

HIGH-LEVEL PANEL ON CDM POLICY DIALOGUE
First meeting of the Panel
United Nations, Bonn, 14-15 February 2012

Meeting Report

1. The constituting meeting of the high-level Panel (the Panel) on the CDM Policy Dialogue was held on 14-15 February 2012 in the premises of the United Nations in Bonn, Germany. It was hosted by the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC).
2. Nine of the eleven members of the Panel and ten Senior Expert Advisers (SEAs) to the Panel were present at the meeting. In addition, two assistants to the SEA were present as well. Two Panel members, who were unable to attend this meeting, were represented by their SEAs. UNFCCC secretariat staff, assigned to support the Policy Dialogue, also attended the meeting. Please refer to Annex A for the participants list.

Introduction and Background

3. The first part of the meeting was designed to revisit the background and purpose of the Panel's work. This included welcome remarks by the Executive Secretary of UNFCCC, Ms. Christiana Figueres, and the chair of the CDM Executive Board, Mr. Martin Hession. In this session the Panel reviewed the Terms of Reference for the Panel, as initially drawn up by the CDM Executive Board, and agreed on the agenda for the meeting (Annex B). The first session included a presentation by the secretariat to provide the background and information about CDM processes, statistics on distribution of projects, compliance, eligibility and governing bodies. Finally, an introduction to the CDM Policy Dialogue website was provided.

Public Input

4. The second part of the meeting focused on the inputs sought from the public to guide the Panel's work. This session started with an opportunity for the Panel members to talk with a few experts invited to share their thoughts over the telephone. The experts were Ms. Jane Ellis, Principal Administrator, Climate Change, OECD; Mr. Dennis Randall Spalding-Fecher, Senior Adviser, Carbon and Energy Southern Africa, Poyry Management Consulting and finally Mr. Fábio José Feldmann of the Brazilian Business Council for Sustainable Development. The Panel members also discussed specific aspects of CDM with the experts.
5. The Call for Input to the CDM policy dialogue, launched prior to the meeting, resulted in 58 submissions from different stakeholders. These submissions had been compiled into a synthesis paper, which was presented by the secretariat. Issues raised in the submissions ranged from the basic idea and function of the CDM, and its relation to financing and other market based mechanisms, to the role of different CDM bodies, methodologies and processes, transparency and integrity of the mechanism, and its future role in the post-2012 climate architecture (Please refer to the CDM Policy Dialogue website to access all submissions: www.cdmpolicydialogue.org). The

synthesis paper structured the issues raised in the submissions into five areas:

- Governance of the CDM
- Methodologies and Processes
- Sustainable Development
- Trade and Finance
- Architecture of the CDM

The Panel had an initial discussion about issues raised and sought clarification from experts in the secretariat on specific aspects related to the submissions. It was concluded that the submissions provided a sound foundation for the work of the Panel, and will be considered in the implementation of the Policy Dialogue.

Defining the Strategy

6. On the basis of discussions in the previous two sessions of the meeting, the Panel discussed what the vision for the final report of the Panel (due in September 2012) should be, and how the work of the Panel can be structured to meet that vision, while remaining within the ToR provided by the CDM Executive Board. Discussions included i.a. the following aspects

- There is a need to revisit the original objectives set up for the CDM in the UNFCCC, and to assess to what extent CDM has contributed to these objectives. In this context, there is also a need to assess how the context for the CDM has changed since it was operationalized, including the increasing urgency to close the gap between the stated objective of the convention to limit climate change to 2 degrees C, and the so far insufficient pledged greenhouse gas emission reductions.
- It was also noted that the CDM was conceived as an offset mechanism which would promote sustainable development in the host countries, as per their goals, and was not designed to enhance global mitigation beyond the targets agreed in the Kyoto Protocol for Annex I Parties.
- The context for the CDM may change in the next few years, and its relation to other market based mechanisms (both bottom-up domestic or bilateral schemes, and the top-down New Market Based Mechanism defined at COP17) needs to be considered if the Panel recommendations are to be relevant. This may also need to touch upon the relationship between the CDM and the Green Climate Fund and Nationally Appropriate Mitigation Action (NAMA) plans, keeping in mind the need to ensure environmental integrity.
- There is a need to compare the CDM with other existing carbon offset mechanisms to identify its comparative advantages and disadvantages, and to understand why some actors prefer to work with mechanisms alternative to the CDM.
- Important, and much discussed, features of the CDM include additionality, baseline emissions, and unfulfilled demand. These would be analyzed as part of the Policy Dialogue.

