretariat, which will include in-depth review reports, the summary report of the Subsidiary Body for Implementation, questions submitted by Parties and responses provided, and any other observations of the Party under review that are submitted within two months of the working group session;

31. *Also agrees* that any revision of the modalities and procedures for international assessment and review should take into account any future agreement on a compliance regime for mitigation targets under the Convention.

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

### **Matters relating to paragraphs 48-51 of the Cancun Agreements**

*Recalling* decision 1/CP.16, which recognizes that climate change represents an urgent and potentially irreversible threat to human societies and the planet, and thus requires to be urgently addressed by all Parties,

*Recognizing* that deep cuts in global greenhouse gas emissions are required according to science, and as documented in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, with a view to reducing global greenhouse gas emissions so as to hold the increase in global average temperature below 2 °C above preindustrial levels, and that Parties should take urgent action to meet this long-term goal, consistent with science and on the basis of equity; also recognizes the need to consider, in

the context of the first review , as referred to in paragraph 138 of decision 1/CP.16, strengthening the long-term global goal on the basis of the best available scientific knowledge, including in relation to a global average temperature rise of 1.5°C,

*Acknowledging* that there is a gap between the aggregate level of reduction in emissions of greenhouse gases to be achieved through global mitigation efforts and the reduction needed as part of the global effort to achieve the range indicated in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change,

*Recognizing* that understanding the diversity of mitigation actions submitted by developing country Parties, their underlying assumptions and methodologies, builds confidence and trust among Parties,

*Recognizing* that developing country Parties are already contributing and will continue to contribute to a global mitigation effort in accordance with the principles and provisions of the Convention, and could enhance their mitigation actions, depending on provision of finance, technology and capacity-building support by developed country Parties,

*Reaffirming* that social and economic development and poverty eradication are first and overriding priorities of developing country Parties, and that a low-emission development strategy is central to sustainable development, and that the share of global emissions originating in developing countries will grow to meet their social and development needs,

*Also reaffirming* that, in accordance with Article 4, paragraph 3, of the Convention, developed country Parties shall provide enhanced financial, technology and capacity-building support for the preparation and implementation of nationally appropriate mitigation actions of developing country Parties,

*Noting* the nationally appropriate mitigation actions to be implemented by Parties not included in Annex I to the Convention, as communicated by them and contained in the document FCCC/AWGLCA/2011/INF.1,

32. *Encourages* developing country Parties who are yet to submit information on nationally appropriate mitigation actions pursuant to decision 1/CP.16, paragraph 50 to do so, noting the need to extend flexibility to small islands developing States and least developed country Parties;

33. *Decides* to continue in 2012 workshops, in a structured manner, to further the understanding of the diversity of mitigation actions as communicated and contained in FCCC/AWGLCA/2011/INF.1, underlying assumptions and any support needed for the implementation of these actions, noting different national circumstances and the respective capabilities of developing country Parties;

34. *Invites* developing country Parties, with a view to providing input to the process referred to in paragraph 33 above, to submit, subject to availability, more information relating to nationally appropriate mitigation actions, including underlying assumptions and methodologies, sectors and gases covered, global warming potential values used, support needs for implementation of nationally appropriate mitigation actions and estimated mitigation outcomes;

35. *Invites* developing country Parties to submit this information to the Secretariat, by 5 March 2012, to be compiled into a miscellaneous document;

36. *Requests* the secretariat to organize the in-session workshops referred to in paragraph 33 above in conjunction with the thirty-sixth session of the Subsidiary Bodies and prepare written workshop summary reports;

37. *Requests* the Subsidiary Body for Scientific and Technological Advice to develop general guidelines for domestic measurement, reporting, and verification of domestically-supported nationally appropriate mitigation actions;

38. *Encourages* developing country Parties to develop low-emission development strategies, recognizing the need for financial and technical support by developed country Parties for the formulation of these strategies, and invites interested developing country Parties to share experience on the formulation of low-emission development strategies during the in-session workshops referred to in paragraph 36 above.

### **UNFCCC biennial update reporting guidelines for Parties not included in Annex I to the Convention**

*Recalling* the relevant provisions of the United Nations Framework Convention on Climate Change, in particular, Article 4, paragraphs 1, 3 and 7, Article 5, Article 7, paragraph 2 (a), (b), (d) and (e), Article 9, paragraph 2 (b), Article 10, paragraph 2 (a) and (c) and Article 12, paragraphs 1, 5, 6 and 7,

*Recalling* its decisions on national communications from Parties not included in Annex I to the Convention (non-Annex I Parties), in particular its decisions 10/CP.2, 2/CP.4, 12/CP.4, 8/CP.5, 31/CP.7, 32/CP.7, 17/CP.8 and 8/CP.11,

*Recalling* further that, by its decision 1/CP.16, paragraph 60, the Conference of the Parties decided to enhance the reporting in national communications, including inventories from non-Annex I Parties, on mitigation actions and their effects, and support received, with additional flexibility to be given to the least developed country Parties and small island developing States .

*Recalling also* that the Conference of the Parties, through its decision 1/CP.16, paragraph 60(c), decided that developing country Parties, consistent with their capabilities and the level of support provided for reporting, should submit biennial update reports containing updates of national greenhouse gas inventories, including a national inventory report and information on mitigation actions, needs and support received,

*Recognizing* the difficulties faced by non-Annex I Parties in reporting under the Convention and the need to take into account national capabilities and circumstances, and build capacity, and the need for the provision of financial support in a timely manner to non-Annex I Parties to facilitate the timely preparation of biennial update reports,

*Urging* Annex II Parties and other developed country Parties in a position to do so to provide support for the preparation of biennial update reports;

*Recognizing* that the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention could also play an important role in facilitating technical advice and support for the preparation and submission of the first biennial update report,

*Recognizing* that, by its decision 1/CP.16, the Conference of the Parties agreed on a work programme for developing the guidelines for the preparation of biennial update reports from non-Annex I Parties, as a part of their national communications,

39. *Adopts* the guidelines, contained in the annex III to this decision, for the preparation of biennial update reports by non-Annex I Parties, (hereinafter referred to as the Guidelines);

40. *Affirms* that the Guidelines shall respect the diversity of mitigation actions and provide flexibility for non-Annex I Parties to report information, while providing an understanding of actions taken;

41. *Decides:*

(a) That non-Annex I Parties, consistent with their capabilities and level of support provided for reporting, should submit their first biennial update report by December 2014; least developed country Parties and small island developing States may submit biennial update reports at their discretion;

(b) That in using the Guidelines, non-Annex I Parties should take into account their development priorities, objectives, capacities and national circumstances;

(c) That the Guidelines should be used as a basis to provide guidance to an operating entity of the financial mechanism for funding the preparation of biennial update reports from non-Annex I Parties and, in the case of the first biennial update report, the Global Environment Facility;

(d) To urge non-Annex I Parties to submit their requests to the Global Environmental Facility for support, in a timely manner;

(e) That enhanced support for the preparation of biennial update reports should be ensured by developed country Parties and other developed Parties in Annex II by means of resources, in accordance with Article 4, paragraph 3, of the Convention on the basis of agreed full cost funding;

(f) That non-Annex I Parties shall submit a biennial update report every two years, either as a summary of parts of their national communication in the year when national communication is submitted or as a stand-alone update report; Least Developed Countries and small island developing States may submit biennial update reports at their discretion;

(g) The first biennial update report submitted by non-Annex I Parties shall cover, at a minimum, the inventory for the calendar year no more than four years prior to the date of submission or more recent years if information is available, and that subsequent biennial update reports shall cover a calendar year that does not precede the submission date by more than four years;

42. *Decides* that these guidelines should be reviewed and revised as appropriate, in accordance with decisions of the Conference of the Parties;

43. *Requests* the secretariat to facilitate assistance to non-Annex I Parties, on request, in the preparation of their biennial update reports, in accordance with Article 8, paragraph 2 (c), of the Convention;

44. *Urges* and requests the Global Environment Facility to make available support to non-Annex I Parties preparing their first biennial update reports as early as possible in 2012 and on the basis of agreed full cost funding.

## **Registry**

*Recalling* decision 1/CP.13,

*Also recalling* decision 1/CP.16, paragraphs 53–59, by which the Conference of the Parties decided to set up a registry to record the nationally appropriate mitigation actions seeking international support, to facilitate the matching of financial, technological and capacity-building support for these actions, and to recognize nationally appropriate mitigation actions of developing country Parties in a separate section of the registry,

*Further recalling* the same decision, by which the Conference of the Parties agreed to develop modalities for the facilitation of support through the registry, including any functional relationship with the financial mechanism,



*Recognizing* the need for support for enabling activities to assist developing country Parties in the identification and preparation of nationally appropriate mitigation actions for submission to the registry, and support for their implementation,

45. *Decides* that:

(a) The registry should be developed as a dynamic, web-based platform managed by a dedicated team in the secretariat;

(b) Participation in the registry shall be voluntary and only information submitted expressly for inclusion in the registry should be recorded;

(c) The registry should be structured in a flexible manner that clearly reflects the full range of the diversity of nationally appropriate mitigation actions, and a range of types of support;

46. *Invites* developing country Parties to submit, as appropriate, to the secretariat the following information on individual nationally appropriate mitigation actions seeking international support:

(a) A description of the mitigation action and the national implementing entity, including contact information;

(b) The expected timeframe for the implementation of the mitigation action;

(c) The estimated full cost of the preparation

(d) The estimated full cost and/or incremental cost of the implementation of the mitigation action;

(e) The amount and type of support (financial, technological and capacity-building) required to prepare and/or implement the mitigation action;

(f) The estimated emission reductions;

(g) Other indicators of implementation;

(h) Other relevant information, including the co-benefits for local sustainable development, if information thereon exists;

47. *Also invites* developing country Parties to submit to the secretariat information on other individual nationally appropriate mitigation actions, to be recorded in a separate section of the registry, for their recognition;

48. *Further invites* developed country Parties, the entity or entities entrusted with the operation of the financial mechanism, including the Global Environment Facility and the Green Climate Fund, multilateral, bilateral and other public donors, and private and non-governmental organizations that are in position to do so, to submit to the secretariat, as appropriate, the following information on financial, technological and capacity-building support available and/or provided for the preparation and/or implementation of nationally appropriate mitigation actions:

(a) Whether the support available is for preparation and/or implementation of nationally appropriate mitigation actions;

(b) The source of the support, including, where applicable, the name of the developed country Parties in question and the executing entity channelling the support, including contact information;

(c) The amount and type of support available, and whether it is financial (e.g. grant or facilitated loan), technological and/or capacity-building support;

(d) The status of delivery;

- (e) The types of action that may be supported and the process for the provision of support;
49. *Invites* Parties and entities referred to in paragraphs 46 and 48 above to provide the secretariat, subsequent to matching of action with support, information on both internationally supported mitigation actions and associated support;
50. *Requests* the secretariat, pursuant to decision 1/CP.16, paragraphs 53–59, to record and regularly update, in separate sections of the registry, information provided in paragraphs 46–49 above;
51. *Decides* that the registry will facilitate the matching of actions seeking international support with support available by providing and directing information to Parties that submitted information on nationally appropriate mitigation actions seeking support, and Parties and entities that have submitted information on support available;
52. *Requests* the secretariat, subject to the availability of resources:
- (a) To provide assistance to developing country Parties requesting information on available sources of support in the registry;
  - (b) To provide information on the operation of the registry to the Conference of the Parties annually, in order to inform the discussions on the financial mechanism.
53. *Notes* that the financial mechanism may make use of information available in the registry when considering the provision of support for the preparation and implementation of individual nationally appropriate mitigation actions which are seeking support;
54. *Requests* the secretariat to develop a prototype of the registry by the thirty-sixth session of the Subsidiary Body for Implementation in order to present the prototype to Parties for their consideration;
55. *Also requests* the secretariat, if applicable, to improve the design of the prototype based on the views expressed by Parties at the thirty-sixth session of the Subsidiary Body for Implementation, in order to enable Parties to start using the prototype of the registry as soon as possible and within two months thereafter, with a view to finalizing the registry through a decision at the eighteenth session of the Conference of the Parties, taking into account the lessons learned from the initial experience gained.

