

UNITED NATIONS DEVELOPMENT PROGRAMME

Bureau for Development Policy
Environment and Energy Group



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Analysis and Summary of the UNFCCC Negotiations in Bonn, Germany, 14 – 25 May 2012

Governments gathered in Bonn, Germany, for the UNFCCC Conference from 14 – 25 May, 2012. The meeting was the first negotiating session since a last-minute deal was struck in the final hours of the Durban Conference of the Parties (COP) 17 and Meeting of the Parties to the Kyoto Protocol (CMP) last year. Five bodies convened, including the 36th sessions of the Subsidiary Body for Implementation (SBI) and of the Subsidiary Body for Scientific and Technological Advice (SBSTA), the 15th session of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA), and the 17th session of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP). Bonn also hosted the first session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP).

Numerous meetings also occurred on the margins of the session, including the first Durban Forum on Capacity Building and five workshops that addressed equitable access to sustainable development, clarification of developed country quantified economy-wide emission reduction targets, nationally-appropriate mitigation actions (NAMAs) by developing countries, various approaches, market-based mechanisms and increasing the level of ambition. Over 3,000 participants came to Bonn, representing governments, intergovernmental and non-governmental organizations, academia, the private sector, indigenous peoples and the media.

With five negotiating tracks meeting simultaneously, parties faced a specific challenge – the organization of work. The last three years of negotiations have established numerous new bodies, mechanisms, committees and other means to discuss and implement activities to address climate change. In Bonn, negotiators needed to organize the massive landscape of overlapping groups to ensure that issues were thoroughly addressed without being weighed down by duplicative or conflicting workstreams. For example, currently adaptation is discussed through several tracks: National Adaptation Plans and Loss and Damage under the SBI, Nairobi Work Programme under SBSTA, Adaptation Committee under the Convention and the Adaptation Fund under the Kyoto Protocol. Throughout the two weeks, negotiators worked to clarify the various workstreams on adaptation and other topics to avoid confusion and delays. While the organizational issues seem mundane, the decisions on the agenda and chairs will frame deep substantive discussions for years to come.

The Durban Platform wobbled, and then took its first step

The need for a clear workplan could not be more vividly demonstrated than in the discussions on the ADP. In the final hours of COP 17/CMP 7 last year, parties agreed to establish the ADP that will strive toward a “protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all parties.” When negotiators arrived in Bonn, they quickly realized that they had different interpretations of the Durban outcome. In particular, they disagreed on the scope and mandate of the ADP and expectations for what it will accomplish. Some developed countries argued

that the ADP should focus on creating a mitigation protocol including all countries that will come into force by 2020 and the need to increase mitigation ambition. Some developing countries, on the other hand, argued that all parties are not obligated to the same levels and format of commitments. Developing countries saw the ADP as similar to the Convention and the Kyoto Protocol, and emphasized that the ADP must abide by the principles of “common but differentiated responsibilities and respective capabilities” and equity. Many emerging economies also argued that “increasing ambition” applies to not only mitigation, but also adaptation, finance, technology and capacity building.

The stalemate translated into a heated debate over the agenda and chairmanship of the ADP that lasted the entire two-week session. Regional groups nominated Norway (to represent developed countries), and Trinidad and Tobago and India (to represent developing countries) as candidates for the Chair and Vice Chair of the ADP. Countries were so sharply divided that a vote – the first in UNFCCC history – was nearly undertaken. At the final moments on the final day of the session, it was agreed that Norway and India would Co-Chair until the end of the 2013 Bonn session and an Annex I party and Trinidad and Tobago would Co-Chair for the remainder of 2013 and 2014. A member of the African Group will co-chair with an Annex I Party in 2015. On the agenda, parties agreed that they would base their discussions on the Durban decision, including launching discussions under the ADP toward a legally-binding agreement to come into force by 2020 and a workplan on enhancing mitigation ambition. A member of the African Group will co-chair with an Annex I Party in 2015.

A number of developing countries, led by Venezuela, also argued for the principle of “pacta sunt servanda” (Latin for “agreements must be kept”) to be discussed in the ADP to define issues of non-compliance with the UNFCCC and Kyoto Protocol. Venezuela submitted this proposal in writing and it will be further discussed at the next meeting.