7. While the Policy Dialogue will be open and wide ranging, the Panel recognizes the need to focus on strategically important issues so as to allow the Policy Dialogue to be concluded by September. It was noted that some of the issues raised in the submissions are of an operational rather than of strategic significance for the CDM, and may best be addressed within the CDM system. The Panel intends to primarily focus the CDM Policy Dialogue at the strategic level. However, it will not refrain from providing recommendations on operational matters in the case where clear recommendations emerge in the process.
8. In this session the Panel also addressed some of the practical aspects of how to conduct the Policy Dialogue.
 - The Panel intends to ensure that the Policy Dialogue is an open and transparent process, based on the agreed principles of independence, integrity, and inclusiveness.
 - In line with the above principles, the process for the Dialogue is as important as the substance of the final report. This requires, *inter alia*, an effective stakeholder engagement plan, a communication strategy, including active outreach through media, a clearly defined focus for the Dialogue, and a process that ensures technical and political visibility. All these aspects need to be developed and decided upon as a priority.
 - In terms of the resources available for the Policy Dialogue, the Panel agreed to engage the SEAs to prepare, with support from the secretariat, draft plans, research briefs and other materials required for the Panel to conduct the Policy Dialogue. Additional individual experts may be engaged to support the Panel, although it was recognized that UN procurement rules makes it very difficult to engage companies, within the timeframe of the Policy Dialogue.
 - The secretariat clarified that while the budget provided for the work of the Panel is flexible, it is important to consider the budgetary implications of various activities, and to seek to make a reasonable estimate of the total cost for the Dialogue from the start so as to avoid the need to request changes to the budget later in the year.
 - The Panel considered the time required from Panel members to engage in Policy Dialogue activities, including stakeholder interactions. In order to avoid the time requirements becoming overly burdensome for any individual Panel member, it was agreed that stakeholder engagements will normally be attended only by a few Panel members (to report back to the full Panel afterwards), and that these should, as far as possible, be selected to cover events in their own regions so as to minimize the need for extensive travels.
 - It was also agreed that meetings shall, as far as possible, be conducted on-line and with translation to local languages when needed.

9. In preparation for the second day of the meeting, the Panel assigned responsibility to the SEAs to develop concrete suggestions in five areas, for the consideration of the Panel. These were defined as:
- Vision
 - Drafting process
 - Stakeholder interaction
 - Research
 - Media and communication

Modalities and Procedures

10. The Panel agreed on the Rules and Modalities outlining the roles of members and support teams, rules for electing the chair, for voting, and for reflecting dissenting views in meeting report. The modalities require the Panel members and SEAs to provide a declaration of interest to fellow members through the Chair. The secretariat was requested to prepare a draft format for the declaration of interest. The modalities defined the roles of the Chair, Vice-Chair, Panel members, SEAs and the secretariat. They also define the process for agreeing on recommendations for the final report, and established principles to guarantee transparency, integrity and inclusiveness of the CDM Policy dialogue. Please refer to Annex C - *“Modalities of operation for the High-Level Panel of the CDM Policy Dialogue”* - for further information.

Election of chair and vice chair

11. Following the adoption of the Modalities and Procedures the Panel moved on to elect its chair and vice chair. Mr Mohammed Valli Moosa (South Africa) was unanimously elected to chair the Panel. Ms. Joan MacNaughton (United Kingdom) was unanimously elected as the vice chair of the Panel.
12. Since Mr. Valli Moosa had had to leave the meeting in the morning, and since Ms MacNaughton had not been able to attend the first day of the meeting, Ms Margaret Mukahanana (Zimbabwe) was appointed as Chair for the remaining part of the meeting.

Work plan for the Panel

13. The Panel took stock of the proposals from the SEAs regarding the five areas of focus agreed during the previous day. Detailed discussions took place on many aspects of each area, and in all cases, the next steps, responsibilities, and deadlines were agreed upon. The Panel developed the work plans for each area with a sense of urgency to get the Policy Dialogue operational. To this end, most initial actions draws on the existing capacity among Panel members, SEAs and secretariat staff.

1. Vision

14. Based on the Terms of Reference provided by the Executive Board, and further discussed and elaborated by the Panel, the following Mission & Approach statement for the CDM Policy Dialogue was adopted by the Panel:

Mission

The CDM Policy Dialogue High-Level Panel decided at its first meeting to focus on developing recommendations about the future of the CDM.

Approach

The High-Level Panel affirmed its intention to give due consideration to the evolving policy context, relevant lessons learned, effectiveness, efficiency and integrity, as well as mitigation and sustainable development impact. It committed to undertake this task in an independent, inclusive and transparent manner, with stakeholder input.

15. The Panel further decided to make the full final report publicly available, including by distributing it directly to the Parties to the COP/CMP, so as to guarantee the transparency and integrity of the work of the Panel towards the COP/CMP.

