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UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Ad Hoc Working Group on Long-term Cooperative Action under the Convention

Fourteenth session, part three

Panama City, 1–7 October 2011

Agenda item 3

Preparation of a comprehensive and balanced outcome to be presented to the Conference of the Parties for adoption at its seventeenth session to enable the full, effective and sustained implementation of the Convention through long-term cooperative action now, up to and beyond 2012, pursuant to the results of the thirteenth and sixteenth sessions of the Conference of the Parties and recognizing that the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention includes both implementation tasks and issues that are still to be concluded

Agenda item 4

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

Agenda item 5

Continued discussion of legal options with the aim of completing an agreed outcome based on decision 1/CP.13, the work done at the sixteenth session of the Conference of the Parties and proposals made by Parties under Article 17 of the Convention

Agenda item 6

Other matters

Ideas and proposals on the elements contained in paragraph 1 of the Bali Action Plan

Submissions from Parties

1. At the second part of the fourteenth session of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA), the Chair of the AWG-LCA recalled the open invitation to Parties to provide additional information, views and proposals on all issues under the Bali Action Plan (decision 1/CP.13),¹ and the AWG-LCA

¹ FCCC/AWGLCA/2008/3, paragraph 23.

FCCC/AWGLCA/2011/MISC.9

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agreed that such submissions should be sent to the secretariat by 9 September 2011, to be included in a miscellaneous document for the third part of the fourteenth session.²

2. Up to 22 September 2011, the secretariat had received twelve such submissions from twelve Parties, which have been posted on the UNFCCC website.³ In accordance with the procedure for miscellaneous documents, these submissions are attached and reproduced* in the language in which they were received and without formal editing.

² FCCC/AWGLCA/2011/9, paragraphs 29 and 30(c).

³ <http://unfccc.int/meetings/ad_hoc_working_groups/lca/items/4578.php>.

* These submissions have been electronically imported in order to make them available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the texts as submitted.

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* This submission is supported by Albania, Croatia, Iceland, Montenegro, Serbia and the former Yugoslav Republic of Macedonia.

Paper no. 1: Australia and Norway

AUSTRALIA | NORWAY

Submission under the Cancun Agreements | September 2011 Enhanced action on Mitigation | AWG-LCA | AWG-KP

I. Overview

This submission contains the views of Australia and Norway on enhanced action on mitigation.

Cancun delivered welcome progress on mitigation. The compilation of Parties' pledges under the Cancun Agreements was a significant achievement¹. However to meet the global goal of holding temperature rise below 2 degrees, enhanced action on mitigation – including a scaling-up of global ambition – is essential. To fully capture the significance of Parties' targets and actions and set the groundwork for raising ambition, further formalisation and clarification of mitigation efforts is now needed.

The mitigation outcome in Durban should help build an ambitious and legally-binding mitigation framework by further anchoring the Cancun mitigation pledges and stepping up ambition to meet the 2 degrees or lower global goal. The establishment of a common, accommodating, inclusive international accounting framework will also be key to further work on mitigation. It will make it possible to quantify emissions reductions/estimate emissions outcomes for targets and actions respectively.

Substantial decision(s) on mitigation in Durban that clarify the mitigation actions and targets put forward, and set a framework for further work, will contribute to a progressive outcome in Durban encompassing both Convention and Kyoto Protocol tracks. The suggestions and views put forward here do not prejudice outcomes for the Kyoto Protocol. They can be the starting point for a new legally binding agreement capturing targets and actions, whether in parallel to the Kyoto Protocol or as a single treaty for Parties with mitigation targets and actions, both developed and developing. Least developed countries are not expected to take on any legally binding obligations, but should be encouraged to develop low carbon development strategies with international support.

The Durban outcome on mitigation should:

- Reaffirm countries' commitment to implementing their existing mitigation targets and actions as well as continue working for increased ambition to close the mitigation gap;
- Capture information regarding the current pledges and their underlying assumptions – including relevant metrics such as base year or other reference value (BAU, GDP for emissions intensity, etc), covered gases and sectors, duration of commitment – to:
 - Establish a systematic and standardised format for recording targets and actions (eg, in annexes to decisions), that can be updated annually from Durban through 2015 to reflect added detail;
 - Start a process for quantifying the emission outcomes of the planned targets and actions, and their aggregate impact relative to what is necessary to meet the below 2 degree goal
 - Provide transparency that will facilitate comparability of effort
 - Begin preparing mitigation targets and actions as inputs to a future legally-binding outcome

¹ Included in INF documents FCCC/SB/2011/INF.1 and FCCC/AWGLCA/2011/INF.1 pursuant to paragraphs 36 and 49 of the Cancun Agreements.

- Provide initial and overarching information common to the mitigation actions that are to be submitted to the registry, including clarity about the type of and level of support needed by developing countries to implement these actions (finance, technology, capacity building).
- Establish principles, rules and guidelines for accounting of targets and actions, and decide on further work if necessary;
- Establish a process for periodic scaling-up of ambition levels, in the context of the 2013-2015 Review and beyond; and
- Launch a process to negotiate a new treaty under the Convention.

II. Building an ambitious and legally binding mitigation framework

Enhanced action on mitigation is essential to meet the global goal of holding temperature rise below 2 degrees Celsius. A legal agreement with binding mitigation commitments by both developed and developing countries, especially from major economies, provides the strongest basis for global mitigation action and increases Parties' confidence that they are part of a committed international effort. This need not include mitigation obligations for the least developed countries. An ambitious and legally binding global mitigation framework should include the following elements:

- a formal way of capturing Parties' targets and actions, including expected emissions outcomes;
- clear rules and transparent information about the basis for accounting for mitigation undertakings, including rules for the accounting of market mechanisms that prevent double-counting; and
- a periodic process for scaling up ambition levels and mitigation efforts over time.

Delivering this framework will involve a process of learning and capacity-building for all countries, but especially developing countries. A stepwise approach from Durban to 2015 will provide time and space for countries to build confidence and capacity and ensure a robust outcome over time:

Time	Decisions/Actions
Durban	<ul style="list-style-type: none"> • Up to, and in Durban: Further submissions from Parties of additional information regarding targets and actions in a standardised format. This should include information on all relevant metrics of the mitigation targets and actions put forward (base year or reference year, gases and sectors, GWP values (if different from those specified in the Fourth Assessment Report), assumptions on rules, target year, averaging or commitment period and projections if relevant). • Formalise targets and actions, including additional information, in annexes to a decision and agree to annual updating to 2015, allowing for rapid scaling-up of ambition, including going to higher end targets and actions • Consider modalities and mandate for a periodic process of scaling-up individual mitigation efforts over time, linked to the 2013-2015 review • Adoption of guidelines for biennial reports • Develop principles, guidelines and rules for accounting for targets and actions • Adoption of guidelines for International Consultation and Analysis and International Assessment and Review

	<ul style="list-style-type: none"> Decide to negotiate a new treaty under the Convention
2012	<ul style="list-style-type: none"> Develop modalities for a process to subject accounting approaches to international oversight, exploring demands for flexibility according to national circumstances
2013-2014	<ul style="list-style-type: none"> Submission of first biennial reports, including additional accounting information, where relevant Calculate quantified emissions outcomes for developed Parties and estimated emissions outcomes for developing Parties based on the information in Parties' first biennial reports
2015	<ul style="list-style-type: none"> Scaling-up process for increasing individual and collective mitigation targets and actions Embed mitigation targets and actions into a new legally binding Protocol for all Parties

III. Locking in mitigation targets and actions

Our current information on the mitigation targets and actions put forward is fragmented. A first step is to get a better understanding of mitigation targets and actions and their underpinning assumptions. In Durban, a decision should anchor Parties' mitigation targets and actions more firmly, for example in annexes or similar documentation attached to decisions, and agree to update these documents annually to 2015. A better understanding of mitigation targets and actions and their underpinning rules is essential to the integrity and ambition of the international climate regime. This will allow us to understand what targets and actions mean in terms of their anticipated emissions impact on the atmosphere and, in turn, track our progress towards our global goal. It will also increase Parties' confidence that others are acting, supporting ambitious domestic action.

Clarifying and formalising pledges for mitigation

The compilation of Parties' pledges under the Cancun Agreements was a significant achievement. To fully capture the significance of Parties' mitigation targets and actions, further formalisation and clarification is now needed. This process will also clarify what the conditions around the pledges are, and how further mitigation efforts can be undertaken, in particular with respect to developing countries' seeking support for actions.

The next step is to "lock in" mitigation effort by:

- identifying the mitigation targets and actions that *will* happen as distinct from those that remain contingent (for example, because they require international support or further evidence of global action); and
- elucidating the information and rules needed to quantify or estimate what mitigation targets and actions mean in terms of emission reductions.

Parties have already started elaborating and sharing some of this information through the mitigation workshops. We should use the time up to and in Durban to capture this information in a more systematic and standardised fashion. Some information will be relevant for many targets and actions, although there will be necessary variation in the type of detail that is relevant for different types of mitigation targets and actions. Key information will include:

- Actual mitigation target or action/s
- Base year, reference year or other reference value (BAU, GDP trajectory for intensity targets)
- GWP values (if different from those specified in the Fourth Assessment Report)

- Gases and sectors included (for developed country economy-wide targets all gases and sectors would be included)
- Averaging or commitment period
- Assumptions on rules (use of LULUCF and flexible mechanisms).

This information could be collected through providing a template or questionnaire for Parties to complete and included in updated annexes attached to decisions taken at Durban. This information would also be used for the development of a common accounting framework.

To allow Parties to put forward new mitigation targets and actions, or update their existing ones, while the further negotiation process establishes other parts of a common international framework, it would also be useful to decide at Durban to update these annexes annually to 2015. This would also allow Parties to provide more information about their targets and actions, through the regular reporting process or separate submissions.

Understanding emissions outcomes

Another critical element in building a lasting mitigation framework will be clarification of the rules under which mitigation efforts will be implemented, and the quantification or estimation of associated emissions outcomes.

The establishment of a common international framework for accounting for mitigation targets and actions is necessary to provide predictability and estimate overall emissions reductions outcomes. The Convention does not currently have any accounting rules for the implementation of emission reduction targets and actions. An important part of the outcome in Durban should be to establish rules and frameworks for accounting, so that clarity on emissions outcomes and implementation can be achieved. Further elaboration and finalisation of the accounting of countries' targets and actions could take place through an international process, including considering agreed options.

The accounting framework will need to accommodate the diversity of mitigation targets and actions, while ensuring a coherent and environmentally sound outcome. Common rules will provide transparency, promote a global carbon market and ensure the environmental integrity of any binding climate agreement. Options should be looked at to provide some flexibility, which can take specific national circumstances and capabilities into account.

Parties can begin at Durban by agreeing principles, guidelines and rules to ensure rigorous, robust and transparent accounting of targets and actions, drawing on the rules of the Kyoto Protocol. These can be built on through the biennial reporting process. A process should be started to calculate quantified emissions outcomes for developed countries' targets and estimated quantified emissions outcomes for developing countries' actions, based on agreed rules and frameworks for accounting. In their first biennial report, Parties could put forward further information about their targets and actions. This information will facilitate quantification of the emissions outcomes of targets and estimated emissions outcomes of actions in 2013-2014.

While all countries should quantify their expected emissions outcomes, developed countries will be held accountable to the emissions outcome of their targets; whereas, developing countries would only be bound to implement their actions, not the specific emissions outcome. A common accounting framework for all countries is still necessary to provide understanding and clarity with respect to the overall global emissions.

IV. Increasing mitigation ambition through scaling-up

While Parties' current commitments to undertake targets and actions are an important contribution to international

climate change action, Australia and Norway recognise that there is a need to scale-up or “load” mitigation ambition over time if we are to reach our long-term climate objectives.

Clarifying and formalising current mitigation commitments will build confidence in the international regime and assist Parties to raise ambition. However, we also need to ensure there is a structured process in place to recognise additional efforts and drive collective ambition forward.

The mitigation framework should provide the opportunity for Parties to add to or enhance their targets and actions as they learn from experience, deepen their capabilities and gain confidence. There should be a regular opportunity to update commitments to mitigation targets and actions when a new action has been pledged or an action seeking international support has secured the relevant kind of support. The process of scaling-up of mitigation action should be predictable, structured and coherent. Predictability in the process and consistency in the expected outcomes will be important for enhancing the international carbon market.

In addition, establishing a periodic, formal negotiating process for all Parties to revisit the mitigation goals would promote higher ambition by leveraging reciprocity, giving Parties an opportunity to understand the efforts of others, and be recognised for raising their own ambition. This process could be linked to the periodic review of progress toward the global goal. The 2013-2015 Review will be the first major opportunity to assess the international ambition level and should lead to a process to consider enhancing targets and actions. The process could be conducted in a dedicated ad-hoc body established under the COP within a pre-determined timeframe, and the results would be captured in the relevant legally binding agreement. Taking a decision in Durban to start considering the modalities and mandate for such a process would allow time for arrangements to be concluded by the end of the 2013-15 Review.

Paper no. 2: Ethiopia

A. The Adaptation Committee

1. Introduction

Paragraph 21 of Decision 1/CP.16 of the Conference of the Parties of the UNFCCC taken in Cancun, Mexico, in December 2010, invites Parties to submit to the secretariat by 21 February 2011, their views “on the composition of, and modalities and procedures for, the Adaptation Committee, including on proposed linkages with other relevant institutions”. Ethiopia’s views are the following:

Ethiopia’s interest is in the substance of the ideas written hereunder and, if it so wishes, the UNFCCC secretariat can express them in different words and in any format it finds appropriate.

2. Main Functions of the Adaptation Committee

The Adaptation Committee should consist of 14 members elected by the Conference of the Parties to the UNFCCC. Its main functions should be to:

- 2.1 Meet at least twice each year to carry out the functions described hereunder.
- 2.2 Evaluate and help improve national programmes or projects of adaptation submitted to the UNFCCC secretariat by developing country Parties for support or only for review, as the case may be.
- 2.3 Evaluate and help improve a programme or a project of adaptation submitted by a developing country Party for soliciting support.
- 2.4 Upon re-submission by that Party of its thus improved proposal, determine in consultation with the Financial Mechanism of the Convention, the financial, technological and scientific capacity-building support that is required and decide that it be provided by a developed country Party, developed country Parties, the Financial Mechanism of the Convention, or any combination thereof.
- 2.5 Regularly review the implementation of a supported adaptation program/project and channel to the proponent Party the necessary information for the successful implementation of the programme/project.
- 2.6 Identify institutions or experts that have the required additional expertise and channel the information to the proponent Party to help it in the effective implementation of the programme/project.
- 2.7 Determine and regularly review and modify as necessary its own internal working procedures for approval by the Conference of the Parties.

3. Composition of the Adaptation Committee

- 3.1 All parts of the world will need to adapt to the impacts of climate change albeit that the scale will depend on their respective specificities in environmental conditions and economic and technological capacities. For this reason, the Adaptation Committee should represent all the Regions of the world. Since small island developing states and least developed countries have the most overwhelming environmental and economic challenges to face coupled

with the lowest technological capacities, they should be represented in the Adaptation Committee even though they do not form geographically defined Regions.

3.2 Therefore, the members of the Adaptation Committee should consist of 14 experts, nominated by their respective Regional Groups and elected by the Conference of the Parties.

3.3 Those from developing countries should consist of 2 from Africa, 2 from Asia and the Pacific, and 2 from Latin America and the Caribbean Islands. In addition, the Least Developed Countries Group and the Small Island Developing States Group should each be represented by 2 members.

3.4 Those from the developed world should consist of 2 from Eastern Europe, and 2 from Western Europe and Others.

4. Modalities and Procedures for the Adaptation Committee

4.1 To the extent possible, the Groups that nominate their respective representatives as members of the Adaptation Committee should carry out consultations among themselves to maximize the appropriateness of the fields of specialization of the members.

4.2 Therefore, the nominations are best conducted at a meeting or meetings. It would be easy to call such a meeting or meetings to be held back-to-back with a negotiation session of the Ad Hoc Working Group on Long-term Cooperative Action (AWGLCA) or of the Conference of the Parties to the UNFCCC.