#### **Modalities and guidelines for international consultation and analysis**

*Recalling*, in particular, Article 4, paragraphs 1, 3, and 7, Article 10, paragraph 2(a), and Article 12, paragraphs 1, 5 and 7, of the Convention,

*Also recalling* its decisions on communications from Parties not included in Annex I to the Convention (non-Annex I Parties) and, in particular, its decision 10/CP.2, 12/CP.4, 8/CP.5, 31/CP.7, 32/CP.7, 17/CP.8 and 8/CP.11,

*Noting* its decision 1/CP.16 by which a process of international consultation and analysis of biennial update reports will be conducted under the Subsidiary Body for Implementation, aiming to increase transparency of mitigation actions and their effects,

*Also noting* its decision 1/CP.16, paragraph 60(c), by which developing country Parties, consistent with their capabilities and the level of support provided for reporting, should also submit biennial update reports containing updates of national greenhouse gas inventories, including a national inventory report and information on mitigation actions, needs and support received,

*Recognizing* that the guidelines for international measurement, reporting and verification referred to in decision 1/CP.16, paragraph 61, correspond to the guidelines

determined for the international consultation and analysis of nationally appropriate mitigation actions of developing country Parties,

*Also recognizing* the need to have an efficient, cost-effective and practical international consultation and analysis process which does not impose an excessive burden on Parties, and on the secretariat,

*Noting* that international consultation and analysis is non-intrusive, non-punitive, and respectful of national sovereignty,

56. *Adopts* the modalities and guidelines for international consultation and analysis as contained in the annex to this decision;

57. *Recognizes* that the extent to which developing country Parties will effectively implement their commitments under the Convention will depend on the effective implementation by developed country Parties of their commitments under the Convention related to financial resources and transfer of technology;

58. *Decides*

(a) That the first rounds of international consultation and analysis will be conducted for developing country Parties, commencing within six months of the submission of the first round of biennial update reports by developing country Parties;

(b) That the frequency of participation in subsequent rounds of international consultation and analysis by developing country Parties, based on their respective capabilities and national circumstances, and special flexibility for small island developing States and least developed country Parties, will be determined by the frequency of the submission of biennial update reports;

(c) To revise the modalities and guidelines prescribed herein based on experiences gained in the first round of international consultation and analysis, no later than 2017;

(d) Small island developing States and least developed country Parties may undergo international consultation and analysis as a group of Parties at their discretion;

59. *Urges* developed country Parties and other developed Parties included in Annex II to the Convention to provide new and additional financial resources at the agreed full cost in accordance with Article 4, paragraph 3, of the Convention with a view to supporting any reporting needed for international consultations and analysis;

60. *Aims* to facilitate the universal participation of developing country Parties in the international consultation and analysis process;

61. *Invites* Parties to submit to the secretariat, by 5 March 2012, their views on the composition, modalities and procedures of the team of technical experts referred to in paragraph 1 of Annex IV,

62. *Requests* the secretariat to compile these submissions into a miscellaneous document for consideration by the Subsidiary Body for Implementation at its thirty-sixth session, with a view to adopting a decision on the matter referred to in paragraph 61 above at the eighteenth session of the Conference of the Parties.

**C. Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries**

*Recalling* the principles and provisions set forth in decision 1/CP.16 and appendices I and II on policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries,

*Further recalling* decisions 1/CP.13, 2/CP.13, 4/CP.15 and -/CP.17<sup>2</sup>,

*Also recalling* decision 1/CP.16, paragraphs 68–74 and 76–78,

*Reaffirming* that, in the context of the provision of adequate and predictable support to developing country Parties, Parties should collectively aim to slow, halt and reverse forest cover and carbon loss, in accordance with national circumstances, consistent with the ultimate objective of the Convention, as stated in its Article 2,

*Reaffirming* decision 1/CP.16, appendix I, paragraph 1,

*Affirming* that efforts are already being made and actions being taken to reduce emissions from deforestation and forest degradation, and to maintain and enhance forest carbon stocks in developing countries,

*Recognizing* the importance of effective and continuing support for activities referred to in decision 1/CP.16, paragraphs 73 and 76,

*Recognizing* that policy approaches and positive incentives for mitigation actions in the forest sector, as referred to in decision 1/CP.16, paragraph 70, can promote poverty alleviation and biodiversity benefits, ecosystem resilience and the linkages between adaptation and mitigation, and should promote and support the safeguards referred to in decision 1/CP.16, appendix I, paragraphs 2(c)–(e),

*Aware of* the relevance of work being undertaken by relevant international conventions and agreements,

63. *Agrees* that, regardless of the source or type of financing, the activities referred to in decision 1/CP.16, paragraph 70, should be consistent with the relevant provisions included in decision 1/CP.16, including the safeguards in its appendix I, in accordance with relevant decisions of the Conference of the Parties;

64. *Recalls* that for developing country Parties undertaking results-based actions<sup>3</sup> referred to in decision 1/CP.16, paragraphs 73 and 77, to obtain and receive results-based finance, these actions should be fully measured, reported and verified<sup>4</sup>, and developing country Parties should have the elements referred in decision 1/CP.16, paragraph 71, in accordance with any decisions taken by the Conference of the Parties on this matter;

65. *Agrees* that results-based finance provided to developing country Parties that is new, additional and predictable may come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources;

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<sup>2</sup> Draft decision proposed for adoption under agenda item 4 of Subsidiary Body for Scientific and Technological Advice.

<sup>3</sup> In accordance with decision 1/CP.16, appendix II.

<sup>4</sup> As agreed by the Conference of the Parties.

66. *Considers* that, in the light of the experience gained from current and future demonstration activities, appropriate market-based approaches could be developed by the Conference of the Parties to support results-based actions by developing country Parties referred to in paragraph 73 of 1/CP.16, ensuring that environmental integrity is preserved, and the provisions of appendix I and II to Decision 1/CP.16 are fully respected and should be consistent with relevant provisions of decision 1/CP.16, decision XX/CP.17 (SBSTA) and any future decision by the COP on these matters;
67. *Notes* that non market based approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests as a non-market alternative that supports and strengthens governance, the application of safeguards as referred to in decision 1/CP.16, appendix I, paragraph 2(c–e), and the multiple functions of forests, could be developed;
68. *Encourages* the operating entities of the financial mechanism of the Convention to provide results-based finance for the actions referred to in decision 1/CP.16, paragraph 73;
69. *Invites* Parties and accredited observers to submit to the secretariat, by 5 March 2012, their views on modalities and procedures for financing results-based actions and considering activities related to decision 1/CP.16, paragraphs 68–70 and 72;
70. *Requests* the secretariat to compile the submissions by Parties into a miscellaneous document for consideration by the Ad Hoc Working Group on Long-term Cooperative Action under the Convention at its session to be held in conjunction with the thirty-sixth session of the Subsidiary Body for Scientific and Technological Advice;
71. *Requests* the secretariat to prepare, subject to the availability of supplementary resources, a technical paper, based on submissions by Parties and accredited observers on the issues referred to in paragraph 70 above, as an input for the workshop referred to in paragraph 72 below;
72. *Requests* the secretariat to organize, subject to the availability of supplementary resources, a workshop taking into account the submissions by Parties and accredited observers referred to in paragraph 70 above, the technical paper referred to in paragraph 71 above, and the conclusions on this matter by the Ad Hoc Working Group on Long-term Cooperative Action under the Convention at its session to be held in conjunction with the thirty-sixth session of the Subsidiary Body for Scientific and Technological Advice, before the session of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to be held in conjunction with the eighteenth session of the Conference of the Parties;
73. *Requests* the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to consider the submissions by Parties and accredited observers referred to in paragraph 70 above, the technical paper referred to in paragraph 71 above and the report on the outcomes of the workshop referred to in paragraph 72 above with the aim of reporting on progress made and any recommendations to the Conference of the Parties at its eighteenth session.

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

**General framework**

74. *Agrees* to continue its consideration of a general framework for cooperative sectoral approaches and sector-specific actions with a view to adopting a decision on this matter at its eighteenth session, as appropriate;

**Agriculture**

75. *Requests* the Subsidiary Body for Scientific and Technological Advice to consider issues related to agriculture at its thirty-sixth session, with the aim of exchanging views and the Conference of the Parties adopting a decision on this matter at its eighteenth session;

76. *Invites* Parties and accredited observer organizations to submit to the secretariat, by 5 March 2012, their views on the issues referred to in paragraph 75 above;

77. *Requests* the secretariat to compile submissions referred to in paragraph 76 above by Parties into a miscellaneous document for consideration by the Subsidiary Body for Scientific and Technological Advice at its thirty-sixth session;

**International aviation and maritime transport**

78. *Agrees* to continue its consideration of issues related to addressing emissions from international aviation and maritime transport;

**E. 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**

*Recalling* decisions 1/CP.13 and 1/CP.16,

*Recalling* Article 1, paragraph 1, Article 3, paragraph 1, and Article 4, paragraphs 1, 2(a), 3, 7, 8 and 10 of the Convention,

*Affirming* the need to maintain consistency with the principles and commitments of the Convention, particularly that Parties should protect the climate system in accordance with their common but differentiated responsibilities and respective capabilities,

*Undertaking* to maintain and build upon the existing flexibility mechanisms established under the Kyoto Protocol,

*Recognizing* the role of public sources of finance in the implementation of mitigation activities,

*Acknowledging* the role of 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,

*Noting* that Parties may, individually or jointly, develop and implement such approaches in accordance with their national circumstances,

79. *Emphasizes* that 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, must meet standards that deliver real, permanent, additional and verified mitigation outcomes, avoid double counting of effort, and achieve a net decrease and/or avoidance of greenhouse gas emissions;

80. *Requests* the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to conduct a work programme to consider a framework for such approaches, with a view to recommending a decision to the Conference of the Parties at its eighteenth session;

81. *Invites* Parties and admitted UNFCCC observer organizations to submit to the secretariat, by 5 March 2012, their views on the matters referred to in paragraphs 79 and 80 above, including their experiences, positive and negative, with existing approaches and mechanisms as well as lessons learned;

82. *Requests* the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to conduct one or more workshops with Parties, experts and other stakeholders, including an in-session workshop at its session held in conjunction with the thirty-sixth session of the subsidiary bodies, to consider the submissions referred to in paragraph 81 above and to discuss the matters referred to in paragraphs 79 and 80 above;

83. *Defines* a new market-based mechanism, operating under the guidance and authority of the Conference of the Parties, to enhance the cost-effectiveness of, and to promote, mitigation actions, bearing in mind different circumstances of developed and developing countries, which is guided by decision 1/CP.16, paragraph 80, and which, subject to conditions to be elaborated, may assist developed countries to meet part of their mitigation targets or commitments under the Convention;

84. *Requests* the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to conduct a work programme to elaborate modalities and procedures for the mechanism referred to in paragraph 83 above, with a view to recommending a decision to the Conference of the Parties at its eighteenth session;

85. *Invites* Parties and admitted UNFCCC observer organizations to submit to the secretariat, by 5 March 2012, their views on the matters referred to in paragraphs 83 and 84 above, including their experiences, positive and negative, with existing approaches and mechanisms as well as lessons learned;

86. *Requests* the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to conduct one or more workshops with Parties, experts and other stakeholders, including an in-session workshop at its session held in conjunction with the thirty-sixth session of the subsidiary bodies, to consider the submissions referred to in paragraph 85 above and to discuss the matters referred to in paragraphs 83 and 84 above.