2. Drafting Process

16. The Panel agreed that the final report is not a negotiated document and will be issued by the Panel under its own responsibility.
17. As far as possible the Panel will seek to produce a consensus document that brings together the views of Panel members into a coherent report. The final report will be agreed by the panel in line with the Modalities and Procedures adopted by the Panel. The final report will also provide the rationale for each recommendation. Dissenting views among Panel members will be reflected in relevant meeting reports, but will only be reflected in the final report where the difference of opinion is material and cannot be resolved through discussion at the level of the Panel.
18. The Panel decided that a lead author will be identified to coordinate the drafting process for the final report. Considering the need for the lead author to be independent from any stakeholders, s/he will be identified by the Panel members. It was also agreed that the lead author should not only have the capacity to fully understand and accurately reflect the subject matter and the recommendations by the Panel, but should also be able to write a report in a style that is engaging and capturing for the outside world.
19. It was agreed that the Lead Author would work in coordination with the lead experts for the three research areas (refer to paragraphs 36 and 37 below). Once the Terms of Reference (ToR) for these have been agreed, a draft ToR for the lead author will be developed by the Secretariat and circulated together with CVs of potential candidates to all Panel members, who will finalise and agree the TOR and identify the suitable candidate for this assignment.
20. The Panel also agreed that an editorial committee would be established, with the participation of the SEAs and supported by the secretariat, so as to guide the drafting of the final report. The chair and vice chair were requested to establish the editorial committee.
21. The planning of work should be conducted so as to provide the first draft of the High-level Panel report on the Policy Dialogue by the first week of July, 2012.

22. All reports and documents generated or received in this process will be made publicly available. Exceptions may apply if the Panel decides to restrict information for reasons of protecting legitimate interests of stakeholders, avoid slander, or for other reasons where they feel that specific information may have a negative impact on the Policy Dialogue process itself.
23. The following Panel members were assigned responsibility to guide and steer the drafting process:
- Prodipto Ghosh
 - Nobuo Tanake
 - Yolanda Kakabadse

3. Stakeholder interaction

24. Stakeholder interaction is a central component of the Policy Dialogue. The Panel needs to ensure that the Dialogue is carried out with a balance between issues, stakeholder groups and regions, while remaining transparent and inclusive
25. The Panel agreed that there are several ways in which the Panel can interact with stakeholders, including calls for inputs, on-line meetings, visits, workshops, etc. The need for interaction, and the form of interaction, with specific stakeholder groups, may partly be influenced by the need for information for the research undertaken by the Panel (refer to paragraph 36-41). For example, it is possible that specific issues may require that the Panel organizes dedicated seminars or hearings with stakeholder groups. In other cases, request for written input may be sufficient.
26. In order to ensure cost efficiency of the Policy Dialogue, as much as the circumstances permit, the Dialogue should be conducted on-line (through on-line meetings or calls for written input), and public meetings should, whenever possible, be webcasted.
27. Some regions or stakeholder groups may have difficulties to travel to meetings, to access on-line meetings, or to understand discussions and documentation in English. In such cases the Panel will seek to support their participation, e.g. through visits to their location and translation of discussions.
28. The Panel recognized that some meetings organized by stakeholder groups may already offer good opportunities for the Panel to meet and interact with stakeholders from different places who are brought together in one location. For this reason, such meetings should be identified as soon as possible, and organized into an overall stakeholder interaction plan, to be reviewed and adopted by the Panel. The secretariat was requested to prepare an overview, in matrix format, of relevant meetings, and with input from expert advisers propose options for a meeting schedule, to ensure a balance between stakeholder groups and regions, taking into account the potential costs involved and time availability of Panel members.
29. Interaction with negotiating parties will also be important for the Policy Dialogue. During the Policy Dialogue, parties are only scheduled to meet once, which is at the Climate Change Conference in Bonn on 14-25 May 2012. The secretariat was requested to assist the Panel in organizing a CDM

Policy Dialogue side event, and to arrange for meetings between the Panel and key negotiators (e.g. Chairs for regional groups and/or negotiators involved in the discussions on CDM and other market based mechanisms) during this period in Bonn.