Kyoto Protocol: rules for a new era

In Bonn, negotiators had more productive discussions on the operational and legal issues for establishing a second commitment period of the Kyoto Protocol that will begin in 2013. Parties focused on three key topics: the length of the commitment period, the number of Assigned Amount Units (AAUs) that will be carried over from the first commitment period to the second, and how to ensure “seamless continuity” so that there are no legal gaps between commitment periods. On the length of the second commitment period, developed countries argued for an 8-year duration while Least Developed Countries (LDCs) and the Alliance of Small Island States (AOSIS), fearing for watered-down commitments in such a long timeframe, argued for a 5-year commitment period (and, in the case of an 8-year period, a review of mitigation targets midway). Throughout the debate, countries called for increased ambition under the Kyoto Protocol and equivalent commitments of the growing list of countries that will not be a part of the second commitment period, namely the United States, Canada, Russia, and Japan. New Zealand and Australia have stated that they will not join the second commitment period unless emissions reductions pledges are made by emerging economies.

The “Ghost” of Bonn: The Green Climate Fund

Although there was no established group to discuss the Green Climate Fund (GCF) in Bonn,¹ the new financial mechanism was mentioned in almost every negotiation. Major questions arose about how the yet-to-be-operational fund will relate to the UNFCCC negotiations on mitigation, adaptation, technology, capacity building and REDD, and how it will cooperate with bodies such as the Technology Executive Committee, Adaptation Committee and Standing Committee on Finance.

In the backdrop of the discussions, the first meeting of the GCF Board was postponed for the second time this year due to delays in confirming the nominations from regional groups. Given the commitment for the GCF to mobilize \$100 billion per year by 2020, countries emphasized that the design of the fund should occur in a transparent and inclusive manner. The Africa Group went so far as to propose that the GCF be included in the discussions under the UNFCCC. This was met with disagreement from many developed countries, stating that only Board will have independent legal personality and the relationship of the GCF to the COP should be similar to that of the Global Environment Facility. All countries emphasized the urgency of getting the GCF operational and that there should be no funding gap between the end of the fast start finance period in 2013 and the first disbursements of the GCF.

Another common theme among the discussions was the importance of identifying sources of climate finance and, in particular, the role of the private sector. Developed countries emphasized that the private sector must be mobilized by putting strong incentives in place for investment. Developing countries urged that private sector finance should not come at the expense of public commitments for finance, technology and capacity building. This debate will continue to Doha and beyond as countries attempt to further define the role of the private sector and how the political UNFCCC negotiations can offer enough stability and incentives for private sector engagement. Indeed, many private sector representatives urged the UNFCCC process to better engage industry if the private sector is expected to invest at the levels described in the negotiating room.

A map from Durban to Doha

The Bonn sessions further underscored that COP 18/CMP 8 in Doha will focus on clarifying and operationalizing the structures that have been created over the last three years. Many negotiators have described the upcoming Doha meeting as an “implementation COP,” where discussions will not lead to major political breakthroughs, but rather implementing the decisions taken since the Bali Climate Conference in 2007. As part of this effort, negotiators have already begun examining existing implementation arrangements and the lessons learned from the GEF, Adaptation Fund, bilaterally-funded programmes, workshops and other initiatives. In Bonn, meetings such as the Durban Forum for Capacity Building and workshops on NAMAs offered negotiators and practitioners an important opportunity to learn from work on the ground. The next six months will be a critical time to further share these experiences and examine how lessons on the successes and challenges can be applied to the growing landscape of opportunities for countries to address climate change. Many negotiators have noted that Doha will be an important opportunity to better align the “talk” with the “walk.”

¹ In Durban, parties agreed that discussions about the operationalization of the GCF will take place in the GCF Board.

Doha will also represent change in another way: both Ad Hoc working groups under the Bali Action Plan – the AWG-KP and the AWG-LCA – are scheduled to end in Doha. The difficulty of the ADP discussions in Bonn signalled that the delicate balance that has been carefully crafted must be handled with care. In many ways, Doha will test the ability of countries to trust the process and each other enough to resolve the issues of the AWG-KP and AWG-LCA so that the ADP can take more meaningful steps to support countries on climate change.