## **F. Economic and social consequences of response measures**

*Recalling* the ultimate objective of the Convention,

*Recalling and reaffirming* decision 1/CP.13 and decision 1/CP.16,

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

*Affirming* that there is a need to give full consideration to what actions are necessary, including actions related to funding, insurance and the transfer of technology, to

meet the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures,

*Acknowledging* that response measures to combat climate change may have negative environmental, social and economic consequences, and that all developing countries face economic and social consequences of response measures to climate change,

*Reaffirming* the principle of sovereignty of States in international cooperation to address climate change,

*Noting* that policies and measures to address climate change should be supportive of economic and social development of developing country Parties,

*Reaffirming* that developed country parties should take the lead in combating climate change and the adverse effects thereof,

*Reaffirming* that developed country Parties are urged to strive to implement policies and measures to respond to climate change in such a way as to avoid negative social and economic consequences for developing country Parties, taking into account Article 3 of the Convention, and to assist these Parties to address such consequences by providing support, including financial resources, transfer of technology and capacity-building, in accordance with Article 4 of the Convention, to build up the resilience of societies and economies negatively affected by response measures,

87. *Recognizes* that social and economic development and poverty eradication are the first and overriding priorities of developing countries;

88. *Urges* Parties in implementing their policies and measures to promote a just transition of the workforce, the creation of decent work and quality jobs in accordance with nationally defined development priorities and strategies;

89. *Urges* developed country Parties to assist developing country parties to promote economic diversification in the context of sustainable development, especially for those listed in Article 4, paragraph 8 and 9 of the Convention;

90. *Urges* Parties to give full consideration to the positive and negative impacts of the implementation of response measures to mitigate climate change on society and on all vulnerable groups, in particular women and children;

91. *Recognizes* decision XX/CP.17 that establishes the Forum to Implement the Work Programme on the Impact of the Implementation of Response Measures, and consolidates all progressive discussions related to response measures under the Convention.



### III. Enhanced action on adaptation

*The Conference of the Parties,*

*Recalling* the relevant provisions of the Convention,

*Also recalling* decision 1/CP.16, which established the Cancun Adaptation Framework and the Adaptation Committee,

92. *Affirms* that the Adaptation Committee shall be the overall advisory body to the Conference of the Parties on adaptation to the adverse effects of climate change;

93. *Also affirms* that the Adaptation Committee was established to promote the implementation of enhanced action on adaptation in a coherent manner under the Convention, as provided for by the Cancun Adaptation Framework, 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;

(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;

94. *Decides* that the Adaptation Committee should make use of the following modalities in exercising its functions:

(a) Workshops and meetings;

(b) Expert groups;

(c) Compilation, review, synthesis, analysis reports of information, knowledge, experience and good practice;

(d) Channels for sharing information, knowledge and expertise;

(e) Coordination and linkages with all relevant bodies, programmes, institutions and networks, within and outside the Convention;

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

96. *Requests* the Adaptation Committee to report annually 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 that may be required under the Convention, for consideration by the Conference of the Parties;

97. *Also requests* the Adaptation Committee during its first year to develop a three-year plan for its work, which should include milestones, activities, deliverables and resource requirements, in accordance with its agreed functions, employing the modalities listed in paragraph 94 above, considering the indicative list of activities included in the annex V, for approval by the Conference of the Parties at its eighteenth session;

98. *Further requests* the Adaptation Committee, in addition to developing its workplan, to initiate some of the activities contained in the annex V during its first year;

99. *Requests* the Adaptation Committee to engage and develop linkages through the Conference of the Parties with all adaptation-related work programmes, bodies and institutions under the Convention, including the Least Developed Countries Expert Group, the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention, the Technology Executive Committee, the Nairobi work programme on impacts, vulnerability and adaptation to climate change, the work programme on loss and damage and the operating entities of the financial mechanism of the Convention, as appropriate;

100. *Also requests* the Adaptation Committee to engage with, and draw on the expertise of, relevant institutions, organizations, frameworks, networks and centres outside of the Convention, including those at the intergovernmental, regional, national and, through them, subnational levels, where appropriate;

101. *Decides* that the Adaptation Committee shall comprise 16 members, who shall serve in their personal capacity, and will be nominated by Parties in 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:

- (a) Two members from each of the five United Nations regional groups;
- (b) One member from a small island developing State;
- (c) One member from a least developed country Party;
- (d) Two members from Parties included in Annex I to the Convention (Annex I Parties);
- (e) Two members from Parties not included in Annex I to the Convention (non-Annex I Parties);

102. *Urges* regional groups in making their nominations to consider the special needs and concerns of particularly vulnerable developing countries;

103. *Encourages* Parties to nominate experts to the Adaptation Committee with a diversity of experience and knowledge relevant to adaptation to climate change, while also taking into account the need to achieve gender balance in accordance with decision 36/CP.7;

104. *Agrees* that the Chairs of the Least Developed Countries Expert Group, the Technology Executive Committee and the Consultative Group of Experts on National

Communications from Parties not included in Annex I to the Convention could be invited to attend meetings of the Adaptation Committee, as appropriate;

105. *Also agrees* that the Adaptation Committee should seek input from intergovernmental, international, regional, national and subnational organizations, centres and networks, the private sector and civil society, in undertaking its work, and to invite advisers drawn from them to participate in its meetings as expert advisers on specific issues as they arise;

106. *Decides* that members shall serve for a term of two 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 years;

(c) The members shall remain in office until their successors have been elected;

107. *Also 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;

108. *Decides* that the Adaptation Committee shall elect annually a chair and a vice-chair from among its members to serve for a term of one year 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 between a member from an Annex I Party and a member from a non-Annex I Party;

109. *Also decides* that if the chair is temporarily unable to fulfil the obligations of the office, the vice-chair shall serve as the chair. In the absence of the chair and the vice-chair at a particular meeting, any other member designated by the Adaptation Committee shall temporarily serve as the chair of that meeting;

110. *Further decides* that if the chair or the vice-chair is unable to complete the term of office, the Adaptation Committee shall elect a replacement to complete that term of office;

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

112. *Also decides* that the Adaptation Committee shall meet at least twice a year, where possible in conjunction with other adaptation-related UNFCCC meetings, while retaining its flexibility to adjust its number of meetings to suit its needs;

113. *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;

114. *Decides* that the 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 encouraging a balanced representation of observers from Annex I Parties and from non-Annex I Parties;

115. *Also decides* that the Adaptation Committee shall convene its first meeting soon after the seventeenth session of the Conference of the Parties;

116. *Further decides* that English shall be the working language of the Adaptation Committee;

117. *Decides* that outputs of the Adaptation Committee shall be made publicly available on the UNFCCC website;

118. *Also decides* that the secretariat shall support and facilitate the work of the Adaptation Committee, subject to the availability of resources;

119. *Further decides* to review the progress and performance of the Adaptation Committee at its twenty-second session, with a view to adopting an appropriate decision on the outcome of this review.

## IV. Finance

### Standing Committee

*Recalling* Articles 4 and 11 of the Convention,

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

120. *Decides* that the Standing Committee shall report and make recommendations to the Conference of the Parties, for its consideration, at each ordinary session of the Conference of the Parties on all aspects of its work;

121. *Also decides* that the Standing Committee shall assist the Conference of the Parties in exercising its functions with respect to the financial mechanism of the Convention in terms of improving coherence and coordination in the delivery of climate change financing, rationalization of the financial mechanism, mobilization of financial resources, and measurement, reporting and verification of support provided to developing country Parties through activities, such as:

(a) Organizing a forum for communication and continued exchange of information among bodies and entities dealing with climate change finance in order to promote linkages and coherence;

(b) Maintaining linkages with the Subsidiary Body for Implementation and thematic bodies of the Convention;

(c) Providing to the Conference of the Parties draft guidance for the operating entities of the financial mechanism of the Convention, with a view to improving the consistency and practicality of such guidance, taking into account the annual reports of the operating entities as well as submissions from Parties;

(d) Making recommendations on how to improve the coherence, effectiveness and efficiency of the operating entities of the financial mechanism;

(e) Providing expert input, including through independent reviews and assessments, into the preparation and conduct of the periodic reviews of the financial mechanism by the Conference of the Parties;

(f) Preparing a biennial assessment, overview of climate finance flows, to include information on the geographical and thematic balance of such flows, drawing on available sources of information, including national communications and biennial reports of both developed and developing country Parties, information provided in the registry, information provided by Parties on assessments of their needs, reports prepared by the operating entities of the financial mechanism, and information available from other entities providing climate change finance;

122. *Further decides* that the Standing Committee shall perform any other functions that may be assigned to it by the Conference of the Parties;

123. *Requests* the Standing Committee to develop a work programme based on the activities outlined in paragraph 121 above for presentation to the Conference of the Parties at its eighteenth session;

124. *Decides* that the cost of meetings and the participation of members from developing country Parties will be included in the consideration of the core budget of the secretariat;

125. *Also decides* to adopt the composition and working modalities of the Standing Committee as contained in the annex VI.

## **Long term finance**

*Recalling* Articles 4 and 11 of the Convention,

*Also recalling* the Bali Action Plan (decision 1/CP.13), paragraph 1(e),

*Further recalling* decision 1/CP.16, paragraphs 18 and 97–101,

*Welcoming* the fast-start finance provided by developed countries as part of their collective commitment to provide new and additional resources approaching USD 30 billion for the period 2010–2012,

*Recalling* that developed country Parties commit, in the context of meaningful mitigation actions and transparency on implementation, to a goal of mobilizing jointly USD 100 billion per year by 2020 to address the needs of developing countries,

126. *Affirms* the importance of continuing to provide ongoing support beyond 2012,

127. *Decides* to undertake a work programme on long-term finance in 2012, including workshops, to progress on long-term finance in the context of decision 1/CP.16, paragraphs 97-101;

128. *Invites* the President of the Conference of Parties to appoint two co-chairs, one from a developing country Party and one from a developed country Party for the work programme mentioned in paragraph 127 above;

129. *Requests* the secretariat, to assist the co-chairs in supporting the workshops mentioned in paragraph 127 above;

130. *Decides* that the aim of this work programme referred to in paragraph 127 above is to contribute to the on-going efforts to scale up the mobilization of climate change finance after 2012; the work programme will analyze options for the mobilization of resources from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources and relevant analytical work on climate-related financing needs of developing countries; the analysis will draw upon relevant reports including that of the High-level Advisory Group on Climate Financing and the report on mobilizing climate finance for the G20 and the assessment criteria in the reports, and will also take into account lessons learned from fast-start finance;

131. *Requests* the co-chairs, supported by the secretariat, to prepare a report on the workshops referred to in paragraph 127 above for consideration by the Conference of the Parties at its eighteenth session;

132. *Notes* the information provided by developed country Parties on the fast-start finance they have provided and urges them to continue to enhance the transparency of their reporting on the fulfilment of their fast-start finance commitments.