30. The Panel highlighted the need to also identify stakeholders who have a role to play in relation to the CDM, but who did not respond to the Call for Input, such as stakeholders from LDCs and Africa, and financing institutions.
31. In order to prepare the Panel members for meetings and events with stakeholders, it was suggested that the secretariat prepare background notes for each meeting, highlighting concerns raised by the stakeholders participating in the meeting and, for regional meetings, typical issues associated with the CDM in the region.
32. In addition to the briefing note, a list of specific questions that the Panel members may want to discuss at the meeting should be prepared. It was proposed that the list of questions be proposed by the SEAs based on the research questions identified in the research briefs for each of the three research areas (please refer to paragraph 37) .
33. In addition to stakeholder consultations and on-line meetings, the Panel has agreed to meet at least twice before the release of the final report. The next (second) meeting of the Panel will take place on 30-31 May and the third meeting will take place on 25-26 July. The secretariat was requested to propose venues for the meetings, considering ease of access (travel and visa) for Panel members, potential to co-locate meetings with stakeholder interactions, and cost for organizing the meetings.
34. The expert advisers may need to meet more frequently than the Panel members, although the primary means of interaction should be through on-line meetings. The Panel therefore requested the secretariat to urgently ensure that tools for on-line collaboration are provided to the Panel, such as Webex, Teamworks, and/or Sharepoint.
35. While all Panel members will participate in stakeholder meetings, the following Panel members were assigned responsibility to guide and steer the stakeholder consultation process:
 - Luciano Coutinho
 - Margaret Mukahanana
 - Changhua Wu

4. Research

36. Based on the submissions received in response to the Call for Inputs, the Panel discussed how to approach and structure many of the different aspects of the CDM. The synthesis paper had proposed one structure based on five main areas (Governance, Methodologies and processes, Sustainable Development, Trade and Finance, and Architecture). Another possibility proposed was to use the two main objectives of the CDM (mitigation and sustainable development) as starting point. A third possibility, also discussed, was to approach these issues based on a stakeholder-by-stakeholder analysis. In the end, the Panel decided to organize its work as a combination of the above approaches, effectively structured under three main headings:

- **Impact assessment.** This research area will address the impact of the CDM on mitigation and on sustainable development. It will assess the extent to which CDM has unlocked the power of the markets for accessing cost effective mitigation options by Annex I Parties, and the flow of investments in clean technologies to Non-Annex I Parties. It will assess the impact of CDM on global mitigation goals, including the extent of carbon leakage resulting from the CDM. The review will assess whether the current approach of the CDM is effective in helping host countries to achieve sustainable development as per their own goals and objectives. In this regard, the review will assess the types and regional distribution of projects, the extent to which environmental integrity has been ensured, and whether projects have been associated with environmental and human rights abuses. Ways to improve the mitigation benefits, environmental integrity and sustainable development impact of CDM will be explored.
- **Operation and governance.** This research area will focus on the functionality and efficiency of the internal CDM processes and structures, the role of bodies constituted under CDM, the use of methodologies, additionality, baselines, stakeholder interaction etc. The research will consider the pros and cons of standardized approaches for baseline assessment and unfulfilled demand. The level of aggregation of projects is an issue of growing importance, and the research will consider to what extent a broader level of aggregation that covers entire industrial sectors, regions, or even countries may be feasible in practical terms.. The research will analyze whether there are areas of CDM governance that are impeding the effectiveness of the mechanism, and whether the current governance arrangements for the CDM enable it to achieve its objectives. The potential conflicts of interest relating to the Board, DOEs and other project developers will be analysed. The report will look at possible measures to streamline the functioning of the CDM, and how to ensure greater efficiency and flow of resources to Non-Annex I Parties without compromising mitigation objectives and environmental integrity.
- **Context for CDM:** This research area will focus on the evolving context for CDM, particularly in relation to new and emerging offset mechanisms and carbon markets. In this area, the Panel will also assess the current and potential future role of the CDM to leverage additional private sector financing for mitigation, in its own right as a market based instrument. The research area will take a long-term view of the global mitigation challenge, and the role of the carbon markets and the private sector in meeting this challenge. The range of mechanisms that are emerging include local, national and regional trading mechanisms; and the new market mechanism under the Durban Platform, new mitigation instruments such as NAMAs, and related financing instruments such as the Green Climate Fund. Scenarios for the long term demand and supply for CERs and other emerging mitigation instruments will be investigated. The role and place of offsetting within such a future, including project based offset mechanisms such as CDM and others will be further analyzed. This research area will also consider whether offsetting poses legitimate

concerns, either for the countries that produce credits or for the countries that use them.

