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Agenda item 3

Implementation of all the elements of decision 1/CP.17

An overview of the mandates, as well as the progress of work under institutions, mechanisms and arrangements under the Convention

Note by the secretariat

Summary

This document contains an overview of the mandates, as well as the progress of work under institutions, mechanism and arrangements under the Convention. It has been prepared by the secretariat in response to a request by the Ad Hoc Working Group on the Durban Platform for Enhanced Action at the second part of its second session.

Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Introduction	1-6	3
A. Background and mandate.....	1	3
B. Scope and general approach	2-6	3
II. Thematic institutions, mechanisms and arrangements	7-235	4
A. Mitigation	7-31	4
B. Adaptation	32-78	7
C. Finance, technology and capacity-building	79-158	14
D. Economic instruments	159-182	24
E. Transparency of action and support	183-229	28
F. Periodic review	230-235	33
III. Oversight and decision-making.....	236-250	34

I. Introduction

A. Background and mandate

1. At the second part of its second session, the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) requested the secretariat to prepare an overview of the mandates, as well as the progress of work under institutions, mechanisms and arrangements under the Convention (hereinafter referred to as the “arrangements”), to inform the work of the ADP, including on linkages.¹

B. Scope and general approach

2. In response to that request, the secretariat has prepared this overview of the arrangements that exist under the Convention, including its Kyoto Protocol, the linkages between them, and the activities they have underway. The overview consists of two components:

(a) Information on existing arrangements and their mandates, the status of related work under the Convention and linkages between those arrangements, providing a ‘snapshot’ of the current situation, which is contained in this document;

(b) An online presentation of the arrangements² in a visual and interactive format, which provides links to further information, and could be updated as the arrangements evolve in the future.

3. This overview presents the arrangements in the substantive areas of mitigation, adaptation, finance, technology, capacity-building, transparency, economic instruments, and periodic review. It also provides a summary of the arrangements for oversight and decision-making that have been put in place.

4. This overview is intended to help Parties to identify how existing arrangements could be built upon, or reflected in, the 2015 agreement, and what additional arrangements might be needed. As it is an overview, it does not present a thorough description of all aspects of the Convention and the arrangements that have been agreed during the course of its implementation. It is also not intended to provide a legal interpretation of the Convention and the arrangements that have been established under it.

5. Further work has been mandated in many areas to further enhance the arrangements under the Convention. Issues of particular relevance that are under development are also reflected in this document, in order to provide Parties with a broad picture of existing arrangements and on-going negotiations so as to enable them to make informed decisions.

6. The various arrangements work together to enhance coherence and results. Indeed, all of the institutions created by the Conference of the Parties (COP) at its sixteenth session³ have been explicitly mandated to collaborate with each other. Information on how the arrangements interact is also provided in the document.

¹ Document FCCC/ADP/2013/2, paragraph 37.

² The online presentation will be available before the third part of the second session of the ADP at <<http://unfccc.int/7879>>.

³ Decision 1/CP.16, complemented by decisions 2/CP.17, 1/CP.18 and further specific decisions.

II. Thematic institutions, mechanisms and arrangements

A. Mitigation

7. Within the context of the Convention all Parties are required to undertake national and regional programmes to mitigate climate change.

8. The Convention provides a forum for incentivizing and enhancing action on mitigation by all Parties informed by the latest scientific information and guided by its principles. The UNFCCC process has sought to define and agree on mitigation actions and commitments of different Parties, as well as related features, such as their form and legal character; timelines; the quantification of effort and related rules; issues relating to compliance; and means of flexibility and support.

9. With a view to guiding action on mitigation, the COP has recognized that deep cuts in global GHG emissions are required to hold the increase in global average temperature below 2 °C above preindustrial levels, and has agreed to periodically review the adequacy of this goal, including in relation to a global average temperature rise of 1.5 °C (see chapter II.F for details of the review).

10. Mitigation actions and commitments have been defined in several forms. For developed country Parties they include quantified emission limitation and reduction commitments (QELRCs) under the Kyoto Protocol, and nationally appropriate mitigation commitments or actions, including quantified emission limitations and reduction objectives, under the Convention. For developing country Parties these include nationally appropriate mitigation actions (NAMAs).

11. The COP and the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP) have established a variety of arrangements to guide the implementation of these actions and commitments. These include, for example, a well-established system for reporting action undertaken by Parties to implement the Convention; detailed rules for reporting, accounting, and compliance under the Kyoto Protocol; and the evolving arrangements relating to NAMAs, REDD-plus⁴, and response measures. These arrangements are described in this section with the exception of arrangements relating to measurement, reporting and verification, which are described in chapter II.E.

12. Closely linked to the above-mentioned arrangements are those relating to economic instruments. These are described in chapter II.D.

Arrangements presented in this section:

1. Arrangements for developed country Parties (Kyoto Protocol, nationally appropriate mitigation commitments or actions).
2. Arrangements for developing country Parties (NAMAs, REDD-plus, registry, economic diversification plans)
3. Response measures

1. Arrangements for developed country Parties

13. In Article 4, paragraph 2(a), of the Convention developed country Parties and other Parties included in Annex I of the Convention (Annex I Parties) commit to adopt national

⁴ 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.

policies and measures to limit anthropogenic GHG emissions and protect and enhance sinks and reservoirs. It refers to Annex I Parties taking the lead in mitigation and specifies that such policies and measures should aim at them returning, individually or jointly with other Parties, to their 1990 levels of projected anthropogenic GHG emissions.

The Kyoto Protocol

14. The Kyoto Protocol⁵ specifies QELRCs for developed country Parties as well as related rules for accounting. It also includes specific provisions for reporting as described in paragraph 189 below.

15. Rules for accounting are applicable to QELRCs (e.g., the basis for calculating it, including additions to and subtractions from it; and the specification of the commitment period reserve); to land-use related activities (e.g., definitions and special considerations to emission and removals from certain activities); and the use of flexibility mechanisms, as specified in chapter II.E.

16. Two commitment periods have been agreed so far. For the first commitment period, 38 Parties agreed to reduce their overall emissions by at least 5 per cent below 1990 levels between 2008 and 2012. Decision 1/CMP.8 (Doha Amendment to the Kyoto Protocol) established the second commitment period, designed to reduce emissions of participating Parties by at least 18 per cent below 1990 levels between 2013 and 2020.⁶

17. Mechanisms to assist Annex I Parties in meeting their commitments have been established under the Kyoto Protocol. These are the clean development mechanism (CDM), joint implementation (JI), and international emissions trading (IET). They are explained in more detail in chapter II.D.

18. For its second commitment period, the Kyoto Protocol includes provisions for Parties to revisit its QELRC at the latest by 2014. In accordance with these provisions, each Party with a QELRC is requested to submit information on, among others, its intention to increase the ambition of its commitment. This information shall be considered by Parties at a high level ministerial round table to be held during the first sessional period in 2014. A report on this round table will be considered by the CMP at its tenth session.⁷

Nationally appropriate mitigation commitments or actions

19. Following negotiations under the Bali Action Plan (decision 1/CP.13), developed country Parties agreed, by decision 1/CP.16, to undertake nationally appropriate mitigation commitments or actions. These commitments or actions take the form of economy-wide emission reduction targets with a timeframe of 2020. 16 developed country Parties⁸ have submitted to the secretariat such commitments and actions together with information on the context, assumptions and applicable conditions.⁹

20. With a view to the process of clarifying these targets, the COP established a work programme under the Subsidiary Body for Scientific and Technological Advice (SBSTA). This work programme aims to identify common elements for measuring progress towards the achievement of the targets, and ensure comparability of efforts among developed

⁵ <<http://unfccc.int/2830>>.

⁶ Information on the status of ratification of the Doha Amendment to the Kyoto Protocol is available on the United Nations Treaty Collection website:
<http://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XXVII-7-c&chapter=27&lang=en>.

⁷ Additional details are contained in decision 1/CMP.8, paragraphs 7–10.

⁸ This number includes the European Union as one Party and not each of its 27 member states.

⁹ These commitments and actions are compiled in document FCCC/SB/2011/INF.1/Rev.1.

country Parties. The SBSTA will report to COP 19 on progress and to COP 20 on the outcome of the work programme.

21. In addition, the COP decided that developed country Parties should develop low-carbon development strategies or plans, and has invited these Parties to submit information on progress made towards their formulation.

2. Arrangements for developing country Parties

22. Article 4, paragraph 1, of the Convention stated that all Parties, taking into account their common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances, shall, inter alia, formulate, implement, publish and regularly update programmes containing measures to mitigate climate change. Article 4, paragraph 7, of the Convention recognizes that development and poverty eradication are the first and overriding priorities of developing country Parties. It also states that the extent to which such Parties will effectively implement their commitments under the Convention depends on the effective implementation by developed country Parties of their commitments related to financial resources and transfer of technology.

Nationally appropriate mitigation actions

23. Developing country Parties have agreed, by decision 1/CP.16, to undertake NAMAs in the context of sustainable development, supported and enabled by technology, financing and capacity-building, aimed at achieving a deviation in emissions relative to 'business as usual' in 2020.

24. So far, 57 developing country Parties, as well as one group of Parties, have communicated information on their planned actions to the COP, most with a timeframe of 2020. These NAMAs are characterized by their diversity as they include quantified emission reductions below 'business as usual', intensity targets, sectoral policies and programmes, investment projects, and others. Some developing countries have also provided information on context, conditions and need for finance, technology and capacity-building.¹⁰

25. With a view to further the understanding of the diversity of NAMAs, the COP established a work programme under the Subsidiary Body for Implementation (SBI). This work programme aims at facilitating the preparation and implementation of NAMAs by addressing additional information on these actions themselves (including underlying assumptions and methodologies, sectors and gases covered, global warming potential values), and estimated mitigation outcomes, needs for financial, technology and capacity-building support; and the extent of matching actions with support by means of the NAMA registry. The SBI will report to COP 19 on progress and to COP 20 on the outcome of the work programme.

26. The COP has also encouraged developing country Parties through several of its decisions to prepare low emission and climate resilient development strategies.

REDD-plus

27. The COP has encouraged developing country Parties to contribute to mitigation actions in the forest sector through reducing emissions from deforestation; reducing emissions from forest degradation; conservation of forest carbon stocks; sustainable management of forests; and enhancement of forest carbon stocks (referred to as REDD-plus).

¹⁰ These actions are compiled in document FCCC/SBI/2013/INF.12/Rev.2.

28. Targeted streams of work to address REDD-plus have been established by the COP, with focus on, inter alia, results-based finance and enhanced support, methodological aspects, and the operation of a REDD web platform to make available information relating to support efforts, capacity building, demonstration activities and mobilization of resources. The SBSTA is currently considering methodological guidance for REDD-plus with a view to presenting a draft decision to COP 19, and the SBI and SBSTA are jointly considering the coordination of support for activities in the forest sector by developing countries with a view to presenting a draft decision to COP 19.