## V. Technology development and transfer

### Arrangements to make the Technology Mechanism fully operational in 2012

*Recalling* the commitments under the Convention, in particular Article 4, paragraphs 1, 3, 5, 7, 8 and 9,

*Recalling* paragraph 1(d) of decision 1/CP.13, to enhance action on technology development and transfer to support action on mitigation and adaptation,

*Reaffirming* that the objective of enhanced action on technology development and transfer is to support action on mitigation and adaptation in order to achieve the full implementation of the Convention and that, in pursuit of this objective, the identification of technology needs will be based on a country-driven approach and national circumstances and priorities,

*Underlining* the importance of nationally determined technology needs, based on national circumstances and priorities, the setting of appropriate enabling environments to scale up the development and transfer of technologies in developing countries and the need to accelerate action at different stages of the technology cycle,

*Noting* the establishment of a Technology Executive Committee, and a Climate Technology Centre and Network in the Cancun Agreements, and their respective functions,

*Recalling* decision 1/CP.16, paragraph 128, on the work programme for the Ad Hoc Working Group on Long-term Cooperative Action on technology development and transfer with a view to the Conference of the Parties taking a decision on, among other things, a call for proposals to host the Climate Technology Centre and Network and the criteria to be used to evaluate and select a host of the Climate Technology Centre and Network at its seventeenth session in order to make the Technology Mechanism fully operational in 2012,

*Stressing* the importance of making its two components, the Technology Executive Committee and the Climate Technology Centre and Network, fully operational as soon as possible in 2012 in order to promote and enhance the research, development, deployment and diffusion of environmentally sound technologies in support of action on mitigation and adaptation in developing countries, in order to achieve the ultimate objective of the Convention,

*Recalling* the Climate Technology Centre and Network and the Technology Executive Committee shall relate so as to promote coherence and synergy,

*Reaffirming* that both components of the Technology Mechanism shall facilitate the implementation of the objective set out in decision 1/CP.16, paragraph 113, in line with their respective functions agreed in decision 1/CP.16 and consistent with the mandate of the Technology Executive Committee, contained in appendix IV to decision 1/CP.16, and the terms of reference for the Climate Technology Centre and Network contained in annex VII to this decision, respectively,

*Recalling* the need to further pursue the implementation of the Technology Mechanism and its two components with a view to making the Technology Mechanism fully operational as early as possible in 2012,

133. *Adopts* the terms of reference for the Climate Technology Centre and Network as contained in annex VII to this decision;

134. *Decides* that the Climate Technology Centre and Network shall begin its activities with an achievable scope of work so as to meet the needs of developing countries and be flexible so that it can learn, adapt and adjust its scope and reach over time in response to the technology needs of developing countries and the demands of the emerging international climate change regime;

135. *Requests* the Climate Technology Centre and Network, once it is operational, to elaborate its modalities and procedures based on the terms of reference of the Climate Technology Centre and Network contained in annex VII to this decision and decision 1/CP.16, paragraph 123, and taking into account decision 1/CP.16, paragraph 120, and to report to the Conference of the Parties, through the subsidiary bodies at their thirty-eighth sessions, with a view to making a decision on this matter at the nineteenth session of the Conference of the Parties, including, inter alia, consideration of the following roles of the Climate Technology Centre and Network:

(a) Identifying currently available climate-friendly technologies for mitigation and adaptation that meet their key low-carbon and climate-resilient development needs;

(b) Facilitating the preparation of project proposals for the deployment, utilization and financing of existing technologies for mitigation and adaptation;

(c) Facilitating adaptation and the deployment of currently available technologies to meet local needs and circumstances;

(d) Facilitating research, development and demonstration of new climate-friendly technologies for mitigation and adaptation, which are required to meet the key objectives of sustainable development;

(e) Enhancing national and regional human and institutional capacity to manage the technology cycle, and to support the challenges for activities listed in paragraphs 135 (a)–(d) above;

(f) Helping to facilitate the financing of the activities listed in paragraphs 135 (a)–(e) above, through various sources in accordance with paragraph 139 below.

136. *Decides* that the selection process for the host of the Climate Technology Centre shall be launched upon the conclusion of the seventeenth session of the Conference of the Parties and shall be conducted in an open, transparent, fair and neutral manner in accordance with the process outlined in this decision, and informed by United Nations practices, in order to make the Technology Mechanism become fully operational in 2012;

137. *Requests* the secretariat:

(a) To prepare and issue the call for proposals in accordance with this decision by 16 January 2012, including preparation of the sample requests as referred to in annex VIII paragraph 8(c), and invite interested organizations including consortia of organizations, to submit their proposals in response to the call for proposals by 16 March 2012;

(b) To provide responses to inquiries from interested organizations in consultation with the evaluation panel referred to in paragraph 137(d) below as appropriate;

(c) To compile the executive summaries contained in the submitted proposals and make them available simultaneously on the UNFCCC website;

(d) To convene an evaluation panel, consisting of three members from Parties included in Annex I to the Convention (Annex I Parties) and three from Parties not included in Annex I to the Convention (non-Annex I Parties) as nominated by the Technology Executive Committee from within its membership, by the end of February 2012;



(i) To conduct an assessment of the proposals received based on the methodology described in the criteria to be used to evaluate and select the host of the Climate Technology Centre contained in annex VIII, paragraph 9, to this decision;

(ii) To prepare an evaluation report with a shortlist ranking up to five proponents, including information on how the criteria for the evaluation has been applied, and make it available for consideration by the Subsidiary Body for Implementation at its thirty-sixth session;

(e) To discuss the key elements of the potential host agreement with the top-ranked proponent, and, if needed, with the second-best and third-best proponents as agreed by the Subsidiary Body for Implementation at its thirty-sixth session and referred to in paragraph 138(a) below;

(f) To report the outcome of its discussion on the key elements of the potential host agreement to the Subsidiary Body for Implementation at its thirty-seventh session for its consideration, with a view to recommending it for consideration and approval by the Conference of the Parties at its eighteenth session;

138. *Requests* the Subsidiary Body for Implementation:

(a) To agree on, at its thirty-sixth session, a ranked list of up to three proponents based on the outcome of the assessment conducted by the evaluation panel referred to in paragraph 132(d)(i) above;

(b) To recommend the host of the Climate Technology Centre and Network to the Conference of the Parties for approval at its eighteenth session;

(c) To consider, at its thirty-sixth session, the constitution of the advisory board referred to in annex VII, paragraph 7 to this decision, with a view to making a recommendation to the Conference of the Parties for consideration and adoption at its eighteenth session;

139. *Decides* that the costs associated with the Climate Technology Centre and the mobilization of the services of the Network should be funded from various sources, including the financial mechanism of the Convention, bilateral, multilateral and private-sector channels, philanthropic sources as well as financial and in-kind contributions from the host of organization and participants in the Network;

140. *Requests* the Global Environment Facility to support the operationalization and activities of the Climate Technology Centre and Network without prejudging any selection of the host;

141. *Invites* Parties in a position to do so to support the Climate Technology Centre and Network through the provision of financial and other resources;

142. *Requests* the Technology Executive Committee and the Climate Technology Centre to establish procedures for preparing a joint annual report;

143. *Requests* the secretariat to make available the joint report referred to in paragraph 142 above for consideration by the Conference of the Parties through its subsidiary bodies.

## VI. Capacity-building

*Recalling* decisions 2/CP.7, 2/CP.10, 4/CP.12 and 1/CP.16,

*Also recalling* decision 1/CP.16, paragraphs 136 and 137, which request the consideration of ways to further enhance the monitoring and review of the effectiveness of capacity-building, and to further elaborate the modalities regarding institutional arrangements for capacity-building, for consideration by the Conference of the Parties at its seventeenth session,

*Reaffirming* that capacity-building is essential in enabling developing country Parties to participate fully in addressing the challenges of climate change, and to implement effectively their commitments under the Convention,

*Also reaffirming* that capacity-building should be a continuous, progressive and iterative process that is participatory, country-driven and consistent with national priorities and circumstances,

*Further reaffirming* the importance of taking into account gender aspects and acknowledging the role and needs of youth and persons with disabilities in capacity-building activities,

*Acknowledging* that capacity-building is cross-cutting in nature and an integral part of enhanced action on mitigation, adaptation, technology development and transfer, and access to financial resources,

*Noting with appreciation* the progress made across the bodies established under the Convention and the operating entities of the financial mechanism, including those agreed to in decision 1/CP.16, in integrating capacity-building into enhanced action on mitigation, adaptation, technology development and transfer, and access to financial resources,

*Also noting* decision 1/CP.16, paragraph 65, which encourages Parties to develop low-carbon development strategies or plans in the context of sustainable development, welcoming those Parties who have already begun the process of developing these strategies, and noting the important capacity-building outcomes that this process and related partnerships can provide,

*Further noting* that, while progress has been made, gaps still remain in addressing the priority issues identified in the framework for capacity-building in developing countries as contained in decision 2/CP.7,

144. *Requests* the Subsidiary Body for Implementation to further enhance the monitoring and review of the effectiveness of capacity-building by organizing an annual in-session Durban Forum for in-depth discussion on capacity-building with the participation of Parties, representatives of the relevant bodies established under the Convention, and relevant experts and practitioners, with a view to sharing their experiences, exchanging ideas, best practices and lessons learned regarding the implementation of capacity-building activities;

145. *Decides* that the Durban Forum should include as inputs, inter alia, any capacity-building elements contained in the reports prepared since the most recent session of the Durban Forum by the relevant bodies established under the Convention;

146. *Requests* the secretariat to compile and synthesize the reports prepared since the most recent session of the Durban Forum by the relevant bodies established under the Convention;

147. *Also requests* the secretariat to prepare a summary report on the Durban Forum for consideration by the Subsidiary Body for Implementation;

148. *Encourages* Parties to continue to provide information through the appropriate channels, including national communications, on the progress made in enhancing the capacity to address climate change;

149. *Invites* developing country Parties to report on progress made and measures taken in implementing and improving their enabling environments to build national capacity for mitigation and adaptation, and to include the needs relevant to enhancing the progress made on such measures in their communications of capacity-building priorities;

150. *Requests* the secretariat to continue to compile and synthesize the information provided by Parties included in Annex I to the Convention and to summarize the information provided by Parties not included in Annex I to the Convention in their national communications and submissions, and to compile and synthesize information on capacity-building activities, including lessons learned, provided by the relevant bodies established under the Convention and by international and regional organizations;

151. *Also requests* the Subsidiary Body for Implementation, in its consideration of the third and subsequent comprehensive reviews of the implementation of the framework for capacity-building in developing countries, to include the reports of relevant bodies established under the Convention, as well as the summary reports on the Durban Forum referred to in paragraph 147 above, as additional inputs to these reviews;

152. *Encourages* the relevant bodies established under the Convention, including, *inter alia*, the Consultative Group of Experts on National Communications for Parties not included in Annex I to the Convention, the Least Developed Countries Expert Group, and the Global Environment Facility as an operating entity of the financial mechanism, to continue to elaborate and to carry out work on capacity-building in an integrated manner, as appropriate, within their respective mandates;