37. The Panel requested the secretariat to develop, in close cooperation with expert advisers, initial research briefs for the three areas, to be submitted to the Panel for consideration. The research briefs should:

- Identify the specific research questions. These will also serve to guide the list of questions that the advisers will prepare for the Panel members in preparation for stakeholder meetings (refer to paragraph 32).
- Identify sources of information, such as
 - Existing reports and papers
 - Stakeholder groups
 - Data and statistics
 - Field visits
 - News services (Point Carbon, New Energy Finance...)
 - Expert interviews
 - etc
- Identify gaps in information, which can be filled through a commissioned study, within the time frame of the Policy Dialogue
- Provide an initial outline of the outcome/report to be prepared for each research area
- Propose the organization of work in terms of lead author, specific activities to be undertaken, deadlines for submissions etc.
- Identify key milestones and associated costs.
- Develop the ToR for the lead for each research area

The research briefs will initially be circulated among all expert advisers by 24 February, for their input. The research briefs will then be circulated among the Panel members, for consideration/adoption, by 29 February

38. The Panel requested the secretariat to indicate the need for engaging outside expertise in each research area, including the role as coordinator for each research area. Being mindful of the need for cost efficiency, the function as lead for each research area should as far as possible be identified from within the Panel, among the expert advisers, or in the secretariat.

39. To further support the Policy Dialogue research effort, the secretariat was requested to provide the Panel with the following inputs:

- A list of available key resource documents and research pertaining to the focus of the Policy Dialogue.
- A paper summarizing some of the more pertinent research with respect to mitigation and sustainable development, presenting the assumptions and conclusions of the reports, but refraining from commenting on the findings.

- An overview paper of developments in regional and national carbon trading schemes, including policies and market decisions affecting their design and development.
 - A summary of CMP decisions that have affected CDM since the mechanism was established.
40. The Panel also welcomed the offer by Panel member Ross Garnaut to provide an initial forward looking analysis of how the CDM may fit together with other market based instruments under the evolving new climate regime.
41. The following Panel members were assigned responsibility to guide and steer the research process:
- Maggie Fox
 - Ross Garnaut
 - Paul Simpson

5. Media and Communication

42. Communication is seen by the Panel as key feature of the CDM Policy Dialogue. The CDM Policy Dialogue website is recognized as the main vehicle for communication about the work of the Panel. The Panel decided that day-to-day operation of the website is to be managed by the secretariat, and that any new information changes to the website is to be done with the approval of the Chair.
43. Considering the need for the Policy Dialogue to be independent from the UNFCCC secretariat, it was decided that the UNFCCC logo shall be reduced in size and moved to the bottom of the page, with the following text added "website managed by UNFCCC". The logo for the CDM Policy Dialogue (if adopted - see next paragraph below), will replace the UNFCCC logo in its former location on the website.
44. The Panel requested the secretariat to circulate to all Panel members and expert advisers the potential logos prepared for the Policy Dialogue. The Panel is requested to decide if they wish to use a logo, and in such a case, if any of the proposed logos are acceptable, and if not, to propose alternative logos. If a logo is adopted it may be used on the web site, in PowerPoint presentations, and at meetings to highlight that the website/presentation/meeting is provided by the high-level Panel for the CDM Policy Dialogue.
45. Stakeholders can today contact the Panel by sending messages via the CDM Policy Dialogue website. It was agreed that the secretariat will manage this website inbox, and will forward any relevant messages to the Chair, who will decide if, and how, the Panel should respond.
46. For press releases. it was decided that press releases from the Panel shall not feature the UNFCCC letterhead or logo, but that the secretariat shall assist in preparing and launching press releases. All press releases shall be posted on the CDM Policy Dialogue web site. Press releases will be prepared by the secretariat in consultation with the Chair/Vice chair, and will need to be approved by the Chair/Vice chair before being launched.

47. As indicated in the Modalities and Procedures, the Chair will act as spokesperson for the Panel, and in his absence, the Vice chair will fill this function. Other Panel members may speak on behalf of the Panel only if requested by the Chair to do so.
48. In order to support the Panel members in their contact with the press, media and the public, the secretariat was requested to compile a Q&A sheet where the most common (anticipated) questions about the Panel and its members are to be listed with the corresponding suggested responses.
49. Based on these discussions, the secretariat was asked to prepare a media and communications plan to be submitted to the Panel for consideration by 29 February.

Conclusion of the meeting

50. The Chair and the Vice chair of the Panel meeting summarized the outcome from the constituting meeting, with decisions and deadlines taken as reflected in this meeting report. For ease of reference a summary of action points agreed are provided in Annex D to this report.
51. It was agreed that, as decided in the Modalities and Procedures, the report will be prepared by the secretariat, to be submitted to the Chair and Vice chair no later than three working days after the conclusion of the meeting, that the Chair, after any adjustments as may be needed have been done, will then circulate the report to the Panel members. Panel members will have one week to respond/propose any changes to the report, after which it will be considered adopted. The meeting report will be posted at the CDM Policy Dialogue website.
52. The Chair and the Vice chair thanked all participants for their valuable contribution to the meeting, as well as the secretariat for their support to the meeting. They noted that this meeting marks the beginning of the real work of the Panel and that they are looking forward to frequent contacts and interactions with all Panel members and expert advisers.