Registry to record nationally appropriate mitigation actions

29. The COP has set up a registry to record NAMAs¹¹ seeking international support and to facilitate the matching of finance, technology and capacity-building support for those actions. As at 1 September 2013, the NAMA registry contained 40 NAMAs submitted by 10 developing country Parties, and four entries with information on support for NAMAs submitted by one developed country Party and one international organization.

Economic diversification plans

30. Decision 24/CP.18 welcomed the readiness of some Parties to put forward actions and plans in pursuit of economic diversification that have co-benefits in the form of emission reductions, adaptation to the impacts of climate change and response measures. It decided that the relevant aspects of such actions and plans will be anchored under decision 1/CP.13, paragraph 1 (b) (ii).

3. Response measures

31. The Convention recognizes that Parties shall take into full consideration, in the implementation of their commitments, the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures. In response to a mandate provided in decision 1/CP.16, a forum was established jointly by the two subsidiary bodies. In addition, the COP adopted by decision 8/CP.17 a work programme to improve the understanding of the impact of the implementation of response measures.¹² The forum has been implementing each of the eight areas of the work programme, through a series of in-forum workshops, an in-forum discussion by Parties and an in-forum expert meeting. The SBI and the SBSTA will provide recommendations to COP 19 on the review of the work of the forum, including the need for its continuation.

B. Adaptation

32. It is increasingly clear that in addition to mitigation efforts, it is equally important to take action to adapt to changing climate and the consequences thereof.

33. Article 4, paragraph 1(e), of the Convention calls upon all Parties to cooperate in preparing for adaptation to the impacts of climate change. In recognition of the urgent need for enhanced action and international cooperation on adaptation, the COP has established arrangements to enable and support the implementation of adaptation actions aimed at reducing vulnerability and building resilience in developing country Parties.

34. These arrangements address five major components of adaptation activities: observation; the assessment of climate change impacts and vulnerability; planning; implementation; and the monitoring and evaluation of adaptation. The current institutional

¹¹ The web-based NAMA registry was deployed in October 2013. More information is available at <http://unfccc.int/7476>

¹² <http://unfccc.int/4908>

system includes the Cancun Adaptation Framework (CAF) with its provisions and activities, the National Adaptation Programmes of Action (NAPA) process, the Nairobi Work Programme (NWP) as well as the Least Developed Countries (LDC) work programme and LDC Expert Group.

35. The institutional system on adaptation is complemented by arrangements providing means of implementation, including finance, technology and capacity-building, to developing countries with a view to supporting their adaptation efforts (see chapter II.C below).

Arrangements presented in this section:

1. Cancun Adaptation Framework
2. National Adaptation Programmes of Action
3. Nairobi Work Programme
4. The Least Developed Countries Expert Group
5. The Least Developed Countries Work Programme

1. The Cancun Adaptation Framework

36. The CAF¹³ was established by decision 1/CP.16 to enhance action on adaptation, including through international cooperation and the coherent consideration of matters relating to adaptation under the Convention.

37. The key provisions and activities defined by the CAF cover the following broad aspects of adaptation: implementation, institutions, support, principles and engagement.

38. To enhance implementation, all Parties are invited to plan, prioritize and implement adaptation actions. Two new workstreams were initiated to this end: the National Adaptation Plan (NAP) process and the work programme on loss and damage.

39. To strengthen adaptation institutions at all levels, the Adaptation Committee was established to promote the implementation of enhanced action on adaptation in a coherent manner under the Convention. The CAF also calls on strengthening of national and regional institutions.

40. To enhance support for adaptation, developed country Parties are requested to provide developing country Parties with long-term, scaled-up, predictable, new and additional finance, technology and capacity building. The CAF also confirms a number of adaptation principles and actively promotes the engagement of stakeholders in undertaking and supporting enhanced action on adaptation at all levels.

41. The activities and arrangements under the CAF link to other adaptation workstreams, in particular through the work of the Adaptation Committee. The provisions on support are being operationalized through work on finance, technology and capacity-building.

National adaptation plans

42. The NAP¹⁴ process will enable Parties to formulate and implement NAPs as a means of identifying medium- and long-term adaptation needs and developing and implementing strategies to address them.¹⁵

¹³ <<http://unfccc.int/5852>>

¹⁴ <<http://unfccc.int/6057>>

¹⁵ Decision 5/CP.17 defined guidelines for NAPs and modalities for support.

43. Following the initiation of the NAP process by the CAF, the COP adopted initial guidelines and modalities for LDCs to formulate and implement NAPs and invited non-LDCs to employ these guidelines and modalities. It requested the Least Developed Countries Expert Group (LEG) to provide technical guidance and support to the NAP process and to develop relevant technical guidelines. At the same time, it requested the Adaptation Committee to consider modalities and guidelines for supporting non-LDCs to plan, prioritize and implement their national adaptation planning measures (decision 5/CP.17).

44. The LEG has prepared technical NAP guidelines that Parties can use immediately, has identified support needs of LDCs¹⁶ and is also implementing the following activities:

- (a) Supporting LDCs in developing their NAPs through inter alia, preparing supplementary materials to the technical guidelines; conducting regional training workshops, furthering training modalities; and conducting in-depth studies in LDCs;
- (b) Capturing and sharing best practices and lessons learned; outreach, including through organizing a NAP Expo (held on 11 June 2013, to be continued in 2014); and developing NAP Central to serve as an information platform for the NAP process;
- (c) Monitoring and evaluating progress and the provision of support to the process.

45. In terms of financial support for LDCs, the Global Environment Facility (GEF) has operationalized support to the preparation of the NAP process in response to guidance from the COP.¹⁷ As part of this support, a global support programme on NAPs has been developed by the United Nations Development Programme and the United Nations Environment Programme, together with the GEF Secretariat, International Fund for Agricultural Development, World Food Programme, United Nations Institute for Training and Research, and the World Health Organization, with focus on institutional support, technical support, and knowledge brokering.

46. The GEF is also considering how to enable the preparation of NAPs by non-LDC developing countries through the Special Climate Change Fund (SCCF).

47. The LEG, the Adaptation Committee and other relevant bodies report to the COP on their responses to requests to support the NAP process, while the GEF reports to the COP on its provision of support to the NAP process. The SBI will monitor and evaluate the NAP process in mid-2015.

48. In terms of linkages, the COP has reflected on the following:

- (a) It requested the LEG to invite the Adaptation Committee and other bodies to contribute to its work in support of the NAP process and requested the Adaptation Committee to consider modalities for supporting interested non-LDCs in the NAP process;
- (b) The Technology Executive Committee (TEC) is mandated to produce periodic technology outlooks, including on adaptation technology;
- (c) The COP, through decision 6/CP.17, has called for further discussion on developing linkages between the NWP and adaptation-related workstreams;
- (d) The NAP process is also linked to the national communications, which LDCs can use to report on the progress of NAPs, as well as work streams on the means of implementation, in particular finance through the LEG submissions on the role of NAPs to

¹⁶ Documents FCCC/SBI/2012/27 and FCCC/SBI/2013/8.

¹⁷ Decision 2/CP.18 requested the GEF to enable activities for the preparation of NAPs and document GEF/LDCF.SCCF.14/06 defined the operational basis for that support.

create enabling environments to facilitate deployment of climate finance for adaptation implementation.

Work Programme on Loss and Damage

49. The work programme¹⁸ aims to consider approaches to address loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change. The elements to be considered include:

- (a) Possible development of a climate risk insurance facility to address impacts associated with severe weather events;
- (b) Options for risk management and reduction, risk sharing and transfer mechanisms such as insurance, including options for microinsurance, and resilience building, including through economic diversification;
- (c) Approaches for addressing rehabilitation measures associated with slow onset events;
- (d) Engagement of stakeholders with relevant specialized expertise.

50. Results of the work programme were considered by the SBI, which made, at its thirty-seventh session, recommendations to the COP on further steps to address loss and damage to the COP.

51. By decision 3/CP.18, the COP:

- (a) Identified areas in which all countries are invited to enhance action on addressing loss and damage; and areas in which further efforts are required to advance the understanding of and expertise on loss and damage;
- (b) Agreed on interim activities to be undertaken in 2013;
- (c) Agreed on three roles of the Convention in enhancing the implementation of approaches to loss and damage;
- (d) Decided to establish, at COP 19, institutional arrangements to address loss and damage.

52. In terms of linkages, the Adaptation Committee includes activities specifically related to the outcomes of the work programme on loss and damage.

The Adaptation Committee

53. The Adaptation Committee¹⁹ is the overall advisory body to the COP on adaptation to the adverse effects of climate change. Its objective is to promote the implementation of enhanced action on adaptation in a coherent manner under the Convention.

54. The modalities and procedures were defined in decision 2/CP.17. The Adaptation Committee operates under the authority of the COP and has 16 members. It meets at least twice per year and is presided over by a Chair and a Vice-Chair. It reports annually to the COP through the subsidiary bodies, and its progress and performance will be reviewed at COP 22.

55. The COP channels requests from Parties to the Adaptation Committee. The scope of its work is defined by the five functions defined in decision 1/CP.16:

- (a) Providing technical support and guidance to Parties;

¹⁸ <http://unfccc.int/adaptation/workstreams/loss_and_damage/items/6056.php>.

¹⁹ <<http://unfccc.int/6053>>.

- (b) Strengthening, consolidating and enhancing the sharing of information, knowledge, experience and good practices;
- (c) Promoting synergy and strengthening engagement with national, regional and international organizations, centres and networks;
- (d) Providing information and recommendations for consideration by the COP;
- (e) Considering information communicated by Parties on the monitoring and review of adaptation actions, support, possible needs and gaps, and other relevant information.

56. The Adaptation Committee has met four times. At its first meeting it agreed on a three-year workplan,²⁰ which was adopted at COP 18, and contains activities in five clusters. As part of this workplan it prepares periodic thematic and overview reports; the first thematic report on the state of adaptation under the UNFCCC will be available for COP 19.

57. Following a request made by COP 18, the Adaptation Committee has established an annual adaptation forum, which aims to raise the profile of adaptation globally. The first forum will take place during COP 19.

58. In line with its mandate, the Adaptation Committee is advancing the establishment of linkages with other bodies under the Convention, such as the LEG, the CGE, the Technology Executive Committee (TEC), the Standing Committee on Finance (SCF), the NWP and the operating entities of the financial mechanism of the Convention. Coherence and collaboration is a standing item on the Committee's meeting agenda and cross-participation in meetings and workshops has been launched between the Adaptation Committee, the LEG, the TEC and the SCF. Furthermore, the Vice-Chair of the Adaptation Committee is a representative of the Advisory Board of the Climate Technology Centre and Network (CTCN).