Upcoming Meetings

- 24 – 29 August: Preparatory meetings for G77 + China, LDCs, AOSIS and African Group
- 30 August – 5 September: UNFCCC negotiations in Bangkok, Thailand
- 22 – 23 October: Pre-COP meeting in Seoul, Korea: Pre-COP meeting
- 26 November – 7 December: COP 18/CMP 8 in Doha, Qatar

Annex I: Issue-by-issue Analysis

For an issue-by-issue analysis, please see Annex I that presents a series of tables that describe the current state of negotiations in:

- Adaptation
- Mitigation by Developed Countries
- Mitigation by Developing Countries
- Finance
- REDD+
- Capacity Building
- Response Measures
- Technology Transfer
- Various Approaches (to Mitigation)

Annex II: UNDP activities in Bonn

Please see Annex II for a summary of UNDP's various outreach activities in Bonn.

Annex I: Issue Analyses

Adaptation

Supporting countries to adapt to the current and future effects of climate change is critical to any future climate change regime. Over the last decade countries have agreed to a number of mechanisms to support adaptation, including National Adaptation Programmes of Action (NAPAs), the Least Developed Countries Fund and the Nairobi Work Programme. In 2010, countries expanded this effort by establishing the Adaptation Framework that advances implementation, support, institutions, principles and stakeholder engagement for enhanced action on adaptation.

<p>Areas of Agreement</p>	<ul style="list-style-type: none"> • Adaptation Framework includes nine key areas of enhanced action, including adaptation planning, vulnerability assessments, strengthening institutional capacities, disaster risk reduction, and knowledge and information. • Adaptation Committee to coordinate the implementation of the adaptation framework in a coherent manner. • Developed country parties agreed to mobilize financial support and continue to provide finance, technology and capacity building to LDCs to support National Adaptation Plans (NAPs). Agreed to make an analysis and compilation of support needs for the NAP process and consider guidance on policies and programmes to enable this support. • Nairobi Work Programme provides technical and scientific information on impacts, vulnerability and adaptation. Parties support the value of the NWP, and it has been agreed that the NWP would continue to be supported with a view to making recommendations to COP 19 on potential future work areas. In the meantime, two technical workshops are planned on water and climate change adaptation, and ecosystem-based approaches to adaptation. • Loss and Damage work programme will continue through four regional workshops between June and September 2012 to share regional experience and needs around three categories of risk management: a) risk reduction, b) risk retention, c) and risk transfer. Norway agreed to fund an informal pre-session meeting before Doha.
<p>Remaining Disagreement</p>	<ul style="list-style-type: none"> • Clarify the linkages between all of the components related to adaptation, which straddle different working groups (LCA, SBI and SBSTA). • Continued discussion on the workplan of the Adaptation Committee and its relationship with other components of adaptation. • Disagreement stands on the facilitation of country-driven National Adaptation Plans, and how to use national and regional centers and networks as well as best practices in adaptation. Implementation of support programme and guidance on finance is unclear, with some requesting streamlining the support through the LDCF. A global support programme has been proposed by LDCs that facilitates a variety of actors to provide support. Some countries have called for NAPs to be specifically linked to the Green Climate Fund. • Meaning of “particularly vulnerable countries” is still not discussed or defined. • Disagreement continues on an international mechanism and whether the activities in the work programme should be implemented within versus outside the convention.

Implications for development	<ul style="list-style-type: none">• Without effective adaptation, climate change threatens to undo decades of development. It is therefore critical to pursue climate-resilient development assistance and strengthen the capacity of national institutions to incorporate adaptive capacity and building resilience into development and budget planning in an iterative manner, particularly for LDCs.• With smart planning, adaptation now offers an opportunity to improve climate resilience through MDG achievement and poverty reduction.
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Mitigation for Developed Countries

Increased ambition of mitigation efforts by developed countries was one of the main topics in all five negotiating bodies. Developed countries are again urged to intensify their effort in finding ways and options to increase the ambition of economy-wide emission reduction targets. In Bonn, parties discussed the operational and legal arrangements of the 2nd commitment period under the Kyoto Protocol that was agreed in Durban. The operationalization of the 2nd commitment period will no doubt be challenging as the United States is not a party to the Kyoto Protocol and Japan, Canada and Russia (and potentially Australia and New Zealand) have stated that they will not join a 2nd commitment period. Also, at this session, conversations continued on methodological matters of biennial reports, assessment and review of reports.