Annex A: Participants list

1	Ms.	Maggie	Fox	CDM Policy Dialogue Panel Member
2	Mr.	Ross	Garnaut	CDM Policy Dialogue Panel Member
3	Mr.	Prodipto	Ghosh	CDM Policy Dialogue Panel Member
4	Ms.	Joan	MacNaughton	CDM Policy Dialogue Panel Member
5	Mr.	Mohammed Valli	Moosa	CDM Policy Dialogue Panel Member
6	Ms.	Margaret	Mukahana	CDM Policy Dialogue Panel Member
7	Mr.	Paul	Simpson	CDM Policy Dialogue Panel Member
8	Mr.	Nobuo	Tanaka	CDM Policy Dialogue Panel Member
9	Ms.	Changhua	Wu	CDM Policy Dialogue Panel Member
10	Mr.	Nigel	Purvis	CDM Policy Dialogue Panel Member
11	Ms.	Luiza	Almeida Curado	CDM Policy Dialogue Panel Adviser
12	Ms.	Ingrid	Burfurd	CDM Policy Dialogue Panel Adviser
13	Ms.	Vanessa	Cassano	CDM Policy Dialogue Panel Adviser
14	Ms.	Helle	Juhler-Verdoner	CDM Policy Dialogue Panel Adviser
15	Mr.	Akihiro	Kuroki	CDM Policy Dialogue Panel Adviser
16	Mr.	Crispian	Olver	CDM Policy Dialogue Panel Adviser
17	Ms.	Claudia	Pereira Amarante	CDM Policy Dialogue Panel Adviser
18	Ms.	Ritika	Tewari	CDM Policy Dialogue Panel Adviser
19	Mr.	Sergio Eduardo	Weguelin Vieira	CDM Policy Dialogue Panel Adviser Representing Luciano Couthino
20	Mr.	Naoyuki	Yamigishi	CDM Policy Dialogue Panel Adviser Representing Yolanda Kakbadse
21	Ms.	Margaret	Lo	CDM Policy Dialogue Panel Adviser

Secretariat staff supporting the meeting included Niclas Svenningsen, Conor Barry, Irini Rouboglou, Pedro Barata (consultant), Sharon Taylor, Lindita Xhaferi-Salihi, Samantha Carlsson, Flordeliza Andres, Robin Rix, Kishor Rajhansa, Sergey Makarov.

Annex B: Agenda

First Meeting of High-Level Panel on the CDM Policy Dialogue Bonn 14-15 February 2012

14 February

09.00 - 09.30:	Welcome by UNFCCC Executive Secretary and CDM Executive Board Chair
09.30 - 10.00	Introduction of meeting participants and support staff
10.00 - 10.30	ToR for the Panel and agenda for meeting
<i>10.30-11.00</i>	<i>Coffee/tea break</i>
11.00 - 12.00	Introduction to CDM and wider market developments
12.00 - 13.00	Voices from the public - Q&A with a few CDM experts
<i>13.00 - 14.00</i>	<i>Lunch</i>
14.00 - 16.00	Review of responses to Call for Input
<i>16.00 - 16.30</i>	<i>Coffee/tea break</i>
16.30 - 18.00	Structuring the Policy Dialogue
<i>18.30</i>	<i>Welcome dinner</i>

15 February

09.00 - 10.30	Rules & modalities for the work of the Panel
<i>10.30-11.00</i>	<i>Coffee/tea break</i>
11.00 - 12.30	Defining a work plan for the Policy Dialogue
<i>12.30 - 13.30</i>	<i>Lunch</i>
13.30 - 15.00	Defining a work plan (continued)
<i>15.00 - 15.30</i>	<i>Coffee/ tea break</i>
15.30 - 16.30	Scheduling of events
16.30 - 17.00	Election of chair and assigning other roles & responsibilities
17.00 - 17.30	Any other business
17.30 - 18.00	Summary and wrap-up

Annex C: Modalities and procedures for the high-level Panel of the CDM Policy Dialogue

Modalities of operation for the High-Level Panel of the CDM Policy Dialogue

A. Roles and responsibilities of Panel members

1. The 11 Panel members constitute the High-Level Panel for the Policy Dialogue. The Panel members are collectively responsible for conducting the Policy Dialogue according to the terms of reference provided by the CDM Executive Board.
2. Each Panel member has been invited to conduct the Policy Dialogue by the Executive Secretary of the Climate Change Secretariat and the Chair of the Executive Board. In this role members act in their personal capacity and do not represent any organization, country or constituency. The work of the Policy Dialogue, including the final report and the recommendations of the Panel, is to be conducted under the sole responsibility of the Panel.
3. Noting that the Chair shall act as the official spokesperson for the Panel each member may address stakeholders in their personal capacity rather than on behalf of the Panel.
4. Any member may be requested to represent the Panel in the conduct of its external business either through the Chair or by means of assignments in the workplan.