153. *Recognizes* that there may be ways to further enhance the monitoring and the review of the effectiveness of capacity-building;

154. *Decides* that, in addition to the topics outlined in paragraph 144 above, the first meeting of the Durban Forum, organized during the thirty-sixth session of the Subsidiary Body for Implementation (14–25 May 2012), explore potential ways to further enhance monitoring and review of the effectiveness of capacity-building;

155. *Also decides* that the financial resources for enhanced action on capacity-building in developing country Parties should be provided by Parties included in Annex II to the Convention and other Parties in a position to do so through the current and any future operating entities of the financial mechanism, as well as through various bilateral, regional and other multilateral channels, as appropriate;

156. *Requests* that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

## VII. Review: further definition of its scope and development of its modalities

*Recalling* decision 1/CP.16, paragraphs 4 and 138–140,

157. *Reaffirms* that the review should periodically assess the adequacy of the long-term global goal, in the light of the ultimate objective of the Convention, and the overall progress made towards achieving it, in accordance with the relevant principles and provisions of the Convention;

158. *Confirms* that the first review should start in 2013 and should be concluded by 2015, when the Conference of the Parties shall take appropriate action based on the review;

159. *Agrees* that Parties will continue working on the scope of the review and considering its further definition, with a view to taking a decision at the Conference of the Parties at its eighteenth session;

160. *Also agrees* that the review should be guided by the principles of equity and common but differentiated responsibilities and respective capabilities and should take into account, inter alia, the following:

(a) The best available scientific knowledge, including the assessment reports of the Intergovernmental Panel on Climate Change;

(b) Observed impacts of climate change;

(c) An assessment of the overall aggregate effect of the steps taken by Parties in order to achieve the ultimate objective of the Convention;

(d) Consideration of strengthening the long-term global goal, referencing various matters presented by the science, including in relation to temperature rise of 1.5 degrees Celsius;

161. *Further agrees* that the review should be based on information from various sources, including the following:

(a) The assessment and special reports and technical papers of the Intergovernmental Panel on Climate Change;

(b) Submissions from Parties, national communications, first biennial update reports from developing countries and biennial reports from developed countries, national inventories, reports of international consultation and analysis, international analysis and review, and other relevant reports from Parties and processes under the Convention;

(c) Other relevant reports from United Nations agencies and other international organizations, including reports on emission projections, technology development, access, transfer and deployment, and reports on gross domestic product, including projections;

(d) Scientific information on the observed impacts of climate change, including that from reports coordinated by relevant regional and subregional agencies;

162. *Decides* that the review, referred to in paragraphs 4 and 138 of decision 1/CP.16, will be conducted with the assistance of the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation, and that the work shall be supported by expert consideration of the inputs referred to in paragraph 161 above, inter alia, through workshops and other in-session and intersessional activities, as appropriate;

163. *Agrees* to further define, at its eighteenth session, the expert consideration of inputs referred to in paragraph 162 above, including possible establishment of a review expert group, to provide technical support to the review;

164. *Decides* that the review should consist of several phases, including information gathering and compilation, technical assessment through the organization of workshops, technical studies and the preparation of synthesis reports;

165. *Requests* the subsidiary bodies to organize workshops, including for the consideration of the information referred to in paragraph 161 above;

166. *Also requests* the subsidiary bodies to report on their considerations and findings to the Conference of the Parties, which should address those considerations and provide any further guidance, as appropriate;

167. *Decides* that subsequent reviews should take place following the adoption of an assessment report of the Intergovernmental Panel on Climate Change or at least every seven years.

## VIII. Other matters

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

*Taking into account* that Parties included in Annex I to the Convention (Annex I Parties) undergoing the process of transition to a market economy are still lacking the appropriate means, knowledge and experience to develop and perform their national low-carbon development strategies with a view to achieving their quantified economy-wide emission reduction objectives as well as to implement their national action plans on adaptation,

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

*Acknowledging* also that these Parties made their initial pledges with regard to green-house gas emission reduction levels to be achieved in the post-2012 period in the context of a comprehensive climate change framework,

168. *Invites* Annex I Parties that are in a position to do so, through multilateral agencies, including through the Global Environment Facility within its mandate, bilateral agencies and the private sector or through any further arrangements, as appropriate, to make available the capacity- building, financial, technical and technology transfer assistance for Annex I Parties undergoing the process of transition to a market economy in order to assist these Parties in the development and implementation of their national low-carbon development strategies and action plans consistent with their national priorities and with their emission reduction targets;

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

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

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

170. *Agrees* to continue with the discussion on modalities for the provision of support for mitigation, adaptation, technology development and transfer, capacity-building and finance to Parties whose special circumstances are recognized by the Parties in order to assist these Parties in the implementation of the Convention.

171. *Requests* that the actions of the secretariat called for in paragraphs 1-170 above be undertaken subject to the availability of resources.

# Annex I

## UNFCCC biennial reporting guidelines for developed country Parties

### I. Objectives

1. The objectives of these guidelines for preparing the biennial reports are the following:

(a) To assist Parties included in Annex I to the Convention (Annex I Parties) in meeting their commitments for reporting under Articles 4 and 12 of the Convention enhanced by decision 1/CP.16;

(b) To ensure the provision of consistent, transparent, comparable, accurate and complete information by developed country Parties;

(c) To ensure that the biennial reports include information on the progress of Annex I Parties in achieving their quantified economy-wide emission reduction targets, projected emissions, and the provision of financial, technological and capacity-building support to Parties not included in Annex I to the Convention (non-Annex I Parties);

(d) To facilitate the international assessment of emissions and removals related to progress towards the achievement of the quantified economy-wide emission reduction targets;<sup>5</sup>

(e) To facilitate reporting by Annex I Parties of information on any economic and social consequences of response measures.

### II. Information on greenhouse gas emissions and trends

2. Summary information from the national greenhouse gas (GHG) inventory on emissions and emission trends prepared according to “Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part I: UNFCCC reporting guidelines on annual greenhouse gas inventories” (UNFCCC Annex I inventory reporting guidelines) shall be prepared for the period from 1990 to the latest year in the most recent inventory submission available. The information provided in the biennial report should be consistent with that provided in the most recent annual inventory submission, and any differences should be fully explained.

3. Annex I Parties shall provide summary information on their national inventory arrangements in accordance with the reporting requirements related to national inventory arrangements contained in the UNFCCC Annex I inventory reporting guidelines, and on the changes in these national inventory arrangements since its last national communication or biennial report.

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<sup>5</sup> According to decision 1/CP.16, paragraph 44.

### **III. Quantified economy-wide emission reduction target**

4. Each Annex I Party shall describe its quantified economy-wide emission reduction target, including any conditions or assumptions that are relevant to the attainment of that target, as communicated to the secretariat and contained in document FCCC/SB/2011/INF.1/Rev.1 or any update to that document.

5. The description of the Party's economy-wide emission reduction target shall include the following information taking into consideration any relevant decisions of the Conference of Parties (COP):

- (a) Base year;
- (b) Gases and sectors covered;
- (c) Global warming potential values as established by the relevant decisions adopted by the COP;
- (d) Approach to counting emissions and removals from the land use, land-use change and forestry (LULUCF) sector, taking into consideration any relevant decisions adopted by the COP;
- (e) Use of international market-based mechanisms in achieving its emission reduction target, taking into consideration any relevant decisions adopted by the COP, including a description of each source of international units and/or allowances from market-based mechanisms and the possible scale of the contributions of each;
- (f) Any other information, including relevant accounting rules, taking into consideration any relevant decisions of the COP, where appropriate;

### **IV. Progress in achievement of quantified economy-wide emission reduction targets and relevant information**

#### **A. Mitigation actions and their effects**

6. Each Annex I Party shall provide information on its mitigation actions, including policies and measures it has implemented or plans to implement since its last national communication or biennial report to achieve its economy-wide emission reduction target. To the extent appropriate, Parties shall organize reporting of mitigation actions by sector (energy, industrial processes and product use, agriculture, LULUCF, waste and other sectors); and by gas (carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride).

7. Each Annex I Party shall provide information on changes in its domestic institutional arrangements, including institutional, legal, administrative and procedural arrangements used for domestic compliance, monitoring, reporting, archiving of information and evaluation of the progress towards its economy-wide emission reduction target.

8. Each Annex I Party is encouraged to provide, to the extent possible, detailed information on the assessment of the economic and social consequences of response measures.



## **B. Estimates of emission reductions and removals and the use of units from the market-based mechanisms and land use, land-use change and forestry activities**

9. For the base year, information reported on the emission reduction target shall include the following:

(a) Total GHG emissions, excluding emissions and removals from the LULUCF sector;

(b) Emissions and/or removals from the LULUCF sector based on the accounting approach applied taking into consideration any relevant decisions of the COP and the activities and/or lands that will be accounted for;

(c) Total GHG emissions, including emissions and removals from the LULUCF sector.

10. For each reported year, information reported on progress made towards the emission reduction targets shall include, in addition to information noted in paragraph 9(a)–(c), information on the use of units from market-based mechanisms.

## **V. Projections**

11. Each Annex I Party shall report the updated projections for 2020 and 2030 consistent with the UNFCCC reporting guidelines on national communications.<sup>6</sup>

12. Each Annex I Party should report on the changes since its most recent national communication in the model or methodologies used for preparation of projections and provide supporting documentation.

## **VI. Provision of financial, technological and capacity-building support to developing country Parties**

13. Annex II Parties shall provide information on the provision of financial, technological and capacity-building support to non-Annex I Parties consistent with the requirements contained in section VIII of the UNFCCC reporting guidelines on national communications,<sup>7</sup> following common reporting formats,<sup>8</sup> including information to show how this support is new and additional. In reporting such information, Parties should distinguish, to the extent possible, between support provided to non-Annex I Parties for mitigation and adaptation activities, noting capacity-building elements of such activities, where relevant. For activities with multiple objectives, the funding could be reported as a contribution allocated partially to the other relevant objectives.

14. Each Annex II Party shall provide a description of its national approach for tracking of the provision of financial, technological and capacity-building support to non-Annex I Parties, if appropriate. This description shall also include information on indicators used, delivery mechanisms and allocation channels tracked. If this information was already

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<sup>6</sup> FCCC/CP/1999/7. (“Guidelines for the preparation of national communications by Parties included in Annex I to the Convention: Part II: UNFCCC reporting guidelines on national communications”).

<sup>7</sup> FCCC/CP/1999/7. (“Guidelines for the preparation of national communications by Parties included in Annex I to the Convention: Part II: UNFCCC reporting guidelines on national communications”).

<sup>8</sup> To be developed.

reported in the national communication, the biennial report should only report changes to this information.

15. In reporting information, in accordance with paragraphs 17 and 18 below, Annex II Parties shall use any methodology to be developed under the Convention taking into account the international experience. Annex II Parties shall describe the methodology used in their biennial reports. Annex II Parties shall report in a rigorous, robust and transparent manner the underlying assumptions and methodologies used to produce information on financing.

## **A. Finance**

16. Each Annex II Party shall describe, to the extent possible, how it seeks to ensure that the resources it provides effectively address the needs of non-Annex I Parties with regard to climate change adaptation and mitigation.