2. National adaptation programmes of action

59. NAPAs²¹ provide means for LDCs to identify and implement urgent and immediate needs with respect to the adverse effects of climate change.

60. NAPAs were established by decision 5/CP.7, with its guidelines and funding arrangements defined in decisions 27/CP.7 and 28/CP.7. In subsequent decisions the COP mandated the LEG to support the NAPA process.²² The GEF defined guidelines for accessing the Least Developed Countries Fund (LDCF) for the preparation of NAPAs in 2002 and for the implementation of NAPAs in 2006.²³

61. LDC Parties submit their completed NAPAs to the secretariat following a template contained in the NAPA guidelines (decision 28/CP.7). Proposals for implementation follow the above-mentioned GEF guidelines for accessing the LDCF. NAPA projects are implemented by the LDCs. Once an LDC has submitted its NAPA to the secretariat, it can start to implement it using funding from the LDCF. By COP 19, all LDC Parties have successfully completed and submitted their NAPAs to the secretariat.

62. The GEF reports on the status of NAPAs through its annual reports to the COP and in documents prepared for the meetings of the LDCF/SCCF Council of the GEF. In the current reports, the GEF indicated that, in total, 119 projects (comprising seven medium-

²⁰ <<http://unfccc.int/7517>>.

²¹ <<http://unfccc.int/7567>>.

²² Decisions 29/CP.7, 4/CP.11 and 6/CP.16.

²³ Document GEF/C.28/18.

sized projects and 112 full-sized projects) had been approved by the GEF Council, with LDCF grants amounting to USD 603.4 million.

63. The NAPA process is supported by the LEG through: (a) guiding materials on preparation and implementation; (b) training workshops; (c) stocktaking workshops, technical papers and publications;²⁴ (d) monitoring of progress on preparation and implementation, outreach activities; (e) capturing and sharing best practices and lessons learned; and (f) collaboration with the GEF and other organizations on the provision of support to the LDCs. The LEG reports on preparation, implementation and technical support needs and provision for NAPAs.²⁵ The review of the NAPA process is discussed at each session of the SBI.

3. Nairobi Work programme on impacts vulnerability and adaptation to climate change

64. The NWP²⁶ was established by decision 2/CP.11 in order to assist all Parties to: (a) improve their understanding and assessment of impacts, vulnerability and adaptation to climate change; and (b) make informed decisions on practical adaptation actions and measures. Its work has been defined around nine work areas.

65. The NWP plays a key role in engaging a wide spectrum of stakeholders and catalysing targeted actions ranging from raising awareness on the need for adaptation, developing global public good such as climate and weather indices, to organization of thematic training sessions and learning events. It operates under the SBSTA and is presided over by two Co-Chairs. The SBSTA issues reports on the work of the NWP to the COP. The NWP provides an interface for interaction between Parties, organizations, and experts, through which needs and demands of Parties and activities and expertise supplied by organizations are identified and communicated. The NWP has a network of 220 partner organizations, extensive knowledge sharing and learning infrastructure, consisting of a database of pledges on targeted actions (currently over 170), and modalities. Technical workshops and expert meetings have assisted Parties in identifying gaps and needs, as well as understanding good practices related with the adaptation process.

66. The link to the CAF and other adaptation work was strengthened this year through the conclusions of SBSTA 38 in which Parties agreed to enhance the relevance of the NWP and the Adaptation Committee was invited to provide recommendations on ways in which the NWP could support its work. The Adaptation Committee is preparing such recommendations to COP 19. A background note prepared by the secretariat in 2013 provides entry points of the possible linkages of the NWP with the work of the Adaptation Committee.²⁷

67. The implementation of NAPs is also dependent upon access to information and knowledge on adaptation and therefore benefits from the work of the NWP.

4. Least Developed Countries Expert Group

68. The LEG²⁸ supports the implementation of Article 4, paragraph 9, of the Convention, addressing the specific needs and special circumstances of the LDCs.

²⁴ <<http://unfccc.int/6110>>.

²⁵ <<http://unfccc.int/6099>>.

²⁶ <<http://unfccc.int/4159>>.

²⁷ <http://unfccc.int/files/adaptation/groups_committees/adaptation_committee/application/pdf/nwp_support_for_ac_16august.pdf>.

²⁸ <<http://unfccc.int/4727>>.

69. It was mandated through a series of decisions to provide technical support and advice to the LDCs on NAPAs and the LDC work programme, and to provide technical guidance and support to the NAP process.²⁹

70. The LEG meets twice each year and reports to the SBI at each of its sessions. Its progress and terms of reference will be reviewed at COP 21.

71. The LEG develops a two-year rolling work programme. Its work is structured around seven objectives:

- (a) Providing technical guidance and advice on the NAP process;
- (b) Supporting implementation of NAPAs;
- (c) Supporting and guiding the integration of gender and other considerations regarding vulnerable communities within the LDCs;
- (d) Supporting the implementation of the LDC work programme;
- (e) Providing support to LDC Parties for the preparation, revision and updating of their NAPAs;
- (f) Conducting outreach in relation to the NAPA process and the work of the LEG;
- (g) Supporting the coherence and synergy of adaptation work under the Convention.

72. A core objective of the LEG is to support the coherence and synergy of adaptation-related efforts under the Convention.³⁰ It pursues stronger collaboration with the Adaptation Committee, the TEC and the CGE.

73. Following an invitation of the Adaptation Committee, the LEG nominated one of its members to serve in the Adaptation Committee ad hoc group on modalities and guidelines for NAPs for non-LDC developing countries. At the same time the Adaptation Committee nominated, responding to the invitation of the LEG, two of its members to be part of the advisory group for further developing the methodologies for capturing best practices and lessons learned in addressing adaptation and for the development of NAP Central.³¹

5. The least developed countries work programme

74. The LDC work programme was established by decision 5/CP.7 to build and strengthen the capacity of LDCs to address adverse effects of climate change given their specific needs and special circumstances.

75. Since 2010, the work programme has been supported by the LEG.³² The GEF provides funding for the implementation of the elements of the work programme.³³

76. The GEF reports to the COP and to the LDCF/SCCF Council of the GEF on the support provided for the implementation of the LDC work programme. The assessment of progress and technical support is also reported on in the reports on the meetings of the LEG.

²⁹ Decisions 29/CP.7, 4/CP.11, 8/CP.13, 6/CP.16, and 5/CP.17.

³⁰ Document FCCC/SBI/2013/8, annex II.

³¹ NAP Central will provide access to data, information and knowledge on adaptation to all relevant stakeholders that are developing adaptation plans. More information is available at <<http://unfccc.int/6057>>.

³² <<http://unfccc.int/7601>>.

³³ Decision 5/CP.14 and document GEF/LDCF.SCCF.13/04.

77. The activities under the work programme are structured around six elements: (a) preparation of guiding materials; (b) training workshops; (c) monitoring of progress; (d) outreach through various channels; (e) LEG/LDC side events; and (f) the mobilization of the GEF and its agencies and other organizations to support the LDCs.³⁴

78. The implementation of the work programme receives support from the LEG in a way that is similar to the support provided for NAPAs. The LEG provided further specification on each of the elements of the work programme and supports its implementation through various modalities. Each LDC Party can use the advice and support provided by the work programme as a basis for mobilizing resources for addressing the adverse effects of climate change.

C. Finance, technology and capacity-building

79. The Convention and its Kyoto Protocol contain provisions to promote cooperation and to ensure that the implementation of the Convention and the actions on climate change by developing countries are supported and enabled through the provision of resources that shall be provided by developed country Parties.

80. In the Cancun Agreements, the COP took major steps to strengthen the arrangements to facilitate the scaling up and mobilization of finance, technology and capacity building to assist developing countries to enhance action on mitigation and adaptation. The arrangements under the Convention for finance, technology and capacity building have been further strengthened during the period 2011–2013. Each of the arrangements and their state of implementation are described in this chapter.

Arrangements presented in this section:

1. Financial Mechanism of the Convention, including its operating entities and other funds under the Convention
2. Adaptation Fund under the Kyoto Protocol
3. Standing Committee on Finance
4. Work Programme on Long-term Finance
5. Technology Mechanism and its components
6. Poznan Strategic Programme on Technology Transfer
7. Framework for capacity-building in developing countries
8. Framework for capacity-building in countries with economies in transition
9. Durban Forum on capacity-building
10. Doha work programme on Article 6 of the Convention
11. Dialogue on Article 6 of the Convention

1. The financial mechanism of the Convention

81. The financial mechanism is a mechanism for the provision of financial resources on a grant or concessional basis, including for the transfer of technology, to developing country Parties to support the implementation of the Convention. The financial mechanism

³⁴ Decision 5/CP.7.

also supports developing country Parties in the implementation of the Kyoto Protocol in accordance with Article 11 of the Kyoto Protocol.

82. It was established by Article 11 of the Convention. Its operations are currently entrusted to two operating entities: the Green Climate Fund (GCF) and the GEF. The relationship between the COP and the GEF is defined in the memorandum of understanding (MOU) between the COP and the GEF Council (decision 12/CP.2) and, an annex to the MOU on the determination of funding necessary and available for the implementation of the Convention (decision 12/CP.3). The arrangements between the COP and the GCF are expected to be concluded at COP 19.

83. According to Article 11, paragraph 5, of the Convention, developed country Parties may also provide and developing country Parties avail themselves of financial resources related to the implementation of the Convention through bilateral, regional and other multilateral channels. Additionally, in accordance to Article 11, paragraph 3, of the Kyoto Protocol, developed country Parties and other developing country Parties in Annex II of the Convention may also provide, and developing country Parties avail themselves of, financial resources for the implementation of Article 10 of the Kyoto Protocol, through bilateral, regional and other multilateral channels.

84. The operating entities report annually to the COP, on the basis of which the COP provides guidance to the operating entities, including on matters related to policies, programme priorities and eligibility criteria. The SCF provides draft guidance to the operating entities for consideration by the COP. Additionally, the COP reviews the financial mechanism every four years. The fifth review is expected to be concluded at COP 20.

85. The finance portal³⁵ of the UNFCCC secretariat is a gateway to information on activities funded in developing countries to implement the Convention. It consists of the following three modules: national communications, fast-start finance, and funds managed by the GEF, and also provides information on Adaptation Fund project data. The finance portal will be expanded in the near future in order to adequately reflect recent developments.