<p>Areas of Agreement</p>	<ul style="list-style-type: none"> • The need to continue the process of clarifying the reduction targets of developed countries • The need to update the information on quantified economy-wide emission reduction targets by those developed country Parties to the Convention who did not submit their QELROs and relevant information using a common template • The need of systemic approach to measure progress towards the achievement of economy-wide emission reduction targets • Guidelines for biennial reporting of developed countries (reports to be submitted every two years, national communications every four years starting 1 January 2014) • Common electronic format for biennial reports will be developed • SBSTA to develop methodologies for reporting financial information • Modalities and procedures for international assessment and review (both technical review of information and a multilateral assessment of the implementation of quantified economy-wide emission reduction targets). First review to start in March 2014 • Coordination between different review processes should be enhanced by the secretariat • Common accounting framework is needed
<p>Remaining Disagreement/Areas to Clarify</p>	<ul style="list-style-type: none"> • How to address the gap between the reduction pledges and the global goal (the 'Ambition Gap') • Link between IAR and compliance process. What are the consequences of IAR? • Should comparability of efforts be measured and how?
<p>Implications for Development</p>	<p>Mitigation must be the driving force behind a global climate regime, creating a market for carbon credits and promoting development of low-carbon technologies. Current level of ambition of reduction pledges does not guarantee the 2°C target. IAR can provide a useful assessment of achievements towards targets.</p>

Mitigation for Developing Countries

Mitigation for developing countries continues to be one of the major issues of the UNFCCC negotiations. Developing country parties are encouraged to develop low-emission development strategies and submit information on nationally-appropriate mitigation actions (NAMAs). In Bonn, parties discussed many of the technical issues, such as guidelines for Monitoring, Reporting and Verification (MRV), the development of a registry that will match NAMAs with developed country support, and the modalities of International Consultation and Analysis (ICA) of biennial reports.

Because mitigation for developing countries has many elements being discussed, a series of summary tables are presented: NAMAs, Registry, ICA, and MRV.

Nationally Appropriate Mitigation Actions

Areas of Agreement	<ul style="list-style-type: none"> • Many technical issues have been forwarded to the Subsidiary Bodies. For example, SBSTA was requested to develop general guidelines for domestic MRV of domestically supported NAMAs, the registry will be developed through SBI by COP18, and the composition, modalities and procedures of the team of ICA will be developed by SBI for adoption at COP18. • Parties participated in an in-session workshop on developing country mitigation. Details on the workshop are at: www.iisd.ca/vol12/enb12540e.html • Parties agreed to have more focused workshops on specific NAMAs, paying particular attention to support needed for their implementation. • Parties agree that there is a need to further understand the diversity and underlying assumptions of NAMAs development and support needed for NAMAs.
Remaining Disagreement	<ul style="list-style-type: none"> • Development of guidelines for MRV of support • Developing a common template for pledges from non- Annex I Parties • Development of common accounting rules for NAMAs • Process to assess the needs for support for preparing and implementing NAMAs • Work on the understanding of means of implementation, including technical, policy and institutional aspects • Process to support the preparation and implementation of NAMAs, including a possible mandate to the Consultative Group of Experts • Identification of capacity constraints to prepare and formulate NAMAs • Consideration of the matching of financial, technical and capacity-building support and NAMAs, including the role of the registry;

NAMA Registry

Areas of Agreement	<ul style="list-style-type: none"> • The main function of the registry will be to collect information on NAMAs seeking international support and to match them to support available. • The UNFCCC Secretariat presented the prototype of a registry. • The prototype was endorsed by the Parties, who proposed some additional features to it and the secretariat will now finalize a working prototype ready to be presented at COP 18/CMP 8. • Developing countries can post their NAMAs at a page of the UNFCCC, for donors to be able to support.
Remaining	<ul style="list-style-type: none"> • Currently there is not enough financial support for the development of the

Disagreement	registry itself, which is of a concern for the developing countries.
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Modalities and guidelines for international consultation and analysis (ICA)

Areas of Agreement	<ul style="list-style-type: none"> • Parties agreed on the need to have an efficient, cost- efficient and practical ICA process, which does not impose an excessive burden on parties and the Secretariat. • The ICD process should utilize existing structures, such as Consultative Group of Experts (CGE) and roster of experts.
Remaining Disagreement	<ul style="list-style-type: none"> • The composition, modalities and procedures of the team of technical experts to perform the technical analysis of the biennial reports. • Consideration of these issues will continue at the next session.