4.3 Following nominations by the various Groups, the elections of the members of the Adaptation Committee should be carried out by the Conference of the Parties to the UNFCCC by majority votes.

4.4 The members of the Adaptation Committee need not be elected from among the negotiators. Therefore, it is after being elected that they can come to their own meeting where they can propose their Chairperson, Vice-Chairperson and Rapporteur.

4.5 Their nominations should then be presented to the next Conference of the Parties for election by majority votes.

4.6 If the Conference of the Parties continues to be satisfied with their work, it can renew the mandate of any or all of the Chairperson, Vice-Chairperson and Rapporteur for another 2 years.

4.7 However, a member shall not be a Chairperson, a Vice-chairperson or a Rapporteur for more than 2 consecutive terms of 2 years each, or a total of 4 consecutive years.

4.8 The term of office of a member of the Adaptation Committee shall be 2 years, renewable as both the nominating Regional Group and the electing Conference of Parties see fit.

4.9 Following a proposal by the nominating Regional Group and an approval by the Conference of the parties, one of the members of the Adaptation Committee from each Group should serve for the first 3 years and the other for only 2 years before their respective new elections take place.

4.10 Thereafter, all elections will take place every 2 years. This process will ensure that half of the members of the Adaptation Committee will be elected or re-elected every year and thus lack of institutional memory in the Adaptation Committee will be avoided.

- 4.11 The UNFCCC secretariat shall provide the Adaptation Committee with all its secretarial and office management services.
- 4.12 The first Chairperson shall be from a developing country Party and the first Vice-Chairperson from a developed Country Party.
- 4.13 This is because the need for adaptation is most acutely felt in developing countries. Two years after, or four years after if the Conference of the Parties so wishes, the Chairperson and Vice-Chairperson shall come from a developed country and a developing country Party respectively. This reversal of Chairperson and Vice-Chairperson coming from developing and developed country Parties shall thus continue at two-year or four-year intervals as the Conference of the Parties wishes.
- 4.14 The Conference of the Parties can intervene at any time it sees fit to change or replace the member who is the Chairperson, the Vice-Chairperson or the Rapporteur for the time that is left before the two-year term has passed since the previous election and a new election takes place.
- 4.15 If a member cannot complete her/his term, her/his Region shall nominate and the next Conference of the Parties elect the replacement.
- 4.16 If the Chairperson, the Vice-Chairperson or the Rapporteur cannot complete her/his term, the Adaptation Committee shall elect a replacement until the next Conference of the Parties, which shall elect the replacement.
- 4.17 If the member who has replaced the Chairperson, the Vice-Chairperson or the Rapporteur is elected as Chairperson, the Vice-Chairperson or the Rapporteur during a subsequent Conference of Parties, her/his term of office shall start then, disregarding the time when she/he stood in for the office-holder who could not complete her/his term.

5. Linkages with other Institutional Arrangements

- 5.1 The UNFCCC secretariat should have a focal expert that runs the routine activities that emanate from the functions of the Adaptation Committee specified in Paragraph 20 of Decision 1/CP.16 and Paragraph 2 above.
- 5.2 The Adaptation Committee shall examine every adaptation project/programme proposal submitted by a developing country Party via the secretariat of the UNFCCC for support from a developed county Party or developed country Parties in finance, capacity-building, and technology development and/or transfer.
- 5.3 It shall then interact with the developing country Party to ensure that the proposal is as accurate and as complete as prevalent scientific knowledge allows.
- 5.4 Once this is done, the secretariat of the UNFCCC shall submit the proposal on behalf of the proponent developing country Party to the Financial Mechanism of the Convention and to other donors requesting them to provide the required support and accordingly notify the proponent developing country Party.
- 5.5 Once the required support is obtained, transferred to the proponent developing country Party, and an adaptation project/programme starts being implemented, the Adaptation Committee shall carry out regular reviews of its progress of implementation so as to help the process with information and recommendations. This should be done

even when the project/programme is being domestically implemented by the proponent developing country Party without donor support.

B. Elements to be included in the Work Programme of the Cancun Adaptation Framework

1. Introduction

What is being proposed hereunder is based on land-locked Ethiopia's Draft Programme of Adaptation to Climate Change with some ideas on coastal areas added. It is aimed at fulfilling Paragraph 28 of Decision 1/CP.16 of the Conference of the Parties to the UNFCCC taken in Cancun, Mexico, in December 2010, which invites Parties to submit by 21 February 2011, their views on what elements should be included in the work programme on adaptation.

Ethiopia's interest is in the substance of the ideas written hereunder and, if it so wishes, the UNFCCC secretariat can express them in different words and in any format it finds appropriate.

2. The manifestations of climate change and the adaptive actions that they require

2.1 The manifestations of climate change and the risks that they pose usually vary from country to country, and may even vary within a given country. By combining the observed trends within a country with the predictions of weather events that are implied by the climate change predictions of the Intergovernmental Panel on Climate Change (IPCC), and by rendering the combined information more specific through country-wide or even sub-country level modelling, each country Party should specify the risks posed to its various parts and to the various situations within its territory. The outcome should be shown in maps and distributed in the country Party to all decision makers and to the public.

2.2 Each country Party should develop a system of detailed weather forecasting and information dissemination so that the authorities and the public in the areas that are likely to be hit by extreme weather events are warned as far ahead of time as possible.

2.3 Awareness on climate change must be mainstreamed into development and service planning and implementation of all levels of governance so as to provide the requisite institutional capacity at all administrative levels.

2.4 The educational curricula at all levels should integrate adaptation to climate change into all relevant disciplines.

2.5 Research and development (R&D) for an effective programme of adaptation to climate change should be enhanced. Some of the sectors that will require focus in R&D, depending on the environmental specificities of the country Party, include:

- Plant and animal breeding for continuing good agricultural performance both in the changed climate and under the impacts of likely extreme weather events e.g. mean temperature rise and fluctuations thereof, marshland and soil salinization, droughts, floods;

- Crop protection;
 - Monitoring crop pollinators so as to solve pollination problems that may arise;
 - Preventing land degradation and soil fertility loss from extreme weather event;
 - Preventing the spread of human, animal and crop diseases, disease vectors and pests;
 - Strengthening human and animal health care so as to act quickly and effectively when diseases are reported;
- 2.6 Both the *in situ* and *ex situ* conservation of crop genetic resources should be strengthened;
- 2.7 Protected areas in various environmental settings interconnected by corridors should be effectively managed and monitored to save biodiversity;
- 2.8 Organic wastes should be kept separate to avoid pollution and should be taken back from urban to rural areas for maintaining soil fertility;
- 2.9 Standards for infrastructure should be developed and enforced to withstand extreme weather events;
- 2.10 Enough food and feed should be stored for surviving the impacts of droughts and floods;
- 2.11 Settlements in areas prone to flooding or landslides should be relocated to safer settings;
- 2.12 The major cities by the sea should have dykes built to protect them from inundation;
- 2.13 All local communities should be helped to create their own respective local organizational structures that will enable them to act quickly and effectively in times of extreme weather events;
- 2.14 Whenever and wherever possible, renewable energy potential should be harnessed and the use of fossil fuels minimized;
- 2.15 Insurance schemes should be developed to write off damage from extreme weather events especially at the local community level;
- 2.16 Gender equality and care for the physically and mentally handicapped should be mainstreamed into all these activities.

3. Organizational structure

- 3.1 At the central government level, sectoral ministries and other sectoral agencies should be made specifically responsible for each of these specified activities. They should interact all the way down to the district level to ensure that their respective responsibilities are implemented at both rural and urban local community levels. Each administrative level, starting from the local community, should provide to the next higher level, annual reports of their accomplishments and problems of implementation.
- 3.2 At the level of each district, all these activities should be integrated so that the state agents interact with each local community in each city, town or village as the case may be, as a coordinated body speaking with one voice to convince the members of each local community of the need for and efficacy of the adaptation measures that it should take.
- 3.3 This information flow should be made through completely participatory discussion and persuasion and never through coercion.

3.4 This is because top-down decision taking is too slow in implementation in times of crises. Equally importantly, bottom-up decision taking is more likely to be well informed about local weaknesses, strengths and possibilities and is thus more likely to be quick and effective enough in times of hazard.

C. Proposed Procedures for supporting Nationally Appropriate Mitigation Actions (NAMAs) of Developing Country Parties

1. Introduction

Paragraph 67 of Decision 1/CP.16 of the Conference of the Parties to the UNFCCC taken in Cancun, Mexico, in December 2010, invites Parties to submit by 28 March 2011, their views on the procedure for supporting NAMAs. Therefore, Ethiopia is making the following suggestions.

Ethiopia's interest is in the substance of the ideas written hereunder and, if it so wishes, the UNFCCC secretariat can express them in different words and in any format it finds appropriate.

2. Connection of Donor and Recipient Parties through the Registry

2.1 Paragraphs 53-56 of Decision 1/CP.16 invite developing country Parties to submit to the secretariat of the UNFCCC their proposed NAMAs together with estimated costs and emission reductions to put in the Registry for donor country Parties to choose from and provide support.

2.2 For transparency between the donor and the recipient, cooperation between the donor and recipient country Parties is best started at the planning stage of the action to be taken.

2.3 This would also make it possible for the donor Party to supplement and at the same time build the planning capacity of the recipient Party, which is usually limited.

2.4 The donor and recipient country Parties will then continue to cooperate in developing the detailed plan of implementation of the proposed actions as well as in the process of measuring, reporting and verification of the implementation carried out and the support provided.

3. Leveraging of further support

3.1 Once the detailed plan of implementation has been finalized, further support can, if seen as required by both Parties, be solicited through the Registry and/or other channels that either the donor or the recipient Party or both may know of.

4. Measuring, reporting and verification

- 4.1 To enhance both transparency and capacity-building, domestic measuring, reporting and verification of the emission reduced or forestalled are better done cooperatively by both the donor and recipient Parties for 2 or 3 reporting periods.
- 4.2 Of course international measuring, reporting and verification will also apply to each supported mitigation action as required by Paragraph 61 of Decision 1/CP.16 of the Conference of the parties to the UNFCCC.

D. Mutually Appropriate Mitigation Actions (MAMAs)

1. Introduction

Paragraphs 84-86 of Decision 1/CP.16 of the Conference of the Parties to the UNFCCC, taken in Cancun, Mexico, in December 2011, invite Parties to submit to the UNFCCC secretariat by 21 February 2011, their suggestions for one or more non-market-based mechanisms of mitigation action. Therefore, Ethiopia is making the following suggestion.

Ethiopia's interest is in the substance of the ideas written hereunder and, if it so wishes, the UNFCCC secretariat can express them in different words and in any format it finds appropriate.

2. Definition

- 2.1 A mutually appropriate mitigation action (MAMA) is hereby defined as a mutually agreed action or set of actions to remove, reduce or forestall greenhouse gas emissions in a developing country Party through support given to that Party by one or more developed country Party or Parties in return for specified emission offsets that will count towards the emission reduction commitments of the developed country Party or Parties.

3. Modalities of Planning and Implementation of MAMAs

- 3.1 Mitigation is a major measure that should be taken to address climate change. Paragraph 3 of Article 3 of the Convention states that climate change may be addressed cooperatively by interested Parties.
- 3.2 A developing country Party may have the potential to sequester carbon in its ecosystems, e.g. by reforestation, by effectively managing wetlands, by promoting organic agriculture.
- 3.3 Paragraph 4 of Article 3 of the Convention states that sustainable economic development is a right of each Party and that it is essential for adopting measures to address climate change.

A developing country Party may have renewable energy potential which can be harnessed for its development efforts thus forestalling greenhouse gas emissions that would have otherwise occurred if it had used fossil fuels for power generation in its development trajectory.

- 3.4 One or more developed country Parties may find it cheaper or more convenient to help a developing country Party sequester or forestall quantified emissions of greenhouse gases than they would domestically reduce emission by those quantified amounts. The same system of connection of donor and recipient Parties through the Registry, as has been proposed for NAMAS (see Section C 2) can be used also for MAMAs.
- 3.5 The developed country Party or Parties can thus help the developing country Party in planning and implementing the MAMA it wants for its sustainable economic development, to which it has the right stated in Paragraph 4 of Article 3 of the Convention and be credited for it in their quantified emission reductions.
- 3.6 Such a MAMA shall be registered with the UNFCCC Secretariat as early as possible after its inception but at the start of its implementation at the latest. It is when it has been thus registered and approved by the Subsidiary Body for Implementation that it can be used for the purpose of emission offsetting.
- 3.7 The developed country Party or Parties shall, during the whole process, help the developing country Party financially, in the development and/or transfer to it of the technologies required for the MAMA, and by training its experts to effectively implement the MAMA.
- 3.8 The Executive Secretary of the UNFCCC shall be the depositary of the agreement between the developing country Party and the developed country Party or Parties.
- 3.9 A MAMA shall be subject first to domestic measuring, reporting and verification carried out jointly by the developing country Party where it is being implemented and the supporting developed country Party or Parties starting from its inception through its planning and implementation.
- 3.10 Once implementation has started, the MAMA shall also be subjected to international measuring, reporting and verification of both the support given and the mitigation achieved.

E. Institutional Arrangements for, and Monitoring and Review of, Capacity-building

1. Introduction

Paragraph 136 of Decision 1/CP.16 of the Conference of the Parties to the UNFCCC, taken in Cancun, Mexico, in December 2011 requests the AWGLCA to further enhance the monitoring and review of the effectiveness of, and paragraph 137 requests it to elaborate the modalities regarding institutional arrangements for, capacity-building.

Ethiopia's views on these issues are given as follows.

Ethiopia's interest is in the substance of the ideas written hereunder and, if it so wishes, the UNFCCC secretariat can express them in different words and in any format it finds appropriate

2. Institutional Arrangements for Capacity-building

2.1 Ethiopia's choice for the institutional arrangements for capacity-building is the creation of a Technical Panel on Capacity-building as specified in Option 1 of Paragraph 5 of Chapter V of the negotiation document, FCCC/AWGLCA/2010/14.

3. Modalities of the Provision of Capacity-building Support

3.1 Capacity-building shall be provided to a developing country Party in the context of climate change to enable its national focal institution for UNFCCC, including the related institutions involved, in addressing climate change in that Party.

3.2 All the institutions involved in the implementation of programmes/projects for addressing climate change shall also be provided with the capacity-building that they require.

3.3 A developing country Party should thus regularly identify the capacity-building needs of its climate change focal institution and of the institutions functionally interconnected with it, which we can refer to as institutional capacity-building, and notify the UNFCCC Secretariat accordingly.

3.4 Developed country Parties and other Parties that have the capacity to help shall notify the UNFCCC secretariat of the capacity-building opportunities that they can provide.

3.5 The secretariat shall pass this notification to the Technical Panel on Capacity-building which shall then match the needs identified by the requesting recipient and the support offered by the donor Parties. This will make it possible for institutional capacity-building needs in developing country Parties to be met.

3.6 Capacity-building shall always be an ingredient of any donor supported programme/project that addresses climate change.

3.7 Capacity-building does not involve only the training of a workforce. The workforce shall also be provided with the requisite equipment and supplies for maximizing its usefulness.

3.8 Equally importantly, the workforce shall have a continuing access to scientific, technological and related technical information on a continuing basis. This shall be provided by the donor Party during the implementation of the programme/project and by the recipient Party thereafter.

4. Monitoring and Reviewing the Effectiveness of Capacity-building

4.1 The effectiveness of institutional capacity-building shall be monitored and reviewed by comparing the request submitted by the concerned developing country Party, its successive implementation reports submitted to the UNFCCC secretariat, and the reports of the supporting developed country Party or Parties. To help in doing this, the donor developed country and the recipient developing country Party shall each report to the UNFCCC secretariat at two-yearly intervals on:

- 4.1.1 the number of the recipient country Party experts trained and the types and levels of training, the institutions of training and the sources of the funds used for the training;
 - 4.1.2 the equipment and supplies provided to the recipient country Party specifying the donor or donors;
 - 4.1.3 an itemization of the literature received by the recipient country Party, specifying the donor or donors;
 - 4.1.4 an itemization of the professional contacts established for the experts of the recipient country Party with descriptions of the existing interactions.
- 4.2 The UNFCCC secretariat shall compare the reports from the donor and recipient Parties for inter-compatibility and submit its reports to the Technical Panel on Capacity-building.
- 4.3 The Technical Panel on Capacity-building shall evaluate the compilations made by the Secretariat and, if it sees it appropriate, send an expert or a team of experts as it sees fit, to any recipient country Party to verify what has been reported and to recommend to it what action, if any, needs to be taken by it, by the Subsidiary Body on Implementation, or by the Conference of the Parties.
- 4.4 The Technical Panel on Capacity-building shall review the report and the proposed recommendation and take the necessary decision or request for a decision of the Subsidiary Body on Implementation or of the Conference of the Parties when it sees that this is called for.