The Green Climate Fund

86. The purpose of the GCF³⁶ is to make significant and ambitious contributions to global efforts towards achieving the goals set by the international community to combat climate change and, in the context of sustainable development, to promote the paradigm shift towards low-emission and climate-resilient development pathways. It will play a key role in channelling new, additional, adequate and predictable financial resources to developing countries and will catalyse climate finance, both public and private, and at the international and national levels a significant share of new multilateral funding for adaptation should flow through the GCF. As an operating entity of the financial mechanism, the GCF supports projects, programmes, policies and other activities in developing country Parties using thematic funding windows.

87. The GCF was established by decision 1/CP.16 and its governing instrument approved by decision 3/CP.17. The GCF is governed by a 24-member Board chaired by two Co-Chairs. The World Bank is serving as interim trustee for the Fund, subject to a review three years after the operationalization of the Fund. The GCF Board has established an independent secretariat to support its activities.

³⁵ <<http://www.unfccc.int/financeportal>>.

³⁶ <<http://gcfund.net/home.html>>.

88. The Board of the GCF provides annual reports to the COP for its consideration and in order to receive further guidance. The COP decided to provide initial guidance to the GCF at COP 19.

89. The GCF Board has set out a roadmap to raise finance for the Fund, with its initial resource mobilization to start within three months of the completion of the essential requirements for the Fund to receive, manage, programme, and disburse financial resources and will prioritize and focus on working towards completing these in the first two meetings of the Board in 2014. The Board will also start supporting developing countries in prioritizing their efforts to get ready to access financing by the Fund. All developing country Parties are eligible to receive resources from the GCF. It will finance enhanced action on adaptation, mitigation (including REDD-plus), technology development and transfer (including carbon capture and storage), capacity building and the preparation of national reports by developing countries. Furthermore, it will support developing country Parties in their implementation of project-based and programmatic approaches in accordance with their climate change strategies and plans.

90. The GCF was mandated to operate in the context of appropriate arrangements with other funds, entities and channels of climate change financing. Its Board is developing methods to enhance complementarity and coherence between the GCF and other relevant bilateral, regional and global funding mechanisms and institutions. In 2013, the Board of the GCF cooperated with the SCF to develop arrangements between the COP and the GCF and will liaise closely with the SCF regarding the guidance to the GCF and the review of the financial mechanism. Additionally, the Board will develop mechanisms to promote the input and participation of stakeholders in the design, development and implementation of the strategies and activities to be financed by the GCF. The Fund will have a private sector facility that enables it to directly and indirectly finance private sector mitigation and adaptation activities at the national, regional and international levels consistent with a country-driven approach.

91. The Board of the GCF will liaise with the TEC and the Adaptation Committee with regards to technology and adaptation activities; with the GEF (and the Adaptation Fund) in terms of the respective roles of the two operating entities; and other multilateral funding entities, such as the Climate Investment Funds. In the light of the private-sector facility of the GCF, it will also interact closely with private-sector actors.

The Global Environment Facility

92. The GEF³⁷ is an independently operating financial organization and is one of the operating entities entrusted by the COP with the operation of the financial mechanism in order to finance climate change activities. The World Bank serves as the GEF Trustee.

93. The main governing body of the GEF is a 32-member Council, which meets twice a year. The GEF reports annually to the COP. Based on the annual reports of the GEF and submissions by Parties, the COP provides guidance to the GEF on policies, programme priorities and eligibility criteria. For the development of such guidance, the SCF provides draft guidance to the COP.

94. The activities of the GEF are continuously reviewed in the context of the guidance provided by the COP to the GEF, the periodic reviews of the financial mechanism and the review undertaken in the context of the on-going replenishment cycle of the GEF.³⁸ The GEF is currently developing the 'GEF 2020 Strategy' in order to identify future strategic priorities, including in the context of the ongoing sixth replenishment period.

³⁷ <<http://www.thegef.org/gef>>.

³⁸ Further information on the ongoing sixth replenishment is available at <http://www.thegef.org/gef/replenishment_meetings/6>.

95. The GEF has financed a wide range of climate change projects. The GEF has reported on a total of approximately USD 4 billion in funding for mitigation actions since its inception and USD 603.4 million for adaptation actions through the LDCF and USD 200.2 million through the funding window for adaptation (SCCF-A) (described below).³⁹ The negotiation on the sixth replenishment of the GEF began in April 2013, on the basis of evaluations of the operations of the GEF during the previous replenishment period, and will conclude in the first half of 2014.

96. The GEF engages with other bodies and organizations, including the LEG, the TEC, the Adaptation Committee, the SCF and the Durban Forum on capacity-building. In particular, the GEF will continue to cooperate with the SCF with regards to the reviews of the financial mechanism, as well as the draft guidance to the GEF prepared by the SCF.

97. Considering the potential benefits of greater private-sector involvement in climate finance for the implementation of the Convention, the GEF is currently discussing how it should position itself to enhance such benefits in the future, taking also into account the operationalization of the GCF.

The Special Climate Change Fund

98. The SCCF⁴⁰ provides finance to projects on adaptation, technology transfer and capacity building, energy, transport, industry, agriculture, forestry and waste management, and economic diversification. It has two active funding windows: one for adaptation (SCCF-A); and one for technology transfer (SCCF-B).

99. The SCCF was established by decision 7/CP.7 and the GEF has been entrusted to operate the LDCF under the guidance of the COP. The GEF Council meets twice per year as the Council for the SCCF, which is chaired by the Chief Executive Officer of the GEF and the Chair of the GEF Council. The SBI has supported the COP in developing guidance to and the assessment of the SCCF.

100. As at 4 October 2013, 66 countries had accessed a total of USD 242.26 million for 58 projects under the SCCF.

The Least Developed Countries Fund

101. The LDCF⁴¹ was established by decision 7/CP.7 to support a work programme to assist the LDCs to carry out, inter alia, the preparation and implementation of their NAPAs. The GEF has been entrusted to operate the LDCF under the guidance of the COP.

102. The governance of the LDCF mirrors that of the SCCF. The LDCF supports all activities contained in the LDC work programme. It is the only fund mandated to finance NAPAs and has also mobilized resources to ensure the implementation of other elements of the LDC work programme.

103. As at 4 October 2013 51 LDCs had accessed USD 12.2 million in support for the preparation of their NAPAs. Of the 49 Parties that have completed their NAPAs, 46 Parties have accessed a total of USD 628.15 million for 120 projects.

104. The activities of the LDCF are closely related to the LEG (see chapter II.B.4 above). Additionally, the SBI has supported the COP in developing guidance to the LDCF.

³⁹ Detailed information on the funded projects is available at <<http://unfccc.int/3741>>.

⁴⁰ <<http://unfccc.int/3657>>.

⁴¹ <<http://unfccc.int/4723>>.

2. The Adaptation Fund under the Kyoto Protocol

105. The Adaptation Fund⁴² was established to finance adaptation projects and programmes in developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change. Funding for the Adaptation Fund is based on the share of proceeds of emission reductions achieved by CDM projects (other than those in least developed countries) and other sources, including voluntary contributions, including from Annex I Parties that have ratified the Kyoto Protocol.

106. The Adaptation Fund was established by decision 10/CP.7, and decision 1/CMP.3 established its institutional arrangements. It is operated by a 16-member Board, with a Chair and a Vice-Chair, under the authority and guidance of the CMP. The World Bank serves as the trustee for the Fund, and the GEF as the secretariat of its Board, both on an interim basis. The Board meets three to four times per year and reports to the CMP annually. The Adaptation Fund is reviewed periodically. The first review was completed by CMP 8, the second review is expected to be completed at CMP 10.

107. The Adaptation Fund has pioneered innovative practices by means of the primary revenue stream of the share of the proceeds from CDM projects as well as voluntary financial contributions from Parties. A key element of the Fund is its 'direct access' modality, which enables eligible Parties to access funding through accredited national implementing entities. The Board continues to enhance the provision of funding to the most vulnerable countries through that modality.

108. As at September 2013, the Adaptation Fund had approved funding for 29 projects, amounting to approximately USD 190 million.⁴³ In response to the current low carbon prices, the Board has established a fund-raising task force and set a goal of raising USD 100 million by the end of 2013. As at September 2013 about USD 32 million had been raised.

3. The Standing Committee on Finance

109. The SCF was established by decision 1/CP.16⁴⁴ to assist the COP in exercising its functions in relation to the financial mechanism in terms of improving coherence and coordination in the delivery of climate change financing, the rationalization of the financial mechanism, mobilization of financial resources, and the measurement, reporting and verification of the support provided to developing country Parties.

110. The SCF has met five times so far and has successfully held its first forum, including the launch of its virtual forum, on which it will report to COP 19.⁴⁵ The SCF has developed a work programme for 2013–2015.⁴⁶ It has started technical work on the draft guidance for the operating entities, and on the first biennial assessment and overview of climate finance flows (see chapter II.E.4 below). In 2013 it successfully concluded its work on the draft arrangements between the COP and the GCF, and the draft updated guidelines for the fifth review of the financial mechanism. The COP will review the functions of the SCF in 2015.

⁴² <<http://www.adaptation-fund.org/>>.

⁴³ The details of the approved projects are available at: <http://www.adaptation-fund.org/funded_projects>.

⁴⁴ In addition, decision 2/CP.17 identified various activities for the SCF, which the COP expanded in subsequent decisions taken at COP 18. Further information is available at <<http://www.unfccc.int/SCF>>.

⁴⁵ Further information on the Forum is available at <<http://www.unfccc.int/SCF/Forum>>.

⁴⁶ <<http://unfccc.int/resource/docs/2012/cop18/eng/04.pdf#page=8>>.

111. The SCF communicates with the operating entities to ensure a productive flow of information in order to inform its work on the drafting of guidance to the operating entities, as well as the periodic reviews of the financial mechanism. As mandated by COP 18 the SCF provides periodic updates to the SBI on the status of its work relating to the fifth review of the financial mechanism.

112. In the context of its forum, the SCF also engages in extensive outreach activities with external stakeholders involved in climate finance.

113. The SCF also strives to closely cooperate with the TEC, the Adaptation Committee, as well as the LEG and the CGE, given the substantive links with those bodies. In 2013, the SCF also closely cooperated with the Co-Chairs of the work programme on long-term finance in the context of the mandate by COP 18 to provide expert inputs to said work programme. The SCF agreed that strengthening linkages with the SBI and the thematic bodies under Convention will be further addressed in 2014.

4. The work programme on long-term finance

114. The work programme on long-term finance was launched by decision 2/CP.17, paragraph 127. The purpose of the extended work programme on long-term finance⁴⁷ in 2013, as defined by decision 4/CP.18 aims to inform developed country Parties in their efforts to identify pathways for mobilizing the scaling up of climate finance to USD 100 billion per year by 2020 from public, private and alternative sources in the context of meaningful mitigation actions and transparency on implementation, and informing Parties in enhancing their enabling environments and policy frameworks to facilitate the mobilization and deployment of climate finance in developing countries.