Monitoring, Reporting and Verification (MRV)

Areas of Agreement	<ul style="list-style-type: none"> • While discussions were initiated, no areas of agreement were reached on domestic MRV of domestically-supported NAMAs
Remaining Disagreement	<ul style="list-style-type: none"> • The need for advancing the work through technical papers, workshops, versus continued exchange of views without such additional means of advancing the negotiations on this topic • Whether to consider Annex I experiences/lessons learned when discussing domestic MRV in developing countries

Overall Implications for Development

Implications for Development	<ul style="list-style-type: none"> • A country-driven and transparent process for NAMAs, the registry, MRV and ICA is critical to avoiding dangerous climate change • All elements offer an opportunity for developing countries to access finance and support for their development priorities, and will contribute to the global shift toward low-emission and climate-resilient development • Robust, transparent NAMA MRV systems will provide countries the opportunity to benefit from climate mitigation financing and catalyse the transformation toward low-emission, climate-resilient development
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Finance

Identifying and accessing new, innovative and additional sources of finance continues to be a major topic in the negotiations. In Durban, parties took the historic step of establishing the Green Climate Fund (GCF) but the design process has stalled due to delays in the setup of the GCF Board. In Bonn, parties made little progress in resolving long-standing issues such as the modalities of the Standing Committee (SC) and the role of the private sector. Importantly, however, informal consultations were held on long-term finance that gave parties an opportunity to share their views on how to scale-up climate finance.

Areas of Agreement	<ul style="list-style-type: none"> • A work programme on long-term finance will aim to contribute to efforts to scale up the mobilization of climate change finance after 2012. • Establishment of the Standing Committee on finance to improve coherence, rationalisation of mechanisms, mobilisation of resources, and MRV of flows. • Establishment of the Green Climate Fund to be designed by the GCF Board. • Considerable means of finance are needed and lessons learned from the fast start finance period should help to inform any future climate finance regime. • More information is needed on the amount and type of finance necessary. • Case studies and best practices to be shared on effective climate financing actions, both from the donors and recipients.
Remaining Disagreement	<ul style="list-style-type: none"> • Sources: the role of innovative financial tools (e.g. levy on bunkers); definitions of “new and additional” finance; role of private sector as a source of finance; and the balance of sources and types of funding. • Standing Committee: relationship between SC and financial mechanism. • Financial Mechanism: operational modalities of the GCF to be further elaborated, including questions of sources, definition of private sector facility, and coherence with other mechanisms under the Convention (e.g. GEF, AF, LDCF, SCCF) and outside the Convention (e.g. Climate Investment Funds). • Concerns by developing countries about the funding gap between 2012 and 2020, scaling up of finance for mitigation and adaptation needed.
Implications for Development	<ul style="list-style-type: none"> • The GCF’s operations, including its more innovative elements (enhanced direct access, private sector facility, non-grant instruments), means that a greater range of modalities and tools are available to meet country needs. • Establishing coherence among elements of climate finance under the UNFCCC will lead to less fragmented at the national level. • Finance is a key to unlocking other areas of the negotiations. Developing countries have argued that means of implementation, including finance, must be in place before discussions on their mitigation actions can proceed.

Reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries (REDD+)

In Bonn, discussions on REDD+ mainly focused on the methodological guidance for National Forest Monitoring Systems (NFMS) and Measurement, Reporting and Verification (MRV) for REDD+, resulting in a substantive, though bracketed, draft decision text to be forwarded for continued work in Doha. There was also limited initial discussion on drivers of deforestation and forest degradation with no substantive conclusions as well as limited continued consideration on guidance for safeguard information systems (SIS) and reference emission levels/reference levels (REL/RL).

Finally, discussions were also held on financing of results-based REDD+ actions, where most Parties converged on the need for both private and public financing, particularly the need for a dedicated REDD+ window under the Green Climate Fund, but diverged on what the scope of those discussions should be (financing for all phases of REDD+ vs results-based actions only).