17. Each Annex II Party shall provide information on the financial support it has provided, committed and/or pledged for the purpose of assisting non-Annex I Parties to mitigate GHG emissions and adapt to the adverse effects of climate change and any economic and social consequences of response measures, for capacity-building and technology transfer in the areas of mitigation and adaptation, where appropriate. To that end, each Annex II Party shall provide summary information in a textual and tabular format on allocation channels and annual contributions for the previous two calendar or financial years without overlaps with the previous reporting periods, including, as appropriate, to the following:

(a) The Global Environment Facility, the Least Developed Countries Fund, the Special Climate Change Fund, the Adaptation Fund, the Green Climate Fund and the Trust Fund for Supplementary Activities;

(b) Other multilateral climate change funds;

(c) Multilateral financial institutions, including regional development banks;

(d) Specialized United Nations bodies;

(e) Contributions through bilateral, regional and other channels;

18. Each Annex II Party shall provide the summary information, referred to in paragraph 17 above, for the previous two calendar or financial years in a textual and tabular format on the annual financial support that it has provided for the purpose of assisting non-Annex I Parties, including the following:

○ The amount of financing (including the amount in original currency and its equivalent in United States dollars/international currency);

○ The type of support (for mitigation and adaptation activities);

○ The source of funding;

○ The financial instrument;

○ The sector;

○ An indication of what new and additional financial resources they have provided pursuant to Article 4, paragraph 3, of the Convention; Parties shall clarify how they have determined that such resources are new and additional.

19. Recognizing that the goal of mobilizing the financial resources referred to in decision 1/CP.16, paragraph 98, includes private financial sources, Annex II Parties should

report, to the extent possible, on private financial flows leveraged by bilateral climate finance towards mitigation and adaptation activities in non-Annex I Parties, and should report on policies and measures that promote the scaling up of private investment in mitigation and adaptation activities in developing country Parties.

20. Annex II Parties should specify the types of instruments used in the provision of their assistance, such as grants and concessional loans.

## **B. Technology development and transfer**

21. Each Annex II Party shall provide information on measures taken to promote, facilitate and finance the transfer of, access to and the deployment of climate-friendly technologies for the benefit of non-Annex I Parties, and for the support of the development and enhancement of endogenous capacities and technologies of non-Annex I Parties. Parties may also provide information on success and failure stories.

22. Each Annex II Party shall provide, in textual and tabular formats, information on measures and activities related to technology transfer implemented or planned since its last national communication or biennial report. In reporting such measures and activities, Annex II Parties shall, to the extent possible, provide information on the recipient country, the target area of mitigation or adaptation, the sector involved, the sources of technology transfer from the public or the private sectors and distinguish between activities undertaken by the public and private sectors.

## **C. Capacity-building**

23. Each Annex II Party shall provide information, to the extent possible, on how it has provided capacity-building support that responds to the existing and emerging capacity-building needs identified by non-Annex I Parties in the areas of mitigation, adaptation, and technology development and transfer. Information should be reported in a textual and tabular format as a description of individual measures and activities.

## **VII. Other reporting matters**

24. Annex I Parties are encouraged to report, to the extent possible, on the domestic arrangements established for the process of the self-assessment of compliance with emission reductions in comparison with emission reduction commitments or the level of emission reduction that is required by science. Annex I Parties are encouraged to report, to the extent possible, on the progress made in the establishment of national rules for taking local action against domestic non-compliance with emission reduction targets.

25. Annex I Parties are encouraged to report any other information that the Party considers relevant to the achievement of the objective of the Convention and suitable for inclusion in its biennial report.

## **VIII. Reporting**

26. The information identified in these guidelines shall be communicated by Annex I Parties to the secretariat electronically and shall be in one of the official languages of the United Nations. Parties are encouraged to submit an English translation of the biennial report to facilitate its use in the review process.

## **IX. Updating of the guidelines**

27. These guidelines shall be revised, as appropriate, taking into consideration any relevant decisions of the Conference of Parties.

## **Annex II**

### **Modalities and procedures for international assessment and review**

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

1. The overall objectives of the IAR process are to review the progress made in achieving emission reductions and assess the provision of financial, technological, and capacity-building support to developing country Parties, and to assess emissions and removals related to quantified economy-wide emission reduction targets under the Subsidiary Body for Implementation (SBI), taking into account national circumstances, in a rigorous, robust and transparent manner, with a view to promoting comparability and building confidence.
2. In addition, the IAR process aims at assessing the implementation of methodological and reporting requirements.

#### **II. Process and scope**

##### **A. Process**

3. IAR will be conducted in the following steps:
  - (a) A technical review of biennial reports, where relevant in conjunction with the annual greenhouse gas (GHG) inventories, and national communications of developed country Parties, which will result in an individual review report for each developed country Party;
  - (b) An multilateral assessment of the implementation of developed country Parties' progress towards the achievement of emission reductions and removals related to their quantified economy-wide emission reductions targets.

##### **B. Scope**

4. Building upon relevant elements of the existing review process under the UNFCCC, for each developed country Party the following will be reviewed:
  - (a) All emissions and removals related to its quantified economy-wide emission reduction target;
  - (b) Assumptions, conditions and methodologies related to the attainment of its quantified economy-wide emission reduction target;
  - (c) Progress towards the achievement of its quantified economy-wide emission reduction target;
  - (d) Its provision of financial, technological and capacity-building support to developing country Parties.
5. For each developed country Party the following elements will be multilaterally assessed:

- (a) All emissions and removals related to its quantified economy-wide emission reduction target;
- (b) Assumptions, conditions and methodologies related to the attainment of its quantified economy-wide emission reduction target;
- (c) Progress towards the achievement of its quantified economy-wide emission reduction target.

### **III. Technical review**

6. Each developed country Party's biennial report will be reviewed, where relevant in conjunction with the annual GHG inventory and national communication review processes, as follows:

- (a) The technical review will be conducted in accordance with existing and revised guidelines and procedures under the Convention;
- (b) The technical expert review will examine the consistency of the annual GHG inventory with the biennial report and national communication but will not include in-depth examination of the inventory itself;
- (c) Party concerned can respond to the questions or suggestions of the expert review team as well as propose and share any additional information or views;
- (d) In addition to the tasks set forth in Decisions 2CP.1/, 9/CP.2, 6/CP.3 and 33/CP.7 and their related annexes, the expert review teams should also review progress in emission reductions and removals related to the quantified economy-wide emission reduction target. Additional experts may be added to the review team where necessary.

7. The output of the technical review will be a technical review report building on existing reporting standards and including an examination of the Party's progress in achieving its economy-wide emission reduction target.

### **IV. Multilateral assessment**

8. The multilateral assessment will be carried out for each developed country Party on the basis of:

- (a) The technical review report(s) referred to in paragraph 7 above and any other relevant review reports of the annual GHG inventory and national communication;
- (b) The biennial report, the national GHG inventory, including the national inventory report and national communication; and
- (c) Supplementary information on the achievement of the Party's quantified economy-wide emission reduction target, including on the role of land use, land-use change and forestry, and carbon credits from market-based mechanisms.

9. Each developed country Party will be assessed during a SBI session.

10. The multilateral assessment should entail the following:

- (a) Any Party may submit through the Secretariat written questions electronically to the Party concerned in advance of the international assessment;
- (b) The Party under assessment should endeavour to respond to those questions, through the secretariat, within two months. The secretariat will compile the questions and answers and publish them on the UNFCCC website;

(c) During the SBI session, developed country Parties will undergo the assessment with the participation of all Parties. The Party under review may make a brief oral presentation, which will be followed by oral questions by Parties and responses by the Party under review;

11. The outputs of the international assessment, for each Party will include the following: a record prepared by the secretariat which includes in-depth review reports, the summary report of the SBI, questions submitted by Parties and responses provided, and any other observations by the Party under review that are submitted within two months of the working group session.

12. The SBI will forward conclusions based on the record referred to in paragraph 11 to relevant bodies under the Convention as appropriate.

## **Annex III**

### **UNFCCC biennial update reporting guidelines for Parties not included in Annex I to the Convention**

#### **I. Objectives**

1. The objectives of the guidelines for the preparation of the biennial update reports from non-Annex I Parties are:

(a) To assist non-Annex I Parties in meeting their reporting requirements under Article 4, paragraph 1(a) and 12, of the Convention and decision 1/CP.16;

(b) To encourage the presentation of information in a consistent, transparent, complete, accurate and timely manner, taking into account specific national and domestic circumstances;

(c) To enable enhanced reporting by non-Annex I Parties on mitigation actions and their effects, needs and support received, in accordance with their national circumstances, capacities and respective capabilities, and the availability of support;

(d) To provide policy guidance to an operating entity of the financial mechanism for the timely provision of financial support needed by developing country Parties in order to meet the agreed full costs of preparing their biennial update reports;

(e) To facilitate the presentation of information on finance, technology and capacity-building support needed and received, including for the preparation of biennial update reports.

2. To facilitate the reporting by non-Annex I Parties, to the extent possible, on any economic and social consequences of response measures.

#### **II. Scope**

3. The scope of biennial update reports is to provide an update to the most recently submitted national communication in the following areas:

(a) Information on national circumstances and institutional arrangements relevant to the preparation of the national communications on a continuous basis;

(b) The national inventory of anthropogenic emissions by sources and removal by sinks of all greenhouse gases (GHGs) not controlled by the Montreal Protocol, including a national inventory report;

(c) Information on mitigation actions and their effects, including associated methodologies and assumptions;

(d) Constraints and gaps, and related financial, technical and capacity needs, including a description of support needed and received;

(e) Information on the level of support received to enable the preparation and submission of biennial update reports;

(f) Information on domestic measurement reporting and verification;



(g) Any other information that the non-Annex I Party considers relevant to the achievement of the objective of the Convention and suitable for inclusion in its biennial update report.

### **III. National greenhouse gas inventory**

4. Non-Annex I Parties should submit updates of national greenhouse gas inventories according to paragraphs 8 - 24 in the guidelines for the preparation of national communication from non-Annex I Parties as contained in the annex to decision 17/CP.8. The scope of updates on national greenhouse gas inventories should be consistent with capacities, time constraints, data availabilities and the level of support provided by developed countries Parties for biennial update reporting.

5. Non-Annex I Parties should use the methodologies established by latest guidelines on the preparation for national communications of Parties not included in Annex I to the Convention approved by the COP or those determined by any future decision of the COP on this matter.

6. The updates of sections on national inventories of anthropogenic emissions by sources and removals by sinks of all GHGs not controlled by the Montreal Protocol should contain updated data on activity levels based on the best information available using the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories*, *2000 Good Practice Guidance for Land Use, Land-Use Change and Forestry*, *2003 Good Practice Guidance for Land Use, Land-use Change and Forestry*; any change on the emission factor may be made in the subsequent full national communication.

7. Non-Annex I Parties are encouraged to include, as appropriate and to the extent capacities permit, in the inventory section of the biennial update report tables included in Annex 3A.2 to the Good Practice Guidance for Land Use, Land-use Change and Forestry and Sectoral Report Tables annexed to *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories*.

8. Each non-Annex I Party is encouraged to provide a consistent time series back to reported years in the previous national communications.

9. Non-Annex I Parties which have previously reported on their national greenhouse gas inventories contained in their national communications are encouraged to submit summary information tables of inventories for previous submission years (e.g. for years 1994 and 2000).

10. The inventory section of the biennial update report should consist of a national inventory report (NIR) as a summary or as an update of the information contained in section III (National Greenhouse Inventories) of decision 17/CP.8 including table 1 on “National greenhouse gas inventory of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol and greenhouse gas precursors” and table 2 on “National greenhouse gas inventory of anthropogenic emissions of HFCs, PFCs and SF<sub>6</sub>”.