Paper no. 3: India

India

Views on implementing COP decisions on ‘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’ (REDD-plus)

1. REDD-plus activities

This submission from India provides a framework of approach to develop and implement a national REDD-plus strategy and actions pursuant to relevant COP decisions for assessment and monitoring of forest carbon stocks, and also for their enhancement.

In paragraphs 68 to 79 the decision relating to the ‘Outcome of the AWG-LCA under the Convention’, the 16th Conference of Parties to the Convention decided on the 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. Paragraph 70 identifies and lists the REDD-plus activities as follows:

“70. Encourages developing country Parties to contribute to mitigation actions in the forest sector by undertaking the following activities, as deemed appropriate by each Party and in accordance with their respective capabilities and national circumstances:

- (a) Reducing emissions from deforestation;
- (b) Reducing emissions from forest degradation;
- (c) Conservation of forest carbon stocks;
- (d) Sustainable management of forest;
- (e) Enhancement of forest carbon stocks;”

In above paragraph, the “plus” part of REDD-plus is included in (c), (d) and (e). Paragraph 70 also encourages the developing countries to undertake any of the above activities or a combination thereof, as deemed appropriate, in accordance with their capabilities and national circumstances.

2. National REDD-plus framework

Paragraph 71 of the decision, inter alia, outlines essential elements of a national REDD-plus framework comprising a national strategy of actions, a national reference level and a transparent national monitoring and reporting system.

2.1 National strategy

India’s national strategy aims at enhancing and improving the forest and tree cover of the country thereby enhancing the quantum of forest ecosystem services that flow to the local communities. The services include fuelwood, timber, fodder, NTFP and also carbon sequestration. It is underlined that in the Indian context, carbon service from forest and plantations is one of the co-benefits and not the main or the sole benefit. Initiatives like Green India Mission (GIM) and

National Afforestation Programme (NAP), together with programmes in sectors like agriculture and rural development would add or improve 2 mha of forest and tree cover annually in our country. This will annually add 2 million tonnes of carbon incrementally, and post 2020, the forest and tree cover will be adding at least 20 million tonnes of carbon every year. This would require an investment of Rs. 90 billion (USD 2 billion) every year for 10 years. We expect a substantial part of this investment under REDD-plus financial support from UNFCCC.

2.2 Institutional mechanism for REDD+ at national level

The Government of India has established a REDD+ Cell in the Ministry of Environment and Forests having the task of coordinating and guiding REDD plus related actions at the national level, and to discharge the role of guiding, and collaborating with the State Forest Departments (SFDs) to collect, process and manage all relevant information and data relating to forest carbon accounting. National REDD+ Cell would also guide formulation, development, funding, implementation, monitoring and evaluation of REDD+ activities in the States. The Cell will assist the Ministry of Environment & Forests and its appropriate agencies in developing and implementing appropriate policies relating to REDD+ implementation in the country.

2.3 Institutionalization of national level forest carbon stocks accounting

In so far as national forest carbon stocks accounting is concerned, the Forest Survey of India (FSI) has adequate capability in this field. Backed by its expertise in estimation of forest and tree cover in the country, the FSI is capable of handling this national responsibility.

The FSI will act as the Lead Institution for the country and will have a networking approach involving Indian Council of Forestry Research and Education (ICFRE), Indian Institute of Remote Sensing (IIRS), Indian Institute of Science (IISc), Wildlife Institute of India (WII), and any other organization that FSI deems fit to co-opt.

India intends to further work on i) technological and methodological issues, and ii) policy and definitional issues to be able to contribute proactively in the future deliberations of the UNFCCC on REDD-plus. Review and fine-tuning of technological, methodological and connected infrastructural capabilities are considered to be essential for operationalizing the national level forest carbon stocks (FCS) accounting.

2.4 Methodological issues of estimation of FCS

India's future strategy in this regard is to devolve more and more responsibility on the State Forest Departments (SFDs) to carry out the assessment and estimation of forest carbon stocks (FCS) in conjunction with the biennial exercise of assessment of forest and tree cover (FTC). This is considered essential to improve the precision level for estimation of FCS as the State Governments can cover more number of sample points, than that being covered by the FSI at present due to constraints of time, finances and in adequate number of technical experts. In future, the SFDs can take the responsibility of carrying out the inventories for FTC and FCS by more effectively utilizing the services of their Remote Sensing Centres/Space Application Centres. FSI at that time can act as the source for providing satellite imageries required by the States for the purpose.

2.5 Methodological issue of precision in estimates

On the question of limits of error that will be acceptable for FCS estimation, especially in view of the continuous refinement of technology, it is intended that at the national level, the biennial assessment may conform to $\pm 5\%$ precision (confidence limits), and at the State level it may be $\pm 20\%$, which may be reduced to $\pm 10\%$ by the year 2017 (third biennial assessment beyond 2011). Same precision as at State level may also be maintained at the district level. The aforesaid is summed up as under:

For estimation of forest carbon stocks (FCS)

Precision level at national level	$\pm 5\%$
Precision level at state/district level	$\pm 10\%$

As regards frequency of compiling and submitting national FCS accounts, India believes that it should coincide with the FSI's biennial State of Forest Report (SFR) and, therefore, should be in multiple of 2 or 4 years.

2.6 Policy and definitional issues

India intends to work upon the definitions of REDD-plus activities listed in paragraph 70 of the AWG-LCA document of COP 16 to be able to implement the same in its national context and circumstances. Specifically, more insight into understanding the definition of sustainable management of forest (SMF) is required to steer its proper application in forestry mitigation actions in different parts of the country. In ensuring the safeguards for the rights of the local communities including tribals, and above all of women folk of the local communities, India intends to involve the civil society and state forest departments in working out provisions and modalities for the same under the extant Forest Rights Act, and approaches of Joint Forest Management (JFM) and Community Forest Management (CFM). In addition to providing help in developing mechanisms for facilitating flow of REDD-plus incentives and other ecosystem benefits to the local community, it is expected that the Civil society would also contribute in analysis and impact of policy issues relevant to operationalization of REDD-plus in the context of local communities.

2.7 Local communities and co-benefits of forest ecosystem services including carbon service

While moving forward towards implementation of REDD-plus, participation of local communities with compulsory representation of women would be the central theme. Government of India is committed to ensure that full and adequate incentives from REDD-plus go to the local communities as and when these become available. IN India's context, the forest will not be managed for 'carbon services' alone, but for all the ecosystem services that are flowing to the local community from the forest. Incentives for carbon services will be an add-on to the benefits that the local communities are already receiving from the forest ecosystems.

In future, whenever the REDD plus incentives begin to flow, these will be transmitted from the Centre to State Governments and then to District level. The State Government and District level authorities will plan and manage the flows further down to the local communities. Broad guidelines for flow of incentives from the Government of India (GOI) to State Governments will be developed by the Ministry of Environment and Forests (MoEF).

In the longer term, guidelines for flow of funds from district to the lower levels will also be developed. In the interim period, the States/Districts will make and adopt their own procedures and arrangements for the purpose with prior approval of the MoEF.

2.8 Capacity building of State Forest Departments

FSI is expected to take the initiative of developing the capabilities of the state forest departments in forest carbon accounting so that they are more capable and consequently confident and self reliant in making inventories.

2.9 Choice of a starting phase

Paragraphs 73 and 74 of the AWG-LCA outcome document relate to the choice of a starting phase in consonance with the country's circumstances, capacities and capabilities. India is well prepared to move into the final phase of results-based actions that will be fully measured, reported and verified. However, initiation of results-based actions would be subject to agreement on the fixing of national forest reference level and procedures and processes for measuring reporting and verification.

2.10 National forest reference level

India gives highest priority to fixing of the reference level for carbon stocks in its forest and tree cover with a view to making assessment, monitoring, verification and reporting of

- i) baseline forest carbon stocks, and
- ii) incremental forest carbon stocks

India considers that the reference level in essence will be a baseline forest carbon stocks position corresponding to a specific year, which may be called as the 'zero year'. The 'zero year' would need to be fixed with consensus amongst intra-country stakeholders which would include the Central Government, State Governments, forest experts and scientists, local community and civil society. It is presumed that the starting point for fixing a forest reference level will be agreement on the 'zero year' backed by sound logic, timeseries of scientific historical data, and milestones of relevant legislation and/or policy prescriptions. The reference level would need to be agreed at the technical level, i.e., amongst scientific organizations, and subsequently at the government level involving the Central and the State Governments. Government of India intends to form a consortium of following scientific organizations for evolving consensus on a reference level, and zero year:

Indian Institute of Science, Bangalore

Forest Survey of India, Dehradun

Indian Council of Forestry research and Education, Dehradun

Indian Institute of Remote Sensing, Dehradun

National Remote Sensing Centre, Hyderabad

Centre for Environmental Education, Ahmadabad

Central Government, Ministry of Environment and Forests (REDD+ Cell)

State Forest Departments

3. Safeguards

Developing countries are expected to follow safeguards, as mandated in paragraph 69 of the Decision with a view to ensure full participation of indigenous peoples, local communities and other stakeholders, and conservation of natural forests and biodiversity in implementing the REDD activities.

India intends to ensure that all REDD-plus incentives available from international sources will flow fully and adequately to the local communities which participate in management or manage the forest resources or are dependent on the forest resources for sustenance of their livelihood. Part of the incentives are expected to be invested in conservation and improvement of the ecosystem services like biodiversity and non-timber forest produce (NTFP). Local communities would be encouraged to develop microplans to incorporate such priorities.

4. Guidance from SBSTA

Notwithstanding above, India will keenly participate in the deliberations of SBSTA for development of modalities for

- i) measuring, reporting and verifying forest related emissions and removals, assessment of forest carbon stocks and changes therein.
- ii) a system for providing information on how the safeguards for ensuring participation of local communities, and conservation of natural forests and their ecosystem services

In India, tribals, forest dwellers and other local communities have always enjoyed legal safeguards to practise their customary rights and traditions. India has had a fairly successful initiative involving local communities for protection and management of government forests. Joint Forest Management (JFM) ensures a fair share in the forest produce for the protecting communities. So far, more than 100,000 JFM committees covering about 22 million ha, which is about 30% of total forest area of the country, have been formed with about 22 million participating members. JFM has recently been integrated into more democratic organizations of local governance, i.e, 'gram sabha'. The total area under JFM is now comparable to the areas managed under national parks and sanctuaries in India.

Promulgation of the Forest Rights Act has further strengthened the legal framework in the country for safeguarding the rights of local communities. Also, India will adopt, as appropriate, the modalities of the system as would be agreed in SBSTA for providing information on internal safeguards to the UNFCCC.

5. Pilot projects on conservation, sustainable management of forests (SMF), and enhancement of forest carbon stocks (EFCS)

Subject to availability of funding, India intends to launch three pilot projects, one each based on the concept of conservation, SMF and EFCS (Bali Action Plan) respectively to understand the intricacies of maintaining baseline forest carbon stocks, forest carbon stocks changes, and forest carbon accounting. These projects will be taken at

locations that cover different forest types and socio-geographic regions of the country. For example, project on conservation can be taken up in the Western Himalayan region comprising States of Uttarakhand, Himachal Pradesh and Jammu and Kashmir, whereas Western Ghats should be suitable to test the concept of SMF. EFCS project can be taken up in any of the States registering increase in forest and tree cover according to SFR 2009.

6. Finances

Paragraph 77 and 78 of the of AWG-LCA outcome document requests the parties to explore financing options for full implementation of the results based actions in the context of national strategies or action plans, policies and measures, and capacity building. India reiterates its position of favouring a flexible combination of market based and non-market based approaches. Separate financial approaches need to be adopted for providing positive incentives for the two types of carbon stocks under REDD plus regime as under

- (a) Change in carbon stocks
 - (i) Incremental carbon stocks
 - (ii) Reduced deforestation
- (b) Baseline carbon stocks

The financial mechanism for providing positive incentives for (a) change in carbon stocks, and (b) baseline stocks is proposed to be as under:

- (i) A market based approach for fluxes with respect to a reference level for actions mentioned in paragraph 70 (a) Reducing emissions from deforestation; (b) Reducing emissions from forest degradation; (d) Sustainable management of forest¹; and (e) Enhancement of forest carbon stocks; of the AWG-LCA Cancun document
- (ii) A non-market based approach for stocks with reference to actions mentioned in paragraph 70 (c) Conservation of forest carbon stocks²; (d) Sustainable management of forest²; of the AWG-LCA outcome document

Definitions, modalities, rules and guidelines relating to REDD plus mechanism including establishment of the market and non-market based financial approaches for disbursement of positive incentives need to be finalized early, and placed before the COP in its 17th Session at Durban.

¹ When the activity results in increase of forest carbon stocks

² When the activity results in maintaining the present level of forest carbon stocks, i.e., when there is no increment or decrease in forest carbon stocks.

Paper no. 4: Iran (Islamic Republic of)

Submission by the Islamic Republic of Iran on

UNFCCC/AWGLCA/2010/L7

Outcome of the work of the AWGLCA: IV. Finance, technology and capacity-building,

A. Finance – Fast-start finance, Paragraphs 95 & 96

UNFCCC Secretariat,

The Islamic Republic of Iran would like to communicate the following submission regarding paragraphs 95 and 96 of the document UNFCCC/AWGLCA/2010/L7.

Para 95:

In Accordance with the Article 8 of the Convention, the Parties shall give full consideration to what actions are necessary under the Convention, 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 adverse effects of climate change and / or the impact of the implementation of response measures. All developing countries, whether small or large, are vulnerable to the adverse effects of climate change or the impact of response measures to this great challenge. Many developing countries in our region are highly prone to natural disasters, and vulnerable to scarcity of water resources and drought, frequent sand and dust storms, diminishing agricultural products and lack of food security, deforestation, desertification and loss of biodiversity, air and sea pollution. Therefore, It is crucial to provide easy access and facilitate flow of fast-start financial resources to these countries.

Regarding provision of financial resources for mitigation and other related actions in developing countries, the large developing countries, including those in our region, have great potential for mitigation actions. To enable those countries to take specific mitigation actions, it is vital to provide sufficient financial resources and easy access to environmentally sound technologies, through supporting the development and enhancement of endogenous capacities and technologies, and transfer of such technologies and know-how to those countries to stimulate related activities.

Para 96:

The Islamic Republic of Iran is concerned with the current modalities of having access to financial resources by developing countries and is looking forward to the outcomes of the Transitional Committee of the Green Fund meetings during 2011 for an improved, fair and more efficient funding mechanism, with easy access to financial resources, regardless of the political observations.

Paper no. 5: Japan and United States of America

Japan-U.S. Submission on the Request for Proposals to Host the CTC&N

Japan and the United States are committed to operationalizing the Climate Technology Centre and Network (CTC&N) as soon as possible, in the context of a balanced outcome at COP-17 in Durban. This submission outlines our views on the key elements of a COP decision on technology as well as providing additional text that we believe should be included in the call for proposals in order to provide the appropriate amount of context and guidance for prospective host(s). To that end, we believe that the primary focus of the technology group in the lead up to, and in Durban, should be to finalize the request for proposals to host the CTC&N.

If designed and implemented correctly, we believe that the CTC&N will be an extremely important and effective tool to help provide for the dissemination of mitigation and adaptation technologies to developing countries. However, the challenge the UNFCCC has before it, is to ensure that the call for proposals allows for the CTC&N to be designed and implemented in an effective way. Building off of the Bonn technology text, we have tried to ensure that the CTC&N is designed to work and have tried to find the balance between providing clarity on the vision of the CTC&N to prospective host(s) and being overly prescriptive on the eventual structure of the CTC&N in order to encourage creativity and innovation in the responses from prospective hosts.