<p>Areas of Convergence</p>	<ul style="list-style-type: none"> • The general characteristics and functions of a National Forest Monitoring System (NFMS), including but not limited to: flexibility, building on existing systems, coverage of all forest in the country, and application of a phased approach. • NFMS should be guided by the IPCC GHG Inventory guidance and provide information that is transparent, consistent over time and complete (i.e., sufficient data to allow technical analysis of the results). • There is a need for consistency between MRV modalities for REDD+ and those for Nationally Appropriate Mitigation Actions (NAMAs). • Parties undertaking REDD+ activities will need to provide data and information on their anthropogenic, forest-related emission and removals, consistent with their reference emission level/reference level (REL/RL), in their biennial update reports. • There is a need for specific capacity development programs on developing robust and transparent forest monitoring systems. • The need for sufficient, sustainable and predicting funding for REDD+. Consideration of multiple sources of finance, including markets and non-market finance; in particular, repeated calls for a REDD+ window under the Green Climate Fund • On safeguard information systems, the Parties agreed to continue consideration of further guidance needed as well as the timing and frequency of reporting summary information on addressing and respecting safeguards at future sessions. • On reference levels, it was agreed to initiate work on developing guidance for technical assessment of countries' RELs/RLs
<p>Remaining Disagreement</p>	<ul style="list-style-type: none"> • The role of a NFMS in providing information for that country's safeguard information system • On REDD+ MRV: use of stepwise approach, CO2 as the metric, process for international review/verification • The joint mitigation/adaptation approach proposed by Bolivia to focus on multiple functions of forests • The scale at which to discuss drivers of deforestation (international vs national only) and whether this drivers issue is within the mandate of the SBSTA, a body tackling technical issues

	<ul style="list-style-type: none"> • Whether to focus the REDD+ - specific finance discussions on results-based actions or all phases of REDD+
Implications for development	<ul style="list-style-type: none"> • Financing available for REDD+ offers an opportunity for those who depend on forests to build more sustainable livelihoods. • For forested developing countries, REDD+ offers the primary opportunity to benefit from climate mitigation financing and catalyse the transformation toward low-emission, climate-resilient development.

Capacity Building

Capacity building is a cross cutting issue that is essential to ensuring effective mitigation and adaptation. In Bonn, the first “Durban Forum for Capacity Building” was held. It brought together parties, practitioners, and other stakeholders for and in-depth discussion on experiences with implementing capacity building activities.

Areas of Agreement	<ul style="list-style-type: none"> • Capacity building is necessary for any climate change agreement and must be supported with technical and financial assistance • The annual “Durban Forum” is a useful opportunity for in-depth discussion on capacity building, facilitating the sharing of experiences, ideas, best practices and lessons learned in implementing capacity building activities. Participants included parties, representatives from UNFCCC bodies, and other practitioners. • Sharing best practices – especially in a hands-on way – from donors and recipients is important and needs to be continued. Capacity Building cannot end in merely conducting workshops, but needs to provide practical information on best practices & policies to implement. • Coordination and high-level engagement are important to make capacity building activities effective. Activities need to take place not only on the national, but also subnational level.
Remaining Disagreement	<ul style="list-style-type: none"> • The identification of performance indicators for the review of capacity building • The role of the private sector in capacity building • Modalities for monitoring and review • Developing countries link the question of capacity building to the question of funding, while industrialized countries prefer finance questions to be kept separate. This is particularly relevant for capacity building activities under the Green Climate Fund.
Implications for Development	<ul style="list-style-type: none"> • It is clear that a gap exists between the ambition and the capacity of countries to implement climate change agreements and access resources to finance related actions. • Capacity development is critical to ensure that developing countries—especially the most vulnerable—can make informed decisions with respect to climate change

Response Measures

The economic and social impacts of responding to climate change are a concern to many developing countries, the G77 and Arab States in particular. They have argued that the measures taken by developed countries to address climate change would have adverse effects on developing countries and that these impacts should be assessed and eventually compensated for.

Areas of agreement	<ul style="list-style-type: none"> • The Joint forum SBI/SBTA agreed on its work plan and activities for the year 2012 and 2013. • For 2012, submissions from parties will address: <ul style="list-style-type: none"> • Sharing information and expertise, including reporting and promoting understanding of positive and negative impacts of response measures; • Relevant aspects relating to the implementation of decisions 1/CP.10, 1/CP.13 and 1/CP.16 and Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol; • Building collective and individual learning toward a transition to a low greenhouse gas emitting society. • One in-session workshop on item was agreed for 2012. • Parties agreed that a Forum to Implement the Work Programme on Response Measures should be kept align with the UNFCCC framework to discuss negative (and positive) economic and social consequences of mitigation policies.
Areas of disagreement	<ul style="list-style-type: none"> • Generally, there is a disagreement whether response measures should be discussed only in the Forum or under the agendas of other bodies as well.
Development issues	<ul style="list-style-type: none"> • Any tax-related measures affecting carbon-intensive exports will have social and economic consequences on some developing countries, which could change development paths. Development sensitive, response measures could also trigger a transformation towards a Green Economy in developing countries.