B. Roles of Senior Expert Advisors and other representation

5. Each Panel member may appoint one Senior Expert Adviser (SEA) to support them. A member may also appoint his/her SEA to represent him/her at any meetings of the Panel. SEAs attending meetings of the Panel in conjunction with the member shall be entitled to speak and engage in the business of the meeting. However, the Chair shall in managing the order of deliberations give priority to Panel members and SEAs acting as members.
6. The Panel composition is limited to the 11 Panel members, supported by one SEA each. In case the Panel member or his/her SEA is not able to participate in a Panel meeting, then the Panel member may nominate an alternate for that particular meeting only. Additional representatives may observe the meetings at the discretion of the Chair.

C. Role of the Chair

7. The role of the chair is to:
 - a) Ensure that the work of the Panel is conducted in a manner consistent with the terms of reference for the Policy Dialogue and any modalities of work agreed upon by the Panel;
 - b) Preside over meetings of the Panel, including:
 - i. Preparing the agenda and supporting documents following inputs from Panel members;

- ii. Monitoring progress through the agenda and ensuring that there is sufficient time to cover all issues on the agenda;
 - iii. Facilitating discussions with a view to encouraging contributions from all Panel members and ensuring that all perspectives are considered;
 - iv. Administering the decision-making process to be adopted by the Panel (e.g. consensus, voting, etc.);
 - v. Overseeing the involvement of participants other than Panel members within the meeting;
- c) Provide effective direction to the Panel in order to facilitate the Panel's progress in meeting the milestones set out in the terms of reference for the Policy Dialogue, including managing the delivery of assigned tasks and responsibilities by Panel members, SEAs and working groups;
 - d) Ensure effective communications between the Panel and the secretariat, including serving as the primary point of contact between the Panel and the secretariat;
 - e) Act as spokesperson on behalf of the Panel in its official capacity.

The chair will be elected by the Panel members through consensus at the first meeting of the Panel. If it not possible to achieve consensus, the chair will be elected through voting. The candidate receiving a majority of votes cast will assume the responsibility as chair for the duration of the Policy Dialogue.

- 8. The Panel may, at its own discretion, select a vice-chair to support, partner with, and represent the chair.

D. Other official roles in the Panel

- 9. The Panel may, at its own discretion, decide to appoint rapporteurs, chairs for working groups, or other positions from within the Panel. The role of such positions, and the way the positions are appointed, are to be decided by the Panel on a case-by-case basis.

E. Roles of stakeholders within meetings of the Panel or its working groups

- 10. The Panel will engage with a range of stakeholders in a variety of manners. These engagements shall be designed to ensure broad participation and adequate opportunity for a range of opinions to be fully expressed.
- 11. Prior to the commencement of any formal interactions the Chair shall inform the participants regarding the nature and style of planned interaction and shall be responsible for ensuring that such modalities are adhered to by all participants.

F. Role of the secretariat

- 12. The secretariat shall:
 - a) Prepare agendas for the meeting under the guidance of the Chair;
 - b) Support the preparation of background notes and research papers, if requested by the Panel;
 - c) Organize travel and meetings required for the work of the Panel;

- d) Engage additional experts as may be requested by the Panel, according to UN rules and regulations, and within the available budget for the Policy Dialogue;
- e) Support the Panel in maintaining the official record of the CDM Policy Dialogue;
- f) Support the work of the Panel in other ways, as may be requested by the Panel.

G. Transparency and conflict of interest

- 13. In order to safeguard the integrity of the Panel all members of the Panel and SEAs shall provide a declaration of interests to their fellow members through the Chair.
- 14. In cases where a member's interests would create a conflict in relation to any specific agenda item of the Panel's work the member will abstain from actively engaging in the Panel's work related to that agenda item. Statements about such conflicts of interest shall be recorded in the relevant meeting report. The same rule applies to SEAs.