Most of the edits should not be controversial, as they are technical in nature and focused on three key areas:

1. Providing greater detail on the vision of the CTC&N,
2. Specifying the information we believe should be included in the proposals, and
3. How the proposals will be evaluated.

These three areas provide a level of detail that is common in calls for proposals, and the feedback we have gotten thus far is that detail is required in order to ensure high quality and comparable responses to host the CTC&N. For example we have provided additional thoughts on the relationship between the Center and the Network and how the Center can provide oversight to the Network's efforts in a way that is transparent and provides accountability. We have requested the additional information to be included in proposals so that prospective host(s) can demonstrate they possess the capacity, experience, and capabilities to make the CTC&N work. We have also suggested specific criteria for how the proposals will be evaluated including the proposal's technical approach, management plan, experience and capabilities, cost, and in-kind resources to be provided.

However, elements of this submission will require further discussion. For example, we have proposed that the Center be governed by a governing body, constituted by the host organization. We believe that this allows for the host organization to more closely interact with and guide the CTC&N in a way that is consistent with the prospective host's existing governance. Prospective hosts will likely be more willing to make a proposal if they are permitted to have active input into the governing structure.

Another issue that will likely require discussion in the lead up to Durban is the process by which a host for the CTC&N will be selected. Cancun gives a mandate to develop the criteria by which proposals will be evaluated, but it does not specify who should make that decision. This submission outlines our view that there should be a selection committee that sends its initial determination of a prospective host for approval by the Subsidiary Bodies and the COP.

The United States and Japan look forward to working with all interested Parties to ensure that the CTC&N can be as effective as possible. It is our belief that this text puts us in a position to finalize the text for the call for proposals in Durban so that the Technology Mechanism can be fully operational as soon as possible.

Draft Decision Text for Technology in Durban

Whereas 1/CP.16 establishes a Technology Mechanism consisting of the Technology Executive Committee (TEC) and the Climate Technology Center and Network (CTC&N);

Recalling that the functions for each of these bodies are also specified in 1/COP.16;

Noting that 1/CP.16 decides that the COP, at its seventeenth session, should consider the procedures and the modalities for the Technology Executive Committee;

Recalling that 1/CP.16 also underlines that this year's dialogue has been with a view to taking a decision on, among other things, a call for proposals to host the Climate Technology Center and Network and the criteria to be used to evaluate and select a host of the CTC&N;

Decides to adopt the rules of procedure and the modalities of the TEC as outlined in Annex 1;

Requests the UNFCCC Secretariat to issue the call for proposals to host the CTC&N that will be comprised of Annex 2 to this decision as well as any additional information as mandated by UN procedures. In issuing the call for proposals from relevant organizations to host the CTC&N, the Secretariat is requested to:

- Provide relevant information to interested organizations and the detailed elements of how the proposals should be structured;
- Receive the proposals from relevant organizations and compile executive summaries to be distributed to Parties; and
- Make entire proposals available to Parties on the UNFCCC website.

Invites institutions interested in submitting proposals to host the CTC&N to do so;

Requests that the UNFCCC Secretariat to convene a selection committee of six members (three expert nominees put forward by Annex 1 Parties and three expert nominees put forward from Non-Annex 1 Parties) to review the proposals and provide a consensus recommendation to the subsidiary bodies as to who should be selected as the host of CTC&N;

Decides that the Climate Technology Centre and Network should begin with an achievable scope of work and be flexible so that it can learn, adapt and expand its scope and reach over time in response to the needs of developing countries and the demands of the emerging international climate change regime;

Annex 2: Call for Proposals to host the Climate Technology Centre & Network

I. Elements of the Governance Structure and Terms of Reference for the Climate Technology Centre

A. Mission

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

B. Functions

2. The Climate Technology Centre and Network (CTC&N) shall perform the functions designated by the Conference of Parties (COP) as contained in decision 1/CP.16, paragraph 123 and the annex to this document.
3. In performing these functions, the Climate Technology Centre and Network will:
 - a. Involve stakeholders at appropriate stages in planning and undertaking its work;
 - b. Build on the experiences and lessons learned from the Technology Needs Assessment Process in assisting developing countries with identifying and prioritizing technology needs;
 - c. Balance consideration of mitigation and adaptation technologies consistent with the needs, requests, and capabilities of developing country Parties;
 - d. Maintain neutrality when advising on environmentally sound technologies for mitigation and adaptation;
 - e. Maximize the effective use of available resources and prioritize the allocation of resources, as appropriate.

C. Architecture

4. The Climate Technology Centre and Network will consist of:
 - a. A Climate Technology Centre, which will have a broad understanding of regional and sectoral issues and differences and how it will manage them.
 - b. A Network with the participation of relevant existing institutions. The Network may include:
 - i. Intergovernmental, international, regional and sectoral organizations and initiatives that may contribute to technology deployment and transfer;
 - ii. Research, academic, financial, non-governmental, private-sector and public-sector organizations, partnerships, and initiatives; and
 - iii. National technology centres and institutions.

D. Roles and Responsibilities

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

Climate Technology Centre

6. The Centre shall manage the process of receiving and responding to requests from developing country Parties and work with the Network to respond to specific requests from developing country Parties. The Climate Technology Centre will receive these requests from developing country Parties through a nationally designated institution

and/or individual. This institution and/or individual will serve as the official interface between developing country Parties and the Climate Technology Centre ,consistent with the country-driven approach of the Climate Technology Centre and Network and in a manner that builds in-country capacity over the long term. With regards to such requests, the Centre will, as appropriate:

- a. Receive, assess, evaluate, approve, refine, and prioritize each request and if appropriate determine a proposal will not be approved by the CTC&N for support;
- b. To the extent capacity exists within the Centre, respond directly to approved requests; and
- c. To the extent capacity does not exist within the Centre, mobilize and engage the technical assistance and support available in the Network to respond to approved requests in order of priority. The engagement of the Network may require the Centre to develop a scope of work, terms of reference and estimated project cost estimate that can be used to guide the engagement of the Network.

7. The Climate Technology Centre shall, oversee and manage the Network. In doing so the Climate Technology Centre will establish procedures for:

- a. Participation in the Network that will ensure that the Network is effective, efficient, open, transparent, inclusive, high-quality and cost-effective;
- b. Engaging the Network and individual Network Members to respond to specific projects that distributes the work efficiently, effectively, and transparently;
- c. Monitoring and evaluating the performance of the Network and Network Members to maintain quality control and to gather data and information needed to disseminate results, outcomes and lessons learned from each project; and
- d. Receiving and responding to any potential grievances raised by developing county Parties related to the performance of the Network and taking any necessary actions to resolve those grievances.

8. The Climate Technology Centre will also:

- a. Catalyse and facilitate the development and utilization of new and enhanced networks, partnerships and initiatives to respond to identified gaps and opportunities;
- b. Act as a knowledge centre by maintaining a highly accessible, interactive and user-friendly knowledge and information platform that will form part of the overall knowledge and information platform of the Technology Mechanism; and
- c. Facilitate broad dissemination of information and information sharing through information sharing platforms and compiling and disseminating technology information, and best practices and lessons learned through CTC&N activities.

Network

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

10. The relevant members of the Network, in undertaking actions, at the request and under the guidance of the Climate Technology Centre , will, inter alia:

- a. Deliver practical technical assistance in relation to issues including but not limited to, technology strategies, programmes, plans and cooperation projects;
- b. Assist developing country Parties as they seek to transform project, programme or policy concepts into proposals that meet the standards and criteria of international financial providers;

- c. Provide capacity-building and technical assistance for the preparation of country-driven planning across the stages of the technology cycle, for action on mitigation and adaptation, including stimulating technology innovation; and
- d. Provide advice, related capacity building and technical assistance on policy options that could encourage the more rapid adoption and diffusion of environmentally sound technologies and practices.

E. Governance of the Climate Technology Centre and Network

11. The Climate Technology Centre will be hosted by the organization selected by the COP, in accordance with the selection procedure and criteria contained in chapter II below. It will be independent and accountable to, and under the guidance of, the COP and its related bodies as delegated. The legal and administrative arrangements for hosting the Climate Technology Centre will be developed by the host organization for approval by the COP.
12. The Climate Technology Network, in undertaking work at the request of the Centre, will be responsive to and accountable to the Climate Technology Centre.
13. The Climate Technology Centre will be governed by a governing body, constituted by the host organization.
14. In constituting the governing body, the host organization will include appropriately knowledgeable representatives from civil society.
15. To facilitate linkages between the TEC and the CTC&N, the chair and vice chair of the TEC should be invited to attend meetings as ex-officio members.
16. The governing body, in governing the Climate Technology Centre and Network, will:
 - a. Ensure the accountability of the Climate Technology Centre and Network to the UNFCCC;
 - b. Develop operational criteria and guidelines for the CTC&N in line with the guidance provided by the UNFCCC and its related bodies as delegated;
 - c. Ensure effective management and planning, including smooth function of the Network, to meet the requirements of timeliness, appropriateness and responsiveness to requests from Parties, consistent with guidance provided;
 - d. Review and approve the budget, business plan, annual operating plans, and reports of the Climate Technology Centre and ensuring good business practices and prudent use of resources; and
 - e. Ensure the application of fiduciary standards, and legal and ethical integrity.

F. Organizational Structure of the Climate Technology Centre

17. The organizational structure of the Climate Technology Centre will be designed and managed to maximize the effectiveness and efficiency of its operations.
18. The Climate Technology Centre will be headed by a Director supported by a core team of professional and administrative staff, as required to meet its responsibilities and efficiently and effectively perform its functions.
19. The Director will be approved by and accountable to the governing body for the effectiveness and efficiency of the Climate Technology Centre in carrying out its functions.

20. As soon as practicable after appointment, the Director will facilitate the timely recruitment of the staff of the Climate Technology Centre.
21. In addition to the core team of the Climate Technology Centre, the host organization, national governments and members of the Network are encouraged to second appropriately skilled experts to the Climate Technology Centre on a fixed-term basis. Secondment arrangements will be made in such a manner as to avoid and manage conflicts of interest.

G. Budget, Financial Means and Estimate of Expected Funding

22. The funding for the core operating budget of the Climate Technology Centre should be sufficient to ensure its effective operation.
23. In-kind contributions from the host organization and participants of the Network will also help support the CTC&N.

H. Reporting and Review

24. The Climate Technology Centre shall provide an annual report, approved by the governing body, to the COP through the subsidiary bodies in accordance with the interim reporting arrangements contained in decision 1/CP.16, paragraph 126, of the COP.
25. The report will contain all the information necessary to meet the principles of accountability and transparency required by the UNFCCC, and shall also include information on the requests received and activities carried out by the CTC&N, information, on the 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.
26. The COP will undertake an independent review of the effective implementation of the Climate Technology Centre and Network after three years after the CTC&N's 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 COP. Subsequently, periodic independent reviews of the effectiveness of the Climate Technology Centre and Network will be conducted every five years.

I. Term of Agreement

27. The initial term of agreement to host the CTC&N will be for three years, with two three-year renewal options. Following the renewal options, there could be a new solicitation to host the CTC&N or there could be further renewal options if so decided by the COP.
28. The renewal of agreement is subject to the host organization fulfilling its functions laid out above and its responsiveness to direction given to it in paragraph 25 above.

II. Procedure for Call for Proposals and Criteria to be used to Evaluate and Select the Host of the Climate Technology Centre and Network

A. Evaluation and Selection Procedure for the Climate Technology Centre

29. The procedure for selecting the host of the Climate Technology Centre and Network will be conducted in an open, transparent, fair and neutral manner in accordance with the United Nations practices, in order to enable the Technology Mechanism to become fully operational, and will contain the elements described below.
30. A selection panel of three Annex 1 Parties and three non-Annex 1 Parties to the UNFCCC will evaluate proposals in accordance with Section B of this RFP and recommend to the Subsidiary Bodies a recommended host organization. The submitted information will be evaluated by the technical evaluation panel using the technical criteria below:
31. The selection panel shall review proposals based on the categories and their respective weights below:

SUMMARY TABLE OF GENERAL CRITERIA AND ASSOCIATED EVALUATION WEIGHTS:	
Technical Approach	20
Management Plan	25
Present/past Experience, Expertise, and Capabilities and Record of Sound Financial Management	30
Cost Effectiveness	10
In-Kind Resources to be Provided	15
Total	100

B. Information Required to be Included in the Proposal

32. The prospective host's proposal must address how the prospective host has performed work similar to that described in the Statement of Work as well as how they will excel in conducting this work if selected. Failure to include all information as specified or to organize the proposal in the manner prescribed may result in rejection of the proposal as being non-responsive.

CONTENT AND ORGANIZATION OF THE PROPOSAL

33. Prospective hosts of the Climate Technology Centre must provide information in their proposals demonstrating how they will implement the terms of reference contained in chapter I. The proposal should be organized to respond to the outline of the evaluation criteria. In addition to the information listed above information required includes:

a. Technical Approach

The proposal must address two key areas relating to the prospective host's technical approach, including:

I. Understanding of issues relating to technology transfer and diffusion:

- i. The potential role of regional Centres and the proposed organization at the regional and subregional level;
- ii. Present a comprehensive understanding of challenges and opportunities in developing countries in the context of the development, transfer and diffusion of technology and the necessary/needed technical services along the entire technology cycle;
- iii. Describe realistic measures to be taken and a clear strategy for promoting sustainability through the development of local technical capacity; and
- iv. How the CTC&N can be an effective tool to diffuse climate friendly technology.

II. A strategic approach to setting up and operating the CTC&N:

- i. The overall vision of the prospective host for the Climate Technology Centre and Network and how to accomplish the mission as contained in chapter I.A;
- ii. Challenges in the development, set up and administration of the CTC&N;
- iii. A plan and schedule for initiating the rapid startup of the center and network including the recruiting of essential staff (for the Centre) and securing working space and facilities necessary for the Centre to become operational;
- iv. The proposed modalities and delivery mechanisms to operationalize the functions of the Climate Technology Centre and Network, including the information in paragraph 6 in order to ensure scarce resources are allocated where they have a long-term sustainable impact;
- v. Understanding of regional and sectoral issues and differences regarding specific technology information; and
- vi. An initial indication of how the host would structure the Network and involve a wide range of other relevant organizations, initiatives and the private sector in the Network.

b. Management Plan

The Management Plan shall include the following elements, inter alia:

- i. The proposed organizational arrangements, including a staffing plan and organizational chart for the CTC&N, management systems, team members and methodological approaches, such as how the Climate Technology Centre and Network would prioritize its work and allocate its resources in an effective and efficient manner;
- ii. Administrative and legal arrangements, logistics and infrastructural services to be provided by the host including management of potential liabilities and legal risks;
- iii. How the CTC&N will create and maintain relationships with developing countries to ensure effective and efficient lines of communication for assistance solicitation;
- iv. A Performance Monitoring Plan that provides details on how the host organization will provide oversight, monitor and evaluate the performance of the CTC&N and identify and make mid-course corrections to resolve issues or problems and improve project performance, results and outcomes;
- v. How the CTC&N will interact and coordinate with other development assistance organizations (e.g., donor organizations) to minimize redundancy; and
- vi. A draft charter for the governing body which includes operational modalities of the governing body, as well as frequency of meetings and venue, length of term, term limits, removal and replacement criteria and procedure, voting rules, etc. as well as a notional position description for the director of the CTC&N.