11. Additional or supporting information, including sector-specific information, may be supplied through a technical annex.

## **IV. Mitigation actions**

12. Non-Annex I Parties should provide information, in a tabular format, on actions to mitigate climate change, by addressing anthropogenic emissions by sources and removals by sinks of all GHGs not controlled by the Montreal Protocol.

13. For each mitigation action or groups of mitigation actions including, as appropriate, those listed in document FCCC/AWGLCA/2011/INF.1, developing country Parties shall provide the following information to the extent possible:

(a) Name and description of the mitigation action, including information on the nature of the action, coverage (i.e. sectors and gases), quantitative goals and progress indicators;

(b) Information on methodologies and assumptions;

(c) Objectives of the action and steps taken or envisaged to achieve that action;

(d) Information on the progress of implementation of the mitigation actions and the underlying steps taken or envisaged, and the results achieved, such as estimated outcomes (metrics depending on type of action) and estimated emissions reductions, to the extent possible;

(e) Information on international market mechanisms.

14. Parties should provide information on the description of domestic measurement, reporting and verification arrangements.

## **V. Finance, technology and capacity-building needs and support received**

15. Non-Annex I Parties should provide updated information on constraints and gaps, and related financial, technical and capacity-building needs.

16. Non-Annex I Parties should also provide updated information on financial resources, technology transfer, capacity-building and technical support received from the Global Environment Facility (GEF), Annex II Parties and other developed country Parties, the Green Climate Fund and multilaterals institutions for activities relating to climate change, including for the preparation of the current biennial update report.

17. With regard to the development and transfer of technology, non-Annex I Parties should provide information on technology needs, which must be nationally determined, and technology support received.

## **VI. Submission**

18. The information provided in accordance with these guidelines should be communicated by each non-Annex I Party to the COP, through the secretariat, in a single document, in electronic format.

19. Non-Annex I Parties should submit their biennial update reports in English or any one of the official United Nations languages.

20. Additional or supporting information may be supplied through other documents, such as a technical annex.

## **VII. Updating the guidelines**

21. These guidelines should be reviewed and revised, as appropriate, in accordance with decisions of the Conference of the Parties.

## **Annex IV**

### **Modalities and guidelines for international consultation and analysis**

#### **I. Objectives**

1. The international consultations and analysis of biennial update reports under the Subsidiary Body for Implementation, will be conducted in a manner that is non-intrusive, non-punitive and respectful of national sovereignty; the international consultations and analysis will aim to increase transparency of mitigation actions and their effects, through analysis by technical experts in consultation with the Party concerned and through a facilitative sharing of views, and will result in a summary report.
2. Discussion on the appropriateness of such domestic policies and measures is not part of the process.

#### **II. Scope and process**

3. The international consultation and analysis (ICA) process will consist of the following two steps:
  - (a) The technical analysis of the biennial update reports submitted by Parties not included in Annex I to the Convention (non-Annex I Parties) either, as a summary of parts of their national communication in the year when the national communication is presented or as a stand-alone update report, by a team of technical experts in consultation with the Party and will result in a summary report. The information considered should include the national greenhouse gas inventory report, information on mitigation actions, including a description of such actions, an analysis of their impacts and the associated methodologies and assumptions, the progress made in their implementation and information on domestic measurement, reporting and verification, and support received.
  - (b) Facilitative sharing of views, which will have as input the biennial update report and summary report referred to in paragraph 3(a) above.
4. The information referred to in paragraph 3(a) above shall be the input for the technical analysis by a team of technical experts. Additional technical information may be provided by the Party concerned. Prior to finalizing the report, the draft summary report prepared by the team of technical experts will be shared with the Party concerned for review and comment over the following three months, in order to respond to and incorporate Party comments in the report. The summary report, incorporating comments from the Party, shall be finalized in consultation with the Party concerned and to be presented to the Subsidiary Body on Implementation (SBI).
5. The summary report referred to in paragraph 4 above will be noted by the SBI in its conclusions and shall be made publicly available on the UNFCCC website.
6. The SBI shall, at regular intervals, convene a workshop for the facilitative exchange of views, open to all Parties, for all Parties for which there is a biennial update report and final summary report. Parties will be allowed to submit written questions in advance.
7. The facilitative exchange of views among Parties will consist of a one- to three-hour session for each Party or group of Parties. Parties may request to go individually or in a

group of up to five Parties. The session will consist of a brief presentation by the Party or Parties concerned on their biennial update report, followed by oral questions and answers among Parties.

8. The outcome of the international consultation and analysis will be a summary report and a record of the facilitative sharing of views.

## **Annex V**

### **Indicative list of activities for the Adaptation Committee**

1. Considering relevant information and providing recommendations to the Conference of the Parties on ways to rationalize and strengthen coherence among adaptation bodies, programmes and activities under the Convention;
2. Preparing an overview of the capacities of regional centres and networks working on aspects related to adaptation to the adverse effects of climate change, drawing on relevant information, and making recommendations to the Parties on ways to enhance the role of regional centres and networks in supporting adaptation at the regional and national levels;
3. Identifying the process for and scope of overview and other periodic reports on adaptation issues relevant to the work of the Adaptation Committee;
4. Preparing periodic overview reports synthesizing information and knowledge relating to, inter alia, implementation of adaptation actions and good adaptation practices, observed trends, lessons learned, gaps and needs, including in the provision of support, and areas requiring further attention, for consideration by the Conference of the Parties, drawing on information from Parties and on other relevant reports and documents, including those of other bodies under the Convention;
5. Upon request, considering technical support and guidance to the Parties as they develop national adaptation plans;
6. Upon request, considering work in support of the work programme on loss and damage;
7. Exchanging information with relevant Convention bodies and others, including the Standing Committee and the Technology Executive Committee, on means to incentivize the implementation of adaptation actions, including finance, technology, and capacity-building, with a view to identifying opportunities and further actions for consideration by the Conference of the Parties;
8. Upon the request of the Parties, providing advice on adaptation-related matters to relevant Convention bodies, including to the operating entities of the financial mechanism, as appropriate;
9. Compiling a roster of experts on adaptation issues, building on the existing UNFCCC rosters.

## Annex VI

### **Composition and working modalities of the Standing Committee**

1. The Standing Committee shall be composed of:
  - (a) 10 members from Parties included in Annex I to the Convention;
  - (b) 10 members from Parties not included in Annex I to the Convention, including two members each from the Africa, Asia and the Pacific, and Latin America and the Caribbean regions, one member from a small island developing State and one member from a least developed country Party.
2. The Standing Committee shall be composed of members nominated by Parties for approval by the Conference of the Parties, who shall have the necessary experience and skills, notably in the areas of climate change, development and finance, taking into account the need to achieve gender balance in accordance with decision 36/CP.7.
3. Standing Committee members shall serve for a term of two years, with the option of seeking additional terms.
4. The Standing Committee shall elect annually a chair and a vice-chair from among its members for a term of one year each, with one being a member from a Party not included in Annex I to the Convention and the other being a member from a Party included in Annex I to the Convention. The positions of chair and vice-chair shall alternate annually between a member from a developed country Party and a member from a developing country Party.
5. The Standing Committee shall develop further modalities for the participation of observers from the operating entities of the financial mechanism of the Convention, from funding entities (multilateral, bilateral and regional) involved in climate finance and from observer organizations from the private sector and civil society accredited to the Convention.
6. The Standing Committee shall draw upon additional expertise as it may deem necessary.
7. The Standing Committee shall meet at least twice a year, or more if necessary, and its first meeting shall take place prior to the thirty-sixth session of the Subsidiary Body for Implementation.
8. The Standing Committee shall reach its conclusions by consensus.
9. The secretariat shall provide administrative support for the work of the Standing Committee.
10. The Conference of the Parties will conduct a review of the functions of the Standing Committee in 2015.

## Annex VII

### **Terms of reference of the Climate Technology Centre and Network**

#### **Mission**

1. The mission of the Climate Technology Centre and Network is to stimulate technology cooperation and to enhance the development and transfer of technologies and to assist developing country Parties at their request, consistent with their respective capabilities and national circumstances and priorities, in order to build or strengthen their capacity to identify technology needs, to facilitate the preparation and implementation of technology projects and strategies taking into account gender considerations to support action on mitigation and adaptation and enhance low emissions and climate-resilient development.

#### **Functions**

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

#### **Architecture**

3. The Climate Technology Centre and Network will consist of:

(a) A Climate Technology Centre;

(b) A Network with the participation of the relevant institutions capable of responding to requests from developing country Parties related to technology development and transfer, including national technology centres and institutions; regional climate technology centres and networks; intergovernmental, international, regional and sectoral organizations, partnerships and initiatives that may contribute to technology deployment and transfer; and research, academic, financial, non-governmental, private-sector and public-sector organizations, partnerships and initiatives.

#### **Roles and responsibilities**

##### *Climate Technology Centre*

4. The Climate Technology Centre shall manage the process of receiving and responding to requests from developing country Parties and shall work with the Network to respond to such requests. The Climate Technology Centre will receive these requests from developing country Parties through the national entity designated for this purpose under decision 4/CP.13.

5. The Climate Technology Centre would respond to requests by developing country Parties either by itself or by identifying the appropriate organizations in the Network in consultation with the requesting developing country Party. The Centre will:

(a) Receive and assess requests and refine and prioritize those requests in conjunction with the nationally designated entity with the aim of establishing its technical feasibility;



(b) Respond to requests, through either the Centre or the Network, based on the use of the most appropriate capacity and expertise in accordance with its approved modalities and procedures;

*Network*

6. The members of the Network will undertake the substantive work to address requests made to the Climate Technology Centre by developing country Parties.

**Governance of the Climate Technology Centre and Network**

7. The Climate Technology Centre and Network shall operate within its terms of reference and be accountable to, and under the guidance of, the Conference of the Parties, through an advisory board.

8. That advisory board will determine its operational modalities and rules of procedure based on the functions outlined in decision 1/CP.16, paragraph 123.

9. The advisory board of the Climate Technology Centre and Network will:

(a) Provide guidance on:

(i) The report of the Climate Technology Centre and Network;

(ii) Prioritization criteria, taking into account the strategic considerations and recommendations provided by the Technology Executive Committee in relation to decision 1/CP.16, paragraph 120;

(b) Approve:

(i) The report of the Climate Technology Centre and Network;

(ii) Prioritization criteria for responding to requests from developing country Parties;

(iii) Criteria for the structure of the Network and designation of organizations as members of the Network;

(iv) The programme of work (e.g. business plan and annual operating plan);

(c) Endorse:

(i) The appointment of the director;

(ii) The budget;

(iii) The financial statement;

(d) Ensure the application of fiduciary standards, and legal and ethical integrity;

(e) Monitor, assess and evaluate the timeliness and appropriateness of the responses of the Climate Technology Centre and Network to requests.

10. The Climate Technology Centre shall provide an annual report of the activities of the Climate Technology Centre and Network, in order to facilitate the preparation of a joint annual report by the Technology Executive Committee and the Climate Technology Centre and Network on the activities of the Technology Mechanism, consisting of the report of the Climate Technology Centre and Network and the report of the Technology Executive Committee in accordance with their respective functions.

11. The constitution of the advisory board will be recommended by the subsidiary bodies to the Conference of the Parties at its eighteenth session.