115. The work combines policy dialogue with analytical and technical discussions and structured engagement with stakeholders and is structured around two thematic pillars, in line with the aim of the work programme.⁴⁸

116. Four types of activity were undertaken in 2013: (a) consultations with Parties, groups and stakeholders; (b) information meetings to update Parties and stakeholders or to undertake scoping discussions; (c) expert meetings and workshops with Parties and stakeholders; and (d) virtual meetings with Parties and stakeholders.

117. Two sets of actions were integrated into the design of the work programme to ensure that the work under other arrangements is considered from the outset: (a) consideration of the views on long-term finance by Parties, thematic bodies and expert groups submitted to the long-term finance work programme; and (b) continued interaction with ongoing processes and bodies under the Convention, with special consideration of the SCF.

118. The outcomes of the work programme will be presented to COP 19 in the form of a report by the Co-Chairs of the work programme.

5. The Technology Mechanism

119. Promoting the effective development and transfer of environmentally sound technologies is critical to enabling developing countries to pursue their objectives for sustainable development in a climate-friendly manner. In Article 4, paragraphs 1(c) and 5, of the Convention, developed country Parties and Parties included in Annex II to the Convention (Annex II Parties) are urged to take all practicable steps to promote, facilitate and finance, as appropriate, the transfer of, or access to, environmentally sound

⁴⁷ <<http://unfccc.int/6814>>.

⁴⁸ <http://unfccc.int/files/parties_and_observers/notifications/application/pdf/message_to_parties_from_co-chairs_work_programme_on_long_term_finance_05_13.pdf>.

technologies and know-how to other Parties, particularly to developing countries, to enable them to implement the provisions of the Convention.

120. In order to enable such practical steps, the COP established a set of arrangements to facilitate technology development and transfer. Such arrangements are reflected in this section.

121. The Technology Mechanism⁴⁹ was established by decision 1/CP.16 with the objective of enhancing action on the development and transfer of technology to support action on mitigation and adaptation in order to achieve the full implementation of the Convention. The Technology Mechanism has two components: the TEC and the CTCN. Now that it is fully operational, the Technology Mechanism and its components are ready to support enhanced action on mitigation and adaptation; in this way aiming to ensure that the Technology Mechanism achieves its overall objective.

Technology Executive Committee

122. The TEC⁵⁰ is the policy component of the Technology Mechanism and provides recommendations to the COP on matters related to the development and transfer of technology.

123. It was established by decision 1/CP.16 and its modalities and procedures were adopted by decision 4/CP.17. It has 20 members and is co-chaired by a Chair and a Vice-Chair. The TEC meets two to three times per year and reports to the COP through the subsidiary bodies, via a joint annual report of the TEC and the CTCN.

124. The TEC has a series of mandated functions⁵¹ and primarily serves Parties by providing recommendations on technology development and transfer issues. At COP 18, the TEC was requested, in its future workplan, to initiate the exploration of issues relating to barriers to and enabling environments for the development and transfer of technologies (including issues related to intellectual property rights). The TEC also serves to inform Parties and stakeholders by disseminating information via policy briefs, technical papers, a dedicated website (the technology information clearing house (TT:CLEAR)⁵²) and a variety of events. It links with other arrangements under the Convention (particularly the CTCN) to provide recommendations to them. Finally, it engages with relevant stakeholders outside of the Convention to promote coherence and coordination across technology activities.

125. In 2012 the TEC agreed on a workplan for 2012–2013, consisting of concrete activities to fulfil its mandate. In that period the TEC undertook work on: barriers to and enablers for the development and transfer of technology; technology roadmaps; technology needs assessments (TNAs); and the research, development and demonstration of technologies; as well as making a submission to the work programme on long-term finance on technology financing needs. As a result of these activities, in 2012 and 2013 the TEC included key messages on technology transfer matters in its annual report to the COP.

126. The TEC has held thematic dialogues on barriers to and enablers for technology transfer and research, development and demonstration, an expert meeting on technology roadmaps and a workshop on TNAs. It has also created internal taskforces which have undertaken intersessional work to advance the work of the body.

127. One important linkage for the TEC is with the other component of the Technology Mechanism, the CTCN, and the COP has mandated the TEC and the CTCN to define and develop this relationship. So far, the two bodies have defined their linkages as a joint

⁴⁹ <http://unfccc.int/ttclear/templates/render_cms_page?TEM_home>.

⁵⁰ <http://unfccc.int/ttclear/pages/tec_home.html>.

⁵¹ Decision 1/CP.16, paragraph 121.

⁵² <ttclear.unfccc.int>.

annual report to the COP and the participation of the Chairs of each body in the meetings of the other.

128. The TEC was also mandated to establish linkages with other arrangements, in particular the SCF, the Adaptation Committee and the Board of the GCF. Pursuant to that mandate, the TEC has sent letters to those and other arrangements to explore possible areas for collaboration. Such linkages aim to ensure that there is coherence and consistency in the work related to technology transfer matters. Importantly, linkages with financial arrangements aim to ensure clarity on the financial needs of developing country Parties related to technology activities.

The Climate Technology Centre and Network

129. The CTCN⁵³ is the implementation component of the Technology Mechanism and was established by decision 1/CP.16. The CTCN is accountable to, and acts under the guidance of the COP through its Advisory Board.

130. The Advisory Board has 25 representatives and is presided over by a Chair and a Vice-Chair. Representatives of the Advisory Board include, inter alia, the Chair and Vice-Chair of the TEC; members of the GCF, the Adaptation Committee, the SCF; the Director of the CTCN and representatives of UNFCCC observer organization constituencies.

131. The Board meets approximately twice per year and, in collaboration with the TEC, provides a joint annual report to the COP. The CTCN will be reviewed four years after its inception.

132. Primarily, the CTCN will respond to developing country Parties' requests submitted through their national designated entities (NDEs) to facilitate the preparation and implementation of technology projects and strategies. To date, 33 countries have nominated their NDEs and both the CTCN and the TEC have encouraged more Parties to do so.

133. Following the selection of UNEP as the host of the Climate Technology Centre (CTC) at COP 18, UNEP and the Advisory Board have worked to ensure the full operationalization of the CTCN. The arrangements for hosting of the CTC by UNEP is outlined in the MOU between the COP and UNEP concluded in 2012.⁵⁴ In 2013 the Advisory Board agreed on its modalities and procedures to be presented to COP 19 for its consideration, and also agreed on criteria for prioritizing developing countries' requests, criteria for establishing the Network, and a draft work programme.

134. The COP has established linkages between the Advisory Board and other arrangements under the Convention through the constitution of the Board. This aims to ensure that there is coherence and consistency in the work related to technology transfer matters under the Convention. Importantly, linkages with the financial arrangements under the Convention aim to ensure clarity on financial needs of developing country Parties related to technology activities.

6. Poznan strategic programme on technology transfer

135. At COP 13, Parties requested the GEF to elaborate a strategic programme to scale up the level of investment for technology transfer. This was undertaken with the aim of helping developing countries address their needs for environmentally sound technologies. At COP 14, by decision 2/CP.14, Parties welcomed the establishment of this programme, titled the Poznan strategic programme on technology transfer.

⁵³ <http://unfccc.int/ttclear/templates/render cms_page?TEM_tcn>.

⁵⁴ Decision 14/CP.18.

136. The Poznan strategic programme is operated by the GEF and provides support for: TNAs⁵⁵; technology transfer pilot projects; and disseminating experience of the GEF and successfully demonstrated environmentally sound technologies. For the long-term implementation of the Poznan strategic programme, the GEF fulfils its mandate by:

- (a) Providing support for climate technology centres and a climate technology network;
- (b) Piloting priority technology projects to foster innovation and investments;
- (c) Supporting public-private partnerships for technology transfer;
- (d) Acting as a catalytic supporting institution for technology transfer.

7. Capacity-building⁵⁶

137. Under the Convention and its Kyoto Protocol, capacity-building is about enhancing the ability of individuals, organizations and institutions in developing countries and in countries with economies in transition to identify, plan and implement ways to mitigate and adapt to climate change. The work on capacity-building is guided by the two frameworks on capacity-building and the Durban Forum on capacity-building as described below. Given that Parties identified education, training and public awareness as a priority area for capacity-building, arrangements in support of the implementation of Article 6 of the Convention are also listed in this section.

Framework for capacity-building in developing countries

138. The framework for capacity-building in developing countries was adopted by decision 2/CP.7. It provides a set of principles for and approaches to capacity-building, defines a list of priority areas for action and provides guidance on support for the GEF, bilateral and multilateral agencies and other intergovernmental organizations and institutions. The CMP decided that the framework should also activities relating to the implementation of the Kyoto Protocol in developing countries.⁵⁷

139. Developing countries can submit information on specific needs and priorities through their national communications and submissions.

140. The COP will conduct a comprehensive review of the implementation of the framework every five years that build on annual monitoring that involves information contained in national communications and submissions from Parties on progress made on capacity-building activities, and information provided by GEF and United Nations organizations.

141. The summary reports on the Durban Forum as well as the reports of relevant bodies established under the Convention and its Kyoto Protocol will be considered as additional inputs to the comprehensive reviews of the implementation of the framework.

Framework for capacity-building in countries with economies in transition

142. The framework for capacity-building in countries with economies in transition (EIT countries) identifies guiding principles, approaches and priority areas for capacity-building.

⁵⁵ Document FCCC/SBSTA/2013/INF.7 compiles and synthesizes information from the TNA reports of 31 developing country Parties for consideration by the SBI.

⁵⁶ General information on capacity-building is available at <<http://unfccc.int/1033>> and <<http://unfccc.int/7486>>.

⁵⁷ Decision 29/CMP.1.

The CMP decided that the framework should also guide capacity-building in EITs under the Kyoto Protocol.⁵⁸

143. The framework was adopted by decision 3/CP.7. It is guided by the COP and the CMP. The SBI monitors and reviews the progress under the framework every five years and reports to the COP and the CMP.

144. The framework includes guidance on financial and technical support to be provided by Annex II Parties, the GEF, bilateral and multilateral agencies, and other intergovernmental organizations and institutions. It calls for EIT countries to provide information on their needs and priorities.

145. Parties and institutions are invited to report on capacity-building activities in EIT countries to enable the COP and the CMP to monitor the implementation of the framework.

146. The secretariat processes, compiles and disseminates the information needed by the SBI to monitor and review the progress in the implementation of the framework.

Durban Forum on capacity-building

147. The Durban Forum on capacity-building⁵⁹ is an annual platform: to further enhance the monitoring and review of the effectiveness of capacity-building; to exchange experiences, good practices and lessons learned; to provide an overview of capacity-building elements in the work of bodies established under the Convention and its Kyoto Protocol; and to provide inputs to the review of the framework for capacity-building in developing countries⁶⁰.