- c. Present/past Experience, Expertise, and Capabilities and Record of Sound Financial Management:**
The proposal shall describe the prospective host's institutional experience, expertise, and capability along with a documented record of sound financial management as described in the two main categories below:
- I. Institutional Capacity, Experience, and Capabilities**
 - i. Capability to manage complex projects and worldwide/regional/in-country contracts/etc.; work effectively with different clients and interest groups toward shared and complementary objectives; manage and administer large and small, short- and long-term, projects in developing countries, and to manage any associated potential liabilities and legal risks;
 - ii. Capability to leverage current relationships and assemble technical assistance teams, including subcontractors, place them in the field in a timely manner, and provide them with all necessary support; simultaneously manage multiple assistance projects involving collaborative efforts drawing upon multi-disciplinary skills; and manage cross-sectoral teams of experts, in-country contractors, and private sector entities;
 - iii. Capability to build host-country capacity and facilitate the transfer of technology and technology diffusion in developing countries;
 - iv. Description of relevant projects/activities including functions that overlap with CTC&N; and
 - v. Work done in a broad range of regions in the world including scope of current operations (regional offices/bureaus that could support the CTC).
 - II. Fiscal Management**
 - i. The prospective host must provide background information and documented experience in the management of large sums of money over several years as well as experience in preparing detailed budgets, financial plans, and working within constrained and potentially fluctuating budgets without compromising quality.
- d. Cost Effectiveness**
- i. Percentage of overall operating budget to be used for administrative costs, infrastructure, budgetary support, human resources, and overhead.
- e. In-Kind Resources to be Provided**
- i. Commitment of resources from the host (e.g. financial, in-kind, staff, infrastructure, budgetary support, expertise and human resources); and
 - ii. Information on the business model for the Climate Technology Centre that will enable its financial sustainability.

ANNEX 1: FUNCTIONS OF THE CTC&NAS OUTLINED IN PARAGRAPH 123 OF 1/CP.16

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

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

Paper no. 6: Poland and the European Commission on behalf of the European Union and its member States

Draft EU language for a decision¹ on development and transfer of technologies

This submission is supported by Albania, Croatia, Iceland, the Former Yugoslav Republic of Macedonia, Montenegro and Serbia.

Warsaw, 20th September 2011

NOTE:

The EU recognizes many helpful elements in the note by the facilitator on the work of the AWG-LCA contact group on Technology development and transfer during the session in Bonn (7-17 June 2011). This note could be a basis to facilitate further negotiations.

This submission was prepared by the EU with the intention to provide textual elements complementing the facilitator's note and further clarifying the EU views, while trying to be faithful as much as possible to the structure of the facilitators note.

The Conference of the Parties,

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

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;

Recalling its decision 1/CP.16 establishing a Technology Mechanism;

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;

Underlining the importance of nationally determined technology needs, based on national circumstances and priorities and the setting of appropriate enabling environments to scale up the development and transfer of technologies in developing countries;

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

1. *Adopts* the terms of reference for the Climate Technology Centre and Network, as contained in paragraphs 9 to 20 of this decision;
2. *Adopts* the procedure for call for proposals and criteria to be used to evaluate and select the host of the Climate Technology Centre, as contained in paragraphs 21 to 24 of this decision;

¹ The EU distributes this text as a suggestion in order to move forward the discussion. It does not necessarily reflect the full EU position.

3. *Decides* that both components of the Technology Mechanism shall facilitate the implementation of the objective set out in paragraph 113 of decision 1/CP.16, in line with their respective functions already agreed in 1/CP.16 and consistently with the mandate of the Technology Executive Committee, contained in Annex V of decision 1/CP.16 and the Terms of Reference for the Climate Technology Centre and Network contained in paragraphs 9 to 20 of this decision, respectively.
4. *Decides* The Technology Executive Committee and the Climate Technology Centre shall achieve coherence and maintain interactions with other relevant institutional arrangements under and outside the Convention, notably by promoting synergies and consultations between the Technology Executive Committee and the Adaptation Committee, as appropriate, or by consulting and seeking input from other international relevant organizations
5. *Welcomes* the nomination of the members of the Technology Executive Committee, as presented in Appendix X and adopts its presented modalities, procedures and the work programme for the 2012-2013 biennium;
6. *Requests* the Secretariat to launch the procedure for call for proposals to host the Climate Technology Centre consistently with the provisions contained in paragraphs 21 to 23 of this decision, starting in January 2012 and to be concluded in April 2012, and to compile and undertake an initial assessment of the proposals taking into account the selection criteria contained in paragraph 24 of this Decision to host organisations to be made available for the SBI prior to its 36th Session;
7. *Requests* the SBI at its 36th Session to decide the host institution of the CTC.
8. *Agrees* to further pursue the implementation of the Technology Mechanism and its two components with the view to make it fully operational as early as possible in 2012;

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

A. Mission

9. The mission of the Climate Technology Centre and Network is to stimulate technology cooperation and provide technical assistance, information, training to developing countries at their request, in order to build or strengthen their capacity to identify technology needs and to facilitate the preparation of technology projects and strategies to enhance low emissions and climate-resilient development.

B. Architecture

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

C. Respective roles and responsibilities of the CTC and the Network

11. The functions of the Climate Technology Centre and Network are defined in paragraph 123 of 1/CP.16. Based on these functions the roles and responsibility of the CTC shall consist of :
 - establishing and maintaining the Network by connecting a range of relevant institutions such as national, regional and sectoral technology centres as well as other stakeholders, such as non-governmental organisations, academia, research and business communities, as well as other international organisations,
 - fostering partnerships through involving stakeholders and catalyzing the development of new and enhanced partnerships;
 - engaging with the members of the Network, as appropriate, with a view to obtain information on the technology needs assessments and related activities performed on the ground that supported mitigation and adaptation action in developing countries;
 - facilitating technical assistance, capacity building and training programmes, in particular through the Network;
 - providing information on and facilitating access to the most appropriate technical assistance and support available in the Network on request of developing country Parties;
 - coordinating a roster of technology experts, and ensuring that all relevant fields of expertise are included in this roster, in order to serve the various needs of the Technology Mechanism;
 - stimulating the creation of tailor-made networks for specific requests;
 - making information available on existing programmes and initiatives within and outside the Network;
 - ensuring fair and open international tendering for any procurement of services, in particular through the Network;
 - ensuring cooperation and information sharing with the Technology Executive Committee as appropriate.

12. Based on the functions referred to in paragraph 11 the roles of the participants of the Network shall in particular consist of:
 - delivering the technical assistance on the ground in relation to technology strategies, programmes, plans and cooperation projects, while ensuring coordination with the country level;
 - providing information, training, capacity building and technical assistance for the preparation of country-driven planning, the identification of technology options (including TNAs) and the development of technology strategies, for the delivery of actions across the technology cycle, for mitigation and adaptation, including the further stimulation of innovation;
 - serve as and provide experts for the roster of technology experts;
 - making information available for the identification of potential funding sources.

E. Governance and organizational structure of the Climate Technology Centre and Network

13. The Climate Technology Centre shall have a lean cost-efficient organisational structure, within an existing institution, led by a Director that will manage a small team to be appointed by and responsible to the host organizations governance structure;
14. The Climate Technology Centre and Network shall operate independently within its Terms of Reference and be accountable to, and under the guidance of, the COP and its related bodies as delegated; it will also take into account the strategic guidance provided on an annual basis by the Technology Executive Committee;
15. The Climate Technology Centre shall establish annually a work programme in order to operationalise its roles as referred to in paragraph 11, while prioritising action on requests from developing countries, which are submitted through national focal points;
16. The evaluation of the operational performance, the auditing of budgetary performance, approval of budget, operating/business plans and reports, ensuring fiduciary standards, and legal and ethical integrity of the CTC should be ensured in accordance with the governance structure of the host.

G. Budget, financial means and estimate of expected funding

17. The costs associated with mobilizing the services of the Network shall be funded from various sources, for example possibly including the financial mechanism of the Convention, bilateral, multilateral and private-sector channels, as well as any in-kind contributions from the host organization and participants of the Network.
18. The Climate Technology Centre and Network shall begin its activities with an achievable scope of work and be flexible so that it can learn, adapt and expand its scope and reach over time in response to the needs of developing countries and the demands of the emerging international climate change regime.

H. Reporting and review

19. The Climate Technology Centre shall provide an annual report to the COP through the SBs, on its activities and those of the network and the performance of their respective functions; The Climate Technology Centre should also provide the Technology Executive Committee with an annual report on its activities and the performance of its functions, with a view to provide an input to the TEC, on its recommendations to the COP.
20. The report will contain information on the activities carried out by the Climate Technology Centre and Network, including information on requests received by developing country Parties and on the efficiency and effectiveness of the CTCN in responding to these requests. The report will contain all the information necessary to meet the principles of accountability and transparency required by the COP.

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

21. The procedure for selecting the host of the Climate Technology Centre and Network will be conducted in an open, transparent, fair and neutral manner in accordance with the United Nations practices, in order to enable the Technology Mechanism to become fully operational in 2012.
22. In accordance with the process mentioned in paragraph 6 of this Decision, the assessment of proposals for the host institution for the Climate Technology Centre shall be based upon the criteria listed below, which shall be reflected in the procedure for call for proposals.
23. The Secretariat may draw upon experts, as necessary to provide advice in conducting the work mentioned in paragraph 6.
24. Criteria to include:
 - (a) The ability to provide high quality administrative, infrastructural and logistic arrangements;
 - (b) A proven track record of several years of activities directly connected to the functions of the Climate Technology Centre and Network as referred to in paragraph 123 of decision 1/CP.16 and the roles of the CTC as referred to in the Terms of Reference of the Climate Technology Centre and Network (Appendix Y of Decision X/CP17)
 - (c) To have a cost-efficient organisational structure able to ensure effective implementation with appropriate regional focus;
 - (d) Demonstrated capability/experience in international multi-stakeholder cooperation, including especially involvement with the private sector, in development and transfer of environmentally sound technologies for adaptation and mitigation and the facilitation of networks ,
 - (e) Demonstrated capability to ensure fair and open international tendering for any procurement of services
 - (f) A transparent governance structure with the capability to ensure the evaluation of operational performance, the auditing of budgetary performance, approval of budget, operating/business plans and reports, fiduciary standards, as well as legal and ethical integrity.
 - (g) Maintain fiduciary standards and legal and ethical integrity that comply with the principles of the UN.
 - h) The host shall demonstrate competences and capabilities in the area of international cooperation in development and transfer of environmentally sound technologies for adaptation and mitigation.
 - (i) provide early indication of how it plans to approach and organize the Network.
 - (j) capacity and preparedness to provide some in kind contribution for the CTC operations

NOTE: further consideration on the selection criteria may take place in the way to Durban

Note: The EU can support section B, paragraph 32 of the facilitator's note on Information required to be included in the proposals.

SUBMISSION BY POLAND AND THE EUROPEAN COMMISSION ON BEHALF OF THE EUROPEAN UNION AND ITS MEMBER STATES

This submission is supported by Albania, Croatia, Iceland, the Former Yugoslav Republic of Macedonia, Montenegro and Serbia.

Warsaw, 20th September 2011

Subject: options and ways to increase the level of ambition of global mitigation actions

Summary

Mitigation action must be guided by the common objective of keeping temperature increases below 2°C. Whilst mitigation commitments and actions pledged so far take us part of the way towards a 2°C trajectory, a significant "ambition gap" exists.

This "ambition gap" problem is one of the most important issues for Durban – mitigation is an essential cornerstone of long-term cooperative action and Parties must take action to bridge the gap and deliver their common objective of staying below 2°C. In this context, to move forward global action on mitigation without delay, it is essential that Parties in Durban:

- acknowledge and quantify this "ambition gap";
- identify a list of options of potential means to address the gap (see suggested options in Annex 1 to this submission);
- agree on a clear process to examine these options with a view to a decision by COP18.

In addition, the processes of workshops to clarify pledges initiated in Durban should continue and become more focused.

Annex 2 to this submission outlines a proposal for draft decision text for Durban on these matters.

Our common objective to stay below 2°C must define our level of ambition

1. **The EU holds firmly to the common objective of keeping the global**

mean temperature increase below 2°C. It is fundamental that all countries cooperate to deliver this objective, and do their utmost, while respecting the principle of common but differentiated responsibilities and respective capabilities (CBDR and RC).

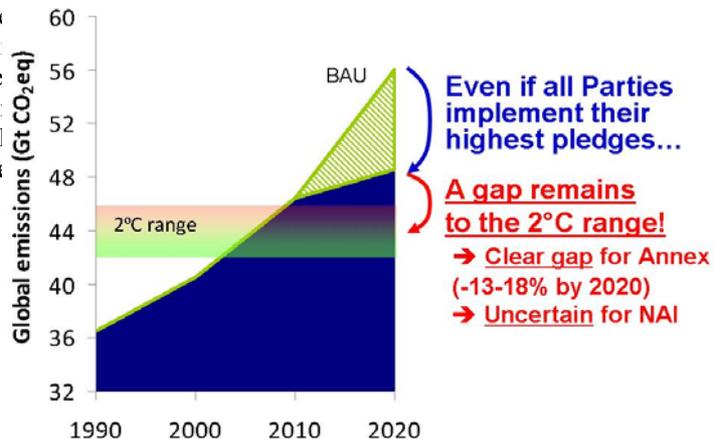
2. **This overarching goal must guide the level of ambition of mitigation action at the global level.** Consistent with the latest scientific findings, in particular the Fourth Assessment Report of the IPCC, staying below 2°C requires global emissions to peak by 2020 at the latest, and to be reduced by at least 50% by 2050 compared to 1990 levels. Developed countries should take the lead by reducing their emissions in the order of 30% by 2020 compared to 1990 levels (which is consistent with the range mentioned by the IPCC of 25-40%), and by reducing their emissions by 80 to 95% by 2050 compared to 1990 levels. But ambitious commitments by developed countries will not be sufficient and a substantial deviation from business-as-usual is required from developing countries, in the range of 15-30% by 2020.

Current pledges only take us part of the way and still need to be clarified

3. **The pledges put forward by Parties so far, in particular in the context of the Cancún Agreements, are a useful step forward** and they demonstrate the willingness of a large number of Parties to proactively engage in tackling climate change.

4. **However, we still need a lot of effort and international dialogue to understand these initial pledges**, as was made evident by the process of workshops initiated in Bangkok (April 2011) and Bonn (June 2011). The EU supports the continuation of these workshops to further understand the current pledges. At this point the EU draws the following initial conclusions from the analysis of pledges made so far.

5. **Clearly current pledges are insufficient at a global level. A significant "ambition gap" remains to stay below 2°C**, even if all Parties implement the highest pledges put forward so far and apply strict accounting rules, we achieve around 60% of the global effort required. **we would still have to identify ways to close a gap of about 5 GtCO₂e** to have a likely chance below 2°C. Therefore, to meet our objective this year, we need to **explore ways to increase the overall ambition.**



6. **For Annex I Parties, the insufficiency is clear and documented. Current pledges add up to a range of 10-15% by 2020 compared to 1990 levels**, which is far below the 25-40% expected.

7. **In addition, conditions are attached to several of the pledges**, including conditions regarding the contribution of other Parties to mitigation efforts². Finally, a number of **uncertainties have to be lifted**. Preliminary estimates show that without a decision to address AAU surplus from the first commitment period under the Kyoto Protocol, the aggregate mitigation efforts could be reduced by up to 16% of Annex I 1990 emissions or up to an equivalent 2.3 GtCO₂e. emission reductions by 2020; accounting rules for land-use emissions to be used by Annex I Parties also contribute to uncertainty – the mitigation effect of Annex I pledges could be lessened by up to around 4% of Annex I 1990 emissions or up to 0.7 GtCO₂e, depending on future LULUCF accounting rules.

8. **For Non-Annex I Parties, there is also a shortfall, and proposed emission reductions are uncertain. A lot of clarifications are needed** to be able to understand how far these proposed actions will take us. Preliminary estimates from various sources indicate that reductions below baseline levels will fall short of the 15-30% expected deviation from baseline trends – at this point, **best available estimates indicate that the deviation would be around 8% below BAU**, on the basis of NAMAs identified so far by Non-Annex I Parties. However, as more countries are in the process of elaborating NAMAs further and uncertainties get clarified, this estimate will have to be revised.