12. The director of the Climate Technology Centre and Network shall be the secretary of the advisory board.

13. The host organization will provide the necessary administrative and infrastructural support for the effective functioning of the Climate Technology Centre and Network.

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

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

15. The Climate Technology Centre shall have a lean cost-efficient organizational structure, within an existing institution, led by a director who will manage a small core team of professional and administrative staff, as required, to be appointed by and responsible to the host organizations governance structure in order to meet its responsibilities and to efficiently and effectively perform its functions.

16. The director will be approved by and be accountable to the host governing body for the effectiveness and efficiency of the Climate Technology Centre in carrying out its functions.

17. As soon as practicable after appointment, the director will facilitate the timely recruitment of the staff of the Climate Technology Centre.

#### **Reporting and review**

18. The Climate Technology Centre shall provide an annual report on its activities and those of the Network and on the performance of their respective functions in accordance with decision 1/CP. 16, paragraph 126, and paragraph 10 above.

19. The report will contain all the information necessary to meet the principles of accountability and transparency required by the Convention and shall also include information on requests received and activities carried out by the Climate Technology Centre and Network, information on efficiency and effectiveness in responding to these requests, and information on ongoing work as well as lessons learned and best practices gained from that work.

20. The secretariat, subject to availability of resources, shall commission an independent review of the effective implementation of the Climate Technology Centre and Network four years after its inception. The findings of the review, including any recommendations for enhancing the performance of the Climate Technology Centre and Network, will be considered by the Conference of the Parties. Subsequently, periodic independent reviews of the effectiveness of the Climate Technology Centre and Network will be conducted every four years.

#### **Term of agreement**

21. The initial term of agreement to host the Climate Technology Centre will be for five years, with two four-year renewal periods, if so decided by the Conference of the Parties.

22. The renewal of agreement is subject to the host organization fulfilling its functions laid out in paragraph 2 above and its responsiveness to the direction given to it in paragraphs 4–6 above as identified in findings of the independent review.

23. The Climate Technology Centre shall operate for initial terms until 2026, at which time the Conference of the Parties will review its functions and decide whether to extend its term.

## Annex VIII

### **Criteria to be used to evaluate and select the host of the Climate Technology Centre and Network and information required to be included in the proposals**

#### **I. Criteria to be used to evaluate and select the host of the Climate Technology Centre<sup>9</sup>**

1. The proposals will be evaluated against the following criteria in accordance with the methodology given in chapter II.

##### **Technical capabilities**

2. The prospective host's technical capabilities will be scored based on the following sub criteria, which are of equal importance:

(a) The proponent's comprehensive understanding of the development and transfer of technologies including in the context of the Convention, in particular the challenges and opportunities within developing countries as well as the understanding of regional, sub-regional and sectoral issues and differences regarding specific technologies;

(b) The breadth and depth of expertise as it relates to the subject areas, activities and roles and responsibilities of the Climate Technology Centre as referred to in the terms of reference of the Climate Technology Centre and Network contained in annex VII of this decision and the functions of the Climate Technology Centre contained in decision 1/CP.16 paragraph 123;

(c) Demonstrated capability to build capacity and facilitate the transfer of technology and technology diffusion in developing countries;

(d) Demonstrated capability in international multi-stakeholder cooperation, including the capability to involve the private sector (e.g. industrial enterprises) in order to maximize their contributions to the Network activities in the development and transfer of environmentally sound technologies for adaptation and mitigation and the facilitation of networks.

##### **Technical approach**

3. The prospective host's technical approach will be scored based on the following sub criteria, which are of equal importance:

(a) The overall vision, organizational and administrative structure of the Climate Technology Centre and its ability to prioritize and respond to a high volume of requests from Parties which will have potentially broad content, in an effective and efficient manner;

(b) Demonstrated long-term commitment to host the Climate Technology Centre;

(c) Feasibility of the proposed approach and methodology for establishing and structuring the Network in order to accommodate regional and sub-regional issues, also

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<sup>9</sup> In this annex, research and development, demonstration, deployment, diffusion and transfer of technologies are referred to as technology development and transfer.

including the involvement of a wide range of relevant organizations, centres, networks, initiatives and private-sector entities;

(d) Feasibility of how the Climate Technology Centre will engage with the Network to create and maintain relationships with developing countries in order to ensure effective and efficient lines of communication and how it will coordinate with relevant organizations to minimize redundancy;

(e) The extent to which the approach focuses on the objective of building capacity in requesting developing countries over the life of a programme.

#### **Existing governance and management structures**

4. The prospective host's existing governance and management structures will be scored based on the following sub criteria, which are of equal importance:

(a) The effectiveness of the governance structure and the system of the proponent institution to ensure the evaluation of operational performance against the following elements: integrity; transparency; fiduciary and ethical standards, consistent with the principles of the United Nations; and reporting and accountability;

(b) Demonstrated capability to ensure fair and open international tendering for the procurement of services in line with the fiduciary and ethical standards of the United Nations;

(c) Effectiveness of the current management structure of the host organization to ensure gender sensitivity, transparency, responsiveness, flexibility, financial management, auditing and reporting functions, and the ability to provide high-quality administrative, infrastructural and logistic arrangements, and accessibility to developing country Parties including least developing countries;

(d) The ability to simultaneously manage and administer multiple and complex projects in developing countries in a timely manner including the ability to work effectively with different clients and interest groups towards shared and complementary objectives; and the ability to evaluate the operational performance of project management and to take measures to enhance its effectiveness.

#### **Climate Technology Centre and Network management plan**

5. The prospective host's Climate Technology Centre and Network management plan will be scored based on the following sub criteria which are of equal importance:

(a) The feasibility of the plan and the schedule for initiating the rapid operational startup of the centre and the network;

(b) The strength of the institutional management plan and the effectiveness of the management structure to ensure legal capacity, transparency, responsiveness, flexibility, and the identification and management of risks, including legal risks;

(c) The ability to evaluate the operational performance, to take measures in order to enhance its effectiveness, and to promote an independent and accountable relationship to the Conference of the Parties and to its related bodies as delegated;

(d) The quality of respective proposed key personnel as demonstrated by the extent and the appropriateness of their relevant supervisory and management experience, and their technical qualifications and experience with regard to technology transfer and diffusion in developing countries;

(e) The transparency and feasibility of the approach on how the proponent plans to engage with and coordinate the Network members to respond to requests from Parties.

### **Past performance**

6. The prospective host's past performance will be scored based on the following sub criteria, which are of equal importance:

(a) The quality of the product or service, including: consistency in meeting goals and targets; cooperation and effectiveness in fixing and learning from problems; timeliness of performance, including adherence to contract schedules and other time-sensitive project conditions; and effectiveness of the management at making prompt decisions and ensuring the efficient operation of tasks;

(b) A proven track record of cost control, including forecasting costs as well as accuracy in financial reporting;

(c) Experience in assembling technical assistance teams, including cross-sectoral teams of experts, in-country contractors, private-sector entities and subcontractors, placing them in the field in a timely manner and providing them with all necessary support;

(d) Demonstrated broad regional coverage, including at both the national and the local level, and the capacity in relation to technology development and transfer to respond to requests of developing countries in an expeditious manner;

(e) Experience, as it relates to the functions identified in decision 1/CP.16, paragraph 123;

(f) Demonstrated experience of setting up, organizing, coordinating and managing a network.

### **Budget proposal for Climate Technology Centre and Network**

7. The prospective host's budget proposal for the Climate Technology Centre and Network will be scored based on the following sub criteria, which are of equal importance:

(a) The budget proposal should be balanced, manageable, comprehensive and scalable while providing specifics on how it will maintain fiduciary standards and legal and ethical integrity that is in line with the principles of the United Nations;

(b) The level of resource contributions to be provided in the execution of the mandate contained in the terms of reference such as financial and in-kind contributions, including the total sum in monetary terms;

(c) The business model for the Climate Technology Centre and Network to enable cost efficiency and financial sustainability.

### **Examples**

8. The prospective host's examples will be scored based on the following sub criteria, which are of equal importance. The two scenarios in paragraphs 8(a) and (b) below are only illustrative, and do not, in any way, prejudge the actual operating budget of the Climate Technology Centre and Network:

*Example budget scenarios for the Climate Technology Centre and Network:*

(a) Prospective hosts will provide two hypothetical scenarios in their proposals: one for a total annual budget of USD 10 million per year, and a second for an annual budget of USD 30 million per year. For each scenario, the proposal should detail the nature, scope and quantity of services that could be provided so as to meet requests that are in line with the functions of the Climate Technology Centre and Network as defined in decision 1/CP.16, and the terms of reference as defined in annex VII of this decision;

(b) The percentage of the overall operating budget under hypothetical total budget scenarios of USD 10 million and USD 30 million per year to be used for administrative costs, such as infrastructure, budgetary support, human resources and overheads, and proposals with lower percentages of the operative costs will be given higher scores;

*Example activities of the Climate Technology Centre and Network:*

(c) The feasibility and cost effectiveness of the prospective host’s approach to responding to the two sample requests, including management and implementation plans and description of detailed activities required to achieve the objective of the two sample requests, accompanied by a budget.

## II. Methodology

9. The criteria listed above are presented by major category, so that prospective hosts will know which areas require emphasis in the preparation of information. These criteria serve as the standard against which all information will be evaluated, and serve to identify the significant matters which prospective hosts should address. The evaluation criteria, which contains sub criteria, and their evaluation weights by major category are as follows:

<i>Major categories</i>	<i>Weights</i>
Technical capabilities	20
Technical approach	20
Existing governance and management structures	13
Climate Technology Centre and Network management plan	15
Past performance	10
Budget proposal for the Climate Technology Centre and Network	10
Examples	12

10. Value for money: The criteria above will be used to assess the value for money of each proposal according to the following methodology. Proposals need to score a minimum of 50 percent for each category, and 60 percent overall. Best value for money will be calculated as follows: for the proposals, at, or above, the minimum levels, the total number of points scored will be divided by the overall budget proposal from the proponent contained in paragraph 7(a) above, for the delivery of the assigned functions of the Climate Technology Centre and Network, and the ratio will be used as input for the selection process where the higher the ratio the more favorable the proposal will be considered.

11. All other criteria being equal, preference shall be given to a host organization located in a developing country.

## III. Information required to be included in the proposals

12. Prospective hosts of the Climate Technology Centre must provide information in their proposals demonstrating how they will implement the terms of reference. The proposal should be organized so as to respond to the outline of the evaluation criteria in a concise manner. Failure to include all information as specified may result in the rejection of the proposal as being non-responsive. The information required includes:

- (a) An executive summary;
- (b) A main proposal with relevant information organized in accordance with the evaluation and selection criteria contained in paragraphs 1–8 above;
- (c) A proposed organizational chart of the Climate Technology Centre with brief descriptions of key positions;
- (d) An outline of the terms of reference of the Director of the Climate Technology Centre;
- (e) Cost sheet;
- (f) Schedule for the start up of the Climate Technology Centre and Network;
- (g) Resumes of key staff of the proponent organization proposed to be assigned to the Climate Technology Centre and Network;
- (h) Response to the sample requests as referred to in paragraph 8(c) above;
- (i) Statements of work of past activities relevant to the functions of the Climate Technology Centre and Network, including a matrix of past performance and associated references;
- (j) Audited financial reports of the past three fiscal years;
- (k) Other relevant material (e.g. annual report, social responsibility reports).