148. The Durban Forum was established by decision 2/CP.17. The CMP decided that the Durban Forum is also an appropriate arrangement for sharing experiences and exchanging ideas on the implementation of capacity-building activities related to the Kyoto Protocol.⁶¹ The Durban Forum is guided by the COP and the CMP and chaired by the Chair of the SBI.

149. In its work so far, the Durban Forum has focused on: lessons learned from and gaps in the delivery of capacity-building for adaptation, mitigation and development and transfer of technology; the monitoring and review of capacity-building; barriers, and the role and engagement of stakeholders; ways to monitor and review the effectiveness of capacity-building; and matching capacity needs with financial support.

150. In decision 2/CP.17 the COP encouraged bodies established under the Convention and its Kyoto Protocol to work on capacity-building in an integrated manner. To that end, representatives of other bodies are invited to meetings of the Durban Forum to present their relevant activities and to engage in question-and-answer sessions. At the second meeting of the Durban Forum, presiding officers and members of the TEC, the Advisory Board of the CTCN, the SCF, the Adaptation Committee, the CGE, the LEG, the Board of the GCF, and the Executive Board of the CDM provided an overview of their capacity-building work.

Doha work programme on Article 6 of the Convention

151. The Doha work programme on Article 6 of the Convention recommends concrete actions in relation to climate change education, training, public awareness, public participation, public access to information and international cooperation.

152. The work programme was launched by decision 15/CP.18. It is guided by the COP and subject to review by the SBI in 2016 and 2020.

⁵⁸ Decision 30/CMP.1.

⁵⁹ <<http://unfccc.int/6802>>.

⁶⁰ Decision 2/CP.17, paragraph 144.

⁶¹ Decision 10/CMP.8.

153. Parties are encouraged to report on the implementation of the work programme through their national communications, and to share information on the matter through the UNFCCC climate change information network clearinghouse CC:iNet⁶² and social media platforms.

154. The Work Programme is linked to the Dialogue on Article 6 of the Convention, and to the frameworks for capacity-building, which specify ‘education, training and public awareness’ as a priority area. As such the work programme is also linked to the Durban Forum.

Dialogue on Article 6 of the Convention

155. The Dialogue on Article 6 of the Convention⁶³ is a space for Parties, and bodies established under the Convention, as well as experts, practitioners and stakeholders to share experiences and exchange ideas, best practices and lessons learned regarding the implementation of climate change education, training, public awareness, public participation, public access to information and international cooperation.

156. The Dialogue was established by decision 15/CP.18. It meets annually under the guidance of the COP and is chaired by the Chair of the SBI. Summary reports on the Dialogue are considered by the SBI at its subsequent sessions and constitute part of the intermediate review and the review of the Doha work programme on Article 6 of the Convention, to take place in 2016 and 2020, respectively.

157. The Dialogue has two focal areas, the consideration of which alternates on an annual basis, with the first focal area consisting of education and training, and the second encompassing public awareness, participation and access to information. International cooperation is a cross-cutting theme of both areas.

158. The work of most of the bodies under the Convention can contribute to climate change education, training, public awareness, public participation, public access to information and international cooperation. The COP has reflected on such linkages through its invitation to representatives of such bodies to participate in the Dialogue.

D. Economic instruments

159. The term, economic instruments, refers to approaches that apply economic principles to enhance the cost-effectiveness of, and promote, mitigation actions. Economic instruments also help to channel flows of finance, technology, and capacity support, particularly from developed to developing country Parties.

160. Economic instruments include the three mechanisms established under the Kyoto Protocol (the CDM, JI and IET), as well as approaches that Parties are elaborating independently or jointly under the Convention: on the basis of the mandate of the Bali Action Plan to consider the role of such approaches in enhancing mitigation, Parties agreed at COP 16 to consider the establishment of such mechanisms, at COP 17 to establish a new market-based mechanism and also to consider a framework for approaches that Parties choose to implement independently or jointly with each other, and at COP 18 to elaborate possible non-market-based approaches. Currently the CDM, JI and IET make use of an international system for logging transactions, known as the international transaction log (ITL).

⁶² <<http://unfccc.int/3514>>.

⁶³ <<http://unfccc.int/7670>>.

Arrangements presented in this section:

1. Economic instruments currently in operation (CDM, JI, IET, ITL)
2. Economic instruments under development (New Market-based Mechanism, Non-market-based Approaches, Framework for Various Approaches)

1. Economic instruments currently in operation***The Clean Development Mechanism***

161. The CDM⁶⁴ provides for the registration of projects that reduce or remove emissions in non-Annex I Parties and the issuance of credits (known as certified emission reductions (CERs)) corresponding to the reductions or removals achieved by such projects. To date, over 7,300 projects have been registered and almost 1.4 billion units have been issued. The CDM was estimated in 2012 to have channelled a cumulative total of USD 215 billion to non-Annex I Parties.⁶⁵

162. The CDM was established by Article 12 of the Kyoto Protocol. Its purposes, as set out in Article 12, paragraph 2, of the Kyoto Protocol, are to assist non-Annex I Parties in achieving sustainable development and in contributing to the ultimate objective of the Convention, and to assist Annex I Parties in achieving compliance with their QELRCs. The CDM was made operational by the COP in decision 17/CP.7; and its modalities and procedures were then formally adopted by the CMP in decision 3/CMP.1. Further guidance relating to the CDM is provided annually by the CMP. The SBSTA is considering various methodological issues related to the CDM, and the SBI is considering the issue of appeals in the CDM.

163. The CDM is supervised by an Executive Board under the authority and guidance of the CMP. The Executive Board has 10 members and 10 alternate members. It meets, on average, five or six times per year and reports annually to the CMP. It has a support structure that includes:

- (a) The Accreditation Panel, which prepares recommendations on accrediting third-party validators and verifiers of CDM projects;
- (b) The Afforestation and Reforestation Working Group, which prepares recommendations (in cooperation with the Methodologies Panel) on submitted proposals for new baseline and monitoring methodologies for CDM afforestation/reforestation project activities;
- (c) The Carbon Dioxide Capture and Storage Working Group, which prepares recommendations on submitted proposals for new baseline and monitoring methodologies, in cooperation with the Methodologies Panel;
- (d) The Methodologies Panel, which develops recommendations for the Executive Board on guidelines for methodologies for baseline and monitoring plans and prepares recommendations on submitted proposals for new baseline and monitoring methodologies;
- (e) The Small-Scale Working Group, which prepares recommendations on submitted proposals for new baseline and monitoring methodologies for CDM small-scale project activities.

⁶⁴ <<http://cdm.unfccc.int/>>.

⁶⁵ High-Level Panel on the CDM Policy Dialogue (2012): Climate Change, Carbon Markets and the CDM: A Call to Action.

164. As noted in paragraph 105 above, the CDM is the main source of income for the Adaptation Fund. Two per cent of all CERs that are issued (other than those from projects in LDCs) are forwarded to a special account; they are monetized and the proceeds are forwarded to the Adaptation Fund.

165. The first review of the modalities and procedures for the CDM is being conducted in 2013, as provided for in decision 3/CMP.1, paragraph 4.

166. Of note is that decision 3/CMP.1 required the Executive Board to establish a registry to ensure the accurate accounting of the issuance, holding, transfer and acquisition of CERs. Currently, non-Annex I Parties that host CDM projects (as well as entities authorized by them to participate in the projects) are eligible to open accounts in the CDM registry to hold CERs.

167. The CDM registry also contains an account that allows for the voluntary cancellation of CERs. Under the accounting rules of the Kyoto Protocol, any CERs sent to that account are removed from the circulation of units that may be used to meet mitigation commitments under the Kyoto Protocol, thereby providing a net emissions benefit.

168. The Executive Board provides further guidance on the work of the CDM registry during its meetings. The CDM registry, as is the case for national registries, operates through a link established with the ITL. The secretariat serves as the administrator of the CDM registry.

Joint Implementation

169. JI⁶⁶ provides for the identification of projects that reduce or remove emissions in Annex I Parties with commitments under the Kyoto Protocol and the issuance of credits (known as emission reduction units (ERUs)) corresponding to the reductions or removals achieved by such projects. The ERUs are converted from the host Party's assigned amount units (AAUs) in the case of reductions or removal units (RMUs) in the case of removals. To date, almost 600 projects have been identified and over 800 million ERUs have been issued.

170. Unlike the CDM, JI has two tracks. Under track 1, Annex I Parties themselves are responsible for administering the process for verifying that emission reductions or removals have occurred. Under track 2, this responsibility falls on an internationally constituted body known as the JI Supervisory Committee (JISC). Approximately 98 per cent of the ERUs issued to date have been issued under track 1.

171. JI was established by Article 6 of the Kyoto Protocol. It was made operational by the COP in decision 16/CP.7 and its guidelines were then formally adopted by the CMP in decision 9/CMP.1. Further guidance relating to JI is provided annually by the CMP.

172. JI is supervised by the JI Supervisory Committee (JISC) under the authority and guidance of the CMP. The JISC has 10 members and 10 alternate members. It meets, on average, three times per year and reports annually to the CMP.

173. The first review of the JI guidelines is being conducted in 2013, as provided for in decision 9/CMP.1, paragraph 8.

International Emissions Trading

174. IET⁶⁷ provides for the transfer of units under the Kyoto Protocol between Annex I Parties with mitigation commitments under the Kyoto Protocol. These units include AAUs, CERs, ERUs and RMUs.

⁶⁶ <<http://ji.unfccc.int/index.html>>.

⁶⁷ <<http://unfccc.int/2731>>.

175. IET was established by Article 17 of the Kyoto Protocol. It was made operational by the COP in decision 18/CP.7 and its guidelines were then formally adopted by the CMP in decision 11/CMP.1. Further guidance relating to IET is provided periodically by the CMP.

International Transaction Log

176. Decision 19/CP.7 requested the secretariat to establish and maintain an international transaction log (formerly known as the independent transaction log)⁶⁸ to verify the validity of transactions, including issuance, transfer and acquisition between registries, cancellation, retirement, and (where applicable) carry-over, of the various unit types under the Kyoto Protocol.

177. The ITL verifies transactions proposed by registries (including the CDM registry and also national registries) to ensure that they are consistent with the accounting rules agreed under the Kyoto Protocol. Each registry sends transaction proposals to the ITL, which checks each proposal and returns to the registry its approval or rejection. Once approved, the registries involved complete the transaction. In the event that a transaction is rejected, the ITL sends a code indicating which ITL check has been failed and the relevant registry terminates the transaction. The administrator of the ITL reports annually to the SBI.

