

**Fifth Meeting of the Leaders' Representatives
of the Major Economies Forum on Energy and Climate**
Co-Chair's Summary

The fifth meeting at the Leaders' representative level of the Major Economies Forum on Energy and Climate met in London, United Kingdom, October 18-19, 2009. It was attended by officials from seventeen major economies, as well as the United Nations and Denmark, with ministerial observers from Lesotho and the Maldives participating in the session, and additional observers from Bangladesh, Costa Rica, Ethiopia, and Norway.

To contribute to success at the Copenhagen Climate Conference, countries focused on finding convergence among their views on finance, technology, mitigation pathways, how to reflect mitigation commitments and actions, and means to improve transparency and accountability.

On finance, there was substantial agreement:

- that significantly scaled up financing will be important;
- on the need for substantial public finance in addition to the private sector and carbon market;
- that public finance should take advantage of various financial tools to leverage significant investment that would not otherwise occur;
- that there are opportunities for the private sector to invest in least developed countries;
- that consideration should be given to a new fund and better use of existing mechanisms, possibly with multiple windows to support adaptation and mitigation, including technology and capacity building, governed in a balanced and equitable manner under the guidance and accountable to the Convention's Conference of the Parties (noting the distinction between political and operational issues), and designed to improve access to financing while respecting fiduciary standards;
- that existing delivery mechanisms should be reformed to be more effective and efficient;
- that increased predictability in the provision of finance was desirable;
- that funding should be in accordance with national priorities and consideration given to further use of programmatic approaches;
- that there should be further discussion on the level of finance;
- that G20 finance ministers should advance these discussions at their St. Andrews meeting in November.

We discussed the potential role of carbon markets to deliver private sector investment in developing countries, in addition to public finance. These flows could deliver significant benefits to developing countries in terms of both on the ground investment and environmental and energy security co-benefits.

Lord Stern (via video) and Nobuo Tanaka, Executive Secretary of the International Energy Agency, presented on pathways to stabilize concentrations at 450 ppm or limit temperature increase to 2 degrees C. Both emphasized that: all countries are undertaking significant actions; that these long-term goals are achievable; and that while the gap between current efforts and necessary reductions is narrowing, more needs to be done.

On mitigation architecture, the discussion focused on two distinct issues: how to “internationalize” mitigation targets/actions ex ante in some kind of listing; and how to report on and review their implementation in a transparent manner.

On listing, it was considered that it would be necessary to reflect the mitigation efforts that countries intend to take, with developed countries reflecting emission reduction targets and developing countries reflecting actions. Further consideration could be given to various options for listing intended actions, including the Australian schedules proposal and the Korean registry proposal.

On transparency, it was noted that review of developed country targets would look at implementation of quantitative outcomes and review of developing country actions would look at implementation of such actions. The use of national communications for transparency and accountability was noted; it was also noted that the frequency, timeliness, and content of national communications could be improved. In addition, it would be important for all countries except least developed countries to provide regular national emissions inventories using IPCC guidelines appropriate for their capabilities. “Party review,” which has been used in other fora, was suggested as a useful approach.

It was considered important to design both listings and transparency mechanisms to respect the sovereignty of countries.

Countries discussed the utility of Low Carbon Growth Plans for developed and developing countries; it was agreed that development strategies and priorities are sovereign decisions to be taken by each country. However, a number of countries expressed a view that such plans could help frame actions being taken in the near term in the context of longer term environmental goals. Countries also recognized the importance of developing a credible system that will enable those providing support to understand how their contributions will contribute to the objective of the Convention; in this context, strong concern was expressed that plans should not be a pre-condition for financing.

The Leaders’ representatives were apprised of the solid progress made on the eight technology action plans, which are on schedule for release on 15 November to articulate a menu of voluntary actions that MEF and other countries will undertake individually and multilaterally. The group agreed that it would be useful to establish an organized process for how to take this work forward and to monitor its future progress. Interest was expressed in potentially recognizing activities of the Global Partnership and other future technology collaboration under the Convention.

At a dinner of the Leaders’ representatives, it was noted that developing countries are developing ambitious REDD+ plans and financing their own efforts. The need for urgently and significantly scaled up international finance for REDD+ was discussed, ahead of linkage to the market. Such finance could be for capacity building, to leverage private sector investment and for payment by results, accommodating different national circumstances. It was suggested that existing institutions propose investment instruments and how to improve coherence.