Technology Development and Transfer

Countries agree that technology transfer will play a critical role in achieving effective mitigation and adaptation to climate change. Parties under the UNFCCC have long discussed how to support countries to identify technology needs, establish the appropriate enabling environment, and accelerate actions at various stages of the technology cycle. In Bonn, further progress was made on the Technology Mechanism that was established in 2010. The mechanism promotes the research, development, deployment and diffusion of environmentally-sound technologies. It is based on three components: a Technology Executive Committee (TEC); a Climate Technology Centre (CTC) and a Climate Technology Network (CTN).

Areas of Agreement	<ul style="list-style-type: none"> • Climate Technology Centre and Network (CTCN): An evaluation panel submitted a ranking of three top candidates to host the CTCN. Parties agreed that the UNFCCC will explore contractual arrangements with the top ranking candidate, a UNEP-led consortium of 13 organizations. If necessary, the UNFCCC will also begin contractual arrangements with the second and third ranked proponents, the GEF and Det Norske Veritas. The official selection of the host will be announced at COP 18/CMP 8 in Qatar. • Technology Executive Committee: The report on activities and work plan of TEC was welcome by Parties. • Technology needs assessments (TNAs): it was agreed that TNAs should be taken into account by Parties in the preparation of NAMAs, NAP, LEDS and technology roadmaps. Two training workshops in Spanish and French will be organized in 2012 in collaboration with interested organizations. The TNA handbook will be updated and presented at the SBSTA37.
Remaining Disagreement	<ul style="list-style-type: none"> • It was proposed that an Advisory Board be created to guide the CTCN. Questions remain about how the board will be constituted and who will be represented. • Linkages of technology to other bodies, including the Adaptation Committee and Standing Committee. Moreover, how financing for technology can be supported by the GCF. • The role of intellectual property rights within a new technology regime.
Implications for Development	<ul style="list-style-type: none"> • The development, adoption, and deployment of environmentally-sound technologies can be an important engine to drive the transition toward low-emission and climate-resilient development. It can also provide a foundation to spur innovation, attract investment, and create employment.

Various Approaches (to Mitigation)

Various approaches to enhance the cost-effectiveness of, and to promote mitigation actions, via non-market and market approaches, were considered during the sessions and during two in-session workshops.

On a Framework for various approaches, parties discussed the need for robust standards that deliver real, permanent, additional and verified mitigation outcomes, avoiding double counting, and the achievement of a net decrease and/or avoidance of greenhouse gas emissions.

On the new market-based mechanisms, parties discussed the need to elaborate modalities and procedures and specific elements of such mechanisms.

More details on the workshops, held on Saturday, 19 May on: www.iisd.ca/download/pdf/enb12541e.pdf

Areas of Agreement	<ul style="list-style-type: none"> • Further clarity is needed on non-market and market based mechanisms in order to come to any decisions • Need to elaborate modalities and procedures, specific elements of the new market based mechanisms • UNFCCC Secretariat will prepare a technical paper based on submissions and workshops (including exploring cost-effectiveness of the existing mechanisms) • Discussions will continue through workshops and new submissions invited.
Remaining Disagreement	<ul style="list-style-type: none"> • Identifying non-market mechanisms • Whether market-based mechanisms efficient and what kind of new market mechanisms to design • Is REDD+ only non-market or it could become market mechanism • Numerous technical issues, such as double counting, MRV, reporting on these mechanisms • However ALBA countries are in principle against markets under UNFCCC
Implications for development	<ul style="list-style-type: none"> • Market based mechanisms have proved to be a cost-efficient way to reduce emissions; however there is a need to move from project based to sector/NAMA based once.

Annex II: UNDP activities in Bonn

The UNDP negotiations team actively reached out to the climate community via bilateral discussions with developing countries and donors, participation in workshops and side events, and via the booth.

Booth

UNDP had a promotional booth during the two weeks of the sessions. The publications on offer represented UNDP's work in most of the key areas under negotiation (i.e., climate finance readiness, adaptation strategies and planning, REDD, investment & financial flows analyses, and low-emission capacity building). As such, the publications were in high demand and well received. There was also appreciation for the materials made available in French, Spanish and Russian.