9. In addition, **a number of factors contribute to the uncertainty** about the extent of the shortfall, such as:

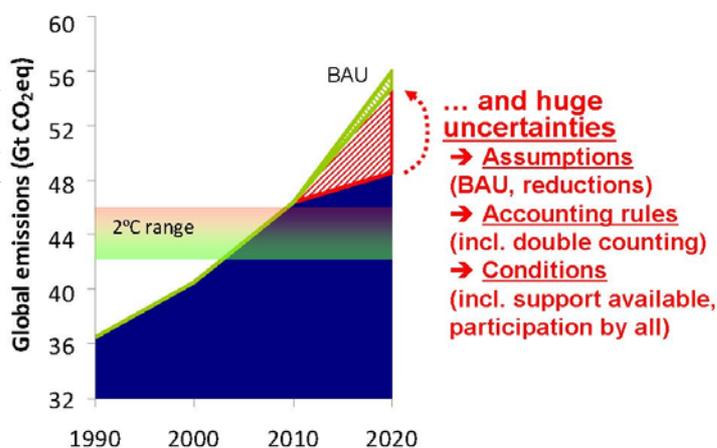
¹ The "Emissions Gap Report" from UNEP estimated that pledges if delivered at the high-end of ranges and with strict accounting rules would lead to a 2020 global emission level of 49 GtCO₂, representing a 7GtCO₂ reduction from BAU, or 60% of the way to 44 GtCO₂, a level consistent with a "likely" chance of staying below a 2°C increase.

² Both low-end and high-end estimates of Annex I reductions from pledges include the conditional pledges by Canada, Japan, US assuming conditions would be met; alternative assumptions would significantly reduce expected emission reductions (by up to 1.4 to 2 GtCO₂e depending on projections).

- a. Conditions and assumptions attached to NAMAs (including where pledges are formulated as ranges), e.g. provision of international support and reliance on the carbon market, and conditions regarding the contribution of other Parties to mitigation efforts³;
- b. Uncertainty about the scope of the pledge (e.g. sectors and gases covered) and baseline emission developments in "BAU" scenarios⁴;
- c. Uncertainties associated with pledges formulated as intensity targets⁵;
- d. Uncertainties about mitigation effect of proposed NAMAs⁶.
- e. Uncertainty about the possible contribution from REDD+ actions⁷;
- f. availability of international support.

10. Finally, **progress with implementing the pledges is uneven across countries**. Securing the full and timely implementation of pledges is fundamental, as UNEP report estimated partial delivery of the pledges risk to increase by 2 GtCO₂e the 5GtCO₂e gap we need to close to stay below 2°C.

11. **Overall, proposed emission reductions by An Non-Annex I are still highly uncertain**, and together for the different sources of uncertainty, risk to face a wider gap in 2020: 9 GtCO₂ in GtCO₂.



12. **It is critical, thus, to secure ex-ante transparency**

this point we do not have any common international accounting system⁸ to have common rules and metrics to compare the pledges and assess their associated emissions outcome. A lot of work remains to be done. The process of workshops to understand pledges has initiated this, but sustained efforts will still be necessary to ensure transparency. The processes of International Assessment and Review (IAR) and International Consultation and Analysis (ICA) defined in Cancún can also contribute to this international dialogue.

³ E.g. both low-end and high-end estimates of the gap to stay below 2°C include conditional pledges by Non-Annex I countries, assuming conditions related to international participation are met. Under alternative assumptions, the gap would marginally increase by around 0.3-0.5 GtCO₂e.

⁴ From country submissions, it is not always clear what baselines are referred to in pledges put forward, even when the choice of baseline is critical to deliver the intended contribution. Baselines in national communications, in national plans announced but not necessarily part of national communications and in national studies from governmental institute may differ. The uncertainty created by unclear baselines is sometimes as large as the estimated emission reductions from pledges.

⁵ E.g. emission intensity improvements referring to growth rates expressed in PPP or MER terms may translate in +/- 30% uncertainty in terms of expected emission reductions.

⁶ Accounting rules attached to Non-Annex I Parties pledges are generally not specified, making most of these reductions highly uncertain.

⁷ REDD+-related NAMAs could have a potential to cut by around 30%-35% projected 2020 LULUCF emission levels; however uncertainties on LULUCF emission levels are prevalent, and could make around half of Non-Annex I contributions to emissions reductions by 2020 highly uncertain.

⁸ See also our submission on the need for a robust, rigorous and transparent international accounting system

Durban must acknowledge and quantify the "ambition gap"

13. **The "ambition gap" problem is one of the most important issues for Durban** – mitigation is an essential cornerstone of long-term cooperative action and Parties must take action to bridge the gap and deliver their common objective of staying below 2°C.
14. **Acknowledging the existence of this "gap" at the global level will be a necessary step towards agreement on action to address this gap.** The Cancún Agreements already affirmed⁹ that "scaled-up overall mitigation efforts that allow for the achievement of desired stabilisation levels are necessary" in a general way; but it is now clear that the specific pledges put forward so far are insufficient at the global level, and this should be recognised officially in Durban.
15. **Parties should also agree, in Durban, on a shared understanding of the quantified scale of the problem of this "ambition gap".** It is worth noting that while the Cancún Agreements already "urge developed countries to increase the ambition of their economy-wide emission reduction targets"¹⁰, the scale of the problem has not yet been internationally quantified. [The abovementioned elements of quantification can contribute to this discussion.]

Durban must identify options to bridge the gap and define a clear process to do so

16. **A further step forward in Durban will be for Parties to identify a list of clear options that could contribute to bridging the ambition gap.** The EU has identified (see Annex 1) a number of possible options which could contribute to bridging the gap and which should be part of the elements to be identified in Durban.
17. **Parties should agree at Durban on a clear process to discuss how to address the "ambition gap" and prepare a decision for COP18 on this matter.** Durban should secure an agreement over a clear work programme, and a detailed timeline, to address the various options identified. This work programme should include working towards a shared understanding of the mitigation potential of each of these options. Such a work programme could consist of a process including technical papers to be compiled by the Secretariat, workshops with expert input focusing on emission reduction potentials and related means, consideration of means of cooperation and support to incentivize the implementation of additional mitigation actions.
18. It should be noted that **the 2013-2015 review will play an important role on these topics**, but discussions on options to increase the ambition level are essential and should be initiated immediately after Durban.
19. **To help in this quantified assessment process before Durban, Parties should consider giving a mandate to the UNFCCC Secretariat to compile existing information on the current ambition gap** (including research made by UNEP), and on the potential possible options for closing that gap, with a view to making it available to Parties. This should be decided in Panama and this information should be made available before Durban.

After Durban, we should also continue the processes of workshops to clarify pledges

20. **In parallel, the EU supports the continued organisation of workshops on mitigation pledges**, initiated in Cancún, in order to continue clarifying the pledges formulated so far. These workshops should move into a more specific and streamlined phase, focusing on detailed questions. In this context the EU would also see merit in Secretariat updating the technical paper detailing developed countries' pledges, and the compilation of a new paper, by the Secretariat, structuring the information provided by developing countries on their pledges.

⁹ Decision 1/CP.16, paragraph 2(a).

¹⁰ Decision 1/CP.16, paragraph 37.

Annex 1 – initial list of possible options and ways to increase the level of ambition:

On top of the effort to implement current pledges, EU proposes the following initial list of possible options and ways to increase the level of ambition:

- a. **Stepping up and over-performing on the current mitigation proposals in each country.** Parties that have formulated their pledges as ranges should be encouraged to move to the highest end of their pledge, and all Parties should be encouraged not to see these pledges as a straightjacket and to go beyond them – in many cases, significant low-cost mitigation opportunities exist with significant co-benefits that should be identified and tapped¹¹, and support mechanisms at the international level can be activated. Parties should therefore be encouraged to explore domestically what possible additional actions they could take¹², and to strengthen their mitigation proposals. It is also worth noting that some Parties have planned more ambitious mitigation actions domestically than they have communicated officially to the UNFCCC¹³ – there too we could find room for more clarity on each Party's intentions.
- b. **Encouraging those countries that have not yet done so to formulate pledges.** Countries with pledges currently represent around 83% of global emissions. This leaves around 8 GtCO₂ of emissions in countries with no mitigation pledges. Among these countries, some have domestic policies which may contribute to reduce national and global emissions. This potential is poorly known, however first conservative estimates indicate countries without pledges could contribute close the gap by around 0.5 GtCO₂ by 2020. Besides, many non-Annex I parties have formulated NAMAs for a few specific sectors of their economy, more countries could be encouraged to formulate REDD+-related NAMAs, to reduce non-CO₂ emissions in waste or agriculture, etc.
- c. **Increasing mutual trust to achieve a collaborative step-up of the level of ambition in all countries**, as it would ensure that the ambition gap is reduced from 9 to 5 GtCO₂e. Many Parties have indicated their intention to step up their pledges in the context of meaningful actions to be undertaken by other Parties¹⁴. To promote such collaborative moves, Parties should engage fully in providing transparency on their current pledges. Beyond that, the EU also believes that a global legally-binding agreement, by guaranteeing a long-term legal certainty, predictability and reciprocity, is the best tool to contribute to a collaborative step-up of ambition.
- d. **Further developing the global carbon market.** The EU has long advocated that market-based mechanisms are a very useful tool to increase the global level of ambition, by enhancing cost-efficiency thus enabling increased mitigation action in all countries, by involving developed and developing countries in a collaborative effort, and by generating significant financial flows to support action. The EU supports the improvement and reform of existing market mechanisms and the introduction of new market mechanisms to support actions at increased scale. At this point, most pledges formulated by developing countries do not explicitly refer to the intention to make use of such mechanisms, although many developing countries are engaging in pilot experiences or readiness activities. To make the best of these opportunities developing country Parties should be encouraged to come forward with proposals for market-based nationally appropriate mitigation actions; Durban should also

¹¹ For instance, G20 initiative about energy subsidies reform, driven by fiscal and economic policy considerations, revealed a potential to reduce global emissions by 2.4 GtCO₂ by 2020. There is still a significant potential to tap REDD+ opportunities and contribute to halve deforestation by 2050 reaping environmental, economic and social co-benefits attached.

¹² Bottom-up assessment confirmed it would be feasible to identify and implement mitigation measures in developing countries that would achieve at least as much as 4.5 GtCO₂ emissions without jeopardising growth, meaning that a 15 to 30% deviation from BAU by 2020 is feasible. See for instance the World Bank study on Brazil's low-carbon potential.

¹³ The UNEP report estimated 0 to 1.5 GtCO₂e additional emission reductions could be delivered by national plans more ambitious or comprehensive than pledges submitted.

¹⁴ The EU itself has articulated an offer to move to a 30% reduction below 1990 levels by 2020, provided that other developed countries undertake comparable commitments and that more advanced developing countries contribute adequately according to their responsibilities and respective capabilities.

establish a new market-based mechanism setting up clear common rules, and thus allowing a streamlined and efficient development of such tools at the national level in developing countries.

- e. **Providing appropriate support for NAMAs.** Developing countries should act based on their own resources, but the EU is convinced that they can also go further or act quicker when provided appropriate support. The EU, as the world's largest donor and a key provider of fast-start funding, already supports NAMAs and stands ready to continue to do so. Developing countries should urgently articulate their needs and solicit support wherever needed, to allow them to go further and contribute to bridging the ambition gap. Such support should complement their national efforts and help lift barriers to NAMAs, in line with their CBDR and ensuring cost-efficiency.
- f. **Addressing emissions from international aviation and maritime transport.** To stay below 2°C, all sectors should contribute. But at this point international aviation and maritime transport are not contributing their fair share¹⁵, whereas significant reduction potential exists, in many cases from negative cost measures. A 2009 IMO report estimates that 250 MtCO₂ reductions in 2020 are achievable with no-regret measures (with an uncertainty range from 130 to 360 MtCO₂). The potential in the international aviation sector is not yet fully estimated; preliminary conservative estimates indicate the sector could achieve at least 110 MtCO₂ reductions by 2020. The EU has been pursuing reductions through ICAO / IMO and UNFCCC to develop robust targets and measures to reduce emissions in these sectors. While the EU welcomes progress made at the recent IMO MEPC 62 meeting, more efforts are needed to tap emissions from these sectors. The UNEP report estimates a potential to close the gap by 1.3 GtCO₂e with mitigation actions considered by ICAO/IMO. Active engagement by all Parties to find solutions to address these sectors will be required to contribute to bridge the global ambition gap. In addition, these sectors have a significant fund-raising potential (USD 3-25 billion yearly according to the Advisory Group on Finance's assessments).
- g. **Addressing emissions from HFCs.** Similarly, the EU considers that to bridge the ambition gap, urgent action is required to tackle emissions from HFCs (hydrofluorocarbons) – the increase in use of HFCs as substitutes to ozone depleting substances phased out under the Montreal Protocol is representing a major threat for the climate system, and its phase down could represent up to 8.5 GtCO₂-eq by 2050, i.e. between 9 and 19% of projected global emissions. However, environmentally sound alternatives are already available for most sectors, and the EU is convinced that the Montreal Protocol can drive a global transition of the relevant sectors to low-carbon technologies by incorporating a phase-down schedule for production and consumption of HFCs based on the model followed for ozone depleting substances. HFCs can contribute significantly to bridging the gap by 2020: up to 1.3 GtCO₂ could be saved annually by 2020 if we act now. And the reductions of HFCs are foreseen to be even greater after 2020, and could add around 25 GtCO₂ saved between now and 2030 and more than 100 GtCO₂ saved between now and 2050. All Parties in the UNFCCC should therefore encourage this highly effective action.

¹⁵ Emissions from international aviation are due to triple by 2020 compared to 1990 (ICAO) and emissions from international maritime transport are due to more than double by 2050 (IMO)

Annex 2: elements for a draft decision text (could be part of a broader mitigation decision)

The Conference of Parties

1. *Recalls decision 1/CP.16* that deep cuts in global GHG emissions are required according to science with a view to reducing global average temperature below 2°C above pre industrial levels;
2. *Takes note* of the proposals for mitigation commitments and actions currently put forward by Parties;
3. *Calls* on Parties to take steps without delay towards the implementation of mitigation policies, with a view to progress towards achieving the 2°C objective;
4. *Acknowledges* that these proposals do not add up to the necessary level of ambition to achieve the objective established in the Cancún Agreements (decision 1/CP.16) to hold the increase in global average temperature below 2°C compared to pre-industrial levels, and that a significant gap of [X Gt / X%]* remains to be bridged between the mitigation commitments and actions put forward by Parties to 2020 and this objective;
5. Urges Parties to consider the adequacy of their proposals in light of the overall global efforts required for cost effective global emissions pathway that is consistent with the 2°C objective;
6. *Decides* to establish a process to discuss how to address this "ambition gap" and prepare a decision for COP18 on solutions to that end, based, inter alia, on the options outlined below and *notes* that Parties should, in the process, strive to reach a shared understanding of the mitigation potential of each of these options:
 - a. Encouraging over-performing on or stepping up of the current mitigation proposals in each country;
 - b. Encouraging those countries that have not yet done so to formulate pledges;
 - c. Increasing mutual trust to achieve a collaborative step-up of the level of ambition in all countries;
 - d. Enhancing and broadening the global carbon market;
 - e. Providing appropriate support for nationally appropriate mitigation actions;
 - f. Addressing emissions from international aviation and maritime transport;
 - g. Addressing emissions from hydrofluorocarbons;
7. *Requests* Parties and observer organizations to submit their views on options to increase the level of ambition, including on the issues above, before XX 2012,
8. *Requests* the Secretariat to prepare a synthesis paper on current information on the scale of the emissions gap, and on the potential of various options to bridge this gap, including on the views submitted above, with the aim of facilitating the understanding of Parties on these matters;
9. *Decides* that the processes of workshops on mitigation pledges initiated in decision 1/CP.16, paragraphs 38 and 51, should continue, in order to provide concrete examples from Parties and inform the negotiation process;
10. *Further decides* that these workshops will be made more specific and streamlined, focusing on detailed questions to be circulated in advance of each workshop by the UNFCCC Secretariat;
11. *Requests* the UNFCCC Secretariat to update the technical paper detailing developed countries' pledges, and to set up a new technical paper structuring the information provided by developing countries on their pledges so far.

* Cf Updated UNEP report on the mitigation gap.

Paper no. 8: Poland and the European Commission on behalf of the European Union and its member States

SUBMISSION BY POLAND AND THE EUROPEAN COMMISSION ON BEHALF OF THE EUROPEAN UNION AND ITS MEMBER STATES

This submission is supported by Albania, Croatia, Iceland, the Former Yugoslav Republic of Macedonia, Montenegro and Serbia.

