



Annex 1

TERMS OF REFERENCE FOR THE POLICY DIALOGUE ON THE CLEAN DEVELOPMENT MECHANISM

(Version 01.0)

I. Background

1. The Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board), at its sixty-third meeting, decided to launch a policy dialogue to review past CDM experience and help ensure the readiness and positioning of the CDM to meet the challenges of the post-2012 period. These terms of reference represent an overall set of activities, and actors and will require further elaboration during the early stages of the dialogue.

2. The necessity of such a policy dialogue arises from the need to address challenges to the future operation and development of the CDM, engage a wide range of representatives of civil society, policymakers and market participants in considering the future of the CDM, and incorporate the outcomes into the work of the Board and the secretariat, as well as the Board's contributions to the intergovernmental negotiations regarding the future of the CDM and the international climate regime.

II. Process and outcomes

3. The objective of the policy dialogue is to make recommendations regarding how to best position the CDM to respond to future challenges and opportunities and ensure the effectiveness of the mechanism in contributing to future global climate action, based on a wide-ranging assessment of experience, benefits and shortcomings of the CDM and engagement with civil society, policymakers and market participants.

4. The dialogue is to be conducted by a panel of distinguished members drawn from civil society, policymakers and market participants. The panel is to make its recommendations to the Board, which will consider them in the context of its annual report and recommendations to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP). The panel is to conduct the dialogue in an independent manner under its own responsibility. It is to select a chair and may establish working groups as necessary to conduct work of a more technical nature. The work of the panel is to be conducted in a transparent and balanced manner and it is to be supported by the secretariat.

5. The main output of the dialogue is to be the publication of a report addressing the objective set out in paragraph 3 above. It is expected that the report's recommendations will be of particular relevance to the ongoing intergovernmental negotiations on the future international climate regime, the revision by the CMP of the modalities and procedures of the CDM, and the work of the Board and the secretariat. The final report is to be available by September 2012.

6. The panel is to comprise up to 12 members, invited jointly by the Chair of the Board and the Executive Secretary of the UNFCCC, in consultation with the Board. The membership is to be authoritative and independent, and is to reflect a balance of regions, constituencies and expertise.

7. The panel is to ensure a wide and representative range of inputs and views in its work and the preparation of its report through the effective engagement of representatives, including from governmental, intergovernmental, business, environmental, research and other communities.



8. The panel is to interact with the Board and the secretariat to receive and take account of inputs.

III. Activities and milestones

9. The dialogue is to include the key activities and milestones outlined below. The panel is to undertake further detailed planning and provide periodic updates to the Board on the dialogue.

Date	Key activities and milestones
October 2011 (EB64)	Approval of the terms of reference for the dialogue Public call for inputs to suggest issues to be addressed in the dialogue, including the identification of external forces, challenges, opportunities, broad directions, etc.
October/November 2011	Invitations to potential members of the panel Preparation of a detailed plan and budget (for incorporation in the CDM management plan for 2012).
November/December 2011	Official dialogue launch at CMP 7 in Durban, South Africa, through an event with wide and high-level participation and strong media presence
February/March 2012	Release of a discussion paper/s to facilitate the consultation phase
March to July 2012	Consultation phase to engage with representatives, including from governmental, intergovernmental, business, environmental, research and other communities, for example through submissions, workshops, hearings, visits and working groups
By September 2012	Release of the final dialogue report

History of the document

Version	Date	Nature of revision(s)
01.0	EB 64, Annex 1 26 October 2011	Initial adoption.
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