H. Working methods

Transparency of work

- 15. The Panel will adopt an open, transparent and inclusive approach to conducting the Policy Dialogue. This will require the Panel to facilitate access to its work by stakeholders via:
 - The use of webcasts and other online communication methods;
 - Undertaking direct consultations on a regional basis.
- 16. The Panel, including any committees and working groups established by it, will conduct business in the following two modes:
- 17. "Listening mode": Sessions held in this mode shall be for the purpose of gathering and investigating inputs received from stakeholders. Such sessions shall normally be open to observers to ensure transparency and shall be conducted for the purpose of receiving information from interested parties. This may be done through a range of modes of interaction, including roundtable deliberations with a broad range of stakeholders, focused interactions with individual stakeholders, consideration of written inputs received, on-line discussions etc. The Panel may decide to conduct individual sessions, or parts of individual sessions, behind closed doors only if this is necessary to allow it to access sensitive information, which may cause harm to any stakeholder if publicly shared.
- 18. "Deliberation mode": Sessions held in this mode shall be for the purpose of undertaking in-depth consideration and assessment of information received and determining necessary actions to achieve the established work plan and mandate. The panel may decide to restrict access for observers to these meetings if required to allow an open and free discussion among the Panel members themselves.
- 19. Decisions about closing any session, or part of the session, to observers can be taken by a majority vote of Panel members.

Working and reporting language

20. The Panel will use English as its working language but will, when required for the effective participation of local stakeholders, arrange for interpretation if possible (financially and technically).
21. Any major studies and reports, including the final report from the panel, will be written in English, with the executive summary translated into the other five UN languages.

Voting

22. The Panel shall as far as possible seek consensus, especially with regard to recommendations provided in the final report. In cases when it is not possible to achieve consensus, a simple majority vote will be used to make decisions. For decisions regarding recommendations for the final report 8 votes in favour are required for the inclusion of a specific recommendation in the report. In cases where 3 members have diverging view, their view shall be reflected in the final report if so requested by the three members. Individual Panel members may record in the minutes any objections they may have to decisions taken through voting. The Panel is comprised of 11 Panel members, and therefore up to 11 votes can be cast.

I. Recording and reporting

23. Minutes of each meeting shall be prepared by the secretariat for endorsement by the Chair. These shall be provided to members of the panel within three working days of the end of the meeting. Minutes will be considered adopted if no objections are received within one week and shall be posted on the Policy Dialogue website thereafter. This shall also apply to the meetings of any working groups established by the Panel.
24. Progress reports and work plans shall be reviewed by the Chair, and submitted to the Panel for approval. Reports will be considered adopted if no objections from panel members have been raised within a week after the reports/plans have been made available by the Chair to the panel members.

Annex D: Action plan

Action	By when	Activity owner
<i>Meeting report</i>		
1. Provide draft meeting report to chair and vice chair	20 Feb	Secretariat
2. Circulate the meeting report to Panel members	22 Feb	Chair / Vice Chair
3. Post final report on website	29 Feb	Secretariat
<i>Declaration of interest</i>		
4. Propose format for declaration of interests	29 Feb	Secretariat
5. Adopt and the format for Declaration of interests	15 March	Panel
6. File Declarations of interests with chair and vice chair	30 March	Panel
<i>Meeting planning</i>		
7. Prepare a matrix of meetings, stakeholders, and regions, including a potential meeting plan for the Panel	24 Feb	Secretariat
8. Propose venues for second and third Panel meetings	24 Feb	Secretariat
9. Adopt the initial meeting plan, including venues for second and third Panel meetings	29 Feb	Panel
10. Prepare briefing notes for each stakeholder meeting	One week in advance of the meeting	Secretariat
11. Provide list of questions that the Panel members may use in the meetings	One week in advance of the meeting	SEA
12. Secure access to on-line collaboration tools	29 Feb	Secretariat
<i>Research activities</i>		
13. Draft research briefs submitted to SEA for review	29 Feb	Secretariat
14. Input to research briefs	5 March	Panel / SEA
15. Revise and adopt research briefs	9 March	Panel
<i>Engage outside research support</i>		
16. Based on identified needs for outside expertise, propose CV for suitable experts	14 March	Secretariat, SEA and Panel
17. Decide on what additional experts to engage	19 March	Panel
<i>Drafting of final report</i>		
18. Develop ToR for lead author for final report	7 March	secretariat
19. Provide suggestions/CV for suitable lead author candidates	12 March	Panel, SEA
20. Decide on lead author	15 March	Panel
21. Establish editorial committee	7 March	Chair/ Vice Chair

<i>Additional background information</i>		
22. Compile list of key documents and research	7 March	Secretariat
23. Provide a paper summarizing some pertinent research and reports	15 March	Secretariat
24. Provide overview paper of carbon policy and carbon market developments	29 Feb	Secretariat
25. Provide summary of relevant CMP decisions	29 Feb	Secretariat
26. Forward looking CDM analysis	TBD	Ross Garnaut
<i>Media & Communication</i>		
27. Prepare a media and communications plan	29 Feb	Secretariat
28. Adopt media and communications plan	7 March	Panel
29. Circulate proposed Policy Dialogue logos	20 Feb	Secretariat
30. Decide on logo (or no logo)	29 Feb	Panel