Warsaw, 20th September 2011

Subject: Need for a rigorous, robust and transparent international accounting system

Why we need a rigorous, robust and transparent international accounting system

1. The EU holds firmly to the commonly agreed objective of keeping the global mean temperature increase below 2°C. To secure this objective, the EU believes that **an internationally agreed rules-based system is crucial**¹.
2. In this context **a rigorous, robust and transparent international accounting system is indispensable**. By "accounting system" we mean a number of internationally agreed rules and methodologies defining ex ante how countries would account for their emissions and their emission reductions (i.a. which GHG emissions and removals are taken into account, how the emission reductions for such targets are calculated), what flexibilities can be used to achieve the target, as well as the international instruments and tools that underpin the accounting in concrete terms (e.g. common units).
3. Such **common rules are indispensable to ensure the comparability of commitments, assess the performance of Parties in meeting their targets, and to keep track of the aggregate performance** towards meeting the objective of staying below 2°C, and to underpin a robust carbon market. The recent Bangkok and Bonn mitigation workshops made it crystal clear that without any such rules, it is simply not possible to understand what the pledges put forward by Parties mean, let alone make an assessment of whether they are comparable. In the workshops, most Parties, including the EU, highlighted that common accounting rules will be necessary.
4. It is important to note that a common accounting system is a different question from the issue of MRV. **A common accounting system is a prerequisite to ensure that the MRV system can work** – without common rules, the information delivered by the MRV system cannot be aggregated to assess the performance of Parties and appropriately compared, and the MRV tools are left without a clear purpose of what should be measured.

¹ Cf. EU's submission on the need to increase the global level of ambition and options to do so.

Key principles for an international accounting system

5. **Common accounting rules need to be rigorous and robust** – they should define a reference framework ensuring a high level of environmental integrity. The system should be designed so as to enable countries to take more ambitious action, and be able to account for such action.
6. **Ex-ante transparency on accounting rules is essential to ensure predictability and integrity** – it is important that the intention from each Party is made fully clear before the implementation of the action, so that the impacts of those actions can be understood. This is necessary to reassure other Parties that action is significant and to encourage them to engage as well. An ex-post definition of accounting rules can undermine the credibility and environmental integrity of an accounting system if rules can be adjusted to ensure performance without delivering the necessary reductions in terms of emissions to the atmosphere.
7. **The importance of common accounting rules is clearly evident for quantified emission reduction targets, taken on by developed countries**, to ensure the comparability of those targets and enable the determination of the aggregate effort, in view of the necessary levels mentioned by the IPCC by 2020. But many developing countries have also put forward quantified pledges, in various forms – e.g. quantified emission reductions, deviation from business-as-usual pathways, intensity targets – and there too there will be a need to understand the pledges, and their contribution to the overall level of ambition. In addition, there will be a crucial need to avoid any "double counting" of emission reductions when determining the aggregate effort from all countries. Emission reductions should not be counted twice, which particularly calls for common rules in the context of new market-based mechanisms.

We are not starting from scratch – in particular the Kyoto Protocol accounting system is our reference

8. **Over time, through discussions in the context of the Convention and the Kyoto Protocol, Parties already defined a number of internationally agreed rules** – so we are not at all starting from scratch and we should make the best of past discussions and experience gained. For example, under the Convention, common rules underpin inventories submitted by Parties.
9. **Further, in the context of the Kyoto Protocol, Parties already set up a full-fledged international accounting system** for Annex B Parties' emissions and emission reductions.
10. **The Kyoto Protocol's accounting framework requires Parties to account for their emissions and emission reductions in accordance with a set of common rules**, including for the coverage of sectors and gases, LULUCF accounting, flexible mechanisms and carry-over of units to a next commitment period (banking). It also defined common instruments (e.g. common accounting units and International Transaction Log) to underpin international transparency.
11. **In this context, the Kyoto Protocol accounting framework is a reference as it:**
 - a. **Allows all countries to have a clear picture of the overall objective and individual country contributions thereto;**
 - b. **Allows transparency** – it provides ex-ante clarity on the meaning of a Party's target and makes it possible to compare commitments; it defines the objectives and elements which the reporting and verification system need to address to monitor progress;
 - c. **Enables all Parties to keep track of progress** – it provides Annex B Parties with a means to demonstrate progress against mitigation commitments in a way that will be internationally recognised and inspires confidence that a country's performance claims are correct;
 - d. **Contributes to ensuring environmental integrity** – by inter alia defining rules to frame the use of flexible market mechanisms, avoid double counting and avoid accounting for reductions not seen by the atmosphere.
12. In addition, **the current framework under the Kyoto Protocol provides for some flexibility on a limited number of elements**, to take into account national circumstances. For example, Article 3(4) allows Parties to

account for additional LULUCF activities as part of their demonstration of compliance with their KP obligations. Parties also have some flexibility in the choice of their base-year.

13. The EU however underlines that **the Kyoto Protocol accounting system needs further improvement. The EU has made concrete proposals to that effect, on which discussions are ongoing** in the context of the AWG-KP (cf. e.g. EU proposals on improvements to market-based mechanisms, gases coverage, LULUCF rules, banking, length of commitment periods).

Next steps – Durban and beyond

14. The EU believes that **we should dedicate significant time in the negotiation to have a structured discussion on the definition of a common accounting system**. The EU considers that this issue has thus far not been given sufficient attention.
15. **The need for a common accounting system clearly cuts across both AWG-KP and AWG-LCA tracks**. We need robust ex-ante clarity and transparency on the accounting rules to be applied to all commitments being taken, whatever the track in which they are currently being discussed. In this context, discussions should happen in the context of the AWG-LCA, in parallel and in coherence with the continuation of discussions on improvements to the Kyoto system taking place in the AWG-KP.
16. **The Durban package should include:**
- a. **an agreement to develop as soon as possible a rigorous, robust and transparent international accounting system, building on the Kyoto Protocol accounting system;**
 - b. **the identification of the key elements for this system;**
 - c. **and a follow-up process to elaborate its details, including a clear timeline.**
17. The Annex to this submission contains a proposal for draft decision text to that end.
18. In Cancún we agreed that International Assessment and Review (IAR) would be a process for international assessment of emissions and removals related to quantified emission reductions targets. To deliver the confidence and comparability we need, the IAR will need to be underpinned by a robust accounting system – therefore **the definition of the concrete modalities for IAR will need to build on the internationally agreed accounting system²**. This should also be recognised in Durban and a clear process should be defined to that end. Similarly, International Consultation and Analysis (ICA) should be linked to the international accounting system.

Unpacking the accounting system

19. **In Durban, Parties should "unpack" the accounting system**, and identify the key elements on which common rules need to be defined. For the EU, these elements include the transparent definition of common, robust rules on the following points:

Metrics and coverage	The target being accounted for – for developed countries, this is typically a QELRO. At this point in time, most pledges are expressed as a proposed reduction, or a range of proposed reductions, by 2020. In this context it is essential that the common accounting rules include the definition of a single reduction target by 2020.
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² Cf. EU's submission on International Assessment and Review.

	The emission reduction trajectory until the final year (2020), which should be clearly defined, with an indication of annual budgets for the accounting period – the EU has already defined its trajectory on a year-by-year basis in its domestic legislation; similarly we need to understand the expected trajectory from other countries to be able to compare efforts. This also relates to the ongoing discussions in the AWG-KP on the length of the commitment period. Such definition of emission reduction trajectories is also necessary for the regular process of International Assessment and Review (IAR) – intermediate budgets are essential to make any IAR exercise taking place before the end of the commitment period meaningful.
	The definition of a base year – is indispensable for a clear comparison of efforts between various countries. 1990 remains the main base year as stated in paragraph 6 of Decision 1/CMP.6.
	The gases covered – the 6 Kyoto Protocol gases are the reference, but discussions should continue on the rules for the inclusion of new gases.
	The sectors covered – for developed countries under the Kyoto Protocol, typically economy-wide emissions and sequestration in the LULUCF sector.
	The metric of accounting – tonnes of CO ₂ eq is the preferred metric.
	The Global Warming Potential – using the IPCC Fourth Assessment Report values.
	The inventory methodologies – using the IPCC 2006 guidelines.
Rules for allowable additions and subtractions	Land Use, Land Use Change and Forestry – common rules should be defined, building on the ongoing discussions under the AWG-KP.
	Market-based mechanisms – common rules should be defined to determine which credits will result from such mechanisms, and how they can be accounted towards a Party's performance. These rules should ensure environmental integrity ³ , at least based on the following elements: units are accounted in tons of CO ₂ equivalents, sufficient level of ambition is provided, risks of carbon leakage and perverse incentives are minimized, double counting is avoided, robustness of the market is ensured. This should build on the ongoing discussions under the AWG-LCA and AWG-KP.
	Banking rules – common rules should be defined, building on the ongoing discussions under the AWG-KP.
Instruments and tools	Units , materialising the allowance to emit GHGs (cf. AAUs)
	International tracking system for cross-border movements of units (cf. ITL)
	National registries

20. Provided that consensus could be reached on common accounting rules, the EU is open to explore whether clearly defined comparable, rigorous and robust approaches on specific issues could be introduced, subject to international oversight and ensuring environmental and market integrity.

³ Cf. EU's submission on a new market-based mechanism for developing countries consisting of a common core set of rules and procedures at the international level.

Annex: elements for a draft decision text

1. *Decides* to establish a rigorous, robust and transparent international accounting system for GHG emissions and emission reduction efforts, based on common rules, methodologies and tools, in order to ensure comparability of mitigation efforts, and to enable to keep track of overall progress in a coherent manner;
2. *Agrees* that Parties should seek to build closely on the multilaterally agreed rules, methodologies and tools currently in place;
3. *Decides* that common rules, methodologies and tools need to be defined, building on the Kyoto Protocol accounting system, inter alia on the following elements:
 - a. Metrics and coverage:
 - i. The target being accounted for, noting that a single figure by 2020 will need to be identified for developed countries;
 - ii. The emission reduction trajectory how the 2020 emission reduction target will be achieved, with the identification of annual targets with annual emission reductions expected over the period of accounting;
 - iii. The definition of a base year, with 1990 as the reference;
 - iv. The gases covered, with the Kyoto basket of gases as the reference;
 - v. The sectors covered, building on the sectors identified in the Kyoto Protocol and 2006 IPCC guidelines;
 - vi. The metric of accounting, using tonnes of CO₂eq
 - vii. The Global Warming Potential, using the IPCC Fourth Assessment Report values;
 - viii. The inventory methodologies, using the IPCC 2006 guidelines;
 - b. Rules for allowable additions and subtractions of other accountable elements:
 - i. Rules for the accounting of emissions and removals from Land Use, Land Use Change and Forestry;
 - ii. Rules for market-based mechanisms, defining credits resulting from such mechanisms and how they can be accounted towards a Party's performance;
 - iii. Rules for banking;
 - c. Instruments and tools
 - i. Units materialising the allowance to emit GHGs;
 - ii. International tracking system for cross-border movements of units;
 - iii. National registries to track the use and trade of units for each Party;
4. *Requests* the [subsidiary body] to develop modalities and rules for the abovementioned international accounting system and to propose a decision to the Conference of Parties for adoption at its eighteenth session;
5. *Notes* that the modalities for measuring, reporting and verification, including those relating to national communications and biennial reports from Annex I and Non-Annex I countries, International Assessment and Review and International Consultation and Analysis should take into account the agreed abovementioned accounting system.

Paper no. 9: Russian Federation

Dear Ms. Figueres,

In reference to Notification from 1 April 2011 (Ref. № CF/YV/ap) concerning the decision 1/CP.16, para 95, the Russian Federation would like to draw attention to the specificities of countries that are undergoing the process of transition to a market economy.

In line with Article 4 of United Nations Framework Convention on Climate Change, the developed country Parties and other developed Parties included in Annex II provide new and additional financial resources to meet the agreed full costs incurred by developing country Parties in complying with their obligations; assist the developing country Parties that are particularly vulnerable to the adverse effects of climate change in meeting costs of adaptation to those adverse effects.

The Russian Federation deems aforementioned provision as a basic principal for addressing the issue of financial assistance to developing countries.

In the light of decision 1/CP.16, para 95, the Russian Federation confirms its commitment to consider options of its contribution to finance and other support on the basis of principle of voluntariness and in accordance with the Concept of Russia's participation in international development assistance, which was approved by President of the Russian Federation in 2007. Volumes and forms of its contributions into financing climate actions will be defined by the Russian Federation.

Yours faithfully,

Dr. Alexander V. Frolov
Head of the Federal Service for Hydrometeorology
and Environmental Monitoring,
National Focal Point

Submission from Singapore to the Ad-hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) on Potential to Switch to Alternative Energy Sources

1 This submission is prepared as a follow-up to the discussions at the Bonn session of the AWG-LCA in June 2011 on:

- a) the need for the global goal for substantially reducing global greenhouse gas emissions by 2050 to take into account the mitigation potential of "alternative energy disadvantaged" Parties which have serious difficulties in switching to alternatives to the use of fossil fuels (Article 4, para. 10) as indicated in the Facilitator's summary of views presented at the informal consultations on Shared Vision dated 17 June 2011 under Agenda Item 3.1; and
- b) the invitation to Parties to submit views on the items relating to a work programme for the development of modalities and guidelines listed in document FCCC/AWGLCA/2010/L.7, paragraph 66, including with respect to the initial scheduling of the processes described in section III.B (Enhanced action on mitigation. Nationally appropriate mitigation actions by developing country Parties) under Agenda Item 3.2.2.

2 This submission elaborates on the importance for the UNFCCC negotiations to take into account difficulties faced by Parties in switching to alternatives to fossil fuels in considering their constraints in undertaking mitigation actions as recognised under Article 4.10 of the UNFCCC. As an example of a Party facing such difficulties, this submission highlights Singapore's constraints in switching to alternative energy sources.

Alternative Energy Disadvantaged (AED) Constraints

3 While renewable energy has great potential to contribute to mitigation actions, there is, however, a particular group of developing countries that confront serious limitations in using renewable sources of energy because of their size and physical attributes.

4 Mitigation commitments and actions must be informed by Parties' respective capabilities, as indicated by their ability to reduce the growth of greenhouse gas emissions through switching to alternative energies. Such ability is partially affected by their actions, but is also significantly predetermined by natural and geographical circumstances, such as size and location, with smaller countries facing greater limitations in accessing alternative energy.

5 This constraint is recognised under Article 4.10 of UNFCCC which recognises the special situation of Parties, particularly developing country Parties, "with economies that are vulnerable to the adverse effects of the implementation of measures to respond to climate change. This applies notably to Parties with economies that are highly dependent on income generated from the production, processing and export, and/or consumption of fossil fuels and associated energy-intensive products and/or the use of fossil fuels for which such Parties have *serious difficulties in switching to alternatives*" (italics included).

Singapore's AED Constraints

6 As a case in point, Singapore exemplifies the "alternative energy-disadvantaged" country. It lacks the natural endowments necessary to make use of non-fossil alternatives. Singapore's greatest limitation in switching from fossil fuels to alternative sources of energy is its small physical size and high population density. As an island city-state of only 700 square kilometres with no hinterland, Singapore is smaller than Lake Geneva in Switzerland and about one-fifth the size of Long Island in New York. Even cities like Tokyo, London and Sydney are two to three times larger than Singapore. As home to 5 million, it is in fact the second most densely populated country in the world. The shortage of land constrains the use of renewable energy sources and nuclear power in Singapore.

7 Singapore's small size, geographical location and other physical attributes leaves it with virtually no access to clean energy sources. Without a major river system, the option of hydroelectric power is completely unavailable. Singapore also does not have access to sources of geothermal energy. Its relatively calm seas mean that Singapore cannot harness tidal energy. Biomass, which is used by many countries as an alternative to fossil fuels, is also not viable for Singapore. Singapore already combusts much of its waste providing about 2% of its electricity needs but again due its small size, it does not have the necessary land space to cultivate biomass on the scale required for an energy source.