2. Economic instruments under development

New Market-based Mechanism

178. The NMM was defined in decision 2/CP.17 “to enhance the cost-effectiveness of, and to promote, mitigation actions, bearing in mind different circumstances of developed and developing countries”. Subject to conditions to be elaborated, the NMM may be used, inter alia, to assist developed country Parties to meet part of their mitigation targets or commitments under the Convention.

179. The NMM is in the process of elaboration, taking into account the seven issues set out in decision 1/CP.16, paragraph 80. The SBSTA is conducting a work programme to elaborate modalities and procedures for the NMM, with a view to recommending a draft decision to COP 19.

Non-market-based Approaches

180. Non-market-based approaches are in the process of elaboration. The SBSTA is conducting a work programme to elaborate them, with a view to recommending a draft decision to COP 19.

Framework for Various Approaches

181. In decision 2/CP.17, the COP emphasized that mitigation approaches implemented individually or jointly by Parties must meet standards that deliver real, permanent, additional and verified mitigation outcomes, avoid double counting of effort, and achieve a net decrease and/or avoidance of emissions, and it invited the consideration of a framework for such approaches.

182. The framework for various approaches is in the process of elaboration. The SBSTA is conducting a work programme to elaborate it, with a view to recommending a draft decision to COP 19.

⁶⁸ <<http://unfccc.int/4065>>.

E. Transparency of action and support

183. International action on climate change requires reliable, transparent and comprehensive information on emissions, actions and support. Such information forms an essential basis for understanding current emission levels, and the ambition of existing efforts, as well as progress on both the national and international scale.

184. Article 12 of the Convention obliges all Parties, in accordance with Article 4, paragraph 4, to communicate to the COP information relevant to the implementation of the Convention, including in relation to emissions and removals. In accordance with their obligations, developed country Parties are required to prepare more in-depth national communications. Additional reporting requirements pertain to developed countries that are Parties to the Kyoto Protocol. The arrangements for national reporting have evolved throughout the history of the Convention and its Kyoto Protocol into a more comprehensive measurement, reporting and verification framework. Measures to significantly enhance transparency of action and support under the Convention were adopted as part of the Cancun Agreements and elaborated in decisions adopted at subsequent COPs.

185. Under the framework for measurement, reporting and verification, Parties submit to the COP national reports, which are the primary tool for informing the COP on actions taken to implement the Convention and to facilitate discussions on such implementation. Such reports include information on national GHG emission inventories, mitigation and adaptation actions, and support provided and received. They are based on guidelines defined in decisions of the COP, which specify the required content and timetable. The national reports submitted by Annex I Parties under the Convention and its Kyoto Protocol are subject to technical reviews, which were launched in the 1990s.

186. The national reports also serve as input to the emerging comprehensive measurement, reporting and verification framework established by the Bali Action Plan, the Kyoto Protocol and decisions taken by the COP 16, COP 17 and COP 18, which seeks to further increase the transparency of information on actions and support under the Convention by all Parties. Details on each element of the measurement, reporting and verification framework are provided in this chapter.

Arrangements presented in this section:

1. Arrangements for developed country Parties
2. Arrangements for developing country Parties
3. Compliance mechanism
4. Biennial assessment and overview of financial flows
5. MRV-related aspects for project-based mechanisms

1. Arrangements for developed country Parties

National communications

187. Annex I Parties submit national communications every four to five years, on the basis of agreed guidelines.⁶⁹ Their sixth national communications are due on 1 January 2014.

⁶⁹ Document FCCC/CP/1999/7 and decision 15/CMP.1.

188. National communications of Annex I Parties contain information on national circumstances and institutional arrangements, national GHG emissions, policies and measures to mitigate climate change, GHG projections and total effects of policies and measures, vulnerability and adaptation to climate change, financial resources and transfer of technology, research and systematic observation, and education, training and public awareness.

189. Annex I Parties that are also Parties to Kyoto Protocol are required to submit additional information to enable the assessment of their compliance with their commitments under the Kyoto Protocol.

National greenhouse gas inventories

190. Developed country Parties are required to submit information on their national GHG inventories annually, following the methodologies developed by the IPCC. The developed country Parties that are also Parties to the Kyoto Protocol have additional reporting obligations. These obligations include the requirement to submit supplementary information such as information on accounting units (in the Standard Electronic Format format) and information on LULUCF activities under Articles 3.3, and 3.4, of the Kyoto Protocol. They are also required submit other “ad-hoc” reports such as initial reports, demonstrable progress reports, and true-up period reports.

Biennial reports

191. The COP, by decision 1/CP.16, decided that developed country Parties should enhance the reporting in their national communications and submit biennial reports.⁷⁰

192. The first biennial reports will be submitted by 1 January 2014 and the second and subsequent biennial reports two years thereafter. When full national communications are submitted, developed country Parties can submit their biennial reports either as an annex to the national communication or as a separate report.

Compilation and synthesis and in-depth review of national communications

193. The secretariat prepares compilation and synthesis reports on the national communications of Annex I Parties, which are considered by the SBI and the COP as the basis for discussing the implementation of the Convention by Annex I Parties.

194. National communications are reviewed, within one to two years of the submission due date, by international expert review teams, following procedures and mandates contained in relevant decisions. The purpose is to provide a technical assessment of the implementation of the Convention and its Kyoto Protocol, and to ensure that the CMP has sufficient information to review the implementation of the Convention and its Kyoto Protocol.

Inventory reviews

195. The annual review of the individual GHG inventories of Annex I Parties became a requirement in 2003 in accordance with decision 19/CP.8. The annual review ensures adequate consideration of recalculations and emission trends over time.

196. The review of GHG inventories comprises three stages: initial check; synthesis and assessment; and individual review. As a final product, a review report is published on the UNFCCC web site. Usually the reports contain recommendations for improvements, which are followed up during the next year’s review.

⁷⁰ The reporting requirements of biennial reports by developed country Parties are defined in annex I to decision 2/CP.17.

197. The review process for developed country Parties that are also Parties to the Kyoto Protocol and have QELRCs under the Kyoto Protocol has a number of additional elements.

International assessment and review

198. The Cancun Agreements established a new process, namely international assessment and review (IAR), under the SBI for developed country Parties, which aims to promote the comparability of their efforts. The modalities and procedures for IAR were adopted at COP 17,⁷¹ and will be revised no later than in 2016.

199. IAR will commence two months after the submission of the first biennial reports. It will be conducted by the SBI in two steps: a technical review of the biennial reports and; a multilateral assessment of developed country Parties' progress on emission reductions and removals.

200. In order to ensure an effective IAR process, the review guidelines for national communications, biennial reports and GHG inventories are being developed and revised under the SBSTA for adoption at COP 19 and COP 20.

Expert review teams

201. The reports of developed country Parties are reviewed by expert review teams (ERTs). ERT members are selected by the secretariat from experts nominated to the UNFCCC roster of experts. Two lead reviewers guide the work of the teams. All lead reviewers come together in an annual meeting and report to the SBSTA. The secretariat has initiated a training process to ensure that there is a sufficient number of experts to implement the review process.

2. Arrangements for developing country Parties

National communications

202. Developing country Parties are also required to prepare and submit national communications, on the basis of the guidelines contained in the annex to decision 17/CP.8. As agreed by decision 1/CP.16, developing country Parties should submit national communications every four years.

203. Typically, their national communications include information on: national circumstances and institutional arrangements; national GHG inventories; programmes containing measures to facilitate adequate adaptation to climate change; programmes containing measures to mitigate climate change; transfer of technologies; research and systematic observation; education, training and public awareness; capacity-building; information and networking; and constraints and gaps, and related financial, technical and capacity needs.

National greenhouse gas inventories

204. Developing country Parties submit information on their GHG inventories, capturing a key summary of their GHG emissions by sources and removals by sinks, as a part of their national communications. Information on national GHG inventories also needs to be included in their biennial update reports (BURs).

205. The national GHG inventories are prepared primarily using the Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories, the IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories and the IPCC Good Practice Guidance for Land Use, Land-Use Change and Forestry.

Biennial update reports

⁷¹ Decision 2/CP.17, annex II.

206. The COP, by decision 1/CP.16, decided that developing country Parties should, consistent with their capabilities and the level of support provided for reporting, submit BURs, on the basis of guidelines contained in decision 2/CP.17, annex III. BURs contain updates of national GHG inventories, including a national inventory report and information on mitigation actions, needs and support received. COP 17 decided that developing country Parties should submit their first BURs by December 2014 and subsequent ones every two years thereafter. The LDCs and small island developing States may submit BURs at their discretion.

REDD-plus

207. As a basis for the estimation of anthropogenic forest-related GHG emissions, in decision 4/CP.15 the COP requested developing country Parties implementing REDD-plus activities to use the most recent IPCC guidance and guidelines, as adopted or encouraged by the COP, as appropriate. In decision 1/CP.16 the COP requested such Parties to develop national forest monitoring systems. Safeguards were also established by that decision and the COP requested developing country Parties to develop a system for providing information on how such safeguards are being addressed and respected. Further guidance is provided in decision 12/CP.17, including an invitation to developing country Parties to submit proposed forest reference emission levels and/or forest reference levels. Further modalities for measurement, reporting and verification of REDD-plus are under development.

The Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention

208. The CGE was established by decision 8/CP.5 to provide technical support and advice to non-Annex I Parties with a view to improving the process of preparation of national communications from non-Annex I Parties.

209. The term of the current CGE, reconstituted in 2009 for a period of three years from 2010 to 2012, was extended for a term of one year at COP 18 by decision 18/CP.18. The CGE agreed to focus the technical assistance to non-Annex I Parties in 2013 on the preparation of BURs.

210. The review of the term and mandate of the CGE and the need for the continuation of the group beyond 2013 is being considered by the SBI with a view of recommending a draft decision to COP 19.

Compilation and synthesis of national communications

211. The compilation and synthesis of national communications from developing country Parties is a process to compile and synthesize the information reported by such Parties on their actions, problems encountered in using the guidelines for the preparation of initial national communications, and other issues, with a view to enhancing the comparability and focus of their national communications.

212. To date, six rounds of compilation and synthesis have been undertaken. The reports on the compilation and synthesis of national communications are considered by Parties under the SBI.⁷²

International consultation and analysis

213. The international consultation and analysis (ICA) of BURs from developing country Parties was established by decision 1/CP.16. The process, under the SBI, aims to increase the transparency of mitigation actions and their effects, through analysis by technical

⁷² Reports are available at <http://unfccc.int/national_reports/non-annex_i_natcom/compilation_and_synthesis_reports/items/2709.php>.

experts in consultation with the Party concerned and through a facilitative sharing of views, and will result in a summary report.

214. The modalities and guidelines for ICA are contained in decision 2/CP.17, and will be revised no later than in 2017. The first round of ICA will commence within six months of the submission of the first round of BURs.