UNDP side event: Using national investment & financial flows analyses to support climate-finance readiness

UNDP is allocated one official side event during the Bonn sessions. The opportunity was used to present the results from the Environment & Energy Group's global project, Capacity Development for Policy Makers to Address Climate Change. Under this project, 15 developing countries undertook assessments of investment & financial flows (I&FF) needed to implement priority mitigation and adaptation options. Susanne Olbrisch presented UNDP's methodological on I&FF assessments, and representatives from The Gambia and Liberia shared their experiences on how the I&FF work was feeding into broader national development strategies and planning, and laying the groundwork for preparedness for the Green Climate Fund. Around 50 people attended the event, which was facilitated by Rebecca Carman.

Participation in side events and workshops

UNDP was invited to participate in a range of official side events, as well as unofficial meetings held on the margins of the sessions.

The Durban Forum on Capacity Building

One outcome of the climate talks in Durban in 2011 was an agreement to share more information about capacity building approaches, support, and needs. Over two afternoons, a range of institutions and representatives from developed and developing countries shared perspectives on mitigation, adaptation, technology transfer, and measuring capacities. UNDP was invited to participate in the session focused on measurement and indicators, alongside OECD, UNITAR, and the EU. Cassie Flynn presented some of UNDP's latest thinking on collaborative capacity development being fostered by the Capacity Development Group, and there was interest in continuing to engage with UNDP on this topic.

Side event: Low Carbon Growth in East Asia and Japan's Effort (Government of Japan)

A representative from Japan's Ministry of Affairs highlighted two Japanese initiatives, Japan's Vision and Actions Toward Low-Carbon Growth and a Climate-Resilient World and the East Asia Low Carbon Growth Partnership. On the Partnership, the importance of cooperation to achieve low-carbon growth through bilateral and regional initiatives was underscored. UNDP was invited to present its role in supporting low-emission, climate-resilient development in the Asia region. Yamil Bonduki discussed building capacity to access climate finance, noting the complexity of the funders and sources of finance. He said challenges include: limited national capacities; the need to catalyze private finance; and lack of alignment between climate and development policy. He said UNDP is encouraging countries to develop

Green Low-Emission Climate-Resilient Development Strategies as a first step to assess needs and priorities, and identify barriers to investment and potential sources of funding.

Unofficial side event: Catalyzing Cooperative Action for Low Emissions Development (LEDS Global Partnership & International Partnership on Mitigation and MRV)

UNDP has been engaged in the LEDS Global Partnership (<http://en.openei.org/wiki/LEDSGP>), which was founded to advance low emissions development through coordination, information exchange, and cooperation among programs and countries working to advance low emissions growth, since early 2011. Currently 52 institutions and countries participate in the partnership, and UNDP will be leading a workstream on climate finance readiness from late 2012. The International Partnership on Mitigation and MRV (<http://www.mitigationpartnership.net/>) was launched in the framework of the Petersberg Climate Dialogue in May 2010 by South Africa, South Korea and Germany. The overall aim is to support a practical exchange on mitigation-related activities and MRV between developing and developed countries in order to help close the global ambition gap.

UNDP (Rebecca Carman and Daniela Carrington) was invited to briefly present its activities as part of an event that brought the Partnerships together to better understand the range of actions currently being supported on the ground. UNDP also led a discussion group on capacity building.

External workshop: From Planning towards Implementation – Developing Building Blocks of a Global Mitigation Architecture (Federal Environment Agency, Germany)

Yamil Bonduki and Rebecca Carman participated in a full-day meeting that brought together many of the institutions pioneering work on Nationally Appropriate Mitigation Actions (NAMA), both from developed and developing countries. GIZ and the International Climate Initiative programme office also presented their knowledge management and NAMA tools.

External workshop: Towards Effective Monitoring and Reporting of Climate Projects (Germany Ministry of Environment, Germanwatch, Ecofys & Wuppertal Institute)

UNDP has been invited to participate as a peer reviewer in the reporting of the mid-term evaluation of the Federal Environment Agency's International Climate Initiative. Understanding how best to evaluate mitigation and adaptation action, within the context of climate aid effectiveness, is a growing area of priority for the governments of Germany, the UK, and USA. The work of the Capacity Development Group and project monitoring for the Global Environment Facility has given UNDP a strong knowledge base in this area compared to other agencies. Rebecca Carman provided UNDP perspectives of effective capacity building indicators.

To see all the side events held in Bonn, including resources and focal points, go to:
http://regserver.unfccc.int/seors/reports/events_list.html?session_id=SB36