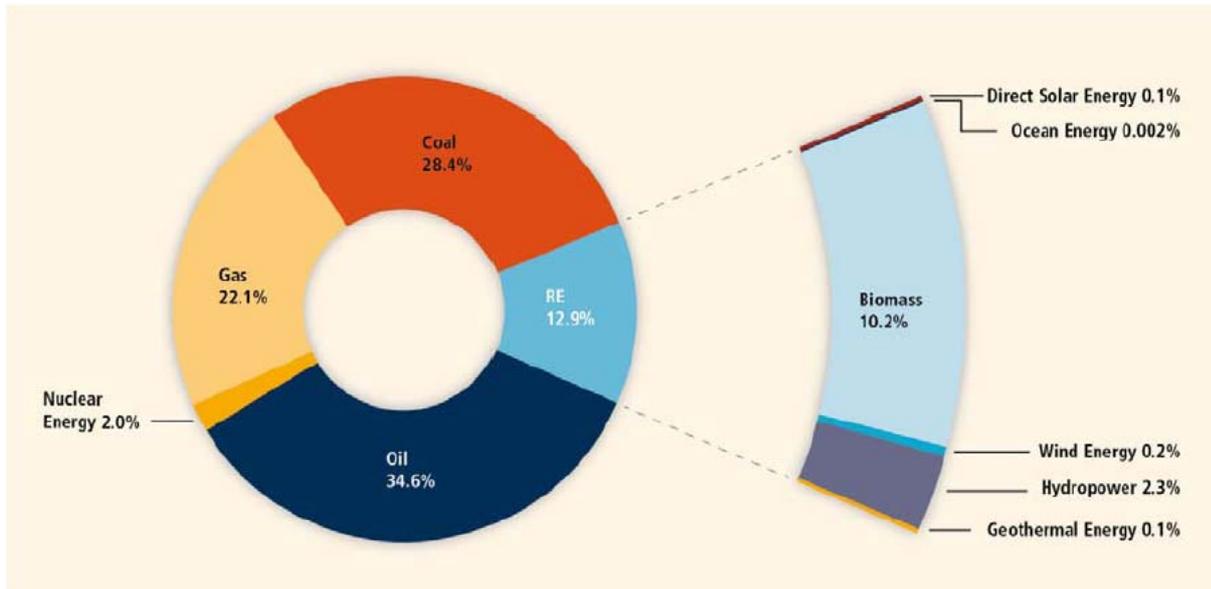
8 While nuclear energy is a source of low-carbon electricity, it poses considerable challenges in safety and waste disposal. As Singapore is a small densely populated city-state, any nuclear accident would have a catastrophic effect. This is unlike the situation in larger countries where land, often larger than the entire island of Singapore, can be set aside as safety buffer zones around nuclear reactors.

9 There is also limited potential for wind energy in Singapore. The average wind speed in Singapore is 2 metres per second (m/s) which is way below that of countries where wind power is a significant source of energy. Furthermore, in a densely populated city-state like Singapore, the lack of space makes the installation of wind turbines unfeasible. The adverse effects of wind farms such as noise would also be amplified, presenting a hazard to the health of its population.

10 The Straits of Singapore is one of the busiest international shipping channels in the world. Approximately a third of world trade and half of the world's oil supply passes through it. Each year 90,000 vessels pass through the Straits of Singapore of which more than 7300 are Very Large Crude Carriers (VLCC). At its narrowest width, the Straits of Singapore measures a mere 1106 metres, about twenty times narrower than the narrowest point of the Straits of Malacca. The installation of offshore wind turbines in the Straits of Singapore would obstruct the safe passage of vessels and curtail the flow of international trade.

11 **Solar energy is thus far the only renewable energy source available to Singapore.** Even here the severe restriction of physical size limits its use. Preliminary studies indicate that even with current technologies, compact solar photovoltaic panels installed on all suitable rooftop space, only a small proportion of Singapore's total energy needs will be met by 2020.

12 In this regard, the recent IPCC Special Report on Renewable Energy Sources and Climate Change Mitigation (SRREN) provides as a useful reference point on the potential of the various Renewable Energy (RE) sources in meeting the global demand for energy. The report noted that on a global basis, RE accounted for 12.9% of the total 492 Exajoules (EJ) of primary energy supply in 2008 (see below chart). The largest RE contributor was biomass (10.2%), with the majority (roughly 60%) being traditional biomass used in cooking and heating applications in developing countries. Hydropower represented 2.3%, whereas other RE sources accounted for 0.4%. Notably, **direct solar energy contributed 0.1%**. This suggests that the barriers to adoption of solar energy as a RE source continue to be a significant deterrent for the world in general, and most likely, would be even harder for small countries like Singapore with limited space for deployment.



Extracted from page 6 of IPCC Special Report on Renewal Energy Sources and Climate Change Mitigation: Summary for Policy Makers

13 The SRREN report however also notes that although direct solar energy provides only a very small fraction of global energy supply today, it has the largest technical potential of all energy sources. In concert with technical improvements and resulting cost reductions, solar energy could see dramatically expanded use¹ in the decades to come.

14 It is clear that further research and development of solar technology will be required before small countries can exploit solar energy in a significant way. Achieving continued cost reductions is the central challenge that will influence the future deployment of solar energy. Moreover, as with some other forms of renewable energy, issues of variable production profiles and energy market integration as well as the possible need for new transmission infrastructure will influence the magnitude, type and cost of solar energy deployment. In this regard, Singapore has invested considerable resources into solar development, and has also offered itself as a site for test-bedding solar technologies. For example REC, Renewable Energy Corporation, has made Singapore its home for one of the world's largest integrated solar manufacturing complexes.

Singapore's Early Actions

15 Singapore's early actions to mitigate the effects of climate change also limit its ability to undertake deep cuts in our greenhouse gas (GHG) emissions. For example, with the liberalisation of the electricity market, Singapore has moved significantly towards using natural gas as an electricity source. More than 80% of our electricity is already generated from gas-fired power plants using piped natural gas using highly efficient combined cycle technology. This is amongst the highest in the world. This however also means that Singapore's sources for natural gas have to come from neighbouring countries. To diversify its sources for gas imports, Singapore has started to import liquefied natural gas (LNG) and is building an LNG terminal which would be ready by 2013.

¹ The SRREN report's models on the projected global supply of solar energy provided a range of scenarios ranging from baseline scenarios, that is, without any climate policies assumed, in the range of today's solar primary energy supply of below 1 EJ/yr until 2050, to the most ambitious stabilization scenario category (where CO₂ concentrations remain below 440 ppm by 2100), where the median contribution of solar energy to primary energy supply reaches 5.9 and 39 EJ/yr by 2030 and 2050, respectively.

16 The combustion of fossil fuels for energy accounts for about half of Singapore's GHG emissions, most of it due to its key exporting industries such as refining, petrochemical, pharmaceutical and wafer fabrication industries. For instance, Singapore is one of the largest refining centres in the world and the three oil refineries account for about 20% of Singapore's total energy use. These oil refineries support Singapore's oil-trading hub, which serves the global market, and an extensive petrochemicals industry chain.

17 As an export-oriented economy, much of the energy used by Singapore's industry is not to make products for local consumption but rather products for export. Despite having an export-oriented, energy-intensive economy, Singapore ranks 124 of 140 countries in terms of CO₂ intensity (CO₂ per dollar GDP at 2000 prices), and its CO₂ intensity (0.33 kg CO₂ per dollar GDP) is less than half the world average (0.73 kg CO₂ per dollar GDP), according to the International Energy Agency (IEA). In other words, Singapore produces less carbon in the process of generating each dollar of GDP compared to most countries.

18 As natural gas emits 40% less CO₂ than fuel oil per unit of electricity generated, this has led to lower CO₂ emissions from the power sector. Singapore is also promoting renewable energy by investing in R&D and test-bedding to improve their performance and cost-effectiveness. This includes the setting up of research institutes, provision of funds and test-bedding platforms. Besides laboratory R&D, Singapore serves as a living laboratory for companies to launch pilots and demonstration projects before developing and delivering their technologies on a full-scale and commercial basis. In this regard, a CleanTech Park, the first eco-business park in Singapore or indeed in the region, will be the focal point for large-scale test-bedding demonstration of system level solutions.

19 Singapore's policy of not subsidising energy costs provides a market incentive for energy consumers to be more energy efficient. This policy, together with its energy efficiency efforts, has led to energy intensity improvements by 15% between 1990 and 2005.

20 At the pre-session workshop on the Scale of Emission Reductions ahead of the 5th Session of the AWG-LCA in March-April 2009, some Parties had highlighted that countries that have already taken early mitigation actions would have diminished ability to reduce greenhouse gas emissions further, all other things being equal. As these early mitigation actions have contributed towards the ultimate objective of the Convention as stated in its Article 2, these actions should be recognised. If Parties are disadvantaged by undertaking early actions (such as switching to cleaner alternative energies) because such actions are not recognised (Source: IEA (2010)), it creates perverse incentives to delay action instead. To enhance the implementation of the Convention, Singapore is of the view that early actions by Parties should be given due recognition and taken into account in Parties' mitigation efforts.

Per Capita Measures

21 In determining a country's mitigation responsibility or capability, Singapore has taken the position that the sole or primary use of per capita measures as indicators should be avoided. If used at all, such indicators should be balanced with other indicators. Per capita measures are inappropriate as they do not accurately reflect the historical responsibilities and domestic mitigation capabilities of countries. Small countries in particular are disadvantaged by the use of per capita measures. Due to their population sizes, the per capita GDP and per capita emissions of small countries are consequently inflated and do not accurately reflect the state and vulnerabilities of their economies or their contribution to global emissions. In absolute terms, the gross GDP and total emissions of these countries are insignificant. Many small developing countries have also only begun industrialisation in the last few decades. As such, they are only responsible for a small portion of the historical emissions. Instead of per capita measures, a wider and balanced set of indicators should be used to determine a country's responsibility and mitigation capabilities.

Singapore to push ahead on Energy Efficiency efforts

22 Despite Singapore's AED constraints, we remain committed to play our part in the global fight against climate change. As such, we will continue to push forward on efforts to increase the energy efficiency of the

main sectors of energy use to help mitigate GHG emissions in Singapore, particularly in sectors such as power generation, industry, building, transport and households. This includes pursuing actions in the following areas:

- a) Promoting the adoption of energy efficient technology and measures by addressing market barriers to energy efficiency;
- b) Raising awareness among the public and businesses so as to stimulate energy efficient behaviour and practices;
- c) Building capability to drive, sustain energy efficiency efforts and develop the local knowledge base and expertise in energy management;
- d) Promoting research & development to enhance Singapore's capability in energy efficient technologies.

Concluding Remarks

23 Singapore reaffirms its commitment to play its part in global efforts to combat climate change, if there is consensus by all countries to do so. The UNFCCC already recognises the need for specific consideration to be given to the heavy dependence on fossil fuels by many developing countries. This dependence on fossil fuels both as a source of income as well as the inability switch to alternative energy sources are recognised in Articles 4.8(h) and 4.10 of the Convention which call for full consideration to be given to such Parties in the implementation of the commitments of the Convention. This special consideration for the "alternative-energy disadvantaged" countries must continue to form part of any agreement taken by Parties to the UNFCCC.

24 In light of the above considerations, and in conformity with the Convention, Singapore proposes that the agreed outcome of the AWG-LCA must give full consideration to the national circumstances of Parties. This should include taking into account the following:

- a) Parties' lack of access to renewable energy and other non-fossil fuel alternatives;
- b) CO₂ intensity efficiency of export-oriented, energy-intensive industries (Note: More efficient economies are likely to have less scope for reducing GHG emissions at a lower cost); and
- c) Parties' domestic early actions to reduce GHG emissions. (Note: If Parties are disadvantaged by not having their early actions recognised, e.g. such as switching to cleaner alternative energies, there will be perverse incentives to delay action instead.)

WORKSHOPS ON ASSUMPTIONS, CONDITIONS, FURTHER MITIGATION POTENTIAL, DIVERSITY AND NEEDS UNDERLYING THE MITIGATION TARGETS (1bi) AND ACTIONS (1bii), RESPECTIVELY

Swiss Proposal for structure and key questions

Background

The COP, by its decision 1/CP.16, paragraph 38, requested the secretariat “to organize [for developed country Parties] workshops to clarify the assumptions and the conditions related to the attainment of these targets, including the use of carbon credits from the market-based mechanisms and LULUCF activities, and options and ways to increase their level of ambition”.

By the same decision, paragraph 39, the COP also requested the secretariat “to prepare a technical paper based on [developed] Parties’ submissions with the aim of facilitating understanding of the assumptions and conditions related to the attainment of their emission reduction targets and comparison of the level of emission reduction efforts”.

Decision 1/CP.16, paragraph 51, also requested the secretariat “to organize workshops, to understand the diversity of mitigation action submitted [by developing country Parties], underlying assumption, and any support needed for implementation of these actions, noting different national circumstances and respective capabilities of developing country Parties.”

Potential of the workshops

The workshops have the potential to considerably enhance the understanding of the current targets and actions, respectively, and thus build trust in the negotiations as well as provide valuable input for any related further work, e.g. the elaboration of the registry. To this aim, the workshops would highly benefit from a similar structure in the information provided by Parties.

Structure and key questions

Switzerland appreciates the current form of the workshops which provides sufficient time for *Questions and Answers*. Further, Parties may be invited to cluster their presentations around identified key questions in view of ensuring a similar structure of the presentations. In Switzerland’s view, such key questions include:

Key questions to be addressed by developed country Parties:

- *What are the conditions of the current pledge(s)?*
- *What is the underlying accounting approach chosen regarding LULUCF in the current pledge and how big is the resulting sink/source?*
- *What are the underlying assumptions regarding the use of market-based mechanisms in the current pledge?*
- *What are the underlying assumptions regarding carry-over?*
- *What are the possibilities and conditions to increase the level of ambition (market and non-market mechanisms, sectorial approaches, bunker fuels, agriculture, etc.)?*
- *What are the methodological and policy assumptions for mitigation actions in maritime and aviation emissions, agriculture and HFCs?*

Key questions to be addressed by developing country Parties:

- *What is the expected emission reduction of the pledged NAMAs relative to BAU, a reference level and absolute numbers?*

- *Is the NAMAs economy- or sector-wide or project based? What actions are included (sectors, measures)?*
- *What underlying facts and assumptions are considered in BAU-projections?*
- *What are the underlying accounting approaches (including information on accounting of reductions from market-based mechanisms, REDD+ and bunker fuels)?*
- *To what extent (in absolute / relative numbers) are the pledged emissions reductions conditional on international support? What kind of support is best suited for respective needs (finance, technology, capacity building, methodological needs for monitoring and reporting, etc.)?*
- *What are the achievements of previous climate actions?*
- *What is the national institutional and/or legal framework of the pledged NAMAs (national strategy or plan and/or legislation in place)?*
- *What are the methodological and policy assumptions regarding maritime and aviation emissions, agriculture and HFCs in NAMAs?*

The secretariat should continue to provide written **reports** and make them available to the relevant bodies.

Way forward

- Switzerland supports further rounds of workshops at the occasion of next negotiation sessions, including the organization of thematic or sectorial workshops.
- We suggest improving the structure and the comparability of the information made available by Parties at the workshops. This may be done by addressing the same key questions in the presentations. The AWG-LCA Chair may invite to submit what they consider key questions and the secretariat may then make a synthesis of these key questions. Presentations in the next round of workshops would then respond to such key questions.

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Від 29 Січня № 118/13/9
На № _____ від _____

H.E. Christiana Figueres
UNFCCC Executive Secretary

Your Excellency,

Following your Message to Parties of April 1, 2011 “**Information from developed country Parties on the resources provided to fulfill the commitment referred to in decision 1/CP.16, paragraph 95**”, we kindly request you to consider the following with regard to Ukraine.

Article 4 paragraph 6 of the United Nations Framework Convention on Climate Change guarantees a certain degree of flexibility to the Parties undergoing a process of transition to a market economy in the issues of the provision of financial resources to the developing country Parties.

Moreover, paragraph 141 of the decision 1/CP.16 (Cancun Agreements) “*Requests the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to continue consideration of these issues with a view to promoting access of the Parties included in Annex I to the Convention undergoing the process of transition to a market economy to technology, capacity-building and finance in order to enhance their ability to develop low-emission economies*”.

Therefore, we expect that Ukraine be exempt from the above mentioned commitment.

I avail myself of this opportunity to reiterate to you, Madame Secretary, the assurances of my highest consideration.

Head

Sergii Orlenko