215. A team of technical experts will conduct the technical analysis of the BURs under the ICA process. The composition, modalities and procedures of the team of technical experts are being developed by the SBI with a view to forwarding them for adoption by COP 19.

Domestic measurement, reporting and verification of domestically supported nationally appropriate mitigation actions by developing country Parties

216. COP 16 also decided that domestically supported mitigation actions will be measured, reported, and verified domestically in accordance with guidelines to be developed under the Convention. Such guidelines are being developed by the SBSTA with a view to forwarding them for adoption by COP 19.

3. Compliance Mechanism

217. The Kyoto Protocol compliance mechanism is designed to strengthen the Kyoto Protocol's environmental integrity, support the credibility of the carbon market and ensure the transparency of Parties' accounting. Its objective is to facilitate, promote and enforce compliance with the commitments under the Kyoto Protocol. It is among the most comprehensive and rigorous systems of compliance for a multilateral environmental agreement.

218. The Compliance Committee implements the procedures and mechanisms relating to compliance under the Kyoto Protocol, designed to facilitate, promote and enforce compliance with commitments under the Kyoto Protocol.

219. The Compliance Committee was established by decision 27/CMP.1. It has two branches (the enforcement and facilitative branches) and a plenary. Each branch is composed of 10 members and has a chairperson and vice-chairperson.

220. The plenary of the Compliance Committee meets at least twice a year and the branches meet as often as required. The Compliance Committee reports annually to the CMP. Each branch reports to the plenary on its work. The CMP can consider an appeal against a decision of the enforcement branch relating to Article 3, paragraph 1, of the Kyoto Protocol if the Party concerned believes it has been denied due process.

221. In terms of linkages, the JISC is encouraged to collaborate with the Compliance Committee, in particular with regard to the list of Parties that meet the eligibility requirements for participation in market-based mechanisms and those that have been suspended by the enforcement branch.

4. Biennial assessment and overview of climate finance flows

222. One of the functions of the SCF is to assist the COP in relation to the financial mechanism in terms of measurement, reporting and verification of support. A key activity is the preparation of a biennial assessment and overview of climate finance flows.

223. The process for the biennial assessments and overview of climate finance flows was established by decision 2/CP.17, with the COP specifying the scope and sources of information for the process, and operationalized in the context of the work programme of the SCF, which was approved by COP 18.

224. The work is conducted by the SCF and will entail recommendations to be included in its annual report to the COP. The SCF has developed the scope and objective of and a tentative timeline for the first biennial assessment and will report thereon in its annual report to COP 19. The first biennial assessment is expected to be presented at COP 20 and the second biennial assessment is expected to be initiated in 2015.

225. The SCF has established a dedicated working group for the biennial assessments and overview of climate finance flows, which will also work inter-sessionally and serve as liaison between the SCF and external stakeholders, with whom the SCF engages in extensive outreach activities on this matter.

226. With regard to methodologies to measure and track climate finance, developed country Parties were invited by COP 18 to submit information on appropriate methodologies and systems by May 2014.

227. This aspect of the work of the SCF is strongly linked with the work of other bodies, most notably the SBI and the SBSTA. Furthermore, close linkages to, for example, the CGE, but also to the NAMA registry, will be important. Close cooperation and liaison with all stakeholders involved will be essential for the work of the SCF on the biennial assessments and overview of climate finance flows.

5. Aspects related to monitoring, reporting and verification for project-based mechanisms

228. The preparation, submission and review of information relating to the operation of project-based mechanisms, the CDM and JI are subject to measurement, reporting and verification.

229. A project designed to be implemented under a project-based mechanism is required to quantify its reduction of GHG emissions. The project proposal passes through a series of processes such as validation, registration, monitoring, verification and certification for CDM projects (see chapter II.D for details).

F. Periodic review

230. A better understanding of the science behind climate change, and the evidence, information and evolving knowledge on the physical, natural, social and economic aspects of climate change, provide an essential basis for informed decision-making within the UNFCCC process. The UNFCCC recognizes that the effectiveness of actions to address climate change can be enhanced through continuous re-evaluation in the light of scientific, technical and economic knowledge, and has put in place measures to strengthen links with the scientific community.

231. Parties have sought to strengthen the science-policy interface under the Convention through the establishment of the periodic review of the adequacy of the long-term global goal to reduce GHG emissions so as to hold the increase in global average temperature below 2 °C above pre-industrial levels, in the light of the ultimate objective of the Convention and overall progress towards achieving it including a consideration of the implementation of the commitments under the Convention.

232. The 2013–2015 review⁷³ will assess the adequacy of the long-term global goal of limiting the increase in global temperature to 2 °C and the overall progress made towards achieving that goal. It will also consider strengthening the long-term global goal, including to 1.5 °C.

⁷³ <<http://unfccc.int/6998>>.

233. The review was established by decision 1/CP.16. The COP will conduct the review with the assistance of the SBSTA and the SBI, which have launched a joint contact group for the task. The joint contact group will be supported by a structured expert dialogue (SED), which will ensure scientific integrity through a focused exchange of views, information and ideas. The subsidiary bodies will report on their considerations and findings to the COP, which should provide guidance. The SED co-facilitators will report to COP 19 and COP 20.

234. The information sources to be considered in the review include IPCC reports and information from Parties as well as from United Nations and regional agencies. Parties can provide inputs and information to directly contribute to the review. The SED will consider the inputs at workshops and expert meetings, and the COP will identify appropriate action on the basis of the outcomes of the review in 2015.

235. The first review started in 2013 and will be concluded by 2015. Subsequent reviews will take place following the adoption of an IPCC assessment report or at least every seven years.

III. Oversight and decision-making

236. The Convention has established a variety of arrangements to govern, coordinate and provide for oversight of the arrangements described in this document. The oversight bodies described in this chapter take decisions, provide regular guidance, and keep the arrangements under regular review in order to enhance and ensure their effectiveness and efficiency.

Conference of the Parties

237. The COP⁷⁴, established by Article 7 of the Convention, is the supreme body and highest decision-making organ of the Convention. It reviews the implementation of the Convention and any related legal instruments, and takes decisions to promote the effective implementation of the Convention.

238. A total of 195 Parties, as well as observer States and observer organizations are represented at sessions of the COP. The work is presided over by the President of the COP and guided by its Bureau. The COP meets once each year, unless it decides otherwise.

239. Decisions to promote the implementation of the Convention include the adoption of new protocols, for example the adoption of the Kyoto Protocol at COP 3, as well as the provision of guidance, requests, invitations and recommendations to Parties. The COP may also request the subsidiary and other bodies, and invite observer organizations to undertake work on specific topics, establish new arrangements and establish processes to conduct negotiations. Apart from decisions, the COP can also adopt conclusions, resolutions and declarations.

Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

240. The CMP⁷⁵, established by Article 13, paragraph 1, of the Kyoto Protocol, is the supreme body and highest decision-making organ of the Kyoto Protocol. It is responsible for reviewing the implementation of the Kyoto Protocol, and takes decisions to promote the effective implementation of the Protocol.

241. A total of 192 Parties to the Kyoto Protocol, observer States and observer organizations participate in sessions of the CMP, which meets annually in conjunction with

⁷⁴ <<http://unfccc.int/6383>>.

⁷⁵ <<http://unfccc.int/6397>>.

the COP. The President and Bureau of the CMP guide its work, and the in-session *modus operandi* is similar to that of the COP.

242. Decisions by the CMP to promote the effective implementation of the Kyoto Protocol can include the adoption of amendments, such as the recent Doha Amendment on the second commitment period of the Kyoto Protocol adopted at CMP 8. Similar to the COP, the CMP can produce decisions, conclusions, resolutions, and declarations.

Subsidiary Body for Scientific and Technological Advice

243. The SBSTA⁷⁶ was established by Article 9 of the Convention as one of the two permanent subsidiary bodies under the Convention. It provides information and advice to the COP and its other subsidiary bodies on scientific and technological matters relating to the Convention and, in accordance with Article 15 of the Kyoto Protocol, information and advice to the CMP relating to the Kyoto Protocol.

244. The SBSTA meets twice annually, in May/June and in conjunction with the annual sessions of the COP and the CMP at the end of the year. The SBSTA meets in a plenary setting, with contact and informal groups established to conduct work. All Parties, as well as observer States and observer organizations, participate in sessions of the SBSTA. The Chair of the SBSTA presides over the sessions, supported by the Vice-Chair and the Rapporteur. The SBSTA reports to the COP and the CMP on its work.

245. The tasks of the SBSTA include, for example: (a) assessment of the state of scientific knowledge on climate change and its effects; (b) the scientific assessment of the effects of measures taken in implementing the Convention; (c) the identification of technologies and know-how and advice on how to promote their development and/or transfer; (d) the provision of advice on scientific programmes, international cooperation in research and development and supporting capacity-building in developing countries; and (e) responding to scientific, technological and methodological questions that the COP and the SBI may put to it (see Article 9, paragraph 2, of the Convention).

246. In the context of the task (e) mentioned in paragraph 245 above, the SBSTA works on developing, improving and refining comparable methodologies for national inventories and projections of GHG emissions and removals and for evaluating the effects of measures undertaken to implement the Convention. It also carries out methodological work in specific areas under the Convention and its Kyoto Protocol.

247. The SBSTA holds a research dialogue⁷⁷, by decision 9/CP.11 and further guided by decision 16/CP.17, that provides a platform for enhanced communication between Parties and the scientific community to inform Parties about on-going and planned research activities and to hear their views on research needs and priorities.

Subsidiary Body for Implementation

248. The SBI⁷⁸ was established by Article 10 of the Convention to advise and assist the COP and, in accordance with Article 15 of the Kyoto Protocol, to advise and assist the CMP, in the assessment and review of the effective implementation of the Convention and its Kyoto Protocol. The SBI reports to the COP and CMP on its work.

249. Its modalities for participation, chairing, meetings, reporting and review are similar to those of the SBSTA (see para. 244 above).

250. The tasks of the SBI include, for example: (a) the consideration of Parties' national communications, in order to assess the overall aggregated effect of the steps taken in the

⁷⁶ <<http://unfccc.int/6399>>.

⁷⁷ <<http://unfccc.int/6793>>.

⁷⁸ <<http://unfccc.int/6406>>.

light of the latest scientific assessments of climate change; (b) consideration of the Annex I Parties' national communications, in accordance with Article 12, paragraph 2, of the Convention, in order to assist the COP in carrying out the review of the adequacy of commitments as required by Article 4, paragraph 2(d), of the Convention; (c) the provision of assistance to the COP in preparing and implementing its decisions, in particular reviewing the financial mechanism of the Convention, proposing recommendations on the arrangements for the intergovernmental process, and advising on budgetary and administrative matters.
